2006 Annual Report

63rd/Ashland
Redevelopment Project Area

Pursuant to 65 ILCS 5/11-74.4-5(d)

JUNE 30, 2007
June 30, 2007

Ms. Kathleen A. Nelson  
First Deputy Commissioner  
Department of Planning and Development  
121 North LaSalle Street  
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the 63rd/Ashland Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.6-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City Departments.

Very truly yours,

Ernst & Young LLP

Ernst & Young LLP
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**ANNUAL REPORT – 63rd/Ashland Redevelopment Project Area in Compliance with Section (d) of 65 ILCS 5/11-74.4-5.**

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</table>
June 30, 2007

The Honorable Daniel Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Dear Comptroller Hynes:

We have compiled the attached information for the 63rd/Ashland Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-74.4-5(d).

Sincerely,

Kathleen A. Nelson
First Deputy Commissioner
(1) DATE OF DESIGNATION AND TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated on March 29, 2006. The Project Area may be terminated no later than March 29, 2029.

Note: Incremental tax revenues levied in the 23rd tax year are collected in the 24th tax year. Although the Project Area will expire in Year 23 in accordance with 65 ILCS 5/11-74.4-3(n)(J)(3), the incremental taxes received in the 24th tax year will be deposited into the Special Tax Allocation Fund.
63rd/Ashland Redevelopment Project Area
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(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

During 2006, no financial activity or cumulative deposits over $100,000 occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.
(3) MAYOR’S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

Please see attached.
STATE OF ILLINOIS  
COUNTY OF COOK  

CERTIFICATION

TO:

Daniel W. Hynes  
Comptroller of the State of Illinois  
James R. Thompson Center  
100 West Randolph Street, Suite 15-500  
Chicago, Illinois 60601  
Attention: June Tallamantez, Director of Local Government

Dolores Javier, Treasurer  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1149  
Chicago, Illinois 60606

Tim Mitchell, General Superintendent & CEO  
Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611

Peter C. Nicholson, Director  
Cook County Department of Planning & Development  
69 West Washington Street, Room 2900  
Chicago, Illinois 60602

Arne Duncan, Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

Dan Donovan, Comptroller  
Forest Preserve District of Cook County  
69 W. Washington Street, Suite 2060  
Chicago, IL 60602

Jacqueline Torres, Director of Finance  
Metropolitan Water Reclamation District of Greater Chicago  
100 East Erie Street, Room 2429  
Chicago, Illinois 60611

Martin Koldyke, Chairman  
Chicago School Finance Authority  
135 South LaSalle Street, Suite 3800  
Chicago, Illinois 60603

Douglas Wright  
South Cook County Mosquito Abatement District  
155th & Dixie Highway  
P.O. Box 1030  
Harvey, Illinois 60426

I, RICHARD M. DALEY, in connection with the annual report (the “Report”) of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq, (the “Act”) with regard to the 63rd/Ashland Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the “City”) and, as such, I am the City’s Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2006, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 29th day of June, 2007.

Richard M. Daley, Mayor
City of Chicago, Illinois
(4) OPINION OF LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)

Please see attached.
June 29, 2007

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Tallamantez, Director of Local Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1149
Chicago, Illinois 60606

Peter C. Nicholson, Director
Cook County Department of Planning & Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602

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541 North Fairbanks
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Douglas Wright
South Cook County Mosquito Abatement District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426

Martin Koldyke, Chairman
Chicago School Finance Authority
135 South LaSalle Street, Suite 3800
Chicago, Illinois 60603

Re: 63rd/Ashland
Redevelopment Project Area (the “Redevelopment Project Area”)

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the “City”). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”), in connection with the submission of the report (the “Report”) in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

In my capacity as Corporation Counsel, I have relied on the general knowledge and actions of the appropriately designated and trained staff of the Law Department and other applicable City Departments involved with the activities affecting the Redevelopment Project Area. In addition, I have caused to be examined or reviewed by members of the Law Department of the City the certified audit report, to the extent required to be obtained by Section 11-74.4-5(d)(9) of the Act and submitted as part of the Report, which is required to review compliance with the Act in certain respects, to determine if such audit report contains information that might affect my opinion. I have also caused to be examined or reviewed such other documents and records as were deemed necessary to enable me to render this opinion. Nothing has come to my attention that would result in my need to qualify the opinion hereinafter expressed, subject to the limitations hereinafter set forth, unless and except to the extent set forth in an Exception Schedule attached hereto as Schedule 1.

Based on the foregoing, I am of the opinion that, in all material respects, the City is in compliance with the provisions and requirements of the Act in effect and then applicable at the time actions were taken from time to time with respect to the Redevelopment Project Area.

This opinion is given in an official capacity and not personally and no personal liability shall derive herefrom. Furthermore, the only opinion that is expressed is the opinion specifically set forth herein, and no opinion is implied or should be inferred as to any other matter. Further, this opinion may be relied upon only by the addressees hereof and the Mayor of the City in providing his required certification in connection with the Report, and not by any other party.

Very truly yours,

Mara S. Georges
Corporation Counsel
SCHEDULE 1

(Exception Schedule)

(X) No Exceptions

( ) Note the following Exceptions:
(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)

During 2006, there was no financial activity in the Special Tax Allocation Fund.
(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

**TABLE 6**
DESCRIPTION OF PROPERTY PURCHASED BY THE MUNICIPALITY WITHIN THE TIF AREA

<table>
<thead>
<tr>
<th>STREET ADDRESS</th>
<th>APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY</th>
<th>PURCHASE PRICE</th>
<th>SELLER OF PROPERTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>6321 S Marshfield Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6201 S Honore St 1</td>
<td>N/A</td>
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<td>N/A</td>
</tr>
<tr>
<td>6326 S Hermitage Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6422 S Ashland Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6330 S Hermitage Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6333 S Marshfield Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6138 S Hermitage Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6345 S Hoyne Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6324 S Hoyne Ave 1</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>6138 S Wood St 1</td>
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<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6000 S Wolcott Ave 1</td>
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<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6016 S Wolcott Ave 1</td>
<td>N/A</td>
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<td>N/A</td>
</tr>
<tr>
<td>6023 S Wolcott Ave 1</td>
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<td>N/A</td>
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<tr>
<td>6237 S Winchester Ave 1</td>
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<td>6420 S Hoyne Ave 1</td>
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<tr>
<td>6351 S Hoyne Ave 1</td>
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<td>N/A</td>
<td>N/A</td>
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<tr>
<td>STREET ADDRESS</td>
<td>APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY</td>
<td>PURCHASE PRICE</td>
<td>SELLER OF PROPERTY</td>
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<tr>
<td>--------------------------</td>
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</tr>
<tr>
<td>6435 S Hoyne Ave</td>
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<td>5830 S Wolcott Ave</td>
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<td>5840 S Wolcott Ave</td>
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<td>5834 S Wolcott Ave</td>
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<tr>
<td>6348 S Bishop St</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6321 S Justine St</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5841 S Throop St</td>
<td>N/A</td>
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<tr>
<td>5830 S Elizabeth St</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5840 S Bishop St</td>
<td>N/A</td>
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<tr>
<td>6004 S Wolcott Ave</td>
<td>N/A</td>
<td>N/A</td>
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</tr>
<tr>
<td>5842 S Bishop St</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5839 S Throop St</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5844 S Bishop St</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

1 This property was acquired through the Tax Reactivation Program ("TRP"), under which the City instructs the County of Cook to make a no cash bid on certain tax-delinquent parcels. The City then pursues the acquisition in a court proceeding and receives a tax deed from the County after a court order is issued. The City pays court costs and certain incidental expenses for each parcel, which average between $2,000 and $2,500. The size and description of each parcel is usually not available.
(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)

(A) Projects implemented in the preceding fiscal year.
(B) A description of the redevelopment activities undertaken.
(C) Agreements entered into by the City with regard to disposition or redevelopment of any property within the Project Area.
(D) Additional information on the use of all Funds received by the Project Area and steps taken by the City to achieve the objectives of the Redevelopment Plan.
(E) Information on contracts that the City's consultants have entered into with parties that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
(F) Joint Review Board reports submitted to the City.
(G) Project-by-project review of public and private investment undertaken from 11/1/99 to 12/31/06, and of such investments expected to be undertaken in year 2007; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/06, and an estimated ratio of such investments as of the completion of each project and as estimated to the completion of the redevelopment project.

SEE TABLES AND/OR DISCUSSIONS ON FOLLOWING PAGES.
(7)(A) - 65 ILCS 5/11-74.4-5(d)(7)(A)

During 2006, no projects were implemented.

(7)(B) - 65 ILCS 5/11-74.4-5(d)(7)(B)

Redevelopment activities undertaken within this Project Area during the year 2006, if any, have been made pursuant to i) the Redevelopment Plan for the Project Area, and ii) any Redevelopment Agreements affecting the Project Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

(7)(C) - 65 ILCS 5/11-74.4-5(d)(7)(C)

TABLE 7(C)
AGREEMENTS ENTERED INTO WITH REGARD TO THE DISPOSITION & REDEVELOPMENT OF PROPERTY WITHIN THE PROJECT AREA

<table>
<thead>
<tr>
<th>STREET ADDRESS</th>
<th>APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY</th>
<th>PURCHASE PRICE</th>
<th>BUYER OF PROPERTY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1750 W. 61ST</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6430 S. SEELEY</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>6214 S. ASHLAND</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
(7)(D) - 65 ILCS 5/11-74.4-5(d)(7)(D)

The Project Area has not yet received any increment.

(7)(E) - 65 ILCS 5/11-74.4-5(d)(7)(E)

During 2006, no contracts were entered into by the City’s tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
63rd/Ashland Redevelopment Project Area
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(7)(F) - 65 ILCS 5/11-74.4-5(d)(7)(F)

Joint Review Board Reports were submitted to the City. See attached.

(7)(G) - 65 ILCS 5/11-74.4-5(d)(7)(G)

Since November 1, 1999, no public investment was undertaken in the Project Area. As of December 31, 2006, no public investment is estimated to be undertaken for 2007.
Report of proceedings of a hearing before the City of Chicago, Joint Review Board held on January 6, 2006, at 10:10 a.m., City Hall, Room 1003, Chicago, Illinois, and presided over by Mr. Eric Reese.

PRESENT:

MR. ERIC REESE, CHAIRMAN
MR. KENNETH C. GUTSCH
MS. SUSAN MAREK
MR. JOHN MCCORMICK

REPORTED BY: Accurate Reporting Service
200 N. LaSalle Street
Chicago, Illinois

By: Jack Artstein, C.S.R.

ACCURATE REPORTING SERVICE (312) 263-0052
MR. REESE: Good morning. Welcome to the Joint Review Board meeting. My name is Eric Reese. And to the left of me is --

MR. MCCORMICK: John McCormick with the City of Chicago.

MS. MAREK: Susan Marek, Board of Education.

MR. GUTSCH: Ken Gutsch, City Colleges of Chicago.

MS. ALLEN: Annetta Allen, public.

MR. REESE: Thank you very much for joining us today. For the record, my name is Eric Reese. I'm the representative of the Chicago Park District which under Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act is one of the statutory designated members of the Joint Review Board. Until the election of a chairperson I will moderate this Joint Review Board meeting.

For the record, there will be two meetings of the Joint Review Board. The first meeting is to review the proposed 63rd National Tax Increment Financing District.
The date of this meeting was announced at and set by the Community Development Commission of the City of Chicago at its meeting on December 13, 2005.

Notice of this meeting of the Joint Review Board was also provided by certified mail to each taxing district represented on the board which include the Chicago Board of Education, Chicago Community Colleges District 508, Chicago Park District, Cook County and the City of Chicago. Public notice of this meeting was also posted as of Wednesday, January 4, 2006 in various locations throughout City Hall.

When a proposed redevelopment plan would result in displacement of residents from ten or more inhabited residential units or would include 75 or more inhabited residential units the TIF Act requires that the public member of the Joint Review Board must reside in the proposed redevelopment project area.

In addition, if a municipality's housing impacts that determines that the
majority of the residential units in the proposed redevelopment project area are occupied by very low, low, or moderate income household as defined in Section 3 of the Illinois Affordable Housing Act, the public member must be a person who resides in a very low, low, or moderate income housing with the proposed redevelopment project area.

With us today is Ms. Annetta Allen. Are you familiar with the boundaries of the proposed 63rd and Ashland Tax Increment Financing Redevelopment Project Area?

MS. ALLEN: Yes, I am.

MR. REESE: What is the address of your primary residence?

MS. ALLEN: 6325 South Hamilton.

MR. REESE: Is such address within the boundaries of the proposed 63rd and Ashland Tax Increment Financing Redevelopment Project Area?

MS. ALLEN: Yes, it is.

MR. REESE: Have you provided a representative of the City of Chicago's
1 Department of Planning and Development with
2 accurate information concerning your income
3 and the income of any other members of the
4 household residing at such address?
5 MS. ALLEN: Yes.
6 MR. REESE: Based on the information
7 provided to you by the Department of Planning
8 and Development regarding applicable income
9 level of very low, low, or moderate income
10 household do you qualify as a member of very
11 low, low or moderate income household?
12 MS. ALLEN: Yes, I do.
13 MR. REESE: Ms. Allen, are you
14 willing to serve as the public member for the
15 Joint Review Board proposed 63rd and Ashland
16 Tax Increment Financing Redevelopment
17 Project Area?
18 MS. ALLEN: Yes.
19 MR. REESE: I'll entertain a motion
20 that Ms. Allen be selected as the public
21 member. Is there a motion?
22 MR. McCORMICK: So moved.
23 MR. REESE: All in favor please vote
24 aye.
COMMISSION IN CHORUS: Aye.

MR. REESE: Let the record reflect that Ms. Allen has been selected as the public member for the proposed 63rd and Ashland Tax Increment Financing Redevelopment Project Area.

Our next order of business is to select a chairperson for the Joint Review Board. Are there any nominations?

MR. McCORMICK: I nominate Eric Reese.

MR. REESE: Is there a second?

MS. MAREK: Second.

MR. REESE: All in favor?

COMMISSION IN CHORUS: Aye.

MR. REESE: Let the record reflect that I, Erie Reese, have been elected as chairperson and will now serve as chairperson for the remainder of this meeting.

As I mentioned, at this meeting we will be reviewing a plan for the proposed Tax Increment Financing District proposed by the City of Chicago. Staff of the City's
Department of Planning and Development and
law and other departments have reviewed this
planned amendment which is introduced by the
City's Community Development Commission on
December 13, 2005.

We will listen to a presentation
by the consultant on the plan. Following the
presentation we can address any questions
that the members might have for the
consultant or City staff. Amendment to the
TIF requires us to base our recommendation to
approve or disapprove the proposed 63rd and
Ashland Tax Increment Financing District on
the basis of the area and the plan satisfying
the plan requirements, the eligibility
criteria defined in the TIF Act and the
objectives of the TIF Act.

If the Board approves the planned
amendment the Board will then issue an
advisory non-binding recommendation by the
vote of the majority of those members present
and voting. Such recommendation shall be
submitted to the City within 30 days after
the Board meeting. Failure to submit such
recommendation shall be deemed to constitute
approval by the Board.

If the Board disapproves the
planned amendment the Board must issue a
written report describing why the planned
amendment failed to meet one or more of the
objectives of the TIF Act in both the plan
requirements and the eligibility
requirements of the TIF Act. The City will
then have 30 days to resubmit a revised plan.

The Board and the City must also
confer during this time to try and resolve
the issues that led to the Board’s
disapproval. If such issues cannot be
resolved or if the revised plan is
disapproved the City may proceed with the
plan and the plan can be approved only with
three fifths vote of the City Council
excluding positions of members that are
vacant and those members that are ineligible
to vote because of conflicts in interest.

We will now have a presentation
by Camiros Limited for the 63rd and Ashland
property.
MS. KAMPS LINDWALL: Hi. Good morning, I'm Jeanne Lindwall the principal consultant with Camiros Limited the consultants who prepared the redevelopment plan and we did a good part of the eligibility analysis along with Ernest -- Enterprises.

The proposed 63rd and Ashland TIF is irregularly shaped and is generally bounded by 53rd Street on the north, 69th Street on the south, Racine Avenue on the east, and the TFX Railroad and Hamilton Avenue on the west. The project area includes a mix of commercial and residential and public institutional and open space uses.

The project area is approximately 495 acres in size and contains a total of 3,234 tax parcels located on 122 tax blocks. Nine tax blocks are entirely improved and contain no vacant land. Six tax blocks are entirely vacant and the remaining 107 tax blocks contain a mix of improved property and vacant land.
Because of this mix of improved
and vacant land there are a total of 2164 tax
parcels that contain buildings and other
improvements. 1070 tax parcels are vacant.
There are 2007 buildings in the proposed
project area. 1857 or 92.5 percent of these
buildings were built in 1970 or earlier thus
meeting the 35 year age threshold under the
Act.

In order to designate TIF
district certain conditions must be present
within a project area. There are different
conditions that are used to qualify improved
property and vacant land under the state's
statute. Because there is so much vacant
land in the project area the evaluation
addressed the sets of criteria for both
improved property and for vacant land.

The eligibility analysis used to
determine whether the area qualifies for
designation under the TIF statute included
the following tasks: Exterior survey of the
condition and the use of each building, field
survey and environmental conditions
involving parking facilities, public
infrastructure, site access and general
property maintenance, analysis of existing
land uses and their relationships,
comparison of surveyed buildings, design
regulations, analysis of current planning,
building size and layout, review of
previously prepared plan studies and
discussions, reports and other data, an
analysis of real estate assessment data, and
a review of available building permit
records to determine the level of
development activity in the area.

The improved portions of the
project area meet the requirements for
designation as a conservation area. To
qualify at least 50 percent of the buildings
must be 35 years of age or older and at least
three of 13 factors that are defined in the
Act must be present.

As I noted earlier, 92.5 percent
of the buildings in the project area meet the
age requirements. And six of the required
factors are meaningfully present and
reasonably distributed in the project area. These include obsolescence, deterioration, presence of structures below minimum health standards, excessive vacancies, deleterious land use and layout, and lack of community planning.

Five additional conditions are present to a minor extent in the project area and are less well distributed. These include dilapidation, illegal use of structures, lack of ventilation, light and sanitary facilities, inadequate utilities and excessive land coverage.

Vacant land in the project area qualifies based on the presence of the following conditions. Diversity of ownership, tax and special assessment delinquencies, deterioration of structures of site improvements in areas adjacent to the vacant land, and lagging, already planning equalized assessed valuation.

And just as a note, on this map which shows existing land use, all of these parcels that are outlined in red represent
the vacant land within the project area.

As far as the redevelopment plan
is concerned the Plan seeks to encourage new
development on vacant land, vacant
commercial and residential land and the
redevelopment of deteriorating and obsolete
commercial properties that suffer from small
lot size, lack of off-street parking and poor
accessibility along the project’s commercial
corridors.

The Plan recognizes that new
private investment is needed to improve the
project area and revitalize these areas of
the community that form the core of the
project area.

The Plan seeks to reduce or
eliminate deleterious conditions in the
project area, provide for the orderly
transition of obsolete to more appropriate
land development patterns, create an
attractive environment that encourages new
commercial and residential development,
encourage redevelopment of vacant and
underutilized property, increase the supply
of affordable housing and improve public
facilities and amenities.

Public intervention is needed to
help stabilize the project area and achieve
the City's development area objectives for
the area including creation of stable
residential neighborhoods served by
appropriate commercial, public and private
facilities.

Between 2000 and 2004 demolition
permits significantly outnumbered permits
for new construction. Until the market
begins to recognize the economic potential
of the project area private investment is
unlikely to occur. The City recognizes that
it must take a more active role to stimulate
and support private investment. TIF is one
the tools that the City can use to help
improve conditions in the project area.

The land use plan which is shown
in this figure is intended to serve as a
guide for future land use improvements and
developments within the project area. The
land use category for the project area
include residential mixed use, public
schools and parks, and commercial and
residential and institutional mixed use
which is this orange area here and is shown
on 59th Street which is Ashland and 163rd
Street.

The project area, see, these uses
are all consistent with the redevelopment
goals of the TIF plan. The project area
contains a total of 2454 residential units.
As of June 23, 2005, 2345 were identified and
considered to be inhabited.

Because the focus of the plan is
on rehabilitation and infilled development
on vacant land demolition of occupied
residential units is not contemplated.
However, over the course of the life of the
TIF plan displacement of ten or more
inhabited residential units may occur
requiring the preparation of a housing
impact study. Should displacement occur the
City will make a good faith effort to ensure
that affordable replacement homes are
available and are near the project area.
Increased service demands for most taxing districts are expected to be moderate because they are already serving the area. Upon completion of the planning project all taxing districts will share the benefits of a substantially improved tax base.

Over the 23 year life of the TIF incremental property taxes are expected to be generated from new private development in the project area. These new property tax revenues may be available to support a variety of eligible redevelopment activity including infrastructure improvements, streetscape enhancement, rehabilitation and other eligible activities.

The 2004 EAV of the project area is approximately $49.8 million. By tax year 2030 following substantial completion of the redevelopment of the 63rd and Ashland redevelopment project area the EAV of the project area is estimated at approximately $89 million.

The estimated redevelopment
project costs include the following line
items and amounts: property assembly, $3
million; rehabilitation of existing
buildings, $4 million; public works and
improvements, $8.2 million; relocation,
$500,000; job training, retraining, -- of
work projects, $3 million; infra-subsidy, $2
million; professional services, $750,000;
cost of construction of low and very low
income housing, $5 million and daycare
services, $250,000. For a total project
budget of $26,700,000.

That concludes my presentation
and I'm available for questions.

MR. REESE: Are there any questions?

MS. KAMPS LINDWALL: Thank you.

MR. REESE: If there are no further
questions I will entertain an motion that
this Joint Review Board finds that the
proposed 63rd and Ashland Tax Increment
Financing Redevelopment Project Area
satisfies the redevelopment plan
requirements under the TIF Act, the
eligibility criteria defined in Section 11-
74.4-3 of the TIF Act, and the objectives of
the TIF Act, and that based on such findings
approve such a proposed plan under the TIF
Act. Is there a motion?

MR. McCORMICK: So moved.

MR. REESE: All in favor?

COMMISSION IN CHORUS: Aye.

MR. REESE: Let the record reflect
that the TIF has Board approval for proposed
63rd and Ashland Tax Increment Financing
Redevelopment Project Area under the TIF
Act. This will not actually adjourn the 63rd
and Ashland Joint Review Board meeting. Do I
have a motion?

MR. McCORMICK: So moved.

MR. REESE: All right, we will now --

COMMISSION IN CHORUS: Aye.

MR. REESE: All right.

MS. WORTHY: I think we need a brief
break here between meeting one and meeting
two.

MR. REESE: How long would you like
to take a brief break?

MS. WORTHY: Five minutes would be
fine.

MR. REESE: All right.

MS. WORTHY: We need to switch. We need a public member switch.

MR. REESE: All right. Thank you very much.

(Off the record.)
CITY OF CHICAGO
JOINT REVIEW BOARD

Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on January 6, 2006, at 10:10
a.m., City Hall, Room 1003, Chicago,
Illinois, and presided over by Mr. Eric
Reese.

PRESENT:

MR. ERIC REESE, CHAIRMAN
MR. KENNETH C. GUTSCH
MS. SUSAN MAREK
MR. JOHN MCCORMICK

REPORTED BY: Accurate Reporting Service
200 N. LaSalle Street
Chicago, Illinois

By: Jack Artstein, C.S.R.

ACCURATE REPORTING SERVICE (312) 263-0052
MR. REESE: Good morning. My name is Eric Reese. To the left of me is --

MR. MCCORMICK: John McCormick with the City of Chicago.

MS. MAREK: Susan Marek, Board of Education.

MS. PUTSCH: Ken Gutsch, City Colleges of Chicago.

MS. HODGE: Kit Hodge, Metropolitan Planning Council.

MR. REESE: We will now begin the discussion, the amended 105th Vincennes Joint Review Board meeting. For the record, my name is Eric Reese. I am the representative of the Chicago Park District which under Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act, is one of the statutory designated members of the Joint Review Board. Until the election of a chairperson I will moderate the Joint Review Board meeting.

This is a meeting to review the
proposed amendment to the 105th and
Vincennes Tax Increment Financing District.
The date of this meeting was announced at and
set by Community Development Commission of
the City of Chicago at its meeting of
December 13, 2005.

Notice of this meeting by the
Joint Review Board was provided by certified
mail to each taxing district represented by
the Board, represented on the Board which
includes the Chicago Board of Education,
Chicago Community Colleges District 508, the
Chicago Park District, Cook County and the
City of Chicago and the public member.

Public notice of this meeting was
also posted as of Wednesday, January 4, 2006
at various locations throughout City Hall.

Our first order of business is to
select a chairperson for the Joint Review
Board. Is there any nominations?

MR. McCORMICK: I recommend Eric
Reese.
MR. REESE: Is there a second?

MS. MAREK: Second.

MR. REESE: All in favor?

COMMISSION IN CHORUS: Aye.

MR. REESE: Let the record reflect that myself, Eric Reese, has been elected as chairperson and will now serve as chairperson for the remainder of the meeting.

As I mentioned, at this meeting we will be reviewing the proposed plan for the amended, for amending, for the amended 105th and Vincennes TIF District by the City of Chicago. Staff of the City’s Department of Planning and Development and other departments have reviewed the plan which was introduced by the City’s Community Development Commission on December 13, 2005.

We will listen to a presentation by the consultant on the plan. Following the presentation we can address any questions.
that the members might have for the 
consultant or City staff. 

Previous amendment to the TIF Act 
requires us to base our recommendation to 
approve or disapprove the amended 105th and 
Vincennes Plan on the basis of the area and 
the amended plan satisfied, and the amended 
plan satisfying the plan requirements, the 
eligibility criteria defined in the TIF Act, 
and the objectives of the TIF Act. 

If the Board approves the amended 
plan the Board will then issue an advisory 
non-binding recommendation by the quote of 
the majority of those members present and 
voting. Such recommendations shall be 
submitted to the City within 30 days after 
the Board meeting. Failure to submit such 
recommendations shall be deemed to 
constitute approval by the Board. 

If the Board disapproves a plan 
the Board must issue a written report 
describing why the amended plan in an area
failed to meet one of the objectives, failed
to meet one or more of the objectives of the
Act, and both the plan requirements and the
eligibility requirements of the TIF Act. The
City will then have 30 days to resubmit a
revised amended plan.

The Board and the City must also
confer during that time to try to resolve the
issues that led to the Board's disapproval.
If such issues cannot be resolved or if the
revised amended plan is disapproved the City
may proceed with the amended plan but the
amended plan can be approved only with three
fifth's vote of the City Council excluding
positions of members that are vacant and
those members that are ineligible to vote
because of conflicts of interest.

The presentation by Johnson
Research for the amended 105th and
Vincennes.

MS. MORONEY: Good morning everyone.
My name is Ann Moroney with Johnson Research
Group and I'll be presenting the amended plan to you today.

You've seen this before. The plan was adopted in 2001. Just to give you a sense of history of the 105th and Vincennes TIF, it was in 1997 the City of Chicago hired Turkel Pettigrew Allen and King to undertake an eligibility study and prepare a redevelopment plan. But the TIF, and the public hearing was filed, the Joint Review Board was held, but the TIF was not adopted.

In 1998 the City of Chicago considered alternatives land uses. Changes to the plan were made but the Plan did not go through public hearing or a Joint Review process and it remained idle.

Then in 2001 a new developer came to the City and proposed a revised residential development. So minor changes and updates were made to the Plan. The revisions at this time included changing the base year to 2000 from 1997 listing the tax

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parcels, i.e., EAV, or listing the EAV by tax parcels. Updating the development of some --
which upon the anticipated EAV was based and
changing the estimated EAV. Adding a one
page supplement to the eligibility study
that summarized the existing conditions as
of 2001. And identifying any consequent
impacts to the eligibility. No impacts were
found. And updated references were made to
the City's Affordable Housing Policy that
was included in the Plan.

The TIF was adopted on October 3, 2001. Shortly after this adoption the
developer filed for bankruptcy and the
development did not occur.

In 2003 a new developer came to
the City proposing a residential development
slightly modified from the earlier one.
Changes to the Plan required an amended
process and a full public hearing.

These changes included updating
language to reflect the City's current and

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standard TIF Plan language throughout the
Plan. Extending the estimated data of TIF
completion to 2024, a step that was not taken
when the Plan was first adopted. This allows
the Plan to maximize the full 23 year life of
the TIF. Also included in this modification
was language that wanted the City to access
the 24th year increment. The modifications
to the development program were also
included. And the project budget was also
revised with updated information.

The amendment plan went through
the public hearing process and was prepared
for adoption in 2003 but a mailing error
occurred and the plan was not amended, the
plan was not adopted.

The developer of that process
sold his interest to another developer who in
turn modified the program and modified their
program and today we present to you the 2003
amendments in addition to the modification
of the development program in the newest
current development.

Just for your information the changes that require an amendment, that require a full public hearing include adding additional parcels which has not happened. Substantially affecting the general land uses, which has not happened. Substantially changing the nature or extending the life of the redevelopment project. And one of the changes that we're doing is to extend the full life of the TIF to 24, so that is one of the items. Increasing the number of displaced households, that has not occurred. And increasing the project budget by one in -- and the budget hasn't increased since the 1997 preparation.

Just for, you have seen this project before, but this is an overview. The project area is 57.8 acres in size. It is the former site of the Chicago Bridge and Iron Works, primarily. It is founded by 103rd Street on the north, 107th Street on
the south, I-567 on the east and Vincennes Avenue on the west. There is 52 tax parcels in the budget area and it's eligibility that was adopted in 2001 is based on it being found to be a vacant blighted area and an improved blighted area.

A summary of the amended redevelopment plan that we present to you before. No changes to the land use plan. The land use plan called for a primarily residential blended commercial development. Public area where the Metra train station is and compatible open space and community facilities as well.

The proposed development, as you see in this board on your right, included 233 housing units which include condos, townhomes and single family detached homes. the estimated redevelopment project costs, the budget for the project is 14,150,000.

This includes an administration analysis and professional fees, property --
site prep and environmental remediation, public works and improvements, developer interest subsidies, taxing districts, capital costs, developer or daycare services and welfare work with job training.

The certified 2000 EAV, the base EAV, is listed at $1,268,074. After completion of the redevelopment project identified in the plan the anticipated EAV in year 2024 is estimated at $34 million.

The new, the updated development program identifies 233 units and it’s estimated that the impact to the schools will be slightly different, slightly lower than they had previously been impacted. So it’s estimated that 100 new elementary students may be generated by development of the project area and 32 high school students will be generated from the project area. CPS has identified or has indicated that the existing schools in the project area would be able to accommodate that many children.
And lastly, a housing impact was not recovered because the plan includes less than, fewer than ten inhabited housing units. So no housing impact was done in the past and is not needed at the present time.

That concludes the summary of the redevelopment plan. I’m happy to answer any questions if you have some.

MR. REESE: One quick one. The developer is building park --

MS. MORONEY: Yes. It will be a two acre park.

MR. REESE: Okay. Any further questions? Seeing there are no further questions I will entertain a motion that this Joint Review Board finds the proposed amended 105th and Vincennes Tax Increment Financing Redevelopment Project Area, the area plan satisfies the redevelopment plan requirements under the TIF Act, the eligibility criteria defined in Section 11-74.4-3 of the TIF Act and the objectives of
the TIF Act. And that based on such findings approve such an amended project.

MR. McCORMICK: So moved.

MR. REESE: Second?

MS. MAREK: Second.

MR. REESE: All in favor?

COMMISSION IN CHORUS: Aye.

MR. REESE: Let the record reflect that the Joint Review Board's approval of the amended 105th and Vincennes Redevelopment Plan under the TIF Act. I will consider a motion for adjournment.

MR. McCORMICK: So moved.

MS. MAREK: Second.

MR. REESE: Thank you very much.

(Whereupon, the meeting adjourned at 10:46 a.m.)
STATE OF ILLINOIS )
) SS.
COUNTY OF COOK )

I, JACK ARTSTEIN depose and
say that I am a verbatim reporter doing
business in the County of Cook and City of
Chicago; that I caused to be transcribed the
proceedings heretofore identified and that the
foregoing is a true and correct transcript of the
aforesaid hearing.

JACK ARTSTEIN

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 360 DAY OF
______
FEBRUARY, A.D. 2006.

NOTARY PUBLIC
(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE MUNICIPALITY - 65 ILCS 5/11-74.4-5(d)(8)(A)

During 2006, there were no obligations issued for the Project Area.
(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 2006, there were no obligations issued for the Project Area.
(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(d)(9)

During 2006, there were no tax increment expenditures or cumulative deposits over $100,000 within the Project Area. Therefore, no compliance statement was prepared.
(11) GENERAL DESCRIPTION AND MAP

The 63rd/Ashland Redevelopment Project Area is irregular in shape but encompasses certain properties in the area generally bounded by West 53rd Street on the north, West 65th Street on the south, South Ashland Avenue on the east and the CSX Railroad on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.