2006 Annual Report

Harrison/Central 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 Harrison/Central 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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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 Harrison/Central Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-74.4-5(d).

Sincerely,

[Signature]

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 July 26, 2006. The Project Area may be terminated no later than July 26, 2029.

Note: Incremental tax revenues levied in the 23\textsuperscript{rd} tax year are collected in the 24\textsuperscript{th} 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 24\textsuperscript{th} tax year will be deposited into the Special Tax Allocation Fund.
(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.
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 Harrison/Central 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
Harrison/Central Redevelopment Project Area
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(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

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

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

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

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

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

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

Re: Harrison/Central 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)

During 2006, the City did not purchase any property in the Project Area.
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(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)

During 2006, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.
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(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.
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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)

TABLE 7(G)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT *

<table>
<thead>
<tr>
<th>Projects Estimated To Be Undertaken During 2007</th>
<th>Private Investment Undertaken</th>
<th>Public Investment Undertaken</th>
<th>Ratio of Private/Public Investment</th>
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<td>Project 1: Loretto Hospital</td>
<td>$14,200,000</td>
<td>$7,000,000</td>
<td>2.0 : 1</td>
</tr>
<tr>
<td>Project 2: Neighborhood Improvement Fund (NIF) Program**</td>
<td>$2,000,000</td>
<td>$1,000,000</td>
<td>2.0 : 1</td>
</tr>
</tbody>
</table>

* Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenues. In contrast, each actual or estimated Private Investment reported here is, to the extent possible, comprised of payments financed by revenues that are not tax increment revenues and, therefore, may include private equity, private lender financing, private grants, other public monies, or other local, state or federal grants or loans.

** Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator as each ultimate grantee's rehabilitation work is approved under the program.
CITY OF CHICAGO
JOINT REVIEW BOARD

Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on April 7, 2006, at 10:00 a.m.
City Hall, Room 1003A, Conference Room,
Chicago, Illinois, and presided over by
Mr. Eric Reese.

PRESENT:
MR. ERIC REESE
MR. JOHN McCORMICK
MS. SUSAN MAREK
MS. KAY KOSMAL
MS. KEN GOTSCH
MR. JOHN HUNTER

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's Eric Reese from the Chicago Park District.

To my left is --

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

MS. MAREK: Susan Marek, the Chicago Board of Education.

MR. GOTSCHE: Ken Gotsch, City -- of Chicago.

MR. HUNTER: And John Hunter.

MR. REESE: Who's our public member.

For the record, my name is Eric Reese, I'm a representative of the Chicago Park District, which under Section 11-74.4-5 of the Tax Increment Allocation Redevelopment Act, is one of the statutorily designated members of the Joint Review Board.

Until the election of a chairperson, I'll moderate the Joint Review Board Meetings. For the record, this meeting of the Joint Review Board is to review the proposed Harrison/Central 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 the meeting of March 14th of 2006.

Notice of this meeting of the
Joint Review Board was also provided by
Certified Mail to each taxing district
represented by the Board, which includes the
Chicago Board of Ed, 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, April 5th, 2006
at various locations throughout City Hall.

While the proposed redevelopment
plan would result in the displacement of
residents at ten or more inhabited
residential units, but would include 75 or
more inhabited residential units, the TIP
Act requires that the public member of the
Joint Review Board must reside in the
proposed redevelopment budget area.

In addition, if a municipality
housing impact study determines that he
majority of residential units in the
proposed redevelopment project area are occupied by very low, low, or moderate income households 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 within the proposed redevelopment project area. With us today is John Hunter.

Sir, are you familiar with the boundaries of the proposed Harrison/Central Tax Increment Financing Redevelopment Project Area?

MR. HUNTER: Yes.

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

MR. HUNTER: 5414 West Jackson Boulevard.

MR. REESE: Is such address within the boundaries of the proposed Harrison/Central Tax Increment Financing Redevelopment Project Area?

MR. HUNTER: Yes.

MR. REESE: Have you provided the representatives of the City of Chicago's
Department of Planning and Development with accurate information concerning your income and the income of any other members of the household residing at such address?

MR. HUNTER: Yes.

MR. REESE: Based on the information provided to you by the Department of Planning and Development regarding applicable income levels for very low, low and moderate income households, do you qualify as a member of very low, low or moderate income households?

MR. HUNTER: Yes.

MR. REESE: Mr. Hunter, are you willing to serve as the public member for the Joint Review Board for the proposed Harrison/Central Tax Increment Financing Redevelopment Project Area?

MR. HUNTER: Yes.

MR. REESE: Thank you. I will entertain a motion.

MR. McCORMICK: So moved.

MR. REESE: Thank you.

MS. MAREK: Second.

MR. REESE: Appreciate it. Let the...
record reflect that John Hunter's been selected as the public member for the proposed Harrison/Central Tax Increment Financing Redevelopment Project Area.

Our next order of business it 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?

(Chorus of ayes.)

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

As I mentioned, at this meeting we'll be reviewing a plan for the proposed Tax Increment Financing District proposed by the City of Chicago. The staff of the City's department of Planning and Development -- and other departments have reviewed this
plan amendment which was introduced to the city's Community Development Commission on March 14th, 2006.

We will listen to a presentation by the consultant on the plan -- the presentation we can address any questions that the members may have with the consultant or City staff. An amendment to the TIP Act requires us to base our recommendations, to prove or disprove the proposed Harrison/Central Tax Increment Financing District on the basis of the area and the plant, satisfying the plant requirements.

The eligibility criteria defined in the TIP Act and the objectives of the TIP Act. If the Board approves the plan amendment, the Board will then issue an advisory non-binding recommendation by the voting 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 the plan amendment, the Board must issue a written report describing why the -- area failed to meet one or more of the objectives of the TIP Act and both the plan requirements and the eligibility criteria of the TIP Act.

The city then, 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 approval. If such issues can be resolved, and if the revised plan is disapproved, the city may proceed with the plan, but the plan can be approved only with three-fifths of the vote of City Counsel, excluding positional members that are vacant and those members who are ineligible due to conflict of interest.

We'll now have a presentation of the area by Ernst and Young.

MR. PILEWSKI: Thank you, Mr. Chairman, members of the Joint Review Board. My name is Joe Pilewski, I'm an Executive Director with Ernst and Young and today I'm
here to summarize the elements of our
redevelopment project and plan report for
the Harrison/Central Redevelopment Project
Area.

The boundaries of the proposed
area are displayed on the map that you’re all
looking at. To the north is West Madison
Street, to the west is South Austin
Boulevard, to the south is roughly the
Eisenhower Expressway and to the east is
South Laverne Avenue and South Laramie. It
should be noted that these X marks along the
boundary here represent the boundary of the
Madison/Austin Redevelopment Project Area.
And the boundaries to the south here, which
have these hash marks, represent the
boundaries of the Roosevelt/Cicero
Redevelopment Project Area.

And our survey firm, Brendan and
Peterman, has certified that our proposed
boundaries of the Harrison/Central
Redevelopment Project Area are adjacent to
both the Madison/Austin corridor
Redevelopment Project Area and the
Roosevelt/Cicero Redevelopment Project Area
that are currently in existence.

The qualifications for a
conservation area under state statutes
indicates that at least 50 percent of the
buildings in a proposed redevelopment
project area, or RPA, must be at least 35
years of age and three or more of 13
blighting factors must be present to a
meaningful extent, and reasonably
distributed throughout the RPA.

In addition it must be found that
the RPA has not been subject to sound growth
and development through investment by
private enterprise and is not likely to be
developed but for the establishment of the
RPA and the use of tax increment financing.

We surveyed, over the last
several months, the properties here with the
assistance and support of the City of Chicago
Public Planning and Development and the
office of Alderman Carruthers, alderman of
the 29th Ward. We came up with 5 of the 13
factors present to a meaningful extent.
Those factors are deterioration, illegal use of structures, obsolescence -- land use and layout and lack of community planning.

In addition we surveyed and researched the age of the properties within the RPA and found that over 90 percent of the structures are over 35 years of age. To provide a little more detail as to the eligibility criteria, I'd like to just mention a few items for each of the five factors that we found. More detail is listed in our report.

First, with regard to obsolescence, obsolescence was prevalent throughout many of the main structures proposed in the RPA, in particular Loretto Hospital's age. And Loretto Hospital is located at the southern quarter of the redevelopment project area, along West Flournoy Street, between West Flournoy and Harrison and the western boundary is South Central Avenue -- 300 block.

Loretto Hospital, which is the largest employer in the Austin Neighborhood,
it's aged and numerous expansion over it's
history have resulted in a facility which is
functionally obsolete. Expansion and
renovation of the hospital is needed to
modernize it’s rooms, many of which are over
40 years old, and increase and enhance it’s
emergency services.

The hospital’s current layout
and design have become ill-suited for the
original use due to narrow hallways,
constricted entries and exits and archaic
emergency room configuration. The hospital
will be required to reconfigure the area to
allow more ground level services within
several buildings, wider ingress, egress,
and a larger staging area for patients.

Moreover, various old buildings
within the district are currently vacant and
disuse is prominent. Numerous buildings
along Congress and VanBuren have fallen into
disuse and are currently boarded up.

Reconfiguration and rehabilitation of such
structures will result in substantial cost
to any future user and therefore render the
structure functionally obsolete.

Moreover, there are numerous vacant lots on nearly every street throughout the proposed RPA, including residential and commercial areas. The high incidence of excessively vacant buildings further indicates economic obsolescence as disuse is a strong indicator of obsolescence.

With regard to deterioration, visual surveys of the RPA which took place throughout the past several months identified at least 85 structures which were rated as deteriorated to a meaningful extent. These structures suffer from deterioration, and the distribution of these structures was throughout the RPA.

The defects included, but were not limited to, secondary building components such as doors, windows, porches, gutters, down spouts and fascia. Surface impurities was also found in parkways and vacant lots throughout the RPA. With respect to surface improvements, condition of
roadways, alleys, curbs, gutters, sidewalks, off street parking, surface storage areas showed evidence of deterioration including but not limited to cracking, crumbling, potholes, impressions, loose paving material and weeds protruding throughout the paved surfaces.

Of the 42 analyzed blocks in the project area, 27 analyzed lots were approximately 64 percent -- exhibit deterioration with respect to site improvement, structures and -- Illegal use of structures.

During an August 30th interview with 29th Ward Office Personnel and review of crime statistics from the City of Chicago Police Department, covering 1999 through 2003 as well as other sources, indicated that statistics shows that Austin Neighborhood suffers from a considerably higher incidence of the following types of crimes than the rest of Chicago. Those crimes include murder, aggravated assault, battery, criminal sexual assault, arson, drug related
crimes, burglary, robbery, theft and motor
vehicle theft.

Many of these crimes, although
they occur outside of buildings, may be
either planned or staged or occur inside
structures as well. The difference between
the Austin Neighborhood in these statistics
and the rest of the city as a whole is very
striking. The total number of crimes in the
above categories outpaced the city average
by 235 percent in '99, 229 percent in 2000,
243 percent in 2001, 236 percent in 2002 and
253 percent in 2003.

In terms of -- land use and
layout, the -- survey did reveal several
indications of this factor, multiple
expansions of the hospital again have
resulted in inefficient ingress and egress
in the emergency room, which is the highest
demand area for Loretto Hospital. This
coupled with the fact that the hospital
shares a parking lot with a neighboring Greek
Orthodox Church, which is located again,
between Flournoy and Harrison, along
Central, right adjacent to the hospital. So there's shared parking here which makes it difficult for emergency vehicles from the neighborhood to get into the emergency room, which is located on the western end of the hospital, and also difficult for vehicles coming this way to find hospital parking.

In addition to the parking and configuration layout for Loretto, there is not adequate parking for multi-family units throughout the district, which has created congestion and limited egress and ingress. Approximately 50 percent of the blocks within the RPA have inadequate parking, and this problem is complicated during times of high snow, obviously.

These results of these observations also support at the same time our lack of community planning criteria, which shows that in this area approximately 49 percent of the residences are designated as multi-family residences and many of these are over 70 years of age and have numerous
apartments with no parking for residents.

Just to highlight how important, how significant that statistic is, over time, 70 years ago there were approximately 27 million vehicles in the United States. In 2000, according to federal statistics, there were over 220 million vehicles. That's a 10-fold increase. So now, you can imagine when these apartments were built, there were very few, there were 1/10, roughly, of the cars that there are today. And so, if you could imagine a 10-fold increase in cars, what that does in terms of parking in the community.

That concludes the eligibility portion of the presentation. I'll stop there before I get into the Housing Impact and Redevelopment Project to see if there's any questions.

MR. HUNTER: May I ask a question?

MR. PILEWSKI: Yes.

MR. HUNTER: I noticed that you spoke a lot about Loretto Hospital and so on, in this whole process where you discuss what will happen to that hospital, or those blocks
that have inadequate facilities and the
parking and all that you just mentioned,
would you discuss what will happen to all
that in this redevelopment?

MR. PILEWSKI: We will discuss what
is possible.

MR. HUNTER: What is possible, that's
good.

MR. PILEWSKI: As you know, the
district lasts for 23 years, we think the
issues and the challenges that have been
built up over 70 years will take a whole 20
years to fix, if you will.

MR. HUNTER: To fix, okay.

MR. PILEWSKI: But, I plan to discuss
that during the Redevelopment Project
Portion of the presentation.

MR. HUNTER: Okay, very good, thank
you.

MR. PILEWSKI: Any other questions?
I'm now going to touch briefly on the housing
impact study. The Housing Impact Study
includes an acquisition map which identifies
potential commercial vacant parking lots
that may be acquired along commercial
development corridors.

One of the observations we made
during our survey was that there is access to
the Eisenhower Expressway here on Laramie,
and full access on Central. And given the
traffic flow, and given the fact that West
Harrison Street here is a major
thoroughfare, we noticed that West Harrison
had many properties that were just vacant or
underutilized or just surface parking lots,
gravel-type parking lots.

What we hypothesized is that in
the future, with the use of -- perhaps some
retail development or commercial development
could be put in place along Harrison. And
the reason why I bring this up during the
Housing Impact portion of the presentation
is that in the acquisition map there are no
properties that have been identified that
are residential in nature. So there's no
inhabited residential units that have been
identified as being on the acquisition list.
The only ones that have been identified are in this commercial corridor right here. And they’ve been identified as future potential acquisitions if there is a, let’s say a major proposed commercial development where they need several larger pieces of property, then the property owners would be approached within accordance with city policy.

The study also, so I wanted to make a clear point that the acquisition map does not identify any residential properties. The study also provides useful information about the residential nature of the RPA.

MR. REESE: That’s all. Thank you Joe.

MR. PILEWSKI: Here, here is the acquisition map. As you can see it’s all along this commercial corridor here.

With regard to residential nature, there are approximately 2,012 buildings in the proposed RPA, which include over 2,400 apartments and nearly 1,000
single family homes. An estimated 86 percent of the residential units became two or more bedrooms.

In terms of demographics which the state law calls for measuring, an estimated 98 percent of the RPA residents are African American, approximately 1 percent are Latino/Hispanic, and about ¾ percent are Caucasian, the balance being Asian and other categories.

And then finally, an estimated 38 percent of the residents in the RPA are low income or very low income, and 20 percent are from moderate income households. When one combines the aging character of the community and infrastructure with 50 percent low or moderate income households, it really makes, it brings the point across that some assistance needs to be put in place here to, financial assistance, in order to improve the infrastructure and repair the structures in order to keep this area from becoming a blighted area in the future.

I’ll stop there and ask if
there's any questions on the Housing Impacts.

MS. MAREK: So there's no land acquisition targeted for Loretto Hospital?

MR. PILEWSKI: That's correct. Any other questions? If not I'd like to move on to the Redevelopment Project. Given all the research I've just described, the city, along with Ernst and Young and the alderman, Alderman Carruthers' office, came up with the following Redevelopment Project Objectives. To provide site which are conducive to commercial and residential development through activities such as demolition, rehabilitation; encourage the use and maintenance of commercial residential land; upgrade infrastructure throughout the RPA; undertake appropriate environmental remediation where necessary; support job training programs and provide employees living in the area with skills necessary to maintain jobs in the RPA; to prepare and replace the infrastructure where needed, including roads, sidewalks, public

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utilities and other public infrastructure; promote women-owned and minority-owned businesses and Affirmative Action programs; renovate and expand existing healthcare facilities, including Loretto Hospital; preserve the historic and architecturally significant character of the project area. And one point I wanted to mention was Columbus Park has been on the National Register of Historic places since the early '90's. So there are a number of other properties which have significant historic character throughout the neighborhood, and improve the appearance of commercial storefronts, including facade treatment, lighting, color, materials, awnings; and -- the enhancements that are compatible with historic and architectural significance in the area.

The estimated redevelopment project costs for, well, before I get into that, one of the specific projects that has been discussed is Loretto Hospital potential expansion. As was mentioned, they are really
challenged right now, often times they are at full capacity. Their emergency unit is often at a point where it cannot receive additional patients from the community, and, you know, the emergency room setting -- configuration does not allow for quick entry and exit of patients.

And so there's possibility with the approval of TIP that Loretto Hospital would be able to do a significant expansion and improvement to the Emergency Room facilities, and renovation of all the patient rooms. That would be something that they're talking about within the next three to five years.

Longer term they're looking at the possibility of development of a new professional office building, which would generate jobs and opportunity in the community, on property that they already own. There, along with that they're investigating the potential for daycare services for the community which would help support job opportunities.
Over 30 percent of the households in the community are single parent households so daycare is greatly needed in the area. They're looking at the creation of a new Dialysis Center, the creation of a Woman's Health Center as well, and enhancements to hospital technology.

Another major program that has been discussed at community meetings and as of last night I believe we have held so far through the Office of Chamber of Commerce and the alderman's office, for communities that -- and we received a lot of input and had direct participation, obviously, with the Department of Planning and Development where they spoke of the NIT program.

One of the major needs in the area that we talked about was the need for improvements to the housing stock. There was great interest in the -- program expressed, that's one of the key initiatives that the alderman is going to seek right after this, if this TIP is approved, I should say.

MR. HUNTER: Before you, may I ask a
question before you leave Loretto Hospital, what about the parking? Did they, what is in the plans for the sharing the parking with the church? Once the church goes away what would happen to the parking?

MR. PILEWSKI: Right now we, the church is there to stay as far as I've heard, but I think what they're looking at longer term, because improving parking doesn't immediately impact patient -- so that's something that is beyond the three to five year horizon.

If there was a parking improvement to be done -- owned some property adjacent just to the west of their current parking lot -- and what they would be investigating potentially is a deck parking garage there, maybe a couple stories. That might, that may come in terms of timing along with the professional office building.

MR. HUNTER: Yes.

MR. PILEWSKI: And daycare facility.

MR. HUNTER: Sounds fine, thank you.

MR. PILEWSKI: Any other questions
about -- project? If not I'll, I'll stop there. Thank you, Mr. Chairman.

MR. REESE: Appreciate it. If there are no further questions I'd entertain a motion that this Joint Review Board finds that the Proposed Harrison/Central Tax Increment Financing Redevelopment Project Area satisfies the redevelopment plan requirements under the TIP Act, the eligibility criteria defined in Section 11-74.4-3 of the TIP Act and the objectives of the TIP Act, that based on such findings, approve such a proposed plan under the TIP Act. Is there a motion?

MR. MCCORMICK: So moved.

MR. REESE: Second?

MS. MAREK: Second.

MR. REESE: All in favor?

(Chorus of ayes.)

MR. REESE: Let the record reflect the Joint Review Board's approval of the proposed Harrison/Central Tax Increment Financing and Redevelopment Project Area under the TIP Act. Thank you very much.
Is there a motion to adjourn?

MR. McCORMICK: So moved.

MS. MAREK: Second.

MR. REESE: Thank you very much.

(Whereupon the above matter was concluded.)
STATE OF ILLINOIS  
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 27th DAY OF APRIL, 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.
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(11) GENERAL DESCRIPTION AND MAP

The Harrison/Central Redevelopment Project Area is generally bounded by West Madison Avenue on the north, the Eisenhower Expressway on the south, South LaVergne and South Laramie Avenues on the east, and South Austin Boulevard 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.