
2010 Annual Report

**79th Street Corridor
Redevelopment Project Area**



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

JUNE 30, 2011



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12/ 31 /2010

TIF Administrator Contact Information

First Name: Andrew J.
 Address: City Hall 121 N. LaSalle
 Telephone: (312) 744-0025
 E-Mail: TIFReports@cityofchicago.org

Last Name: Mooney
 Title: TIF Administrator
 City: Chicago, IL Zip: 60602

I attest to the best of my knowledge, this report of the redevelopment project areas in:
City/Village of Chicago is complete and accurate at the end of this reporting
 Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
 Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Andrew J. Mooney 6.24.11

Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*

FILL OUT ONE FOR EACH TIF DISTRICT

Name of Redevelopment Project Area	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	3/12/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2028
43rd/Cottage Grove	7/8/1998	7/8/2021
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12 / 31 /2010

63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	11/17/2016
73rd and Kedzie	11/17/1993	11/17/2016
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	7/8/2021
79th Street Corridor	7/8/1998	12/31/2025
79th Street/Southwest Highway	10/3/2001	12/31/2029
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	5/16/2013
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin/Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/ Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/210	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chatham-Ridge	12/18/1986	12/31/2010 (1)
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Chinatown Basin	12/18/1986	12/31/2010
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028

(1) This TIF has been terminated; however, the sales tax portion continues to exist for the sole purpose of servicing outstanding obligations which may be retired early at which point the sales tax portion will also terminate.



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12 / 31 / **2010**

Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	3/15/2014
Division-Hooker	7/10/1996	7/10/2019
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	10/7/2016
Edgewater	12/18/1986	12/18/2009
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	11/29/2012
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	7/13/2017
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Grand Trunk	12/15/1993	12/15/2016
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	10/14/2011
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	3/12/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	11/5/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2028
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	11/2/2017
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago
 County: Cook
 Unit Code: 016/620/30

Reporting Fiscal Year: **2010**
 Fiscal Year End: 12 / 31 / **2010**

Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	9/13/2012
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	4/9/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/ Cicero	2/16/2000	12/31/2024
Peterson/ Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/5/2013
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	7/24/2014
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	3/9/2012
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	6/10/2021
Touhy/Western	9/13/2006	12/31/2030



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER JUDY BAAR TOPINKA**

Name of Municipality: Chicago
County: Cook
Unit Code: 016/620/30

Reporting Fiscal Year: **2010**
Fiscal Year End: 12 / 31 / **2010**

Weed/Fremont	1/8/2008	1/8/2032
West Grand	6/10/1996	6/10/2019
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Ridge-Peterson Avenue	10/27/1986	12/31/2010
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2024
Western Avenue South	1/12/2000	12/31/2030
Western/Ogden	2/5/1998	2/5/2021
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area: 79th Street Corridor Redevelopment Project Area	
Primary Use of Redevelopment Project Area*: Combined/Mixed	
If "Combination/Mixed" List Component Types: Industrial/Commercial/Residential	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

Reporting Year	Cumulative *
----------------	--------------

Fund Balance at Beginning of Reporting Period \$ 3,767,873

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	998,154	\$ 5,989,682	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	3,929		0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers in from Municipal Sources (Porting in)			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period 1,002,083

Cumulative Total Revenues/Cash Receipts \$ 5,989,682 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 38,974

Transfers out to Municipal Sources (Porting out)

Distribution of Surplus

Total Expenditures/Disbursements 38,974

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS 963,109

FUND BALANCE, END OF REPORTING PERIOD \$ 4,730,982

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.*

Name	Service	Amount
City Staff Costs ¹	Administration	\$16,864
Production Distribution Companies	Public Improvement	\$11,410

¹ Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
 Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period
 (65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

FUND BALANCE, END OF REPORTING PERIOD \$ 4,730,982

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Reserved for debt service	\$ -	\$ -

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		
Designated for future redevelopment project costs		\$ 4,730,982

Total Amount Designated for Project Costs \$ 4,730,982

TOTAL AMOUNT DESIGNATED \$ 4,730,982

SURPLUS*/(DEFICIT) \$ -

*NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X No property was acquired by the Municipality Within the Redevelopment Project Area

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)
 Please include a brief description of each project.

See "General Notes" Below.

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
--	-----------------	---	-------------------------------------

TOTAL:			
Private Investment Undertaken	\$ -	\$ -	\$ 1,000,000
Public Investment Undertaken	\$ -	\$ 166,667	\$ 500,000
Ratio of Private/Public Investment	0		2

Project 1:			
Small Business Improvement Fund (SBIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 1,000,000
Public Investment Undertaken		\$ 166,667	\$ 500,000
Ratio of Private/Public Investment	0		2

** 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.

*** As of the last date of the reporting fiscal year, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the fiscal year in which the construction of the Project is completed and the total Private Investment figure is available.

General Notes

(a) 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.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

Attachment B

CERTIFICATION

TO:

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Jean-Claude Brizard
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

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

Herman Brewer
Director
Cook County Bureau of Planning & Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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

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

Michael P. Kelly, Interim General
Superintendent & CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

I, Rahm Emanuel, 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 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the 79th Street Corridor Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

Attachment B

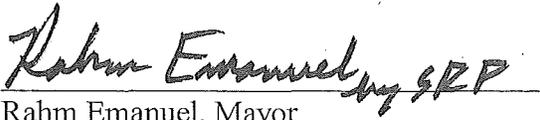
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2010, 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 30th day of June, 2011.


Rahm Emanuel, Mayor
City of Chicago, Illinois



DEPARTMENT OF LAW

June 30, 2011

CITY OF CHICAGO

Attachment C

Judy Baar Topinka
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: June Canello, Director of Local
Government

Jean-Claude Brizard
Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1125
Chicago, Illinois 60606

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

Herman Brewer
Director
Cook County Bureau of Planning & Dev.
69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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

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

Michael P. Kelly, Interim General
Superintendent & CEO
Chicago Park District
541 North Fairbanks
Chicago, Illinois 60611

Re: 79th Street Corridor
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. 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.

Attachment C

Opinion of Counsel for 2010 Annual Report
Page 2

June 30, 2011

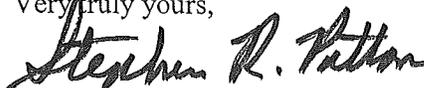
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following 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 Housing and Economic Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), 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,



Stephen R. Patton
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

- No Exceptions
- Note the following Exceptions:

ATTACHMENTS D, E and F

ATTACHMENT D

Activities Statement

Projects that were implemented during the preceding fiscal year, if any, are set forth below:

<u>Name of Project</u>
Small Business Investment Fund

Redevelopment activities undertaken within this Project Area during the preceding fiscal year, 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 in Section 3 herein by TIF-eligible expenditure category.

ATTACHMENT E

Agreements

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year, if any, are attached hereto.

<u>Parties to Agreement with City</u>	<u>Project Description</u>	<u>Address</u>
Halsted New City Retail, LLC	Construction of Mixed Use Property	7944-7952 S. Halsted

ATTACHMENT F

Additional Information

The amounts shown elsewhere in this report, including those shown in Section 3 herein, have been used to pay for project cost within the Project Area and for debt service (if applicable), all in furtherance of the objectives of the Redevelopment Plan for the Project Area.

2/10/2010

REPORTS OF COMMITTEES

83847

CHICAGO, February 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration the reappointments of Joseph M. Hall and Janice L. Metzger as members of the Wicker Park and Bucktown Commission (Special Service Area Number 33), having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* the proposed reappointments transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and the said proposed reappointments of Joseph M. Hall and Janice L. Metzger as members of the Wicker Park and Bucktown Commission (Special Service Area Number 33) were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Fioretti, Dowell, Preckwinkle, Hairston, Lyle, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Maldonado, Burnett, E. Smith, Reboyras, Suarez, Waguespack, Mell, Colón, Rice, Mitts, Allen, Laurino, O'Connor, Doherty, Reilly, Daley, Tunney, Shiller, Schuller, M. Smith, Moore, Stone -- 46.

Nays -- None.

Alderman Pope moved to reconsider the foregoing vote. The motion was lost.

CREATION OF 79TH STREET CORRIDOR, 47TH/KING DRIVE AND ARMITAGE/PULASKI SMALL BUSINESS IMPROVEMENT FUND AREAS AND EXECUTION OF TWENTY-FIFTH AMENDING AGREEMENT TO ADMINISTRATIVE SERVICES AGREEMENT WITH SOMERCOR 504, INC.

[O2010-165]

The Committee on Finance submitted the following report:

CHICAGO, February 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing an amendment to the small business improvement fund program, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

On motion of Alderman Burke, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas-- Aldermen Fioretti, Dowell, Preckwinkle, Hairston, Lyle, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Olivo, Burke, Foulkes, Thompson, Thomas, Lane, Rugai, Cochran, Brookins, Muñoz, Zalewski, Dixon, Solis, Maldonado, Burnett, E. Smith, Reboyras, Suarez, Waguespack, Mell, Colón, Rice, Mitts, Allen, Laurino, O'Connor, Doherty, Reilly, Daley, Tunney, Shiller, Schulter, M. Smith, Moore, Stone -- 46.

Nays -- None.

Alderman Pope moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, By an ordinance adopted by the City Council of the City ("City Council") on July 21, 1999, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* ("Journal") for said date at pages 8307 to 8344, inclusive (the "Program

Ordinance”), the City implemented a redevelopment program known as the Small Business Improvement Fund program (the “Program”) to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas of the City; and

WHEREAS, By ordinances adopted by the City Council, the first on November 8, 2000, and published in the *Journal* for said date at pages 43877 to 43930, inclusive (the “First Amending Ordinance”) and the most recently introduced on December 16, 2009 (the “Twenty-Fourth Amending Ordinance”, collectively with the Program Ordinance, the First Amending Ordinance and the other amending ordinances, the “S.B.I.F. Ordinance”), the City has restated and refined the Program and extended its reach to additional redevelopment project areas of the City; and

WHEREAS, The City Council now desires to extend the Program to three Redevelopment Project Areas of the City (New T.I.F./S.B.I.F. Areas”), which are identified on Exhibit A attached hereto and incorporated herein, and that are not already reached under the S.B.I.F. Ordinance; and

WHEREAS, By an ordinance adopted by the City Council of the City on May 1, 2002 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83769 to 83781, inclusive (“Second Amending Ordinance”), the City Council authorized D.C.D. to fund the Program in the Western Avenue North Redevelopment Project Area (“Western Avenue North Area”) in an amount not to exceed One Million Dollars (\$1,000,000); and

WHEREAS, As part of the Program, the One Million Dollar (\$1,000,000) funding authorized by the Second Amending Ordinance was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Western Avenue North Area; and

WHEREAS, By an ordinance adopted by the City Council of the City on December 4, 2002 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 100124 to 100135, inclusive (“Third Amending Ordinance”), the City Council authorized D.C.D. to fund the Program in the Madison/Austin Corridor Redevelopment Project Area (“Madison/Austin Corridor Area”) in an amount not to exceed Seven Hundred Fifty Thousand Dollars (\$750,000); and

WHEREAS, As part of the Program, the Seven Hundred Fifty Thousand Dollar (\$750,000) funding authorized by the Third Amending Ordinance was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Madison/Austin Corridor Area; and

WHEREAS, The City Council, under the S.B.I.F. Ordinance, authorized D.C.D. to enter into an agreement with SomerCor 504, Inc., an Illinois not-for-profit corporation (“SomerCor”), and D.C.D. entered into such agreement on March 12, 2001, which agreement continues in full force and effect, as amended from time to time, pursuant to which SomerCor performs

certain administrative services for the Program, and D.C.D. now desires to further amend that agreement by entering into a twenty-fifth amending agreement (the "Twenty-Fifth Amending Agreement") with SomerCor to (a) extend the Program into the New T.I.F./S.B.I.F. Areas; (b) increase the amount of grant funds available in the Madison/Austin Corridor Area by an additional Seven Hundred Fifty Thousand Dollars (\$750,000) to a total, collective amount of One Million Five Hundred Thousand Dollars (\$1,500,000); (c) increase the amount of grant funds available in the Western Avenue North Area by an additional One Million Dollars (\$1,000,000) to a total, collective amount of Two Million Dollars (\$2,000,000); and (d) authorize SomerCor to continue providing the same administrative services for the Program, which Twenty-Fifth Amending Agreement is set forth in more detail on Exhibit B, attached hereto and incorporated herein; and

WHEREAS, The City's obligation to provide funds under the Twenty-Fifth Amending Agreement may be met through (i) incremental taxes from the New T.I.F./S.B.I.F. Areas, the Madison/Austin Corridor Area and the Western Avenue North Area, as applicable; or (ii) any other funds legally available to the City for this purpose; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. SomerCor is hereby authorized to administer the Program in the New T.I.F./S.B.I.F. Area, subject to the supervision of D.C.D.

SECTION 3. The Commissioner (or Acting Commissioner) of D.C.D. or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Twenty-Fifth Amending Agreement between SomerCor and the City substantially in the form attached hereto as Exhibit B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Twenty-Fifth Amending Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Twenty-Fifth Amending Agreement.

SECTION 4. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. All sections of the S.B.I.F. Ordinance in conflict with this ordinance are hereby repealed to the extent of such conflict. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 5. This ordinance shall be effective as of the date of its passage.

Exhibits "A" and "B" referred to in this ordinance read as follows:

Exhibit "A".
(To Ordinance)

Description Of New T.I.F./S.B.I.F. Areas.

The following New T.I.F./S.B.I.F. Areas were created pursuant to the ordinances listed below:

on July 8, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th Street Corridor Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th Street Corridor Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 79th Street Corridor Redevelopment Project Area"; and

on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/King Drive Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/King Drive Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th/King Drive Redevelopment Project Area"; and

on June 13, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Armitage/Pulaski Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Armitage/Pulaski Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Armitage/Pulaski Redevelopment Project Area."

Exhibit "B".
(To Ordinance)

*Twenty-Fifth Amending Agreement To
Administrative Services Agreement.*

This Twenty-Fifth Amending Agreement to Administrative Services Agreement (the "Agreement") is made this ___ day of _____, 2010, by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Community Development ("D.C.D."), and SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor") whose office address is Two East Eighth Street, Chicago, Illinois 60605 and whose federal tax identification number is [omitted for printing purposes].

Whereas, The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

Whereas, By ordinances adopted by the City Council of the City on July 21, 1999 and on November 8, 2000, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said dates at pages 8307 to 8344, inclusive, and pages 43877 -- 43930, inclusive, respectively (the "S.B.I.F. Ordinances"), the City implemented and amended a redevelopment program known as the Small Business Improvement Fund program (the "S.B.I.F. Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas ("T.I.F. Areas") in the City; and

Whereas, The City Council, under the S.B.I.F. Ordinances, authorized D.C.D. to enter into agreements with SomerCor, and D.C.D. and SomerCor entered into one agreement on September 22, 1999 ("First SomerCor Agreement") and another agreement on March 12, 2001 ("Second SomerCor Agreement"), to administer the S.B.I.F. Programs on behalf of the City; and

Whereas, In an ordinance adopted by the City Council on October 31, 2001 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 69965 through 70047, inclusive (the "Midwest T.I.F. Area Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Midwest T.I.F. Area (the "Midwest T.I.F. Area Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on May 1, 2002, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83769 to 83781, inclusive ("Second Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Portage Park, Western Avenue North, Western Avenue South, Fullerton/Milwaukee and Belmont/Central T.I.F. Areas (the "Second Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on December 4, 2002 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 100124 to 100135, inclusive ("Third Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Madison/Austin Corridor and Humboldt Park Commercial T.I.F. Areas (the "Third Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 5, 2003 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 102793 to 102803, inclusive ("Fourth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement

with SomerCor to enable SomerCor to provide S.B.I.F. Program administrative services in the Northwest Industrial Corridor Redevelopment Project Area (the "Fourth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on July 9, 2003 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 3418 to 3424, inclusive ("Fifth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the S.B.I.F. Program rules (the "Fifth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 3, 2004 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 34545 to 34554, inclusive ("Sixth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Lawrence/Kedzie Redevelopment Project Area of the City (the "Sixth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 14, 2005 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 54724 to 54740, inclusive ("Seventh Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 63rd/Pulaski, Belmont/Cicero, Lawrence/Pulaski, Peterson/Pulaski, West Irving Park, Greater Southwest-West, Galewood/Armitage Industrial, Pilsen Industrial Corridor, 119th and Halsted, and Pulaski Corridor Redevelopment Project Areas of the City and increased the amount of grant funds available in the Fullerton/Milwaukee Redevelopment Project Area and the Lawrence/Kedzie Redevelopment Project Area (the "Seventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 13, 2006 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83420 to 83440, inclusive ("Eighth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to twenty-one (21) redevelopment project areas of the City (the "Eighth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 7, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 97661 to 97672, inclusive ("Ninth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 63rd/Ashland and Devon/Western Redevelopment Project Areas of the City (the "Ninth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 13, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 2395 to 2402, inclusive ("Tenth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the S.B.I.F. Program rules (the "Tenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on October 31, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 10929 to 10942, inclusive ("Eleventh Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to certain redevelopment project areas of the City (the "Eleventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 11, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 28833 to 28843, inclusive ("Twelfth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Michigan/Cermak Redevelopment Project Area of the City (the "Twelfth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 10, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 36267 to 36277, inclusive ("Thirteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Irving/Cicero Redevelopment Project Area of the City (the "Thirteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 10, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* or said date at pages 36704 to 36711, inclusive ("Fourteenth Amending Ordinance"), the City Council authorized D.C.D. to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the S.B.I.F. Program rules (the "Fourteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 11, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 54738 to 54748, inclusive ("Fifteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Hollywood/Sheridan Redevelopment Project Area of the City (the "Fifteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on March 18, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 55750 to 55762, inclusive ("Sixteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Elston/Armstrong Industrial Corridor Redevelopment Project Area and 47th/Ashland Redevelopment Project Area of the City (the "Sixteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on April 22, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 57265 to 57276, inclusive ("Seventeenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Lawrence/Broadway Redevelopment Project Area and Touhy/Western Redevelopment Project Area of the City (the "Seventeenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on May 13, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 60322 to 60333, inclusive ("Eighteenth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Austin Commercial Redevelopment Project Area of the City (the "Eighteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 3, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 63080 to 63090, inclusive ("Nineteenth Amending Ordinance"), D.C.D. increased the amount of grant funds available in the Clark Street and Ridge Avenue Redevelopment Project Area by an additional One Million Dollars (\$1,000,000) to a total collective amount of One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) (the "Nineteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 30, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 64859 to 64871, inclusive ("Twentieth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Midway Industrial Corridor Redevelopment Project Area and increased the amount of grant funds available in the Peterson/Pulaski Redevelopment Project Area by an additional One Million Dollars (\$1,000,000) to a total collective amount of One Million Five Hundred Thousand Dollars (\$1,500,000) (the "Twentieth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 9, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 69297 to 69308, inclusive ("Twenty-First Amending Ordinance"), D.C.D. increased the amount of grant funds available in the 35th/Halsted Redevelopment Project Area by an additional Five Hundred Thousand Dollars (\$500,000) to a total collective amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) (the "Twenty-First Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 18, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 74011 to 74023, inclusive ("Twenty-Second Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 95th Street and Stony Island Avenue, Avalon Park/South Shore, Harlem Industrial Park Conservation, and Western Avenue/Rock Island Redevelopment Project Areas of the City (the "Twenty-Second Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on December 16, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages _____ to _____, inclusive ("Twenty-Third Amending Ordinance"), D.C.D. restated the S.B.I.F. Program Rules, extended the S.B.I.F. Program to the Avondale and Woodlawn Redevelopment Project Areas, and increased the amount of grant funds available

in the Northwest Industrial Corridor Redevelopment Project Area by an additional One Million Dollars (\$1,000,000) to a total collective amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) (the "Twenty-Third Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on _____, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages _____ to _____, inclusive ("Twenty-Fourth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the Addison South Redevelopment Project Area (the "Twenty-Fourth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on _____, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages _____ to _____, inclusive ("Twenty-Fifth Amending Ordinance"), D.C.D. extended the S.B.I.F. Program to the 47th/King Drive, 79th Street Corridor and Armitage/Pulaski Redevelopment Project Areas of the City (the "New T.I.F./S.B.I.F. Areas"), as identified on (sub)Exhibit 1 attached hereto and incorporated herein, and increased the amount of grant funds available in the Madison/Austin Corridor and Western Avenue North Redevelopment Project Areas; and

Whereas, The Twenty-Fifth Amending Ordinance authorized D.C.D. to enter into an agreement with SomerCor to provide S.B.I.F. Program administrative services in the New T.I.F./S.B.I.F. Area, and D.C.D. and SomerCor now desire to enter into such an agreement, which will amend the Second SomerCor Agreement; and

Now, Therefore, In consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

Article I.

Incorporation Of Recitals.

The recitals set forth above are incorporated by reference as if fully set forth herein.

Article II.

Reaffirmation Of Representations, Warranties And Covenants.

SomerCor reaffirms each and every representation, warranty and covenant made in Article III of the Second SomerCor Agreement. SomerCor reaffirms that it has insurance in force that conforms to the requirements of Section 4.8 of the Second SomerCor Agreement.

*Article III.**Amendments To Second SomerCor Agreement.*

The Second SomerCor Agreement, as amended, is further amended, as follows. Note that the letters previously used to label each subsection of (a) have been replaced with numbers.

(a) add the following text at the end of (Sub)Exhibit 2 thereof:

; and

72) on July 8, 1998: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 79th Street Corridor Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 79th Street Corridor Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 79th Street Corridor Redevelopment Project Area";

73) on March 27, 2002: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47th/King Drive Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47th/King Drive Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47th/King Drive Redevelopment Project Area"; and

74) on June 13, 2007: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Armitage/Pulaski Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Armitage/Pulaski Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Armitage/Pulaski Redevelopment Project Area".

(b) add the following text at the end of (Sub)Exhibit 5 thereof:

79 th Street Corridor	\$ 500,000
47 th /King Drive	\$ 500,000
Armitage/Pulaski	\$1,000,000

(c) amend the text in (Sub)Exhibit 5 thereof increasing the maximum funds available for the Western Avenue North Redevelopment Project Area from One Million Dollars (\$1,000,000) to Two Million Dollars (\$2,000,000); and

(d) amend the text in (Sub)Exhibit 5 thereof increasing the maximum funds available for the Madison/Austin Corridor Redevelopment Project Area from Seven Hundred Fifty Thousand Dollars (\$750,000) to One Million Five Hundred Thousand Dollars (\$1,500,000); and

(e) substitute the following for each occurrence of "Sixty-eight Million Two Hundred Sixty Thousand Dollars (\$68,260,000)" in Section 4.2 thereof:

Seventy-two Million Ten Thousand Dollars (\$72,010,000).

Article IV.

Obligation To Provide Documents.

SomerCor shall execute and deliver to D.C.D. such documents as may be required by the Corporation Counsel of the City to evidence SomerCor's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of (Sub)Exhibit 2 attached hereto and incorporated herein.

In Witness Whereof, The City and SomerCor have executed this Agreement as of the date first set forth above.

City of Chicago

By: _____
(Acting) Commissioner, Department
of Community Development

SomerCor 504, Inc.

By: _____

Its: _____

[(Sub)Exhibit 1 referred to in this Twenty-Fifth Amending Agreement with SomerCor 504, Inc. constitutes Exhibit "A" to ordinance and printed on page 83851 of this *Journal*.]

(Sub)Exhibit 2 referred to in this Twenty-Fifth Amending Agreement with SomerCor 504, Inc. reads as follows:

(Sub)Exhibit 2.
(To Twenty-Fifth Amending Agreement With SomerCor 504, Inc.)

Form Of Counsel's Opinion.

_____, 2010

City of Chicago
Department of Community Development
121 North LaSalle Street
Chicago, Illinois 60602

Re: Amending Agreement to Administrative Services Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as counsel for SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), in connection with the execution and delivery of the Agreement by and between SomerCor and the City of Chicago, acting by and through its Department of Community Development (the "City"). SomerCor has requested that this opinion be furnished to the City.

In so acting as counsel for SomerCor, I have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of SomerCor as furnished and certified by the Secretary of State of the State of Illinois;
- (iii) the Bylaws of SomerCor, as certified by the Secretary of SomerCor as of the date hereof; and
- (iv) the Certificate of Good Standing dated _____, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of SomerCor.

In my capacity as counsel, I have also examined such other documents or instruments as I have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

I have also assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than SomerCor which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by me.

I express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America; and (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state.

Based upon and subject to the assumptions and qualifications herein stated, it is my opinion that:

1. SomerCor is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois. SomerCor has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.
2. The Agreement has been duly executed and delivered on behalf of SomerCor, and constitutes a legal, valid and binding obligation of SomerCor, enforceable against SomerCor in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
3. There is no action, suit or proceeding at law or in equity pending, nor to my knowledge threatened, against or affecting SomerCor, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of SomerCor to perform under the Agreement or any of its business or properties or financial or other conditions.
4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.
5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:
 - A. a violation or breach of (i) the Articles of Incorporation of SomerCor, (ii) the Bylaws of SomerCor, (iii) any provision of any contract or other instrument to which SomerCor is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on SomerCor, or
 - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of SomerCor pursuant to any agreement or other instrument to which SomerCor is a party or by which SomerCor is bound.

6. No action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement.

This opinion is furnished for your benefit and may be relied upon by you and any such other party in connection with the Agreement, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned.

Very truly yours,

DECLARATION OF INTENT TO ISSUE CITY OF CHICAGO MULTI-FAMILY HOUSING REVENUE BONDS FOR OAKWOOD SHORES SENIOR APARTMENTS LIMITED PARTNERSHIP.

[O2010-166]

The Committee on Finance submitted the following report:

CHICAGO, February 10, 2010.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing to evidence the city's intent to issue City of Chicago Multi-Family Housing Revenue Bonds (Oakwood Shores Senior Project) amount of bonds not to exceed: \$13,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,
Chairman.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2010

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net assets and governmental fund balance sheet	6
Statement of activities and governmental fund revenues, expenditures and changes in fund balance	7
Notes to financial statements	8-10
SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	11

BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying financial statements of the 79th Street Corridor Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the 79th Street Corridor Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2010, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 79th Street Corridor Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2010, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 3 through 5 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Honorable Rahm Emanuel, Mayor
Members of the City Council

- 2 -

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures by statutory code on page 11, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the financial statements of 79th Street Corridor Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bansley and Keener, L.L.P.

Certified Public Accountants

June 9, 2011

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the 79th Street Corridor Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2010. Please read it in conjunction with the Project's financial statements, which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

Basic Financial Statements

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

Government-Wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the Project's net assets and how they have changed. Net assets – the difference between the Project's assets and liabilities – is one way to measure the Project's financial health, or position.

Governmental Fund Financial Statements

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

Condensed Comparative Financial Statements

The condensed comparative financial statements are presented on the following page.

Analysis of Overall Financial Position and Results of Operations

Property tax revenue for the Project was \$1,228,372 for the year. This was an increase of 31 percent over the prior year. The change in net assets produced an increase in net assets of \$1,193,327. The Project's net assets increased by 26 percent from the prior year making available \$5,761,855 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses decreased this year due to the Project's formulation of a redevelopment plan or necessary funding was not substantially complete or available.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
(Concluded)

Government-Wide

	<u>2010</u>	<u>2009</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 5,790,708	\$ 4,584,086	\$ 1,206,622	26%
Total liabilities	<u>28,853</u>	<u>15,558</u>	<u>13,295</u>	85%
Total net assets	<u>\$ 5,761,855</u>	<u>\$ 4,568,528</u>	<u>\$ 1,193,327</u>	26%
Total revenues	\$ 1,232,301	\$ 944,956	\$ 287,345	30%
Total expenses	<u>38,974</u>	<u>109,999</u>	<u>(71,025)</u>	-65%
Changes in net assets	<u>1,193,327</u>	<u>834,957</u>	<u>358,370</u>	43%
Ending net assets	<u>\$ 5,761,855</u>	<u>\$ 4,568,528</u>	<u>\$ 1,193,327</u>	26%

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2010

<u>ASSETS</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$ 4,610,905	\$ -	\$ 4,610,905
Property taxes receivable	1,176,000	-	1,176,000
Accrued interest receivable	3,803	-	3,803
Total assets	<u>\$ 5,790,708</u>	<u>\$ -</u>	<u>\$ 5,790,708</u>
 <u>LIABILITIES</u> 			
Vouchers payable	\$ 11,410	\$ -	\$ 11,410
Due to other City funds	17,443	-	17,443
Deferred revenue	1,030,873	(1,030,873)	-
Total liabilities	1,059,726	<u>(1,030,873)</u>	<u>28,853</u>
 <u>FUND BALANCE/NET ASSETS</u> 			
Fund balance:			
Designated for future redevelopment project costs	<u>4,730,982</u>	(4,730,982)	-
Total liabilities and fund balance	<u>\$ 5,790,708</u>		
Net assets:			
Restricted for future redevelopment project costs		<u>5,761,855</u>	<u>5,761,855</u>
Total net assets		<u>\$ 5,761,855</u>	<u>\$ 5,761,855</u>

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balance - governmental fund	\$ 4,730,982
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>1,030,873</u>
Total net assets - governmental activities	<u>\$ 5,761,855</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 998,154	\$ 230,218	\$ 1,228,372
Interest	3,929	-	3,929
	<hr/>	<hr/>	<hr/>
Total revenues	1,002,083	230,218	1,232,301
Expenditures/expenses:			
Economic development projects	38,974	-	38,974
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	963,109	(963,109)	-
Change in net assets	-	1,193,327	1,193,327
Fund balance/net assets:			
Beginning of year	3,767,873	800,655	4,568,528
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 4,730,982</u>	<u>\$ 1,030,873</u>	<u>\$ 5,761,855</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 963,109
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<hr/> 230,218
Change in net assets - governmental activities	<u>\$ 1,193,327</u>

The accompanying notes are an integral part of the financial statements.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In July 1998, the City of Chicago (City) established the 79th Street Corridor Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In June 1999, the GASB unanimously approved Statement No. 34 (as amended by Statement No. 37), *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* and at a later date, Statement No. 38 *Certain Financial Statements Disclosures*, and include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under the *modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

(d) *Assets, Liabilities and Net Assets*

Cash and Investments

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Capital Assets

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Reimbursements

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2010 the Project has entered into contracts for approximately \$42,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
79TH STREET CORRIDOR REDEVELOPMENT PROJECT
SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	\$ 20,221
Costs of the construction of public works or improvements	<u>18,753</u>
	<u>\$ 38,974</u>



BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

O'HARE PLAZA 8745 WEST HIGGINS ROAD SUITE 200 CHICAGO, ILLINOIS 60631 312.263.2700 FAX 312.263.6935 WWW.BK-CPA.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of net assets and governmental fund balance sheet of 79th Street Corridor Redevelopment Project of the City of Chicago, Illinois as of December 31, 2010, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated June 9, 2011.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the 79th Street Corridor Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

June 9, 2011

INTERGOVERNMENTAL AGREEMENTS
FY 2010

A list of all intergovernmental agreements in effect in FY 2010 to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)]

Name of Agreement	Description of Agreement	Amount Transferred Out	Amount Received
None			

79th Street Corridor Redevelopment Project Area 2010 Annual Report

