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# 2013 Annual Report

## Michigan/Cermak Redevelopment Project Area

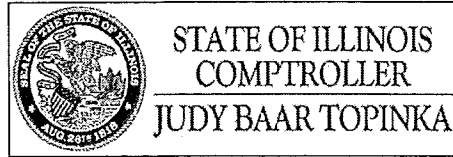


Pursuant to 65 ILCS 5/11-74.4-5(d)

*JUNE 30, 2014*

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FY 2013  
ANNUAL TAX INCREMENT FINANCE  
REPORT



Name of Municipality: City of Chicago Reporting Fiscal Year: 2013  
 County: Cook Fiscal Year End: 12 /31/2013  
 Unit Code: 016/620/30

TIF Administrator Contact Information			
First Name:	<u>Andrew J.</u>	Last Name:	<u>Mooney</u>
Address:	<u>City Hall, 121 N. LaSalle</u>	Title:	<u>Administrator</u>
Telephone:	<u>(312) 744 0025</u>	City:	<u>Chicago, IL</u> Zip: <u>60602</u>
Mobile	<u>n/a</u>	E-mail	
Mobile		Best way to <input checked="" type="checkbox"/> Email	<input type="checkbox"/> Phone
Provider	<u>n/a</u>	contact <input type="checkbox"/> Mobile	<input type="checkbox"/> Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of \_\_\_\_\_  
 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.]  
 \_\_\_\_\_ 6.24.14  
 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	12/31/2032
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	12/31/2022
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
51st/Lake Park	11/15/2012	12/31/2036

\*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.]

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

Reporting Fiscal Year: 2013  
 Fiscal Year End: 12 / 31 / 2013

53rd Street	1/10/2001	12/31/2025
60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/4/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
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	12/31/2014
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	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
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
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

Name of Municipality: Chicago  
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Reporting Fiscal Year: 2013  
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Devon/Western	11/3/1999	12/31/2023
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2026
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2013
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	12/31/2018
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-Arthington	2/5/1998	2/5/2021
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	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
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	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031
Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
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

Name of Municipality: Chicago  
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Reporting Fiscal Year: 2013  
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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	12/31/2032
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	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
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	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Weed/Fremont	1/8/2008	12/31/2032
West Irving Park	1/12/2000	12/31/2024
West Pullman Industrial Park	3/11/1998	3/11/2021
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue Rock Island	2/8/2006	12/31/2030



**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]  
FY 2013**

<b>Name of Redevelopment Project Area:</b> Michigan/Cermak Redevelopment Project Area
<b>Primary Use of Redevelopment Project Area*:</b> Combination/Mixed
<b>If "Combination/Mixed" List Component Types:</b> Rehab
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b>
<b>Tax Increment Allocation Redevelopment Act</b> <input checked="" type="checkbox"/> <b>Industrial Jobs Recovery Law</b> <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)] <b>If yes, please enclose the amendment labeled Attachment A</b>		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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>	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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		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)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	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)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	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) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2013, 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)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	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.**

**FY 2013**

**TIF NAME:** Michigan/Cermak Redevelopment Project Area

Fund Balance at Beginning of Reporting Period \$ 6,001,362

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	1,275,832	\$ 9,832,397	46%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	(28,989)	587,140	3%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources	6,000,000	10,810,000	51%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** 7,246,843

**Cumulative Total Revenues/Cash Receipts** \$ 21,229,537 100%

**Total Expenditures/Cash Disbursements** (Carried forward from Section 3.2) 11,256,253

**Transfers to Municipal Sources** 195,000

**Distribution of Surplus** -

**Total Expenditures/Disbursements** 11,451,253

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** (4,204,410)

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 1,796,952

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

**Total Amount Designated** (Carried forward from Section 3.3) \$ 1,796,952

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.







**SECTION 3.2 A**

**PAGE 3**

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 11,256,253</b>

Section 3.2 B

FY 2013

TIF NAME: Michigan/Cermak Redevelopment Project Area

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 <sup>1</sup>	Administration	\$21,589
Johnson Research Group	Professional Service	\$49,089
Chicago Department of Transportation	Public Improvement	\$50,637
Comed Exelon Energy	Public Improvement	\$425,178
TY LIN Great Lakes International	Public Improvement	\$1,685,105
FH Paschen/SN Nielsen & Associates	Public Improvement	\$9,000,000

<sup>1</sup> 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**

**FY 2013**

**TIF NAME:** Michigan/Cermak Redevelopment Project Area

**FUND BALANCE, END OF REPORTING PERIOD** \$ 1,796,952

	Amount of Original Issuance	Amount Designated
<b>1. Description of Debt Obligations</b>		
Restricted for debt service	\$ -	\$ -

**Total Amount Designated for Obligations** \$ - | \$ -

<b>2. Description of Project Costs to be Paid</b>		
Restricted for future redevelopment project costs		\$ 1,796,952

**Total Amount Designated for Project Costs** \$ 1,796,952

**TOTAL AMOUNT DESIGNATED** \$ 1,796,952

**SURPLUS\*/(DEFICIT)** \$ -

\* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

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

**FY 2013**

**TIF NAME: Michigan/Cermak Redevelopment Project Area**

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)

PAGE 1

FY 2013

TIF NAME: Michigan/Cermak Redevelopment Project Area

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			<u>2</u>
<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken	\$ -	\$ -	\$ 1,000,000
Public Investment Undertaken	\$ 346,071	\$ -	\$ 654,280
Ratio of Private/Public Investment	0		1 28/53
<b>Project 1:</b>			
<b>Small Business Improvement Fund (SBIF) **</b>		Project is Ongoing ***	
Private Investment Undertaken			\$ 1,000,000
Public Investment Undertaken	\$ 345,650		\$ 500,000
Ratio of Private/Public Investment	0		2
<b>Project 2:</b>			
<b>TIFWorks - Michigan Cermak **</b>		Project is Ongoing ***	
Private Investment Undertaken			
Public Investment Undertaken	\$ 421		\$ 154,280
Ratio of Private/Public Investment	0		0
<b>Project 3:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
<b>Project 4:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
<b>Project 5:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
<b>Project 6:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 7:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 8:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 9:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 10:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 11:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

\*\* 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 or to the ultimate grantee as each ultimate grantee's 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.

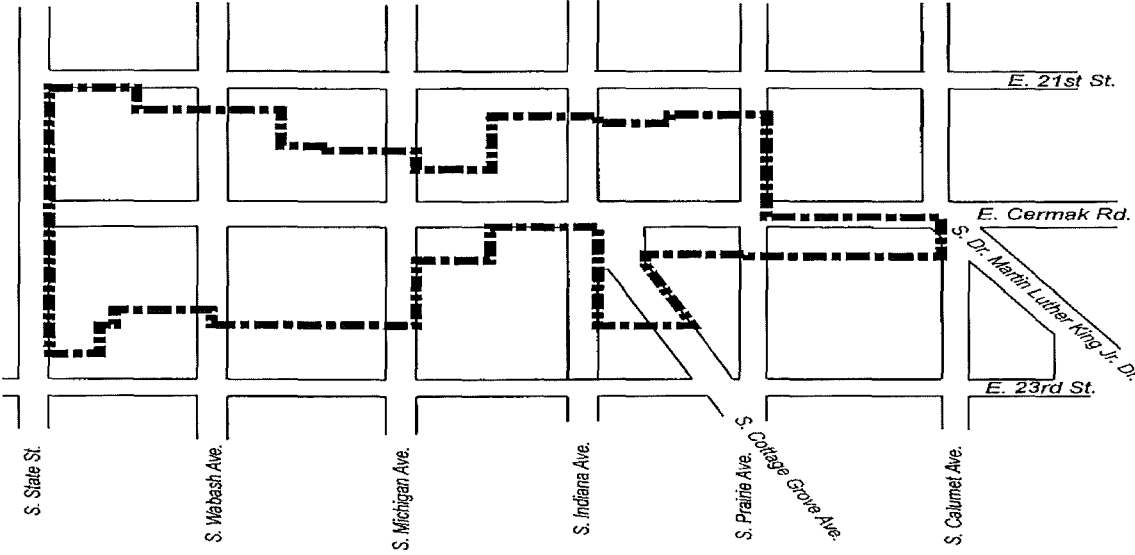
(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999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

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





# Michigan/Cermak Redevelopment Project Area 2013 Annual Report



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**MICHIGAN/CERMAK TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

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Adopted Plan:	September 13, 1989
Amendment No. 1:	March 21, 1990
Amendment No. 2:	May 12, 1999
Amendment No. 3:	October 6, 2010

**Amendment No. 4  
August 2, 2013**

**City of Chicago  
Rahm Emanuel, Mayor**

Department of Housing and Economic Development

Andrew J. Mooney, Commissioner

Prepared by:

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## EXECUTIVE SUMMARY

The Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "**Act**") to address the growing number of blighted areas in many Illinois municipalities. The blighting of communities impairs the value of private investment and threatens the growth of the community's tax base. The Act declares that in order to promote the public health, safety, morals, and welfare, blighting conditions must be eliminated.

Therefore, to induce redevelopment pursuant to the Act, the Chicago City Council adopted three ordinances on September 13, 1989 approving the Michigan/Cermak Increment Financing Redevelopment Project and Plan (the "**Original Plan**"); designating the Michigan/Cermak Project Area (the "**Original Redevelopment Project Area**"); and adopting tax increment financing for the Original Redevelopment Project Area. On March 21, 1990, the City adopted an ordinance amending the Original Plan to exclude certain parcels that were unnecessary to the implementation of the plan and to correct certain scrivener's errors in the legal description for the Original Redevelopment Project Area ("**Amendment No. 1**"). On May 12, 1999, the City Council adopted an ordinance to incorporate "portability" language as included in the Act, and to correct certain scrivener's errors in the legal description of the Original Redevelopment Project Area ("**Amendment No. 2**"). On October 6, 2010, the City Council adopted an ordinance amending the Original Plan to allow for a 24th year thereby extending the Original Redevelopment Project Area to December 31, 2013, ("**Amendment No. 3**").

In May of 2013 the Johnson Research Group, Inc. ("**JRG**") was retained by the City of Chicago to further amend the Original Plan to extend the life of the Original Redevelopment Project Area, amend the redevelopment project estimated project costs, bring the Original Plan up to current City ordinance and policy standards, and identify property for acquisition. The changes to the Original Plan are presented Section by Section and follow the format of the Original Plan. Changes are prefaced in italics with the appropriate replaced text below in this document entitled the Michigan/Cermak TIF Redevelopment Project and Plan - Amendment No. 4 ("**Amendment No. 4**").

The City hereby certifies that there will not be displacement of 10 or more inhabited units as a result of the Original Plan. As such, a housing impact study is not required as part of Amendment No. 4.

This Amendment No. 4 report summarizes the changes to the Original Plan that will allow for the term of the Original Redevelopment Project Area to be extended an additional 12 years for a completion date of December 31, 2025. The changes in the document also include updating and amending the Estimated Redevelopment Project Costs and land use plan. Unless otherwise noted, the content of this report is the responsibility of JRG.

## **I. INTRODUCTION AND BACKGROUND**

*No changes.*

## **II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

*No changes.*

## **III. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

*No changes.*

## **IV. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES**

*The Section IV. Specific Goals of the Redevelopment Plan section should include the following language at the end:*

- 8) Implement and expand improvements and enhancements related to transit, traffic flow, and pedestrian movement including multi-modal transportation linkages and facilities, expanded pedestrian routes and amenities, and enhanced vehicular traffic and circulation operational improvements.

## **V. REDEVELOPMENT PROJECT**

### **A. Redevelopment Plan and Project Objectives**

*Section V.A is amended by deleting Section V.A, including the header and replacing it with the following:*

#### **A. Redevelopment Plan and Project Goals and Objectives**

This section presents the Redevelopment Project anticipated to be undertaken by the City and by other public and private entities on behalf of the City in furtherance of this Redevelopment Plan. The Redevelopment Project, as outlined in this section conforms to the plans and policies in place within the Project Area including the Chicago Zoning Ordinance and the *Near South Community Plan (December 2003)*.

#### **B. General Land-Use Plan**

*Section V.B is amended by adding the following text before the first sentence of paragraph two:*

The types of land uses as shown in Exhibit 4 "Proposed Land Use Map" are consistent with the overall planning efforts of the City as of the date of Amendment No. 4 to this Redevelopment Plan and may be modified from time to time with the appropriate approvals from the City. As long as any proposed land use is consistent with the intent and approval of the City, as may change from

time to time, the City may enter into a Redevelopment Agreement that contemplates TIF Assistance without another amendment to this Redevelopment Plan.

*Section V.B is further amended by adding the following text after the last paragraph:*

**Commercial** - this designation applies to the Project Area from Prairie Avenue to State Street and includes the northern edge of the historic Motor Row Historic District. A variety of commercial uses including but not limited to retail, entertainment, cultural, commercial events centers, and other active ground floor uses are encouraged along Cermak Road and Michigan Avenue with complementary commercial and retail uses on secondary streets.

The area should encourage entertainment and recreational uses and activities, creating a synergy between the McCormick Place campus, the Motor Row entertainment district, and the retail and dining establishments within the Chinatown neighborhood.

This supports the City's goal of enhancing Chicago's competitiveness as a premier tourism and entertainment destination. The linkage of these entertainment centers increases the "visitor-friendliness" and quality of place from McCormick Place on the east to Chinatown on the west, and facilitates seamless and coordinated access to the attractions and unique features of these areas for both residents and tourists alike.

**Institutional/Industrial** – this designation is intended for the Project Area that encompasses a portion of the McCormick Place campus between Dr. Martin Luther King Jr. Drive and Indiana Avenue, south of Cermak Road. This district encourages active, pedestrian-oriented uses that will link the McCormick Place campus with other viable and complementary uses in the immediate area to the entertainment and dining establishments further west in the Chinatown neighborhood. Redevelopment and public/private infrastructure projects funded by the TIF may be implemented to improve the City's convention competitiveness and expansion of the business activities of the McCormick Place, in an effort to promote opportunities for increased visitor and business attraction.

### **C. Redevelopment Program**

*Section V.C. is deleted in its entirety and replaced with the following:*

#### **C. Redevelopment Improvements and Activities**

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with public or private entities for the furtherance of this Redevelopment Plan to construct, rehabilitate, renovate or restore improvements for public or private facilities on one or several parcels for any other lawful purpose. Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Redevelopment Plan and which include affordable housing requirements as described below.

Developers who receive TIF assistance for market-rate housing are required to set aside 20 percent of the units as affordable units. For-sale housing must be affordable to households earning no more than 100 percent of the area median income, as defined by the US Department of Housing and Urban Development ("HUD"). Rental units must be affordable to households earning no more than 60 percent of the area median income.

#### 1. Property Assembly

Property acquisition and land assembly by the private sector in accordance with this Redevelopment Plan will be encouraged by the City. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program or other programs and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the City will follow its customary procedures of having each such acquisition recommended by the Community Development Commission (or any successor commission) and authorized by the City Council of the City. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Redevelopment Plan.

The City or a private developer may acquire any historic structure (whether a designated City or State landmark on, or eligible for nomination to, the National Register of Historic Places) and (a) demolish any non-historic feature of such structure; (b) demolish all or portions, as allowed by laws, of historic structures, if necessary, to implement a project that meets the goals and objectives of the Redevelopment Plan; and (c) incorporate any historic structure or historic feature into a development on the subject property or adjoining property.

#### 2. Relocation

Relocation assistance may be provided to facilitate redevelopment of portions of the Project Area and to meet other City objectives. Business or households legally occupying properties that may be acquired by the City subsequent to this Redevelopment Plan may be provided with relocation advisory and financial assistance as determined by the City.



### 3. Provision of Public Works or Improvements

The City may provide (or assist other public bodies in providing) public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

#### **Streets and Utilities**

A range of roadway, utility and related improvement projects, from repair and resurfacing to construction or reconstruction, may be undertaken.

#### **Parking and Transportation**

Improvements to existing or construction of new public infrastructure and public transportation enhancements including repairs to and construction of new public transit stations, bus shelters, directional signage and other transportation improvements, pedestrian way enhancements including bridges and overpasses, designated pedestrian ways, sidewalk and streetscape enhancements, off-street parking sites and/or facilities and on-street parking improvements to ensure coordinated vehicular and pedestrian oriented movement and access.

#### **Parks, Open Space and Streetscape**

Improvements to existing or construction of new streetscape, public plazas, parks, and open spaces may be provided, including the construction of pedestrian walkways, lighting, landscaping and general beautification improvements intended for use of the general public.

#### **Publicly-Owned Facilities**

Activities that encourage and sustain the business activities and operations of the McCormick Place campus and other publicly owned facilities and centers may be undertaken. These activities may include but are not limited to public right of way improvements, acquisition of land or other property, facility improvements, new construction and rehabilitation projects. The intent of these improvements is to encourage the City's tourism attractiveness, convention competitiveness, and overall business environment.

### 4. Rehabilitation of Existing Buildings

The City will encourage the rehabilitation of public and private buildings that are basically sound and/or historically or architecturally significant. This includes properties individually designated as Chicago Landmarks, contributing properties to Chicago Landmark Districts, properties individually listed to the National Register of Historic Places, contributing properties to National Register of Historic Places-listed historic districts, and properties identified as either "orange" or "red" in the Chicago Historic Resources Survey.

The Motor Row Historic District overlaps the Redevelopment Project Area along the south side of Cermak Road between Wabash and Michigan Avenues. One building in the Redevelopment Project Area and also located within the

boundaries of the Motor Row Historic District has been identified in the City of Chicago's Historic Resources Survey as an "orange" property, which indicates it possesses some architectural feature or historical association that makes it potentially significant in the context of the surrounding community. This building is located 2222-2230 S. Michigan Avenue.

#### 5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

#### 6. Day Care Services

Incremental Property Taxes may be used to cover the cost of day care services and centers within the Project Area for children of low-income employees of Project Area businesses or institutions.

#### 7. Taxing Districts Capital Costs

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

#### 8. Interest Subsidies

Funds may be provided to developers for a portion of interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer with respect to the redevelopment project during that year;
- c) if there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by a redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
- e) the cost limits set forth in subparagraphs (b) and (d) above shall be modified to permit payment of up to 75 percent of interest costs incurred by a developer for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

## 9. Affordable Housing

Funds may be provided to developers for up to 50 percent of the cost of construction, renovation or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act.

## 10. Analysis, Administration, Studies, Surveys, Legal, etc.

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

### D. Estimated Redevelopment Project Costs Phase 1 and 2

*Section V. D, including the header, is deleted and replaced with the following:*

#### D. Redevelopment Project Costs

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Redevelopment Plan (the "**Redevelopment Project Costs.**")

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Chicago to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Redevelopment Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 1 or otherwise adjust the line items in Table 1 without amendment to this Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Redevelopment Plan.

#### 1. Eligible Redevelopment Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) 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, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The costs of marketing sites within the Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
- e) Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Project Area;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
- i) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;

- j) Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
- k) Payment in lieu of taxes, as defined in the Act;
- l) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are stated in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
- m) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
  - 5. up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.

- n) Instead of the eligible costs provided for in (m) 2, 4 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act;
- o) The costs of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development;
- p) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- q) If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

## **2. Estimated Redevelopment Project Costs**

To eliminate the blighting factors present in the Project Area and to meet the redevelopment objectives, the City plans to make and/or induce a number of improvements in the Project Area. Table 1 identifies the eligible Redevelopment Project Costs under the Act that the City may utilize to implement the Redevelopment Plan over the Project Area's term. The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31, 2025, the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year following the year in which the ordinance approving the Project Area was adopted.

Redevelopment projects in the Project Area would not reasonably be anticipated to be developed without the extension of the life of the Redevelopment Plan.

## Amended Table 1: Estimated Redevelopment Project Costs

	Eligible Expense	Estimated Cost
1	Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$4,000,000
2	Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$25,000,000
3	Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	\$20,000,000
4	Public Works & Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) <sup>[1]</sup>	\$28,000,000
5	Relocation Costs	\$2,000,000
6	Job Training, Retraining, Welfare-to-Work	\$7,000,000
7	Interest Subsidy	\$5,000,000
8	Day Care Services	\$1,000,000
	<b>TOTAL REDEVELOPMENT COSTS</b> <sup>[2,3]</sup>	<b>\$92,000,000</b> <sup>[4]</sup>

[1] This category may also include paying for or reimbursing: (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

[2] Total Redevelopment Project Costs represent an upper limit on expenditures that are to be funded using tax increment revenues and exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These additional financing costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs. Adjustments to the estimated line item costs in Exhibit I are anticipated, and may be made by the City without further amendment to this Redevelopment Plan to the extent permitted by the Act. Each individual project cost will be re-evaluated in light of the projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line items stated above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

[3] The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

[4] All costs are shown in 2013 dollars and may be increased by five percent (5%) after adjusting for inflation reflected in the Consumer Price Index ("CPI") for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U.S. Department of Labor or a similar index acceptable to the City.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above.

## **E. Sources of Funds to Pay Redevelopment Project Costs**

*Section V.E is deleted and replaced with the following:*

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed from such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and the furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1 of this Redevelopment Plan.



**F. Nature and Term of Obligations to be Issued**

*Section V.F is deleted in its entirety and replaced with the following:*

**F. Issuance of Obligations**

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligations bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The Redevelopment Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year following the year in which the ordinance approving the Project Area is adopted.

Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

**G. Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area**

*Section V.G including the header, is deleted and replaced with the following:*

**G. Valuation of the Project Area**

**1. Certified Base EAV**

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The Certified Initial EAV of all taxable parcels in the Project Area is \$5,858,634. The Redevelopment Plan has utilized the EAVs for the 1989 tax year. Exhibit 7 lists the EAV for the Redevelopment Project Area by PIN.

## H. Anticipated Equalized Assessed Valuation

*Section V.H is deleted in its entirety and replaced with the following:*

### H. Anticipated Equalized Assessed Valuation

By the tax year 2025 (collection year 2026) and following the substantial completion of the Redevelopment Project, the EAV of the Project Area is estimated at approximately \$174,368,545. The estimate is based on several assumptions, including 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 300 new residential condominiums will be constructed in the Project Area between 2013 and 2025; 3) approximately 50,000 square feet of new retail/office/restaurant space; 4) the construction of a new 500 room hotel; 5) an estimated annual inflation rate in EAV of 3.0 percent through 2025, realized in triennial reassessment years only; and (6) the most recent state equalization factor of 2.8056 (2012 value) is used in all years to calculate estimated EAV.

## VI. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT

### A. Description of Redevelopment Project

*The following language is inserted after the fourth paragraph in Section VI.A.*

*Pedestrian and Public Transit Improvements: The City may provide for pedestrian way enhancements and improvements including passageways, pedestrian overpasses or bridges, streetscapes and plazas, and other pedestrian oriented enhancements. The City may also improve and extend public transit facilities including but not limited to station improvements and new construction, transit rider shelters, traffic flow modifications and other public transit oriented enhancements.*

### B. Commitment to Fair Employment and Affirmative Action Practices

*Section VI.B is deleted and replaced with the following:*

The City is committed to and will affirmatively implement the following principles with respect to this Original Plan:

- 1) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- 2) Redevelopers must meet the City's standards for participation of 24 percent Minority Business Enterprises and 4 percent Woman Business Enterprises and the City Resident Construction Worker Employment Requirement as required in redevelopment agreements.

- 3) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- 4) Redevelopers will meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The City shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

## **VII. SCHEDULING OF THE REDEVELOPMENT PROJECT**

### **A. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs**

*Section VII.A is deleted and replaced with the following:*

The estimated date for completion of redevelopment projects in the Project Area is no later than December 31, 2025, the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year following the year in which the ordinance approving the Project Area was adopted.

## **VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT**

*No changes.*

## LIST OF TABLES AND EXHIBITS

### Tables

*Tables 1a and 1b are deleted and replaced with new Table 1.*

### Exhibits

Exhibit 1      Legal Description

*No change.*

Exhibit 2      Boundary Map

*No change.*

Exhibit 3      Existing Land Use

*No change.*

Exhibit 4      Proposed Land-Use Map

*Exhibit 4 to be deleted and replaced with new Exhibit 4.*

Exhibit 5      Criteria for Qualification

*No change.*

*The following Exhibits 6 and 7 are to be inserted after Exhibit 5.*

Exhibit 6      Land Acquisition Overview Map

Exhibit 7      1998 Certified Initial Equalized Assessed Value by Tax Parcel

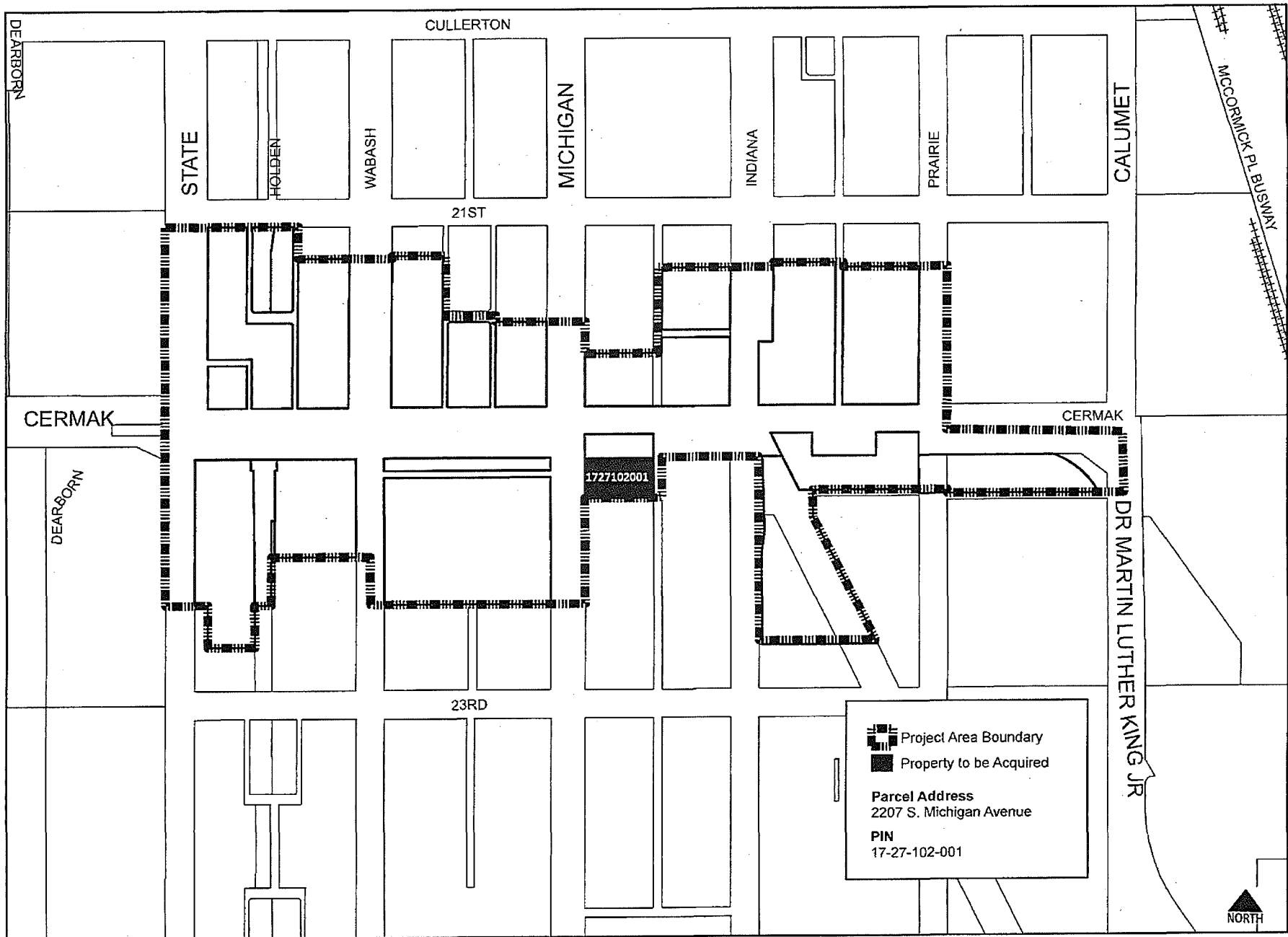


Exhibit 4: Proposed Land Use Map

MICHIGAN CERMAK TIF REDEVELOPMENT PROJECT AND PLAN - AMENDMENT NO. 4

Prepared by JRG Inc

JULY 2013



**Exhibit 6: Land Acquisition Overview Map**  
 MICHIGAN CERMAK TIF REDEVELOPMENT PROJECT AND PLAN - AMENDMENT NO. 4

Prepared by JRG Inc  
 JUNE 2013

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

**AMENDED CERTIFICATE OF INITIAL EQUALIZED ASSESSED VALUATION**

I, DAVID D. ORR, do hereby certify that I am the duly qualified and acting Clerk of the County of Cook in the State of Illinois. As such Clerk and pursuant to Section 11-74.4-9 of the Real Property Tax Increment Allocation Redevelopment Act (Illinois Revised Statutes, Chap. 24) I do further:

CERTIFY THAT on December 6, 1989 the Office of the Cook County Clerk received certified copies of the following Ordinances adopted by the City of Chicago, Cook County, Illinois on September 13, 1989:

1. "An Ordinance Approving the Tax Increment Redevelopment Plan and Project for the Michigan-Cermak Redevelopment Area Tax Increment Financing Project;"
2. "An Ordinance Designating the Michigan-Cermak Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act;" and
3. "An Ordinance Adopting Tax Increment Allocation Financing for the Michigan-Cermak Redevelopment Tax Increment Financing Project."

CERTIFY THAT on May 16, 1990, The Office of the Cook County Clerk received a certified copy of the following ordinance adopted by the City of Chicago on March 21, 1990:

1. "An Ordinance Amending the Boundaries of the Michigan-Cermak Tax Increment Financing Redevelopment Area."

CERTIFY THAT on December 30, 2010, The Office of the Cook County Clerk received a certified copy of the following ordinance adopted by the City of Chicago on October 6, 2010:

1. "Amending Number 3 to Michigan / Cermak Road Corridor Tax Increment Financing Redevelopment Plan and Project."

CERTIFY THAT the area constituting the Tax Increment Redevelopment Project Area subject to Tax Increment Financing in the City of Chicago, Cook County, Illinois, is legally described in said Ordinances.

CERTIFY THAT the initial equalized assessed value of each lot, block, and parcel of real property within the said City of Chicago Project Area as of September 13, 1989 and October 6, 2010 is as set forth in the document attached hereto and made a part hereof as Exhibit "A";

CERTIFY THAT the total initial equalized assessed value of all taxable real property situated within the said City of Chicago Tax Increment Redevelopment Project Area is:

TAX CODE AREA 76009	\$ 354,785
TAX CODE AREA 76013	\$ 5,137,014
TAX CODE AREA 76023	\$ 34,016

TAX CODE AREA 76024  
TAX CODE AREA 76513

\$ 332,819  
\$ 0


for a total of

FIVE MILLION, EIGHT HUNDRED FIFTY-EIGHT  
THOUSAND, SIX HUNDRED THIRTY-FOUR DOLLARS  
AND NO CENTS

(\$ 5,858,634.)

such total initial equalized assessed value as of September 13, 1989 and October 6, 2010, having been computed and ascertained from the official records on file in my office and as set forth in Exhibit "A".

IN WITNESS WHEREOF, I have hereunto affixed my signature and the corporate seal of COOK COUNTY this 28<sup>th</sup> day of June 2013.



County Clerk

(SEAL)



DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-317-001-0000	57,089
17-22-317-004-0000	102,938
17-22-317-006-0000	112,608
17-22-317-007-0000	64,427
17-22-317-010-0000	34,974
17-22-317-011-0000	24,323
17-22-317-014-0000	11,679
17-22-317-015-0000	11,679
17-22-317-016-0000	12,176
17-22-317-017-0000	67,502
17-22-317-018-0000	28,400
17-22-317-019-0000	60,592
17-22-317-021-0000	33,112
17-22-317-022-0000	25,027
17-22-317-027-0000	0
17-22-317-028-0000	0
17-22-317-029-0000	0
17-22-318-002-0000	19,416
17-22-318-003-0000	17,605
17-22-318-004-0000	45,281
17-22-318-005-0000	28,225
17-22-318-006-0000	8,150
17-22-318-008-0000	21,788
17-22-318-009-0000	31,920
17-22-318-011-0000	18,463
17-22-318-013-0000	28,309
17-22-318-020-0000	52,868

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-318-024-0000	27,286
17-22-318-025-0000	42,969
17-22-318-027-0000	3,738
17-22-318-028-0000	8,544
17-22-319-015-0000	48,568
17-22-319-016-0000	15,130
17-22-319-017-0000	43,768
17-22-319-027-0000	13,548
17-22-319-030-0000	405,463
17-22-319-031-1001	305
17-22-319-031-1002	252
17-22-319-031-1003	251
17-22-319-031-1004	254
17-22-319-031-1005	254
17-22-319-031-1006	1,702
17-22-319-031-1007	311
17-22-319-031-1008	255
17-22-319-031-1009	257
17-22-319-031-1010	260
17-22-319-031-1011	260
17-22-319-031-1012	1,799
17-22-319-031-1013	316
17-22-319-031-1014	258
17-22-319-031-1015	259
17-22-319-031-1016	263
17-22-319-031-1017	263
17-22-319-031-1018	359

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:

1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-319-031-1019	321
17-22-319-031-1020	261
17-22-319-031-1021	261
17-22-319-031-1022	265
17-22-319-031-1023	257
17-22-319-031-1024	1,940
17-22-319-031-1025	323
17-22-319-031-1026	267
17-22-319-031-1027	267
17-22-319-031-1028	269
17-22-319-031-1029	269
17-22-319-031-1030	366
17-22-319-031-1031	379
17-22-319-031-1032	271
17-22-319-031-1033	270
17-22-319-031-1034	274
17-22-319-031-1035	274
17-22-319-031-1036	374
17-22-319-031-1037	192
17-22-319-031-1038	192
17-22-319-031-1039	192
17-22-319-031-1040	192
17-22-319-031-1041	192
17-22-319-031-1042	192
17-22-319-031-1043	192
17-22-319-031-1044	192
17-22-319-031-1045	192

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER OF EACH LOT, BLOCK, TRACT OR PARCEL REAL ESTATE PROPERTY WITHIN SUCH PROJECT AREA:	1989 EQUALIZED ASSESSED VALUATION OF EACH LOT, BLOCK, TRACT OR PARCEL WITHIN SUCH PROJECT AREA:
--	---

17-22-319-031-1046	192
17-22-319-031-1047	192
17-22-319-031-1048	192
17-22-319-031-1049	192
17-22-319-031-1050	192
17-22-319-031-1051	192
17-22-319-031-1052	192
17-22-319-031-1053	192
17-22-319-031-1054	192
17-22-319-031-1055	192
17-22-319-031-1056	192
17-22-319-031-1057	192
17-22-319-031-1058	192
17-22-319-031-1059	192
17-22-319-031-1060	192
17-22-319-031-1061	192
17-22-319-031-1062	192
17-22-319-031-1063	192
17-22-319-031-1064	192
17-22-319-031-1065	192
17-22-319-031-1066	192
17-22-319-031-1067	192
17-22-319-031-1068	192
17-22-319-031-1069	192
17-22-319-031-1070	192
17-22-319-031-1071	192
17-22-319-031-1072	192

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-319-031-1073	192
17-22-319-031-1074	192
17-22-319-031-1075	192
17-22-319-031-1076	192
17-22-319-031-1077	192
17-22-319-031-1078	192
17-22-319-031-1079	209
17-22-320-004-0000	23,724
17-22-320-006-0000	11,860
17-22-320-013-0000	80,145
17-22-320-017-0000	0
17-22-320-018-0000	231,672
17-22-320-019-0000	39,145
17-22-320-020-0000	54,080
17-22-320-021-0000	24,104
17-22-320-022-0000	1,269
17-22-500-035-0000	0
17-27-100-002-0000	20,863
17-27-100-003-0000	277,384
17-27-100-004-0000	33,388
17-27-100-005-0000	33,575
17-27-100-007-0000	43,225
17-27-100-008-0000	14,879
17-27-100-014-0000	0
17-27-100-015-0000	0
17-27-101-001-0000	13,608
17-27-101-002-0000	21,524

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-27-101-003-0000	8,302
17-27-101-004-0000	8,302
17-27-101-006-0000	1,682
17-27-101-007-0000	1,682
17-27-101-008-0000	1,682
17-27-101-009-0000	1,682
17-27-101-010-0000	1,678
17-27-101-011-0000	2,015
17-27-101-012-0000	1,850
17-27-101-013-0000	1,850
17-27-101-014-0000	2,973
17-27-101-015-0000	57,496
17-27-101-016-0000	1,173,066
17-27-101-019-0000	244,757
17-27-101-020-0000	109,252
17-27-101-029-0000	18,958
17-27-101-030-0000	30,675
17-27-101-031-0000	6,508
17-27-102-001-0000	69,953
17-27-102-024-0000	0
17-27-103-001-0000	40,981
17-27-103-002-0000	231,672
17-27-104-005-0000	1,950
17-27-104-006-0000	35,422
17-27-104-007-0000	31,506
17-27-104-008-0000	31,506
17-27-104-009-0000	31,506

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:

1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-27-104-019-0000	45,456
17-27-104-020-0000	0
17-27-104-021-0000	0
17-27-105-002-0000	72,889
17-27-105-003-0000	37,099
17-27-105-030-0000	33,469
17-27-105-031-0000	57,910
17-27-105-035-0000	67,549
17-27-105-036-0000	198,667

TOTAL INITIAL EAV FOR TAXCODE: 76013

5,137,014

TOTAL PRINTED: 171

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:

1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-318-022-0000

14,868

17-22-318-026-0000

19,148

TOTAL INITIAL EAV FOR TAXCODE: 76023

34,016

TOTAL PRINTED: 2



DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER OF EACH LOT, BLOCK, TRACT OR PARCEL REAL ESTATE PROPERTY WITHIN SUCH PROJECT AREA:	1989 EQUALIZED ASSESSED VALUATION OF EACH LOT, BLOCK, TRACT OR PARCEL WITHIN SUCH PROJECT AREA:
--	---

17-22-318-012-0000	24,499
17-22-318-019-0000	16,295
17-22-320-003-0000	61,583
17-22-320-011-0000	69,471
17-22-320-012-0000	69,471
17-27-100-001-0000	44,173
17-27-101-005-0000	47,327

TOTAL INITIAL EAV FOR TAXCODE: 76024	332,819
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TOTAL PRINTED:	7
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DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:

1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-318-023-0000	6,306
17-22-319-029-0000	237,906
17-22-320-010-0000	12,047
17-27-101-018-0000	98,526
17-27-500-001-0000	0
17-27-500-002-0000	0
17-27-500-003-0000	0

TOTAL INITIAL EAV FOR TAXCODE: 76009

354,785

TOTAL PRINTED: 7

DATE 06/28/2013 AGENCY: 03-0210-568 TIF CITY OF CHICAGO-MICHIGAN AVE/CERMAK AVE

PERMANENT REAL ESTATE INDEX NUMBER  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
REAL ESTATE PROPERTY WITHIN SUCH  
PROJECT AREA:

1989 EQUALIZED ASSESSED VALUATION  
OF EACH LOT, BLOCK, TRACT OR PARCEL  
WITHIN SUCH PROJECT AREA:

17-22-319-030-0000

0

TOTAL INITIAL EAV FOR TAXCODE: 76513

0

TOTAL PRINTED: 1

**CITY OF CHICAGO  
AMENDMENT NO. 3 TO  
MICHIGAN/CERMAK ROAD CORRIDOR TAX INCREMENT FINANCING  
REDEVELOPMENT PLAN AND PROJECT**

**“Notice of Change of the Redevelopment Plan and Project”**

NOTICE is hereby given by the City of Chicago of the publication and inclusion of changes to the City of Chicago Amendment No. 2 to the Redevelopment Plan for the Michigan/Cermak Road Corridor Redevelopment Project Area (the “Plan”) which includes Michigan/Cermak Road Corridor Redevelopment Project Area Tax Increment Redevelopment Plan and Project Eligibility Study. The Plan (dated December 1998) was approved pursuant to an ordinance enacted by the City Council on May 12, 1999, pursuant to Section 5/11-74.4-4 of the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS Section 5/11-74.4-1 et seq. (the “Act”). The Plan is hereby changed as follows:

1. The first sentence of the second paragraph under Section 5, F. “Nature and Term of Obligations to be Issued,” is deleted and replaced with the following:

All obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Area was adopted, such ultimate retirement date occurring on December 31, 2013.

2. The paragraph under Section 7, A., “Scheduling of the Redevelopment Project,” is deleted and replaced with the following:

The estimated date for completion of Redevelopment Projects is no later than December 31, 2013.

**MICHIGAN/CERMAK  
REDEVELOPMENT PROJECT AREA  
REDEVELOPMENT PLAN AND PROJECT  
AMENDMENT NO. 2**

**Prepared for:  
The City of Chicago**

**By:  
Teska Associates, Inc.  
Mann Gin Dubin & Frazier, Ltd.**

**December, 1998**

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MODIFICATIONS TO ORIGINAL PROJECT AND PLAN ..... 2

    Legal Description ..... 2

    References to Redevelopment Plan ..... 2

    Sources of Funds to Pay Redevelopment Project Costs ..... 2

APPENDIX A ..... A1

APPENDIX B ..... B1

**LIST OF FIGURES**

Figure 1      Corrected Original Redevelopment Project Area Boundary Map

Figure 2      Changes to Redevelopment Project Area Boundary Map

## 1. INTRODUCTION

On September 13, 1989, the City Council of the City of Chicago (the "City") adopted ordinances to: 1) approve the Michigan/Cermak Tax Increment Allocation Redevelopment Project and Plan (the "Original Project and Plan"); 2) designate the Michigan/Cermak Project Area (the "Original Redevelopment Project Area"); and 3) adopt tax increment allocation financing for the Michigan/Cermak Redevelopment Project Area, all pursuant to the Tax Increment Allocation Redevelopment Act, presently codified at 65 ILCS 5/11-74.4-1 et seq. (1996 State Bar Edition), as amended (the "Act").

It was determined by the Commercial District Development Commission (the predecessor to the Community Development Commission) and the Chicago City Council, based on information in the Original Project and Plan: that there existed conditions which caused the Original Redevelopment Project Area to be subject to designation as a "redevelopment project area" and classified as a "blighted area;" that the Original Redevelopment Project Area on the whole had not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Original Project and Plan; that the Original Project and Plan conformed to the comprehensive plan for the development of the City as a whole; that the estimated completion of the Original Plan and Project, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs, was September 12, 2012; that the parcels in the Original Redevelopment Project Area were contiguous and the only parcels to be substantially benefitted by the proposed project improvements included in the Original Project Area; and that the Original Project Area would not reasonably be developed without the use of incremental revenues under the Act.

On March 21, 1990, the City adopted an ordinance amending the Original Project and Plan to exclude certain parcels that were unnecessary to the implementation of the plan, and to correct certain scrivener's errors in the legal description for the Original Redevelopment Project Area.

The City has determined that an amendment to the Original Project and Plan is necessary at this time, in order to incorporate the "portability" language included in the Act, 65 ILCS 5/11-74.4-4(q), and the similar language included in the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-15(s) (State Bar Edition), to exclude certain other real property that is unnecessary to the implementation of the Original Project and Plan, and to correct certain scrivener's errors in the legal description of the Original Redevelopment Project Area. Such changes are incorporated in this Amendment No. 2 (the "Amendment"). The Original Project and Plan, as amended by this Amendment, is referred to hereinafter as the Amended Plan and Project. Paragraph 2 of this Amendment describes these modifications in detail.

The Amended Project and Plan summarizes the analyses and findings of the consultant's work, which unless otherwise noted, is solely the responsibility of Teska Associates, Inc. and its subconsultants. Teska Associates, Inc. has prepared this Amendment with the understanding that the City would rely: (i) on the findings and conclusions of the Amended Project and Plan in proceeding with the adoption and implementation of the Amended Project and Plan; and (ii) on the fact that Teska Associates, Inc. has obtained the necessary information so that the Amended Project and Plan will comply with the Act.

This Amendment includes two appendices. Appendix A contains a corrected legal description. Appendix B contains the Original Project and Plan as approved by the Chicago City Council.

## 2. MODIFICATIONS TO ORIGINAL PROJECT AND PLAN

Certain modifications to the Original Project and Plan are needed to exclude certain real property that is not necessary for the implementation of the plan, to correct scrivener's errors in the legal description of the Original Redevelopment Project Area, and to incorporate "portability" language. These modifications form the basis for the amendments to the Original Project and Plan described below.

### Legal Description

Errors in the legal boundary description have been noted. This Amendment corrects those defects. Figure 1 shows the Corrected Original Redevelopment Project Area Boundary Map. Figure 2 illustrates Changes to Redevelopment Project Area Boundary Map.

Within the State Street right of way, the northern boundary of the district runs along the south line of the 21<sup>st</sup> Street right of way, rather than the center line.

The district boundary did not close at the crossing of South Indiana Avenue between 21<sup>st</sup> Street and Cermak Road. This has been corrected. The block east of Prairie Avenue, also between 21<sup>st</sup> Street and Cermak Road, was included in error and has been removed. Likewise, a triangular area to the west of Silverton Way was also included in error and has been removed.

The original legal description was also broken along Indiana Avenue south of 22<sup>nd</sup> Street, and along the alley between Michigan and Indiana Avenues. These problems have been corrected.

The description incorrectly included a portion of the CTA right of way, in the block bounded by Cermak, Wabash Avenue, 23<sup>rd</sup> Street, and State Street. This right of way has now been removed. A parcel on the east side of State Street, south of Cermak Road, was split by the boundary. The boundary has been moved in order to eliminate the split parcel.

Appendix A contains the corrected legal description for the Redevelopment Project Area.

### References to Redevelopment Plan

All references in the Original Project and Plan to the "Redevelopment Plan" the "Redevelopment Project and Plan," the "Redevelopment Project Area" or the "RPA" shall be deemed to refer to such plan, or project and plan, and area, as applicable, as each has been amended by this Amendment.

### Sources of Funds to Pay Redevelopment Project Costs

The following language is hereby added on page B16 of the Original Project and Plan (included as Appendix B) at the end of the third paragraph under the heading "Sources of Funds to Pay Redevelopment Project Costs:"

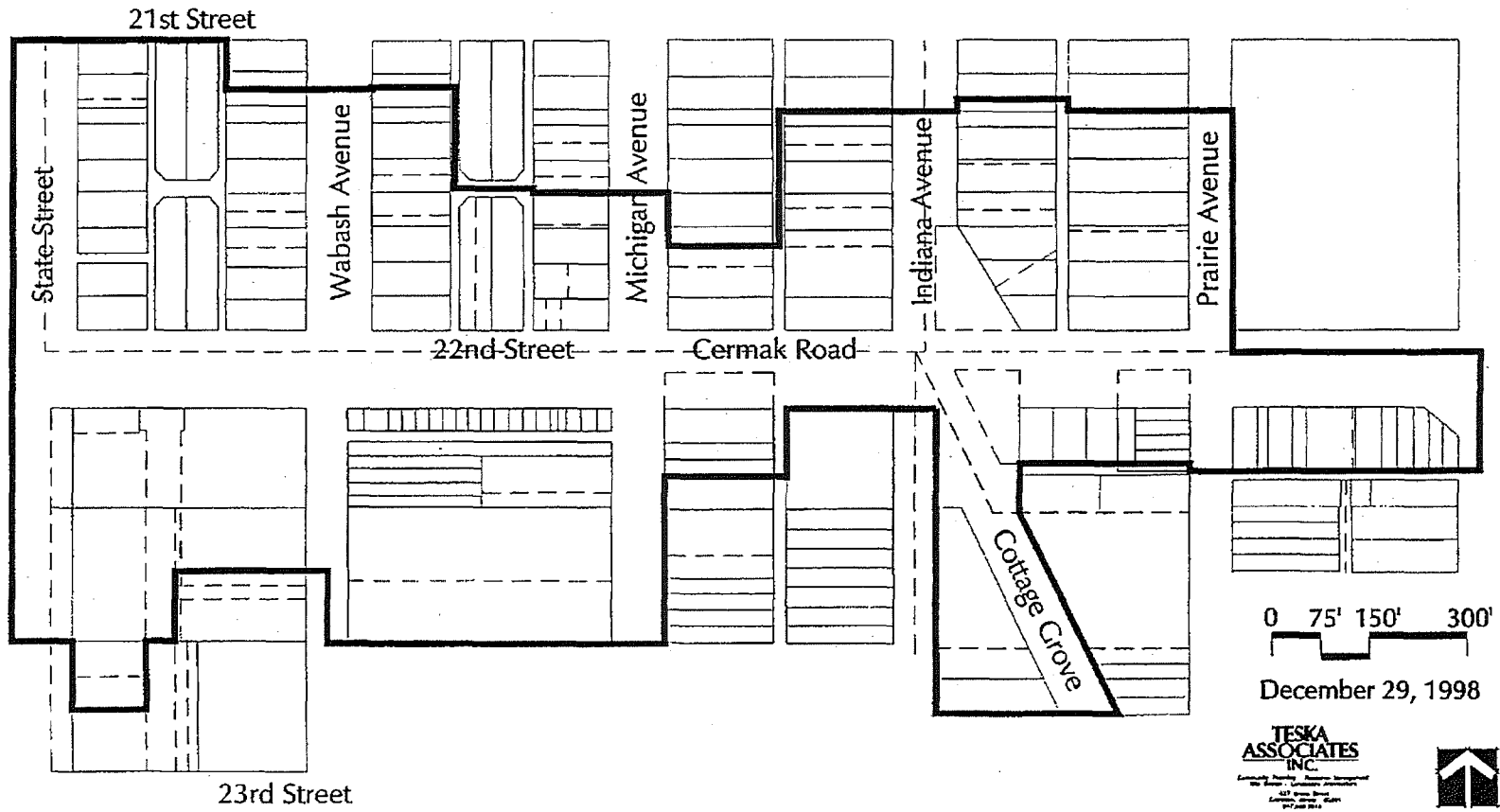
If the RPA is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created under the Act, the City may utilize revenues received under the Act from the RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other redevelopment project areas separated only by a public right-of-way, and vice versa. In addition, if the RPA is contiguous to, or separated only by a public right-of-way from, one or more redevelopment project areas created



under the Industrial Jobs Recovery Law (the "Law"), 65 ILCS 5/11-74.6-1, et seq. (1996 State Bar Edition), as amended (an "IJRB Project Area"), the City may utilize revenues received from such IJRB Project Area(s) to pay eligible redevelopment project costs or obligations issued to pay such costs, in the RPA, and vice versa. Such revenues may be transferred outright from or loaned by the IJRB Project Area to the RPA, and vice versa. The amount of revenue from the RPA made available to support any contiguous redevelopment project areas, or those redevelopment project areas separated only by a public right of way, when added to all amounts used to pay eligible redevelopment project costs within the RPA, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan. This paragraph is intended to give the City the full benefit of the "portability" provisions set forth in the Act, 65ILCS 5/11-74.4-4 (q) and the Law, 65 ILCS 5/11-74.6-15(s).

# Michigan/Cermak Redevelopment Plan and Project

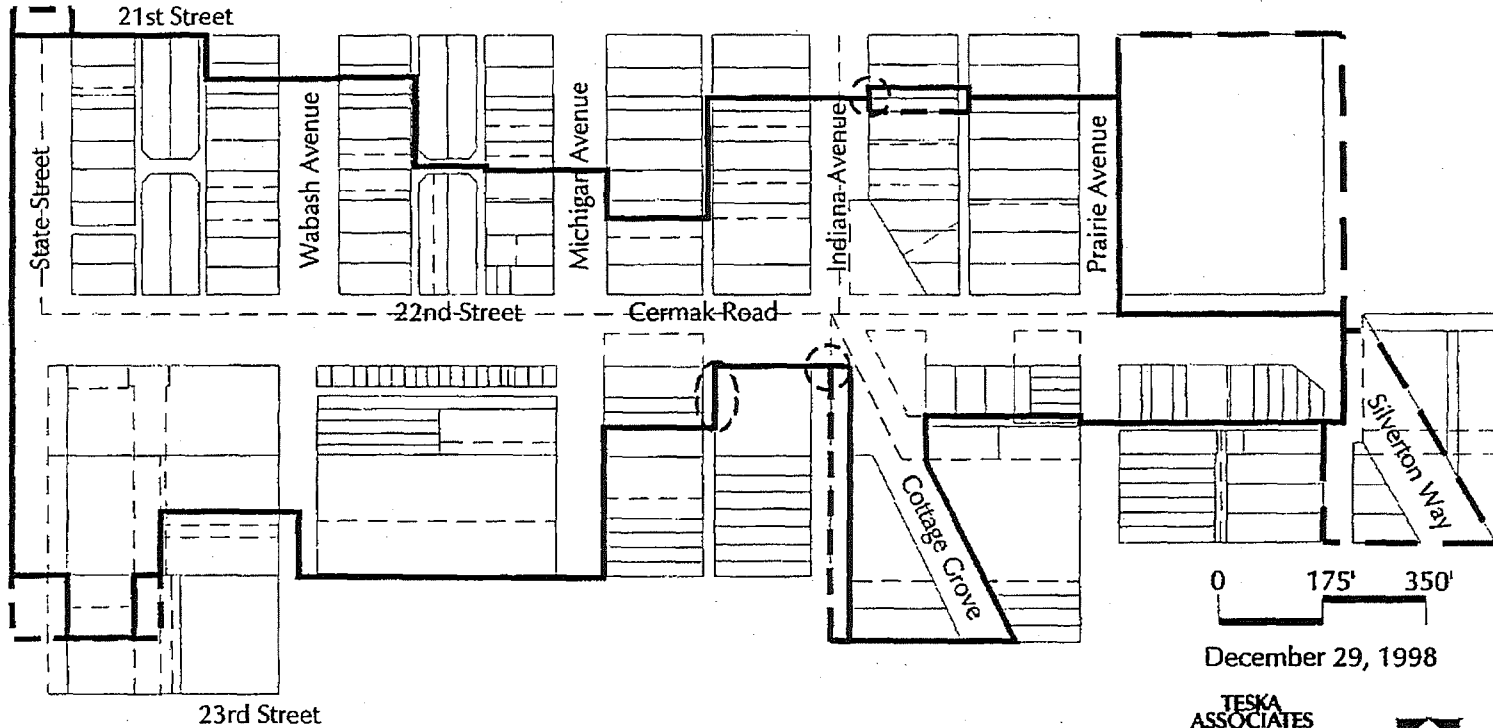
Figure 1: Corrected Original Redevelopment Project Area Boundary Map



# Michigan/Cermak Redevelopment Plan and Project

Figure 2: Changes to Redevelopment Project Area Boundary Map

- Corrected
- - - Original
- Broken in Original



**TESKA ASSOCIATES INC.**  
Consulting Engineers & Architects  
1400 North Dearborn Street  
Chicago, Illinois 60610  
312.467.2214



APPENDIX A

MICHIGAN/CERMAK REDEVELOPMENT PROJECT AREA  
AMENDMENT NO. 1  
CORRECTED LEGAL DESCRIPTION

The original Redevelopment Project Area is hereby corrected to read as follows:

1 THAT PART OF THE SOUTHWEST QUARTER OF SECTION 22, AND THE SOUTHEAST 1/4 OF SECTION  
2 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF THE  
3 NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD  
4 PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

5 BEGINNING AT THE INTERSECTION OF THE EAST LINE OF SOUTH STATE STREET AND THE SOUTH  
6 LINE OF EAST 21<sup>ST</sup> STREET, SAID POINT ALSO BEING THE NORTHWEST CORNER OF LOT 20 IN  
7 BLOCK 28 IN GURLEY'S SUBDIVISION OF BLOCKS 24 TO 28 IN ASSESSOR'S DIVISION OF THE  
8 SOUTHWEST FRACTIONAL QUARTER OF SECTION 22, AFORESAID ; THENCE EAST ALONG SAID  
9 SOUTH LINE OF EAST 21<sup>ST</sup> STREET TO THE NORTHWEST CORNER OF LOT 1 IN SAID BLOCK 28 IN  
10 GURLEY'S SUBDIVISION AFORESAID; THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 1 AND  
11 THE WEST LINE OF LOT 2 IN SAID BLOCK 28 IN GURLEY'S SUBDIVISION AFORESAID TO THE  
12 NORTHWEST CORNER OF THE SOUTH 25 FEET OF SAID LOT 2; THENCE EAST ALONG THE NORTH  
13 LINE AND SAID NORTH LINE EXTENDED EAST OF THE SAID SOUTH 25 FEET OF LOT 2 TO THE EAST  
14 LINE OF SOUTH WABASH AVENUE (SAID EAST LINE OF SOUTH WABASH AVENUE, BEING THE WEST  
15 LINE OF BLOCK 27 IN GURLEY'S SUBDIVISION AFORESAID); THENCE NORTH ALONG SAID EAST  
16 LINE OF SOUTH WABASH AVENUE TO THE NORTH LINE OF THE SOUTH 30 FEET OF LOT 19 IN SAID  
17 BLOCK 27; THENCE EAST ALONG SAID NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF  
18 SAID SOUTH 30 FEET OF LOT 19 TO THE CENTER LINE OF 12 FEET WIDE NORTH AND SOUTH  
19 PUBLIC ALLEY, EAST OF AND ADJOINING SAID LOT 19; THENCE SOUTH ALONG THE CENTER LINE  
20 OF SAID 12 FEET WIDE NORTH AND SOUTH ALLEY TO THE CENTER LINE OF THE EAST AND WEST  
21 25.8 FOOT ALLEY EXTENDED WEST (NORTH OF 22<sup>ND</sup> STREET); THENCE EAST ALONG SAID CENTER  
22 LINE (EXTENDED EAST) TO THE WEST LINE OF LOT 5 IN SAID BLOCK 27; THENCE SOUTH ALONG  
23 SAID WEST LINE OF LOT 5 TO THE NORTHWEST CORNER OF LOT 6 IN SAID BLOCK 27; THENCE  
24 EAST ALONG THE NORTH LINE AND SAID NORTH LINE EXTENDED EAST OF SAID LOT 6 TO THE  
25 EAST LINE OF SOUTH MICHIGAN AVENUE (SAID EAST LINE OF SOUTH MICHIGAN AVENUE BEING  
26 THE WEST LINE OF BLOCK 26 IN GURLEY'S SUBDIVISION AFORESAID); THENCE SOUTH ALONG THE  
27 EAST LINE OF SOUTH MICHIGAN AVENUE TO THE NORTH LINE OF THE SOUTH 25 FEET OF LOT 12  
28 IN SAID BLOCK 26; THENCE EAST ALONG THE SAID NORTH LINE (EXTENDED EAST) TO THE CENTER  
29 LINE OF THE 18 FOOT WIDE NORTH AND SOUTH ALLEY; THENCE NORTH ALONG SAID CENTER  
30 LINE OF THE 18 FOOT NORTH AND SOUTH ALLEY TO THE NORTH LINE EXTENDED WEST OF LOT  
31 3 IN SAID BLOCK 26; THENCE EAST ALONG NORTH LINE AND SAID NORTH LINE EXTENDED EAST  
32 AND WEST OF THE SAID NORTH LINE OF LOT 3 TO THE EAST LINE OF SOUTH INDIANA AVENUE  
33 (SAID EAST LINE OF INDIANA AVENUE BEING THE WEST LINE OF BLOCK 25 IN GURLEY'S  
34 SUBDIVISION AFORESAID); THENCE NORTH ALONG SAID EAST LINE OF SOUTH INDIANA AVENUE  
35 TO THE NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 IN BLOCK 25 IN SAID GURLEY'S  
36 SUBDIVISION; THENCE EAST ALONG SAID NORTH LINE OF THE SOUTH 10 FEET OF LOT 17 AND  
37 ALONG THE EASTWARD EXTENSION THEREOF TO THE EAST LINE OF THE NORTH AND SOUTH  
38 PUBLIC ALLEY, 18 FEET WIDE IN SAID BLOCK 25; THENCE SOUTH ALONG SAID EAST LINE TO THE  
39 NORTH LINE OF THE SOUTH 24.8 FEET OF LOT 3 IN SAID BLOCK 25; THENCE EAST ALONG SAID

40 NORTH LINE AND SAID NORTH LINE EXTENDED EAST TO THE EAST LINE OF SOUTH PRAIRIE  
41 AVENUE (SAID EAST LINE OF SOUTH PRAIRIE AVENUE BEING THE WEST LINE OF BLOCK 24 IN  
42 GURLEY'S SUBDIVISION AFORESAID); THENCE SOUTH ALONG THE EAST LINE OF SOUTH PRAIRIE  
43 AVENUE TO AN INTERSECTION WITH THE CENTER LINE OF EAST 22<sup>ND</sup> STREET (EAST CERMAK ROAD);  
44 THENCE EAST ALONG SAID CENTER LINE OF EAST 22<sup>ND</sup> STREET (THE NORTH LINE OF THE  
45 NORTHWEST QUARTER OF SECTION 27) TO AN INTERSECTION WITH THE CENTER LINES OF SOUTH  
46 CALUMET AVENUE AND SILVERTON WAY; THENCE SOUTH ALONG SAID CENTER LINE OF SOUTH  
47 CALUMET AVENUE TO THE NORTH LINE OF A 15 FOOT EAST AND WEST ALLEY (EXTENDED EAST)  
48 SOUTH OF EAST CERMAK ROAD; THENCE WEST ALONG SAID NORTH LINE AND SAID NORTH LINE  
49 EXTENDED WEST OF SAID 15 -FOOT EAST AND WEST ALLEY TO THE WEST LINE OF SOUTH PRAIRIE  
50 AVENUE; THENCE NORTH ALONG THE SAID WEST LINE OF SOUTH PRAIRIE AVENUE TO THE  
51 SOUTHEAST CORNER OF LOT 6 IN HALE'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 3 IN SAID  
52 CANAL TRUSTEES SUBDIVISION ; THENCE WEST ALONG THE SOUTH LINE AND SAID SOUTH LINE  
53 EXTENDED WEST OF SAID LOT 6 TO THE EXTENSION NORTH OF THE WEST LINE OF LOT 7 IN  
54 GOULD'S SUBDIVISION OF BLOCK 3 IN SAID CANAL TRUSTEES SUBDIVISION; THENCE SOUTH  
55 ALONG THE EXTENSION NORTH AND THE WEST LINE OF LOT 7 TO THE NORTHEASTERLY LINE OF  
56 COTTAGE GROVE AVENUE; THENCE SOUTHEASTERLY ALONG THE SAID NORTHEASTERLY LINE OF  
57 COTTAGE GROVE AVENUE TO THE EXTENSION EAST OF THE SOUTH LINE OF LOT 10 IN THE  
58 SUBDIVISION OF BLOCK 17 IN SAID CANAL TRUSTEES SUBDIVISION; THENCE WEST ALONG THE  
59 EXTENSION EAST OF THE SOUTH LINE AND SAID LINE EXTENDED WEST OF SAID LOT 10 TO THE  
60 EAST LINE OF SOUTH INDIANA AVENUE; THENCE NORTH ALONG THE SAID EAST LINE OF INDIANA  
61 AVENUE TO THE SOUTH LINE OF CERMAK ROAD AS WIDENED; THENCE WEST ALONG SAID SOUTH  
62 LINE TO THE EAST LINE OF A NORTH AND SOUTH 20 FOOT PUBLIC ALLEY EAST AND ADJOINING  
63 LOTS 2, 3, 4 AND 5 IN ASSESSOR'S DIVISION OF THE NORTH ONE-THIRD OF BLOCK 20 OF  
64 FRACTIONAL SECTION 15 ADDITIONAL SECTION 15, TOWNSHIP 39 NORTH, RANGE 14, EAST OF  
65 THE THIRD PRINCIPAL MERIDIAN AND THE NORTH 135 FEET OF BLOCK 40 IN CANAL TRUSTEES  
66 SUBDIVISION AFORESAID, AND THE WEST PART OF BLOCK 4 OF THE WEST HALF OF SECTION 27  
67 AFORESAID; THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF SAID LOT 5  
68 EXTENDED EAST; THENCE WEST ALONG THE EXTENSION EAST AND THE NORTH LINE OF SAID LOT  
69 5 TO THE EAST LINE OF SOUTH MICHIGAN AVENUE; THENCE SOUTH ALONG THE EAST LINE OF  
70 SOUTH MICHIGAN AVENUE TO THE EXTENSION EAST OF THE NORTH LINE OF LOT 1 IN THE  
71 SUBDIVISION OF THE EAST HALF OF BLOCK 19 IN SAID CANAL TRUSTEES SUBDIVISION; THENCE  
72 WEST ALONG THE EXTENSION EAST, THE NORTH LINE AND SAID NORTH LINE EXTENDED WEST  
73 OF SAID LOT 1 IN BLOCK 19 TO THE CENTER LINE OF WABASH AVENUE; THENCE NORTH ALONG  
74 THE SAID CENTER LINE OF SOUTH WABASH AVENUE TO THE EXTENSION EAST OF THE SOUTH LINE  
75 OF THE NORTH 87 FEET OF BLOCK 7 IN SAID CANAL TRUSTEES SUBDIVISION; THENCE WEST  
76 ALONG THE EXTENSION EAST AND THE SOUTH LINE OF THE SAID NORTH 87 FEET OF BLOCK 7 TO  
77 THE WEST LINE OF THE EAST 197.4 FEET OF SAID BLOCK 7; THENCE SOUTH ALONG THE SAID WEST  
78 LINE OF THE EAST 197.4 FEET OF SAID BLOCK 7 TO THE NORTH LINE OF BLOCK 20 IN SAID CANAL  
79 TRUSTEES SUBDIVISION; THENCE WEST ALONG THE SAID NORTH LINE OF BLOCK 20 TO THE WEST  
80 LINE OF THE C.T.A. ELEVATED RAILROAD; THENCE SOUTH ALONG SAID WEST LINE TO A LINE 100  
81 FEET NORTH AND PARALLEL WITH THE NORTH LINE OF EAST 23<sup>RD</sup> STREET; THENCE WEST ALONG  
82 THE LAST DESCRIBED PARALLEL LINE TO THE EAST LINE OF PROPERTY HAVING A PERMANENT  
83 INDEX NO. 17-27-100-016; THENCE NORTH ALONG SAID EAST LINE TO THE NORTHEAST CORNER  
84 OF SAID PROPERTY; THENCE WEST ALONG THE NORTH LINE OF SAID PROPERTY (EXTENDED WEST)  
85 TO THE WEST LINE OF SOUTH STATE STREET; THENCE NORTH ALONG SAID WEST LINE OF SOUTH  
86 STATE STREET IN SECTION 21 AFORESAID, TO THE SOUTH LINE OF EAST 21<sup>ST</sup> STREET (EXTENDED  
87 WEST); THENCE EAST ALONG SAID SOUTH LINE OF EAST 21<sup>ST</sup> STREET TO THE POINT OF BEGINNING,  
88 ALL IN THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS.

**APPENDIX B**

**MICHIGAN/CERMAK REDEVELOPMENT PROJECT AREA TAX INCREMENT ALLOCATION FINANCE  
PROGRAM AS APPROVED BY THE CITY COUNCIL OF THE CITY OF CHICAGO IN SEPTEMBER,  
1989 AND AMENDED IN MARCH, 1990.**

**CITY OF CHICAGO,  
ILLINOIS**

**TAX INCREMENT REDEVELOPMENT AREA (TIF)  
MICHIGAN/CERMAK TIF REDEVELOPMENT PROJECT AND PLAN**

**JULY, 1989**

**Prepared for:**

**City of Chicago Department of Economic Development**

**B2**

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## LISTS OF TABLES AND EXHIBITS

### Tables

Table 1a            Redevelopment Project  
                      Estimated Project Costs - Phase 1

Table 1b            Redevelopment Project  
                      Estimated Project Costs - Phase 2

### Exhibits

Exhibit 1            Legal Description

Exhibit 2            Boundary Map

Exhibit 3            Existing Land-Use Map

Exhibit 4            Proposed Land-Use Map

Exhibit 5            Criteria for Qualification

## 1. INTRODUCTION AND BACKGROUND

### Background

The designation of the Michigan/Cermak Road Corridor Redevelopment Project Area will assist the City of Chicago in addressing many severe economic problems within the City's Near South Area. The redevelopment of this area is one of the primary goals of the City of Chicago.

The RPA is generally described as follows:

The frontage properties along the north and south sides of East Cermak Road extending from the intersection of State Street and East Cermak Road to the southeast corner of the intersection of South Calumet Avenue and South Martin Luther King Jr. Drive.

Current uses are mixed: industrial, commercial/service, retail, residential, and parking/storage lots. A number of vacant lots are also interspersed with the uses described above.

The Near South Area, overall, has had little or no meaningful new development or redevelopment investment by the private sector in recent years. This stagnation in private sector investment has led to the area experiencing significant deterioration of existing structures and a lack of development of underutilized and vacant properties. Accompanying these conditions has been the long-term deterioration in the area's socio-economic structure. This deterioration is evidenced by the following factors which are provided in detail in the City's Near South Development Plan, Background Report, March, 1986.

In 1950 There were 2,875 housing units located in the area. It is significant to not that at that time all units were private market housing. By 1980, however, the number of units had decreased to 2,487 and, of those, fully 99% were Federally subsidized housing. Approximately 99% of these units were rental.

Between 1970-80, the population in the immediate area decreased by 45%. Of the population that remained, approximately 94% was minority compared to a City-wide minority population of 40%.

There was an almost 30% loss in the number of jobs in the area between 1972 and 1984. Also, the unemployment rate for the area traditionally runs two to three times higher than that for the City as a whole. For area youth, the difference in the unemployment rate is typically four (4) to six (6) times higher.

In 1980, working age adults made up only 40% of the area's population compared to 61% for Chicago as a whole. Conversely, while for the City overall population of youth 0-17 years of age was 28%, for the impacted area the rate was 42%.

The area's per capita income in 1980 was 50% less than that for the City as a whole, which contributed to the area having a poverty level being twice that of the City as a whole (43% and 20%, respectively).

Between 1978 and 1982 the area lost 16% of its employers with almost 280 firms leaving the area. Of the remaining firms, about one-third were manufacturing leaving the area somewhat under-

represented in the retail and service jobs. (This supports the belief that the retail/service jobs that will be created by the proposed project are badly needed).

The area is widely characterized by poorly maintained older, commercial and industrial properties. The historic landmark Lexington Hotel, which is located just outside of the Prairie Avenue Historic District, is typical of these deteriorated conditions.

(Source: Near South Development Plan, Background Report, March 1986).

As noted above, the RPA designation will assist the City to begin to alleviate many of these problems.

In past years, the RPA has experienced almost total economic isolation from nearby McCormick Place, as well as the many amenities of the lakefront. Also, in the past, the natural retail and service market draw the area should have been experiencing, by virtue of being adjacent to the area's major assets, including the Chicago Loop, has been severely abated by significant manmade barriers in the form of acres of railroad yards and transportation systems like Lake Shore Drive and Stevenson Expressway. Today, the railroad yards lie underutilized, but the area is poised for large scale development. The key transportation systems promise to offer outstanding access into the Near South Loop Area. Yet, in spite of these potential advantages, the area remains very difficult to develop. For example, the proposed Central Station project, to the east of the RPA, by location, is closer to the lakefront and Lake Shore Drive. As a result, the market area and market perception are different in comparison to properties located further west along Cermak Road.

In addition to the investment and job generation, the RPA offers the City an opportunity to encourage additional private sector investment and job creation in the impacted area. Recently established long-term plans by the City identify the attraction of hotels, retail, and commercial development along the Michigan/Cermak corridor as a much needed strategy to help revitalize the area.

As indicated by the demographic data supplied above, the impacted area has a high proportion of minority and low-moderate income population. The permanent jobs that would be created by the proposed redevelopment projects would be of primary benefit to the area's residents.

One of the fastest growing business sectors in the Near South Side is the convention/trade show and exhibition support industry related to the McCormick Place Complex. The expansion of the Complex, through the construction of the Annex was designed to improve scheduling patterns and increase convention/trade show events. The Near South area is well served by CTA bus and rapid transit lines. Important arterials such as Cermak Avenue and Michigan Avenue along with State Street, Clark Street, and Indiana Avenue generally serve the RPA. In addition, Lake Shore drive is nearby as well as convenient access to the Stevenson Expressway and the Dan Ryan Expressway. Commuter rail service is nearby located at 18th Street and 23rd Street. Meigs Field, a general aviation airport, serves small businesses and personal planes, with executives, legislators and other officials using commuter flights to Springfield of events located at the McCormick Place Complex. The Prairie Avenue Historic District is also located nearby.

Notwithstanding the transportation and geographic advantages described above, the RPA has not been subject to redevelopment. The general condition of the structures along Cermak Avenue east towards McCormick Place and along Michigan Avenue is poor.

The former Lexington Hotel, located at an important entry point on the corridor, has been vacant for several years, and the condition of the structure has depreciated over the years due to weather damage, vandalism,

and lack of maintenance. The Lexington Hotel is an historic structure (a City landmark), offering certain architectural features, as well as local tradition, that enhance its unique characteristics. The site is well located at the Cermak Road and Michigan Avenue intersection, and is well situated to service the McCormick Place Complex.

### **Redevelopment Plan**

The RPA as constituted would be difficult to develop solely through investment by private enterprise. It is not reasonable to anticipate substantial reuse of sites within the RPA without the adoption of a redevelopment plan that addresses the characteristics of the properties, while providing a practical method for financing the redevelopment project. The City has prepared this redevelopment plan to address its needs and meet its redevelopment goals and objectives relating to the RPA through the use of tax increment financing.

The RPA has not been subject to redevelopment through investment by private enterprise and it is not reasonably anticipated to be developed in a comprehensive manner without the adoption of a Redevelopment Plan and Project.

The City recognizes the need for implementation of various strategies to overcome existing area conditions and lack of competitiveness with other City or suburban locations. The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Rev. Stat., Section 11-7 .4-3 (the "Act"). Incremental real estate tax revenue generated by the RPA will play a decisive role in encouraging private development.

Existing site conditions that have precluded intensive private investment in the past will be eliminated. Through this Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which are included in the RPA in the form of a significant expansion of the real estate tax base and employment base. The Redevelopment Plan and Project will serve to create new jobs within the City and thereby reduce unemployment within taxing districts which cover all or part of the RPA.

On July 18, 1989, the city of Chicago's Commercial District Commission adopted a resolution authorizing a Public Hearing to use Tax Increment Financing ("TIF") for the redevelopment of the area legally described herein in Exhibit 1 and outlined on the map in Exhibit 2. Redevelopment of the TIF area is tenable only if a portion of the public improvements are funded by TIF.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the proposed RPA. By means of public investment, the RPA will become an improved, more viable environment that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital.

Pursuant to the requirements of the Act, the RPA includes only those contiguous parcels of real property and improvements thereon which are substantially benefitted by the redevelopment plan and project. Also in accordance with the Act, the RPA is not less than 1-1/2 acres in the aggregate.

## **Redevelopment Plan Implementation**

The City will encourage and consider proposals for facilities and structures of all types and character provided that such proposals meet the zoning classification (as revised from time to time) and are consistent with other City ordinances and overall goals, including the goals of this Plan.

The City is open to the type and class of employees that are reasonably employed by the type and character of facilities that it ultimately approves. Based upon the initiation of the first phase of redevelopment of this Plan, the City anticipates that approximately 570 new employees will be employed within the RPA after completion of this first phase. First source hiring policies will be favored as well as conformance to City EEO and Affirmative Action policies. Relevant City, State, and Federal job training programs will be utilized as appropriate to facilitate the employment and training of community residents to the fullest extent practicable.

### **2. REDEVELOPMENT PROJECT ARE LEGAL DESCRIPTION**

The legal description is included in Exhibit 1.

### **3. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

#### **Findings**

The Redevelopment Project Area was studied to determine its qualifications as a "blighted area" as such term is defined in the Act. A description of the qualification factors is found in Exhibit 5. In summary, the following factors were found within the RPA: age, obsolescence, depreciation of physical maintenance, inadequate utilities, deleterious land use or layout, lack of community planning, deterioration, excessive vacancies, and structures below minimum code standards.

#### **Eligibility Survey**

The entire designated Redevelopment Project Area was evaluated by the City and Kane, McKenna and Associates, Inc. in July, 1989.

### **4. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES**

The following goals and objectives are presented for the RPA in accordance with the City's zoning ordinance and comprehensive plan. The Redevelopment Plan and Project also conform to the Near South Development Plan for the development of the area as a whole.

#### **General Goals of the Redevelopment Plan**

1. Provide jobs and potential business opportunities for community and City residents in accordance with the City's Affirmative Action goals;
2. Strengthen the existing business community within the area;

3. Remove obsolete and substandard structures which exert a blighting influence on the community;
4. Retain and upgrade sound buildings compatible with the redevelopment plan;
5. Identify and attract new business growth to the Michigan/Cermak Road corridor that will capitalize on its inherent strengths;
6. Improve the physical environment of the RPA in order to make the area more attractive for new business location and expansion; and
7. Develop "anchor" projects that encourage commercial and related mixed use development along the East Cermak Road corridor.

#### **Specific Goals of the Redevelopment Plan**

1. Create new job opportunities for community residents and City residents utilizing first source hiring programs and appropriate job training programs;
2. Rehabilitate key structures at critical locations within the RPA in order to encourage market momentum;
3. Link East Cermak Road redevelopment uses with the McCormick Place Complex uses, in ways that are compatible and supportive with the overall RPA growth;
4. Attract new commercial businesses;
5. Increase the number of public/private development partnerships;
6. Preserve and expand the tax base; and
7. Support the expansion of viable existing businesses that are consistent with the overall character of redevelopment.

#### **Redevelopment Objectives**

The purpose of the RPA designation will allow the City to:

1. Coordinate redevelopment activities within an important core area in order to provide a positive marketplace signal;
2. Reduce or eliminate blighted area factors present within the area; and
3. Accomplish redevelopment over a reasonable time period.

The Redevelopment Project's implementation will serve to improve the physical appearance of the entire Michigan/Cermak corridor and contribute to the economic development of the area, arresting decline and stabilizing the area. The redevelopment of the RPA will serve as a catalyst and as an essential anchor for the overall area. Job creation associated with the project will provide new, improved employment

opportunities for community and City residents, including an employment program that allows for the use of the City's First Source Hiring program.

**5. REDEVELOPMENT PROJECT**

**A. City Redevelopment Plan and Project Objectives**

The City proposes to realize its goals and objectives of encouraging development of the redevelopment project area through public finance techniques including, but not limited to, Tax Increment Financing:

1. By reducing interest costs of a redeveloper related to the construction, expansion or rehabilitation of redevelopment projects.
2. Acquisition and assembly of property.
3. By providing public facilities which may include:
  - a. Utility improvements and expansion (including curbs and sidewalks);
  - b. Street improvements and expansion;
  - c. Traffic signalization and intersection improvements; and
  - d. Landscaping and signs on public ways.
4. By providing for demolition, site preparation, clearance and grading or redevelopment sites and building rehabilitation, as well as appropriate relocation.
5. Exploration and review of job training programs in coordination with City, federal, state, and county programs.

**B. General Land Use Plan**

Existing land use consists of frontage along East Cermak Road extending east from State Street to Martin Luther King, Jr. Drive, as described in Exhibit 3. A number of different uses (commercial, vacant, and mixed use) exist within the RPA. Exhibit 4, attached hereto and made a part of this plan, designates intended general land uses in the RPA. The proposed land uses will conform to the City's comprehensive plan.

All redevelopment projects shall be subject to the provisions of the City Zoning Ordinance, as well as Planned Unit Development provisions, as may be amended from time to time.

**C. Redevelopment Program**

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions to facilitate redevelopment, including, but not limited to, acquisition and assembly, provision of interest rate writedown, public improvements, demolition and/or clearance, building rehabilitation, relocation and job training assistance.

1. Interest Rate Writedown

The City may enter into an agreement with developers whereby a portion of the interest cost of the construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

2. Public Improvements

The city may provide public improvements in the RPA to enhance the RPA as a whole, to support the Redevelopment Project Plan and Project, and to serve the needs of City and area residents. Appropriate public improvements may include, but are not limited to:

- a. new constriction and improvements of streets, alleys, curbs, sidewalks/pedestrianways and street intersections;
- b. improvement and extension of public utilities;
- c. landscaping/beautification, lighting, and signage of public properties; and
- d. traffic signalization.

3. Acquisition

Property may be acquired by the City in order to further objectives of this Plan and enhance development alternatives for appropriate users.

Clearance of existing structures on properties to be acquired will, to the greatest extent possible, be scheduled to coincide with redevelopment activities so that parcels do not remain vacant for extended periods of time and so that the adverse effects of clearance activities may be minimized.

Property, when acquired, may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as they are needed for planned development. Such revenues, if any, would accrue to the special tax allocation fund for the redevelopment project.

4. Land Disposition

Property may be acquired by the City and may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the City to a private developer or developers, in whole or in part, for redevelopment subject to the requirements of the Act.

Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other City codes and ordinances governing the use of land.

5. Demolition and Site Preparation

As determined by the type of use and market considerations, a portion or all of the existing structures may be demolished. Demolition may include removal of asbestos insulation



conferment facility be adopted for more market oriented uses, asbestos insulation may have to be removed as part of site preparation in order to accommodate development. Again, all removal would conform to environmental requirements. Other site preparation for reuse would also conform to appropriate environmental and other governmental regulations.

6. Relocation

The City or the developer may provide for relocation conferment with its policies and regulations in order to accomplish the goals and objectives of the Plan, using Federal, State or municipal criteria.

7. Job Training

The City may assist facilities located within the RPA in obtaining job training assistance. Job training and retaining programs currently available from or through other governments include, but are not limited to:

- a. The federal Jobs Partnership Training Act (JPTA) programs administered by the City of Chicago's Mayor's Office of Employment Training;
- b. The State of Illinois High Impact Training Support (HITS) program;
- c. Applicable local vocational educational programs;
- d. The State of Illinois Industrial Training Program (ITP);
- e. Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

D. Estimated Redevelopment Project Costs - Phase 1 and 2

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project. Eligible costs permitted by the Act pertinent to this Redevelopment Plan and Project are:

1. Costs of studies and 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, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction or any

redevelopment project for which such obligations are issued and not exceeding thirty-six (36) months thereafter, including reasonable reserves related thereto;

6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Projects, to the extent the City by written agreement accepts and approves such costs;
7. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or Illinois law;
8. Payment in lieu of taxes;
9. Costs of job training, advanced vocational education or career education, including, but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Illinois Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The Illinois School Code;
10. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
  - b. such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
  - c. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10), then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  - d. the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

Estimated project costs are shown in Tables 1a and 1b. To the extent that the City or a developer has incurred redevelopment project costs prior to, but in anticipation of, the adoption of tax

increment financing, the City may be reimbursed for such costs. Adjustments to the cost items listed in Tables 1a and 1b are anticipated without amendment to the Redevelopment Plan.

**TABLE 1a  
REDEVELOPMENT PROJECT - ESTIMATED PHASE 1 PROJECT COSTS**

<b>Program Action/Improvement</b>	<b>Estimated Cost(s)</b>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 4,500,000
Land Acquisition and Assembly	\$ 5,000,000
Utility Improvements	\$ 500,000
Street Construction and/or Extension Intersection and Traffic Signalization Improvements	\$ 250,000
Streetscape Improvements, including Landscaping, Signage, and Streetlights	\$ 1,000,000
Demolition and/or Site Preparation and Clearance	\$ 1,000,000
Rehabilitation	\$ 5,250,000
Relocation	\$ 250,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	\$ 500,000
Job Training, Retraining and Affirmative Action Consulting Services	\$ 1,000,000
Capitalized Interest and Costs of Issuance	\$ 5,000,000
Contingencies	\$ <u>250,000</u>
<b>ESTIMATED PHASE I COSTS</b>	<b>\$ 25,000,000</b>

(A) All cost estimates are in 1989 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

**TABLE 1b  
REDEVELOPMENT PROJECT - ESTIMATED PHASE 2 PROJECT COSTS**

<b>Program Action/Improvement</b>	<b>Estimated Cost(s)</b>
Interest Cost as Allowed Under Paragraph (11) of Chapter 24, Par. 11-74.4-3 of the Act	\$ 5,000,000
Land Acquisition and Assembly	\$ 5,000,000
Utility Improvements	\$ 250,000
Street Rehabilitation/Construction and/or Extension, Curb and Sidewalk Construction	\$ 500,000
Intersection and Traffic Signalization Improvements	\$ 250,000
Streetscape Improvements, including Landscaping, Signage, and Streetlights	\$ 1,500,000
Demolition and/or Site Preparation and Clearance	\$ 1,500,000
Rehabilitation	\$ 2,000,000
Relocation	\$ 500,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	\$ 1,000,000
Job Training, Retraining and Affirmative Action Consulting Services	\$ 2,000,000
Capitalized Interest and Costs of Issuance	\$ 5,000,000
Contingencies	<u>\$ 500,000</u>
<b>ESTIMATED PHASE I COSTS</b>	<b>\$ 25,000,000</b>
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$ 50,000,000</b>

(A) All cost estimates are in 1989 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for redevelopment project costs are to be derived principally from real property tax incremental revenues and proceeds from any municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Project.

The tax increment revenues which will be used to pay debt service on the tax increment obligations and to directly pay redevelopment project costs shall be the incremental real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, etc. in the RPA.

Other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are: The proceeds of real property sales, real property tax receipts, certain motor tax revenues, incremental local hotel tax revenues, incremental local sales tax revenues, certain land lease payments, certain other sources of funds and revenues as the City may, from time to time, deem appropriate.

The City may use its general fund and utilize its taxing power to sustain redevelopment projects and pay debt service on obligations issued in connection therewith to be reimbursed, if possible, from tax increment financing revenues.

F. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the tax increment special tax allocation fund established for the RPA pursuant to Section 11-74.4-7 of the Act or such other funds or security as are available to the City by virtue of its home rule powers provided by the Constitution of the State of Illinois.

All obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall not exceed twenty-three (23) years from the date of adoption of the ordinance approving the RPA or \_\_\_\_\_, \_\_\_\_\_. However, the final maturity date of any obligation issued pursuant to the Act may not be later than twenty (20) years from its respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. All obligations are to be repaid after issuance by projected and actual tax increment, other tax revenue and by such debt service revenues and sinking funds as may be provided by ordinance. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment service reserve funds and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, required reserves, bond sinking funds, redevelopment project costs and required reserves, early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the redevelopment plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed interest rates or floating interest rates; with or without capitalized interest; without deferred principal retirement; with or without interest rate limits, and with or without redemption provisions.

G. Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The total estimated 1998 equalized assessed valuation for the RPA is approximately \$6,923,073. The Boundary Map, Exhibit 2, shows the location of the RPA.

H. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated private development, assuming a Cook County, Illinois equalization factor (multiplier) of 1.9266, it is estimated that the equalized assessed valuation of real property within the RPA after the completion of the first phase redevelopment will be approximately \$19,588,542.

6. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT

A. Description of Redevelopment Project

The City will employ an implementation strategy which stresses economic feasibility whereby tax increment funds will not be initially pledged unless corresponding private investment is reasonably projected to be sufficient to generate equal or greater return of future tax revenues. Such strategy will contribute to a realistic approach in funding projects while assuring that the City has the flexibility to continue to prioritize among possible projects in meeting both City and private sector goals. The redevelopment projects contemplated by the City include, but are not limited to, the following:

**Interest Cost Coverage:** The City may pay for certain interest costs incurred by a redeveloper for construction, renovation or rehabilitation of a redevelopment project which shall include costs incurred by a developer pertaining to the redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

**Utility Improvements:** The City may make improvements, extension and adjustment in water, storm sewer, sanitary sewer, electric lighting and other utility systems.

**Right-of-Way Improvements:** The City may improve, construct, reconstruct or extend primary and secondary street right-of-ways and other such territory located on public land, on private land or through public easement on private land. Curbs and sidewalks may also be improved or reconstructed.

**Property Acquisition and Assembly:** The City may acquire land within the RPA for the purpose of facilitating the assembly and preparation of property.

**Demolition, Site Preparation and Clearance:** The City may remove debris and other disposal material from sites and/or grade such sites as part of its redevelopment activities.

**Professional Services:** The City may use tax increment financing to pay necessary architectural, engineering, planning, legal, administrative and financial costs.

**Cost of Job Training:** The City may implement job training programs.

**Relocation:** The City may provide for appropriate relocation conformerment to its policies and regulations.

**B. Commitment for Fair Employment Practices and Affirmative Action**

As part of any Redevelopment Agreement entered into by the City an any private developers, both will agree to establish and implement a honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will be conformerment with the most recent City policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The city and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

**7. SCHEDULING OF THE REDEVELOPMENT PROJECT**

**A. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs**

This Redevelopment Project will be completed on or before a date 23 years from the adoption of an ordinance designating the RPA or \_\_\_\_\_, \_\_\_\_\_. The City expects that the Redevelopment Project will be completed sooner than the maximum time limit set by the Act, depending on the incremental tax yield. Actual public and/or private construction activities are anticipated to be completed within ten (10) years from the adoption of this Redevelopment Plan.

**8. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT**

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

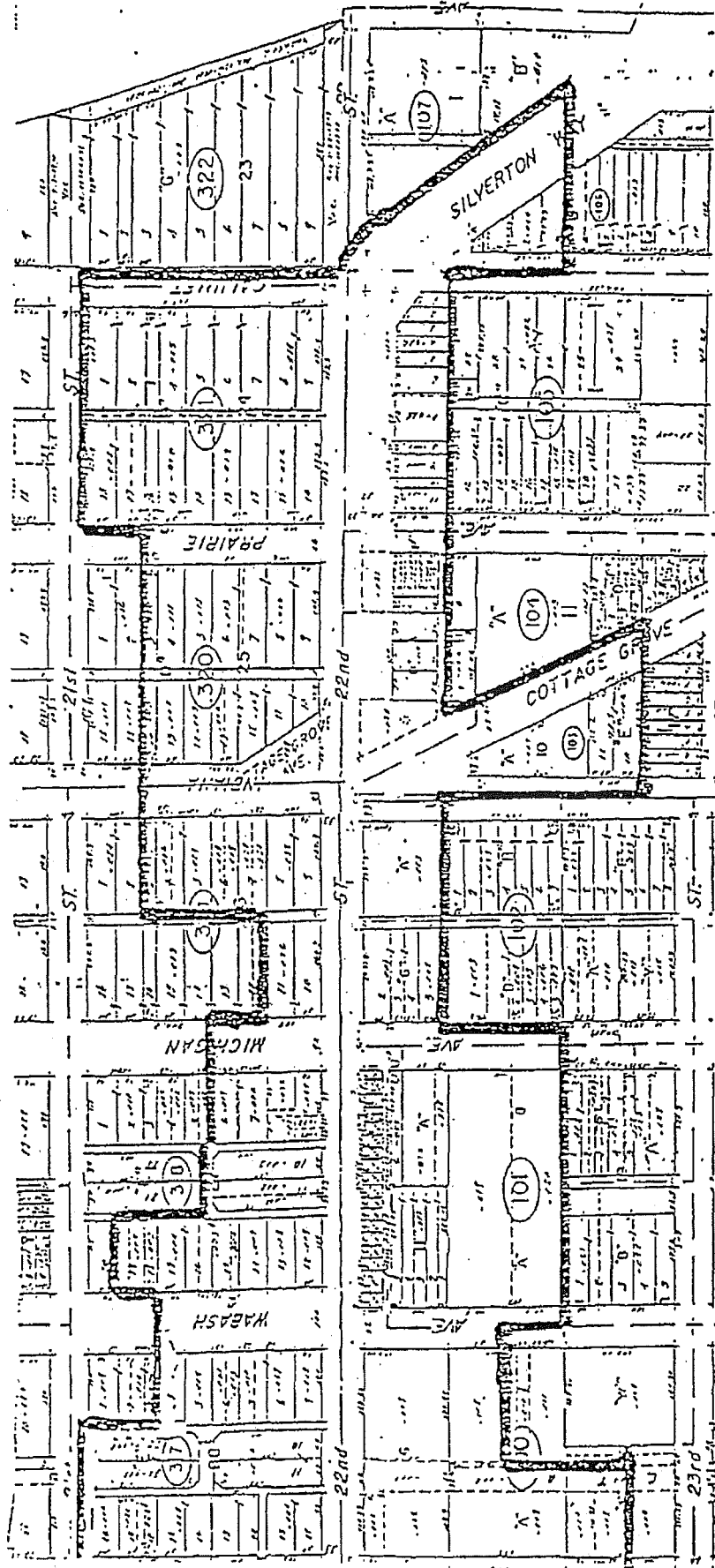


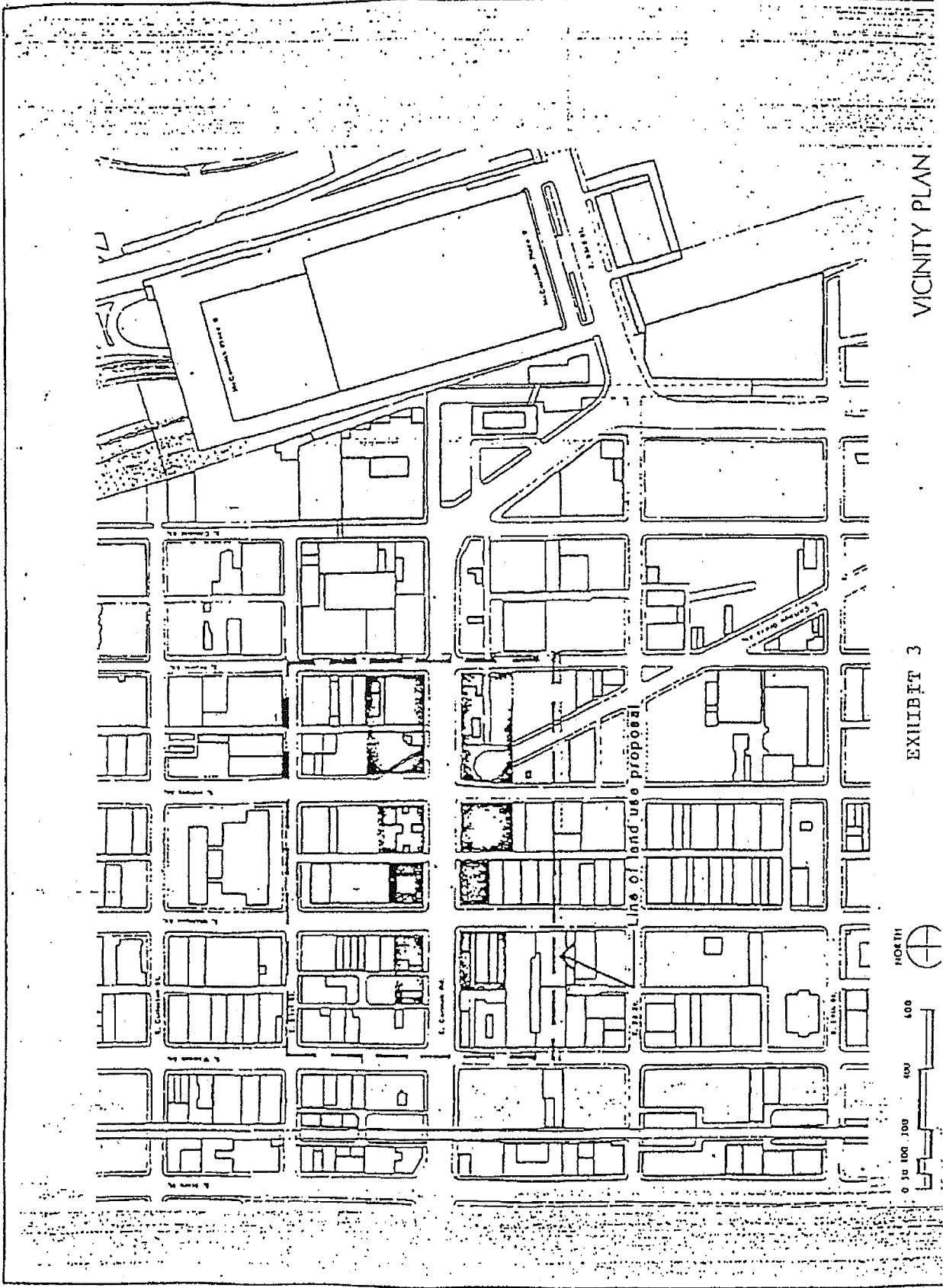
**EXHIBIT 1**

**LEGAL DESCRIPTION**

**[UPDATED AS PART OF AMENDMENT NO. 1]**

EXHIBIT B  
BOUNDARY MAP





VICINITY PLAN

EXHIBIT 3





## EXHIBIT 5

### Criteria For Qualification

The RPA was evaluated to determine the presence or absence of appropriate qualifying factors listed in the Act.

According to Section 11-74.4-3 of the Act (in pertinent part), a "blighted area" means:

Any improved or vacant area within the boundaries of the redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the special assessment delinquencies on such land; flooding on or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards; rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or (6) the area consists of an unused disposal site, containing earth, stone, building construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

The criteria listed in the Act were defined for purposes of the analysis are as follows:

1. **Age.** Simply the time which has passed since building construction was completed.
2. **Illegal Use of Structure.** The presence of the property of illegal uses or activities.
3. **Structures Below Minimum Code Standards.** Lack of conformance with local code standards of building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. **Excessive Vacancies.** When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.

5. **Lack of Ventilation, Light or Sanitary Facilities.** Conditions which would negatively influence the health and welfare of building users.
6. **Inadequate Utilities.** deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. **Dilapidation.** The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.
8. **Obsolescence.** When the structure has become or will soon become ill-suited for the originally designed use.
9. **Deterioration.** A condition where the quality of the building has declined in terms of structural integrity building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
10. **Overcrowding of Structures and Community Facilities.** A level of use beyond a designed or legally permitted level.
11. **Excessive Land Coverage.** Site coverage of an unacceptably high level.
12. **Deleterious Land Use or Layout.** Inappropriate property use or plotting, or other negative influences not otherwise covered, which discourages investment in a property.
13. **Depreciation of Physical Maintenance.** Decline in property maintenance which leads to building degeneration, health and safety hazards, unattractive nuisances, unsightliness, property value decline and area distress.
14. **Lack of Community Planning.** Deficiency in local direction of growth, development or redevelopment in order to maintain or enhance the viability of the area or community.

#### **Methodology**

The RPA has been evaluated in its qualification as a "blighted area" on an area-wide basis. The RPA has been evaluated according to the appropriate qualification features listed in the Act as defined above.

#### **Obsolescence**

The area contains single and multi-story buildings which are obsolete by current standards for more intensive commercial reuse. There is a prevalence of vandalism, graffiti and disrepair and deferred maintenance of both structures and sidewalks. As a result, the physical appearance of the area is poor.

#### **Depreciation of Physical Maintenance**

A majority of the structures within the area exhibit signs of depreciation of physical maintenance. Numerous structures require tuckpointing, roof work, window work, painting, etc. Also, many structures have been vacant or partially occupied, with a consequence of minimal maintenance work. The continued

lack of a comprehensive, sustained maintenance program may lead to further decline of the area's appearance.

#### **Inadequate Utilities**

Inadequate utilities, such as sidewalks, streets, alleys and curbs, make it difficult to flow both people and goods to points within and around the area. Existing utilities may need to be substantially improved in order to accommodate commercial and industrial users at locations within the RPA.

#### **Deleterious Land Use or Layout**

Deleterious land use or layout is located throughout the area and such layout does not encourage further industrial or commercial redevelopment. Land uses would need to be modified significantly in order to accommodate new uses. Many sites were designed for specific users and are currently vacant or partially occupied.

#### **Deterioration**

There are structures in the RPA that are deteriorating, whereby major rehabilitation of various structural elements such as exterior walls, roofs and foundation is warranted. Some are in need of repair due to decay, deterioration and neglect or misuse to such an extent as to warrant removal to protect the public health, safety, welfare or property values.

#### **Excessive Vacancies**

There are many structures and sites within the RPA that have experienced growing vacancy rates during the last fifteen (15) years. Many of the lots are being used for temporary parking and are full of debris. Some properties have been abandoned and lack maintenance, therefore, contributing to the unsightliness of the area.

In addition to the factors described above, existence of structures below minimum code, lack of community planning and the age factor are also present in a number of the blocks within the area.

The criteria listed in the Act were defined for purposes of the analysis are as follows:

1. **Age.** Simply the time which has passed since building construction was completed.
2. **Illegal Use of Structure.** The presence on the property of illegal uses or activities.
3. **Structures Below Minimum Code Standards.** Lack of conformance with local code standards of building, fire, housing, zoning, subdivision or lack of conformance with other applicable governmental codes.
4. **Excessive Vacancies.** When the occupancy or use level of the building is low for frequent or lengthy periods so as to represent an adverse area influence.

5. **Lack of Ventilation, Light or Sanitary Facilities.** Conditions which would negatively influence the health and welfare of building users.
6. **Inadequate Utilities.** Deficiencies in sewer, water supply, storm drainage, electricity, streets or other necessary site services.
7. **Dilapidation.** The condition where the safe use of the building is seriously impaired, as evidenced by substandard structural conditions; this is an advanced stage of deterioration.
8. **Obsolescence.** When the structure has become or will soon become ill-suited for the originally designed use.
9. **Deterioration.** A condition where the quality of the building has declined in terms of structural integrity and/or building systems due to lack of investment, misuse or age.
10. **Overcrowding of Structures and Community Facilities.** A level of use beyond a designed or legally permitted level.
11. **Excessive Land Coverage.** Site coverage of an unacceptably high level.
12. **Deleterious Land Use or Layout.** Inappropriate property use or plotting, or other negative influences not otherwise covered, which discourages investment in a property.



STATE OF ILLINOIS)

) SS

**Attachment B**

COUNTY OF COOK )

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

Barbara Byrd-Bennett  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
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  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

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

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

Michael P. Kelly, General Superintendent &  
CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
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 ILCS/11-74.4-1 et seq., (the "Act") with regard to the Michigan/Cermak Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

**Attachment B**

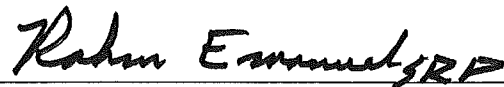
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2013, 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, 2014.

A handwritten signature in black ink that reads "Rahm Emanuel" followed by a stylized "RA" monogram.

Rahm Emanuel, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW

CITY OF CHICAGO

June 30, 2014

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

Barbara Byrd-Bennett  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

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

Michael P. Kelly, General Superintendent  
& CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

Re: Michigan/Cermak  
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.

Opinion of Counsel for 2013 Annual Report  
Page 2

June 30, 2014

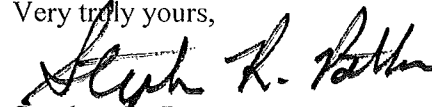
Attorneys, past and present, in the Law Department of the City and familiar with the requirements of the Act, have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following 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 Planning and 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:

CITY OF CHICAGO  
JOINT REVIEW BOARD

ORIGINAL

Report of proceedings of a hearing  
before the City of Chicago, Joint Review  
Board held on September 6, 2013, at 9:09 a.m.  
City Hall, Room 1003A, Conference Room,  
Chicago, Illinois, and presided over by  
Ms. Elizabeth Tomlins.

PRESENT:

MS. ELIZABETH TOMLINS, CHICAGO PARK DISTRICT  
MR. DARRYL HOLMES, COOK CTY BUREAU OF ECO. DEV.  
MS. CONSTANCE KRAVITZ, CITY OF CHICAGO COLLEGE  
MS. SUSAN MAREK, CHICAGO BOARD OF EDUCATION  
MS. COLLEEN STONE, CITY OF CHICAGO

1 ~~MR. HOLMES: So moved.~~

2 ~~MS. MAREK: Seconded.~~

3 ~~MS. TOMLINS: All in favor say aye.~~

4 ~~(Chorus of ayes.)~~

5 ~~MS. TOMLINS: All opposed, say no.~~

6 ~~(No response.)~~

7 ~~MS. TOMLINS: All right. We are adjourned.~~

8 ~~(Whereupon the above matter was~~

9 ~~concluded.)~~

10 MS. TOMLINS: My name is Elizabeth Tomlins.

11 I'm the representative of the Chicago Park District  
12 which under Section 1174435 of the Tax Increment  
13 Allocation Redevelopment Act is one of the statutorily  
14 designated members of the Joint Review Board. Until  
15 election of a chairperson, I will moderate the Joint  
16 Review Board meeting.

17 For the record, this will be a meeting to  
18 review the proposed Amendment No. 4 to the Michigan  
19 Cermak Tax Increment Financing District. The date of  
20 this meeting was announced at and set by the Community  
21 Development Commission of the City of Chicago at its  
22 meeting August 13, 2013.

23 Notice of this meeting of the Joint

1 Review Board was also provided by certified mail to each  
2 taxing district represented on the Board which includes  
3 the Chicago Board of Education, the Chicago Community  
4 Colleges District 508, the Chicago Park District, Cook  
5 County, and the City of Chicago. Public notice of this  
6 meeting was also posted as of Wednesday, September 4,  
7 2013, in various locations throughout City Hall.

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

14                   In addition, the Municipalities Housing  
15 Impact Study determines that the majority of the  
16 residential units in the proposed redevelopment project  
17 area are occupied by very low, low or moderate income  
18 households as defined in Section 3 of the Illinois  
19 Affordable Housing Act. The public member must be a  
20 person who resides in a very low, low or moderate income  
21 housing within the proposed redevelopment project area.

22                   With us today is Liana Alston, is that  
23 right?



1 MS. ALSTON: Yes.

2 MS. TOMLINS: Ms. Alston, are you familiar  
3 with the boundaries of the Michigan Cermak Tax Increment  
4 Financing Redevelopment Project area?

5 MS. ALSTON: Yes.

6 MS. TOMLINS: What is the address of your  
7 primary residence?

8 MS. ALSTON: 2138 South Indiana Avenue,  
9 Apartment 1605.

10 MS. TOMLINS: Is such address within the  
11 boundaries of the Michigan Cermak Tax Increment  
12 Financing Redevelopment Project area?

13 MS. ALSTON: Yes.

14 MS. TOMLINS: Have you provided  
15 representatives of the City of Chicago's Department of  
16 Housing and Economic Development with accurate  
17 information concerning your income and the income of any  
18 other members of the household residing at such address?

19 MS. ALSTON: Yes.

20 MS. TOMLINS: Ms. Alston, are you willing to  
21 serve as the public member for the Joint Review Board  
22 for the Michigan Cermak Tax Increment Financing  
23 Redevelopment Project area?

1 MS. ALSTON: Yes.

2 MS. TOMLINS: I will entertain a motion that  
3 Liana Alston be selected as the public member. Is there  
4 a motion?

5 MS. HOLMES: So moved.

6 MS. TOMLINS: Is there a second?

7 MS. STONE: Seconded.

8 MS. TOMLINS: All in favor vote aye.

9 (Chorus of ayes.)

10 MS. TOMLINS: All opposed, please vote and say  
11 no.

12 (No response.)

13 MS. TOMLINS: Let the record reflect that  
14 Liana Alston has been selected as the public member for  
15 the Michigan Cermak Tax Increment Financing  
16 Redevelopment Project area.

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

20 MS. STONE: I'm going to nominate Elizabeth  
21 Tomlins.

22 MS. TOMLINS: Are there any other nominations?

23 MR. HOLMES: I move that the nominations be

1 closed.

2 MS. TOMLINS: Let the record reflect there are  
3 no other nominations. All in favor of the nomination,  
4 please vote by saying aye.

5 (Chorus of ayes.)

6 MS. TOMLINS: All opposed vote and say no.

7 (No response.)

8 MS. TOMLINS: Let the record reflect that  
9 Elizabeth Tomlins has been elected as chairperson and  
10 will now serve as the chairperson for the remainder of  
11 the meeting.

12 MS. STONE: Oh, congratulations.

13 MS. TOMLINS: Thank you. All right, as I  
14 mentioned, at this meeting, we will be reviewing a plan  
15 for the Michigan Cermak TIF District Amendment No. 4  
16 proposed by the City of Chicago. Staff of the City's  
17 Department of Housing and Economic Development and Law  
18 as well as other departments, have reviewed this plan  
19 amendment which was introduced at the City's Community  
20 Development Commission on August 13, 2013.

21 We will listen to a presentation by the  
22 consultants of the plan. Following the presentation, we  
23 can address any questions that the members might have

1 for the consultant or City staff.

2 An amendment to the TIF Act requires us  
3 to base our recommendation to approve or disapprove the  
4 proposed Roosevelt received TIF District Amendment No. 2  
5 on the basis of the area and the plans satisfied in the  
6 plan requirements eligibility criteria defined in the  
7 TIF Act and objectives of the TIF Act.

8 If the Board approves the plan amendment,  
9 the Board will then issue an advisory non-binding  
10 recommendation by the vote of the majority of those  
11 members present at the voting. Such recommendation  
12 shall be submitted to the City within 30 days after the  
13 Board meeting. Failure to submit such recommendation  
14 shall be deemed to constitute approval by the Board.

15 If the Board disapproves the plan  
16 amendment, the Board must issue a written report  
17 describing why the plan and area fail to meet one or  
18 more of the objectives of the TIF Act and both the plan  
19 requirements and the eligibility criteria of the TIF  
20 Act. The City will then have 30 days to resubmit or  
21 revise the plan.

22 The Board and the City must also confer  
23 during this time to try to resolve the issues that led

1 to the Board's disapproval. If such issues cannot be  
2 resolved or if the revised plan is disapproved, the City  
3 may proceed with the plan, but the plan can be approved  
4 only with a three-fifth's vote of City Council excluding  
5 positions of members that are vacant and those members  
6 that are ineligible to vote because of conflicts of  
7 interest.

8 All right.

9 MR. HOLMES: Good job.

10 MS. TOMLINS: We're now going to have a  
11 presentation by Johnson.

12 MS. MORONEY: My name is Ann Moroney with  
13 Johnson Research Group. Thank you for having me speak  
14 here today. Our firm did the work for the Michigan  
15 Cermak Amendment No. 4 and I don't know that it matters,  
16 but, so, I don't know if that's important or not.

17 So, we were hired to do the amendment for  
18 the Michigan Cermak TIF. The Michigan Cermak TIF is  
19 here before you. It runs essentially from State Street  
20 to King all the way down Cermak Road as far north as  
21 21st, as far south as just short of 23rd Street.

22 This TIF was originally adopted in 1989  
23 and it has been amended three times since it's been

1 adopted. Today or 2012 is its statutory end of the TIF  
2 but the City has elected to extend it and the best major  
3 reason for this amendment, but the three other  
4 amendments, for your information, were 1990 to exclude  
5 parcels that were unnecessary or rerouted activities and  
6 to correct some scrivener's errors in the legal  
7 description. And then, it was amended again in 1999 to  
8 allow the affordability to afford money throughout this  
9 TIF district to its adjacent TIF's. And then again, in  
10 2010, to allow for the 24th year which we're currently  
11 in.

12                   There are three adjacent TIF's near  
13 South, Calumet/Cermak, and 24th and Michigan. There are  
14 29 acres in this TIF and 187 tax parcels, and the  
15 existing land uses are commercial, residential, some  
16 parking lots, vacant lots, and some institutional uses.

17                   Now, you're probably already familiar  
18 with the triggers for causing a major amendment. A  
19 major amendment is something that can be just  
20 administered passed through when filed. These are  
21 amendment requires going through this whole process,  
22 including public meeting, Joint Review Board meeting,  
23 City Council, CC public hearing, the whole litany of

1 public outreach.

2                   The triggers for that are either adding  
3 new parcels if you're substantially changing the land  
4 use plan or you're substantially changing the nature or  
5 the term of the TIF.

6                   So, as I mentioned, we're extending the  
7 life of the TIF by 12 years. We also made some changes  
8 to the land use plan. Before, you know, the number of  
9 mixed use, category of mixed use hotel and commercial  
10 mixed use, residential, commercial, and then some mixed  
11 use office. So, today we kind of simplified to be  
12 consistent with, you know, changes of the time and the  
13 planning that's going on in Housing and Economic  
14 Development.

15                   So, it's largely a commercial focus.  
16 Building on the motor road, commercial and entertainment  
17 district we are focusing on to the south. And then, you  
18 have McCormick Place, institutional and industrial,  
19 where those kind of uses that have been within McCormick  
20 Place.

21                   Our budget has changed as you might  
22 imagine. Over 23 years, the budget has changed from  
23 49.5 million to today we have a \$92 million budget. And

1 we also identified or the City has identified one parcel  
2 of vacant lot that they would like to put on the plan  
3 for acquisition and focus --

4 That's really, it's a tight amendment,  
5 some small TIF's so it kind of summarizes the purpose --

6 Is there any questions you have?

7 MR. HOLMES: Madam Chair, I'm sorry. The  
8 McCormick Place project is that the additional \$15  
9 million primarily and was that a part of the original  
10 TIF District, the McCormick Place piece?

11 MS. MORONEY: McCormick Place was always part  
12 of it. This piece of McCormick Place --

13 MR. HOLMES: Okay. You said there's been a  
14 significant increase of about \$50 million. Is that for  
15 the planning and development?

16 MS. MORONEY: Well, what we've done is we've  
17 estimated or we looked at the possible development of a  
18 hotel, two hotels.

19 MR. HOLMES: Sure.

20 MS. MORONEY: And so, residential units and  
21 filling all those vacant spots with commercial.

22 MR. HOLMES: Is a stadium or the rumored  
23 stadium, is that, the DePaul stadium, is that in there?



1 MS. MORONEY: That's in this block here --

2 MR. HOLMES: Okay. So, the funds have already  
3 been encumbered for that?

4 MS. MORONEY: I would defer to the City staff  
5 person for this, but I think that's a development. My  
6 understanding is it's a concept development.

7 MR. HOLMES: Okay.

8 MS. WORTHY: That's -- development nothing is  
9 being covered today.

10 MR. HOLMES: Okay. Thank you, Ma'am.

11 MS. MAREK: On the 12 year extension, since  
12 we're in the 24th year, is it 12 years so it will be 36?

13 MS. MORONEY: No, it actually ends up being  
14 35.

15 MS. MAREK: Thirty-five. So, you don't get  
16 that 24th?

17 MS. MORONEY: Right. You don't  
18 get bump on the 12th year.

19 MS. MAREK: Okay. Just it's 35 years.

20 MS. MORONEY: Yes.

21 MR. HOLMES: Statutorily, it is 36 though.

22 MS. MORONEY: The collection year.

23 MR. HOLMES: Yes.

1 MS. MAREK: So, the 24th year becomes the 36  
2 year?

3 MS. MORONEY: Yes, for collection purposes.

4 MS. MAREK: Okay.

5 MS. JASPER: May I ask a question?

6 MS. MORONEY: Sure.

7 MS. JASPER: Through the land acquisition at  
8 the -- that one parcel, do we know what it's for?

9 MS. MORONEY: You know what I haven't had  
10 anything --

11 MR. HOLMES: That's that little piece.

12 MS. JASPER: I'm just curious as  
13 to --

14 MS. MORONEY: There's a building. There's an  
15 office building just south of  
16 it, so, I don't know much more than that.

17 MS. JASPER: But it's vacant right now?

18 MS. MORONEY: Yes.

19 MS. JASPER: What's the --

20 MS. MORONEY: That's the green line. This is  
21 the CTA green line station. So, funds have been  
22 expended or plan to be expended to improve the green  
23 line station here.

1 MS. TOMLINS: Are there any other questions?

2 MR. HOLMES: I don't have none.

3 MS. ALSTON: Not really, no.

4 MS. TOMLINS: If there are no further  
5 questions, I'll entertain a motion that this Joint  
6 Review Board finds the proposed Michigan Cermak Tax  
7 Increment Financing Redevelopment Project area Amendment  
8 No. 4 satisfies the redevelopment plan requirements  
9 under the TIF Act, eligibility criteria defined in  
10 Section 117443 of the TIF Act, any objectives of the TIF  
11 Act and that based on such findings approve such  
12 proposed plan amendment under the TIF Act. Is there a  
13 motion?

14 MR. HOLMES: So moved.

15 MS. HOLMES: Is there a second?

16 MS. STONE: Seconded.

17 MS. TOMLINS: Is there any other further  
18 discussion? If not, all in favor, please vote by saying  
19 aye.

20 (Chorus of ayes.)

21 MS. TOMLINS: All opposed, please vote by  
22 saying no.

23 (No response.)

1 MS. TOMLINS: Let the record reflect that the  
2 Joint Review Board's approval of the proposed Michigan  
3 Cermak Tax Increment Financing Redevelopment Project  
4 Area Amendment No. 4 under the TIF Act.

5 We are adjourned.

6 (Whereupon the above matter was concluded  
7 and the meeting was adjourned at 10:03  
8 a.m.)

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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF C O O K )

I, STUART KAROUBAS, depose and say that I am an direct court reporter doing business in the State of Illinois; that I reported verbatim the foregoing proceedings and that the foregoing is a true and correct transcript to the best of my knowledge and ability.

Stuart Karoubas  
STUART KAROUBAS

SUBSCRIBED AND SWORN TO

BEFORE ME THIS 17th DAY OF  
SEPTEMBER, A.D. 2013.

[Signature]  
NOTARY PUBLIC

OFFICIAL SEAL  
RONALD N. LEGRAND, JR.  
Notary Public - State of Illinois  
My Commission Expires Oct 03, 2014

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2013

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT

C O N T E N T S

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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 Michigan/Cermak Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the Michigan/Cermak 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, 2013, 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.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Michigan/Cermak Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Bansley and Kiener, L.L.P.*  
Certified Public Accountants

June 30, 2014

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Michigan/Cermak 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, 2013. 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 governmental-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 position 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 position and how they have changed. Net position – 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  
MICHIGAN/CERMAK 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 \$1,085,795 for the year. This was an increase of 2 percent over the prior year. The change in net position (including other financing sources - net) produced a decrease in net position of \$4,394,447. The Project's net position decreased by 61 percent from the prior year making available \$2,792,829 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2013</u>	<u>2012</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 2,844,650	\$ 8,584,446	\$ (5,739,796)	-67%
Total liabilities	<u>51,821</u>	<u>1,397,170</u>	<u>(1,345,349)</u>	-96%
Total net position	<u>\$ 2,792,829</u>	<u>\$ 7,187,276</u>	<u>\$ (4,394,447)</u>	-61%
Total revenues	\$ 1,056,806	\$ 1,205,775	\$ (148,969)	-12%
Total expenses	<u>11,256,253</u>	<u>2,243,910</u>	<u>9,012,343</u>	402%
Other financing sources - net	<u>5,805,000</u>	<u>3,510,000</u>	<u>2,295,000</u>	65%
Changes in net position	<u>(4,394,447)</u>	<u>2,471,865</u>	<u>(6,866,312)</u>	-278%
Ending net position	<u>\$ 2,792,829</u>	<u>\$ 7,187,276</u>	<u>\$ (4,394,447)</u>	-61%

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2013

<u>ASSETS</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$ 1,756,330	\$ -	\$ 1,756,330
Property taxes receivable	1,070,000	-	1,070,000
Accrued interest receivable	18,320	-	18,320
Total assets	<u>\$ 2,844,650</u>	<u>\$ -</u>	<u>\$ 2,844,650</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 4,770	\$ -	\$ 4,770
Due to other City funds	26,107	-	26,107
Other accrued liability	20,944	-	20,944
Total liabilities	<u>51,821</u>	<u>-</u>	<u>51,821</u>
Deferred inflows	<u>995,877</u>	<u>(995,877)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>1,796,952</u>	<u>(1,796,952)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 2,844,650</u>		
Net position:			
Restricted for future redevelopment project costs		<u>2,792,829</u>	<u>2,792,829</u>
Total net position		<u>\$ 2,792,829</u>	<u>\$ 2,792,829</u>

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

Total fund balance - governmental fund	\$ 1,796,952
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>995,877</u>
Total net position - governmental activities	<u>\$ 2,792,829</u>

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

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 1,275,832	\$ (190,037)	\$ 1,085,795
Interest income (loss)	(28,989)	-	(28,989)
Total revenues	1,246,843	(190,037)	1,056,806
Expenditures/expenses:			
Economic development projects	11,256,253	-	11,256,253
Excess of expenditures over revenues	(10,009,410)	(190,037)	(10,199,447)
Other financing sources (uses):			
Operating transfers in (Note 2)	6,000,000	-	6,000,000
Operating transfers out (Note 2)	(195,000)	-	(195,000)
Total other financing sources - net	5,805,000	-	5,805,000
Excess of expenditures and other financing uses over revenues and other financing sources	(4,204,410)	4,204,410	-
Change in net position	-	(4,394,447)	(4,394,447)
Fund balance/net position:			
Beginning of year	6,001,362	1,185,914	7,187,276
End of year	<u>\$ 1,796,952</u>	<u>\$ 995,877</u>	<u>\$ 2,792,829</u>

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

Net change in fund balance - governmental fund	\$ (4,204,410)
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>(190,037)</u>
Change in net position - governmental activities	<u>\$ (4,394,447)</u>

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

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In September 1989, the City of Chicago (City) established the Michigan/Cermak 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 Government Accounting Standards Board (GASB). Effective January 2013, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, standardized the presentation of deferred outflows and inflows of resources and their effect on the Project's net position. The financial impact resulting from the implementation of GASB Statement No. 63 is primarily the change in terminology from Net Assets to Net Position. In addition, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, was implemented to establish accounting and financial reporting standards that reclassify as deferred inflows of resources, certain items that were previously reported as liabilities and recognizes, as inflows of resources, certain items that were previously reported as liabilities.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- 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.

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK 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 Position*

*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. In 2013, due to fair value adjustments, the investment income is showing a loss.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental fund financial statements.

*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 position and the statement of changes in net position) 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  
MICHIGAN/CERMAK REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Operating Transfers In/Out

During 2013, in accordance with State statutes, the Project transferred \$195,000 to the contiguous 24th/Michigan Redevelopment Project to help pay for the construction of the National Teachers Academy at 2220 South Federal Street. In addition, the Project received \$6,000,000 from the contiguous Calumet Avenue/Cermak Road Redevelopment Project for the initial funding for the new Cermak Road Green Line CTA station.

Note 3 – 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, 2013, the Project has entered into contracts for approximately \$310,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
MICHIGAN/CERMAK 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	\$ 80,899
Costs of the construction of public works or improvements	<u>11,175,354</u>
	<u>\$ 11,256,253</u>



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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 financial statements of Michigan/Cermak Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental fund balance sheet as of December 31, 2013, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 30, 2014.

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 Michigan/Cermak Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

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 30, 2014