
1998 Annual Report

**Chinatown Basin
Redevelopment Project Area**



**Pursuant to Mayor's
Executive Order 97-2**

JUNE 30, 1999



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

North LaSalle Street
Chicago, Illinois 60602
(744-4190)
(744-2271 (FAX))

<http://www.ci.chi.il.us>

June 30, 1999

The Honorable Mayor Richard M. Daley, Members
of the City Council, and Citizens of the City of Chicago
City of Chicago
121 N. LaSalle Street
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the Chinatown Basin Redevelopment Project Area, along with 63 other individual reports, is presented pursuant to the Mayoral Executive Order 97-2 (Executive Order) regarding annual reporting on the City's tax increment financing (TIF) districts. The City's TIF program has been used to finance neighborhood and downtown improvements, leverage private investment, and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form of the attached, will be filed with the City Clerk for transmittal to the City Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer



June 30, 1999

Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the required annual report for the Chinatown Basin Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law Department. We have not audited, verified, or applied agreed upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

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

Very truly yours,

Ernst & Young LLP

Ernst & Young LLP

Chinatown Basin Redevelopment Project Area 1998 Annual Report

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Chinatown Basin Redevelopment Project Area 1998 Annual Report

Purpose of Report:

The purpose of the Annual Report for the Chinatown Basin Redevelopment Project Area (Report) is to provide information regarding the City of Chicago (City) tax increment financing (TIF) districts in existence on December 31, 1998, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the Chinatown Basin Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. The Report reflects only TIF economic activity during 1998, also referred to in this report as "the prior calendar year." As outlined below, several assumptions were made concerning certain required information.

(a) General Description

The general boundaries of the Project Area are described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets are identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

(b) Date of Designation and Termination

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

(c) Copy of Redevelopment Plan

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(d) Description of Intergovernmental and Redevelopment Agreements

Table D describes agreements related to the Project Area which are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of agreements executed by the City in 1998 and filed with the Cook County Recorder of Deeds is included in Table D (if applicable).

(e) Description of TIF Projects

Table E describes each TIF project in the Project Area that has already received approval by the Community Development Commission, and which received TIF financing during 1998. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreements, if such agreements exist. Table E specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

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(f) Description of all TIF Debt Instruments

Table F describes all TIF debt instruments related to the Project Area in 1998. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest are not included in Table F, as such instruments do not qualify as TIF debt instruments as defined by the Executive Order. Table F includes:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate, and security of each sale of TIF debt instruments and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1998);
- 5) the amount of principal paid from tax increment during the prior calendar year (1998).

(g) Description of City Contracts

Table G provides a description of City contracts related to the Project Area, executed or in effect during 1998 and paid with incremental tax revenues. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. Table G does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include, but are not limited to, payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Table G does not report such noncontractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(h) Summary of Private and Public Investment Activity

Table H describes each TIF project in the Project Area that has been executed through an intergovernmental or redevelopment agreement in 1998, or that has been approved by the Community Development Commission in 1998.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area and a summary for each TIF project within the Project Area.

Table H contains the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

(i) Description of Property Transactions

Information regarding property transactions is provided in Table I to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the Project Area during 1998:

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;

Chinatown Basin Redevelopment Project Area 1998 Annual Report

- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the Project Area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1998 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

(k) Description of Tax Receipts and Assessment Increments

Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. Table K provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;

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- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) above.

All terms used in Table K relating to increment amounts and equalized assessed value (EAV) are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law. Unless otherwise noted, the EAV and property tax information were obtained from the Cook County Clerk's Office. All sales tax information was obtained from the City of Chicago.

(l) Certain Contracts of TIF Consultants

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City in 1998. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area.

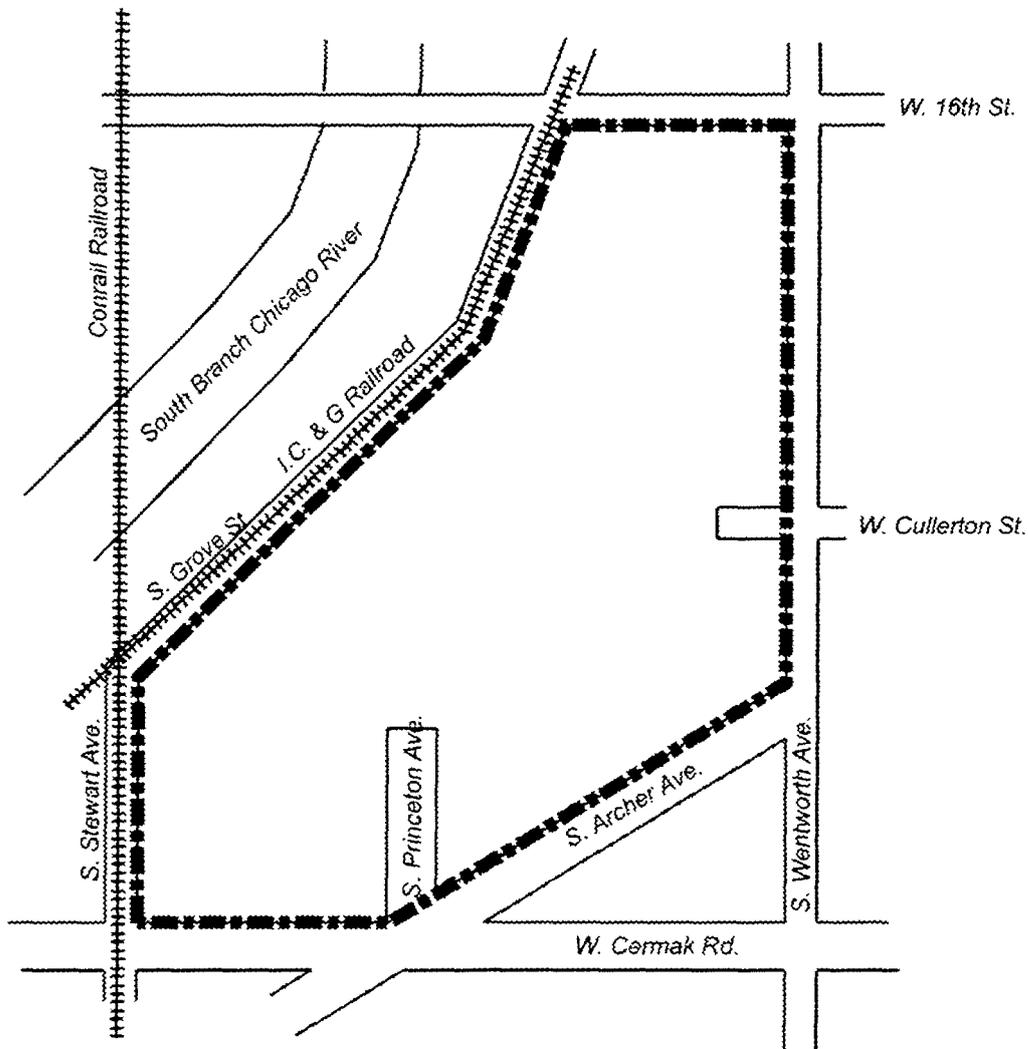
(m) Compliance Statement Prepared by an Independent Public Accountant

As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(a) GENERAL DESCRIPTION

The Project Area is generally bounded on the east by the east side of Wentworth Avenue, on the southeast side by Archer Avenue, and on the south by the south side of Cermak Road. It is bounded on the west by the east side of Stewart Avenue and by South Grove Street to the northwest. It is bounded on the north by 18th Street. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan (Attachment).



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(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on December 18, 1986. The Project Area may be terminated no later than December 18, 2009.

(c) COPY OF REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

During 1998, no new agreements were executed in the Project Area.

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(e) DESCRIPTION OF TIF PROJECT(S)

**TABLE E
DESCRIPTION OF TIF PROJECTS APPROVED BY THE COMMUNITY DEVELOPMENT COMMISSION WITH EXPENDITURES
DURING THE PRIOR CALENDAR YEAR**

<u>NATURE OF PROJECT</u>	<u>BUDGETED PROJECT COST</u>	<u>TIF ASSISTANCE ALLOCATED TO THE PROJECT</u>	<u>ESTIMATED TIMETABLE</u>	<u>PRIOR YEAR CHANGES IN TIMETABLE</u>	<u>TOTAL CITY TAX INCREMENT EXPENDITURES DURING 1998</u>	<u>TOTAL CITY TAX INCREMENT EXPENDITURES TO DATE</u>	<u>TYPE OF TIF FINANCING</u>	<u>DATE OF TIF FINANCING</u>	<u>TERM OF TIF FINANCING</u>	<u>PRINCIPAL AMOUNT OF TIF FINANCING</u>	<u>PROJECT RECIPIENT</u>	<u>PURPOSE OF PROJECT FINANCING</u>
Public Improvements	TBD (2)	TBD (2)	10/1/99	None	\$170,708	\$3,793,399	1991 Bonds & Incremental Revenue	8/7/98	N.A.(1)	\$1,100,407	Chinese-American Development Corp.	infrastructure (S. Tan Court)
Public Improvements	\$425,000	\$425,000	Completed 10/98	None	\$76,568	\$318,622	Incremental Revenue	9/9/96	N.A.(1)	\$425,000	Jade Garden Redevelopment Agreement	infrastructure (S. Princeton & S. Tan Court)

(1) N.A. - not applicable.

(2) City Commitment is to fund public infrastructure in Chinatown Basin Development; total project cost and TIF assistance will not be know until completion.

**Chinatown Basin Redevelopment Project Area
1998 Annual Report**

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

**TABLE F
DESCRIPTION OF TIF DEBT INSTRUMENTS RELATED TO THE PROJECT AREA - TERMS**

<u>NAME OF DEBT INSTRUMENT</u>	<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST RATE</u>	<u>SECURITY</u>	<u>TYPE</u>	<u>UNDERWRITERS</u>	<u>TRUSTEES</u>	<u>INTEREST PAID DURING 1998</u>	<u>PRINCIPAL PAID DURING 1998</u>
City of Chicago, Tax Increment Allocation Bonds (Chinatown Square Project Series 1990A)	3/8/91	\$5,591,115	8.25%	Incremental Taxes	Tax Increment Allocation Bond	Grigsby Brandford Powell Inc.	Bank of America Illinois	\$394,030	\$250,000

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(g) DESCRIPTION OF CITY CONTRACTS

TABLE G
DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA

<u>CONTRACTING PARTIES WITH THE CITY OF CHICAGO</u>	<u>DATE OF EXECUTION</u>	<u>PURPOSE</u>	<u>AMOUNT OF COMPENSATION PAID IN 1998</u>	<u>PERCENT OF COMPENSATION PAID TO DATE</u>
Bansley & Kiener	1998	Studies/Plan/Admin.	\$2,750	100%
Ernst & Young	1998	Studies/Plan/Admin.	\$7,692	100%
U.S. Bank	1998	Financing	\$5,524	100%
Fiduciary Communications Co.	1998	Financing	\$1,444	100%
City TIF Program Administration	1998	Studies/Plan/Admin.	\$38,663	100%

**Chinatown Basin Redevelopment Project Area
1998 Annual Report**

(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

During 1998, there was no information available regarding public or private investment activity in the Project Area.

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(i) DESCRIPTION OF PROPERTY TRANSACTIONS

During 1998, the City did not take or divest title to real property within the Project Area. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1998.

**Chinatown Basin Redevelopment Project Area
1998 Annual Report**

(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1998 AND 1997

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

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BANSLEY AND KIENER, L. L. P.

CERTIFIED PUBLIC ACCOUNTANTS

125 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-4496

AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying combined balance sheet of the Chinatown Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1998, and the related combined statements of revenues, expenditures and changes in fund balance - governmental funds for the years ended December 31, 1998 and 1997. These combined financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We previously audited and reported upon the balance sheet as of December 31, 1997, totals of which are included for comparative purposes only.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Chinatown Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1998, and the results of its governmental funds operations and changes in fund balance for the years ended December 31, 1998 and 1997 in conformity with generally accepted accounting principles.

As explained in Note 1 to the financial statements, in 1998 the Chinatown Redevelopment Project of the City of Chicago, Illinois changed its method of accounting for investments.

The year 2000 information on pages 8 and 9 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the City of Chicago is or will become year 2000 compliant, that the City of Chicago's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Chicago does business are or will become year 2000 compliant.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedule of cash activities on page 10 and the schedule of expenditures by statutory code on page 11, which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the combined financial statements of Chinatown Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

Barsley and Kiener, L.L.P.

Certified Public Accountants

May 19, 1999

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

COMBINED BALANCE SHEETS
DECEMBER 31, 1998
(With Comparative Totals for 1997)

<u>A S S E T S</u>	<u>Governmental Funds</u>	<u>General Long-term Debt Account Group</u>	<u>Total 1998</u>	<u>Total 1997</u>
Cash and investments	\$2,096,065	\$ -	\$2,096,065	\$1,776,539
Property taxes receivable	1,050,000	-	1,050,000	1,030,000
Accrued interest receivable	2,897	-	2,897	2,201
Amounts available for debt service	-	1,675,608	1,675,608	1,147,227
Amounts to be provided for retirement of general long-term debt	<u>-</u>	<u>2,850,507</u>	<u>2,850,507</u>	<u>3,628,888</u>
Total assets	<u>\$3,148,962</u>	<u>\$4,526,115</u>	<u>\$7,675,077</u>	<u>\$7,584,855</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
Due to other City funds	\$ 38,663	\$ -	\$ 38,663	\$ 32,697
Accrued interest payable	32,154	-	32,154	33,930
Deferred revenue	1,050,000	-	1,050,000	994,993
Bonds payable (Note 2)	<u>-</u>	<u>4,526,115</u>	<u>4,526,115</u>	<u>4,776,115</u>
Total liabilities	<u>1,120,817</u>	<u>4,526,115</u>	<u>5,646,932</u>	<u>5,837,735</u>
Fund balance				
Reserved for debt service	1,675,608	-	1,675,608	1,147,227
Unreserved, undesignated	<u>352,537</u>	<u>-</u>	<u>352,537</u>	<u>599,893</u>
Total fund balance	<u>2,028,145</u>	<u>-</u>	<u>2,028,145</u>	<u>1,747,120</u>
Total liabilities and fund balance	<u>\$3,148,962</u>	<u>\$4,526,115</u>	<u>\$7,675,077</u>	<u>\$7,584,855</u>

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

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Revenues		
Property tax	\$1,107,102	\$ 989,067
Interest	<u>119,525</u>	<u>108,916</u>
Total revenues	<u>1,226,627</u>	<u>1,097,983</u>
Expenditures		
Capital projects	303,348	382,913
Debt service		
Principal retirement	250,000	230,000
Interest	<u>392,254</u>	<u>412,518</u>
Total expenditures	<u>945,602</u>	<u>1,025,431</u>
Revenues over expenditures	281,025	72,552
Fund balance, beginning of year	<u>1,747,120</u>	<u>1,674,568</u>
Fund balance, end of year	<u>\$2,028,145</u>	<u>\$1,747,120</u>

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

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The Chinatown Tax Increment Redevelopment Project Area (Project) was established in December 1986. The area has been established to finance improvements, leverage private investment and create and retain jobs. Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

Principal and interest on the bonds are being paid from the incremental property taxes from the redevelopment district.

Basis of Accounting

The Project is accounted for within the debt service and special revenue funds of the City. The Bonds Payable are recorded in the City's General Long-term Debt Account Group. The report is presented herein on a combined basis.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus 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. Expenditures are recorded when the liability is incurred.

Fixed assets are not capitalized in the general operating funds but, instead, are charged as current expenditures when purchased. The General Fixed Asset Account Group of the City includes the capital assets, if any, of the Project.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Cash and Investments

The bond proceeds and incremental taxes associated with the Chinatown Tax Increment Financing District are deposited with the City Treasurer or in a separate trust account. Eligible project expenditures are approved by the Department of Planning and Development in accordance with the project budget and paid from the trust account. Eligible project expenditures may be paid from bond proceeds or incremental taxes in excess of next year's annual debt service, after fully funding of all other funds and accounts.

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.

On January 1, 1998, the City adopted GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Accordingly, the City values its investments at fair value, or amortized cost.

Property Taxes

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.

CITY OF CHICAGO, ILLINOIS
CHINATOWN REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 2 - Bonds Payable

In March, 1991, the City issued \$5,591,115 of Chinatown Tax Increment Allocation Bonds payable serially through December 1, 2009, beginning December 1, 1994. The bonds have an interest rate of 8.25 percent. The aggregate maturities of the bonds (principal portion only) are as follows:

1999	\$ 270,000
2000	290,000
2001	315,000
2002	340,000
2003	370,000
Thereafter	<u>2,941,115</u>
	<u>\$4,526,115</u>

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

YEAR 2000 READINESS DISCLOSURE (UNAUDITED)

The City's operations, like those of many other business entities, may be impacted by the inability of certain computer programs and electronic systems with embedded microprocessor chips to recognize calendar dates beyond the year 1999. Unless such programs and microprocessors are modified or replaced prior to the year 2000, they may not function properly after 1999.

The City formed an executive committee in May 1998, to oversee possible City-wide year 2000 impacts. The Department of Business and Information Services has been charged with managing the City's year 2000 project. The year 2000 issue is covered within the scope of the City's year 2000 project. The year 2000 project is divided into stages as follows:

Awareness Stage - Establishing a budget and project plan for dealing with the year 2000 issue.

Assessment Stage - Identifying the mission critical systems, equipment and individual components for which year 2000 compliance is needed.

Remediation Stage - Making changes to systems and equipment.

Validation/testing Stage - Validating and testing the changes that were made during the remediation stage.

The City committed approximately \$28.2 million and \$32.0 million in 1998 and 1999, respectively, for the repair and replacement of year 2000 compromised systems. As of December 31, 1998, the City entered into contracts for approximately \$17.7 million for the test plan development, audit stages and upgrade of certain software programs.

Mission Critical Applications

The City has identified one computer application, the Chicago Accounting and Purchasing System, as critical to conducting the operations for year 2000 compliance. As of December 31, 1998, the City completed the awareness and assessment stages, and the remediation stage was in process for the above mission critical component. This mission critical component is still subject to the validation/testing stage. The City-wide completion of all stages is scheduled for September 1999.

Embedded Systems

The awareness stage, including an inventory of embedded systems has been completed. Baseline assessment of mission critical functions involving embedded systems was substantially completed by the end of the first quarter of 1999. The City has retained outside consultants to manage and implement completion of this aspect of the year 2000 project by the end of September 1999.

YEAR 2000 READINESS DISCLOSURE (UNAUDITED)
(Continued)

Other Considerations

The City also initiated an assessment of mission critical vendors, which is being performed by a consultant with oversight from the executive committee to plan for continuity in the City's supply chain. Contingency planning for mission critical systems and other elements of the year 2000 project is scheduled to be completed by the end of September 1999.

The above description of the stages of work to address the year 2000 issues is not a guarantee those systems will be year 2000 compliant. Although the City is currently on schedule to meet its objectives for year 2000 compliance, there is no assurance that compliance will be achieved in a timely manner. Further, if the City successfully addresses its year 2000 issues, there is no assurance that any other entity or governmental agency (including governmental organizations or entities that provide essential infrastructure) with which the City electronically interacts will be year 2000 compliant. At this time, the City can not determine the potential impact of such noncompliance on the business and financial condition or the results of its operations.

SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES
YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities		
Property taxes received	\$1,142,109	\$ 954,060
Payments for capital projects	(297,382)	(350,216)
Interest received	<u>118,829</u>	<u>117,250</u>
Net cash provided by operating activities	<u>963,556</u>	<u>721,094</u>
Cash flows from financing activities		
Debt service		
Principal retirement	(250,000)	(230,000)
Interest paid	<u>(394,030)</u>	<u>(413,005)</u>
Net cash used in financing activities	<u>(644,030)</u>	<u>(643,005)</u>
Increase in cash and investments	319,526	78,089
Cash and investments, beginning of year	<u>1,776,539</u>	<u>1,698,450</u>
Cash and investments, end of year	<u>\$2,096,065</u>	<u>\$1,776,539</u>
Reconciliation of revenues over expenditures to net cash provided by operating activities		
Revenues over expenditures	\$ 281,025	\$ 72,552
Adjustments to reconcile revenues over expenditures to net cash provided by operating activities		
Financing activities	644,030	643,005
Changes in assets - (increase) decrease		
Property tax receivable	(20,000)	(166,088)
Accrued interest receivable	(696)	8,334
Changes in liabilities - increase (decrease)		
Due to other City funds	5,966	32,697
Accrued interest payable	(1,776)	(487)
Deferred revenue	<u>55,007</u>	<u>131,081</u>
	<u>\$ 963,556</u>	<u>\$ 721,094</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

<u>Code Description</u>	<u>1998</u>	<u>1997</u>
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, and marketing	\$ 49,105	\$ 32,697
Costs of the construction of public works or improvements	247,276	337,400
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>649,221</u>	<u>655,334</u>
	<u>\$945,602</u>	<u>\$1,025,431</u>

**Chinatown Basin Redevelopment Project Area
1998 Annual Report**

(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1997 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1997</u>
1998	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$199,790	\$12,089,809	\$1,051,434

(1) N.A. -not applicable.

Chinatown Basin Redevelopment Project Area 1998 Annual Report

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

During 1998, no TIF consultant was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area.

**Chinatown Basin Redevelopment Project Area
1998 Annual Report**

**(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC
ACCOUNTANT**

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

Established 1922

BERNARD J. SULLIVAN, CPA
RICHARD J. QUINN, CPA
FRANK S. GAOZALA, CPA
PAUL A. MERKEL, CPA
THOMAS A. TYLER, CPA
JOHN W. SANNEW III, CPA
THOMAS A. CERWIN, CPA
STEPHEN R. PANFIL, CPA
MICHAEL D. HUELS, CPA
ROBERT J. MARSCHALK, CPA
THOMAS J. CAPLICE, CPA
ROBERT J. HANNIGAN, CPA
GERARD J. PATER, CPA
VINCENT M. GUZALDO, CPA
TIMOTHY J. QUINN, CPA

125 SOUTH WACKER DRIVE CHICAGO, ILLINOIS 60606-4496 312/263-2700 FAX: 312/263-6935

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited, in accordance with generally accepted auditing standards, the combined balance sheet of Chinatown Redevelopment Project of the City of Chicago, Illinois as of December 31, 1998, and the related combined statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 19, 1999.

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 Chinatown Redevelopment Project of the City of Chicago, Illinois.

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

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 19, 1999

**Chinatown Basin Redevelopment Project Area
1998 Annual Report**

**ATTACHMENT
REDEVELOPMENT PLAN**

CHINATOWN BASIN TAX INCREMENT REDEVELOPMENT AREA
REDEVELOPMENT PLAN AND PROJECT

CITY OF CHICAGO
HAROLD WASHINGTON
MAYOR

OCTOBER 1986

THIS PLAN IS SUBJECT TO COMMENT AND
MAY BE REVISED AFTER COMMENT AND HEARING

TABLE OF CONTENTS

- I. HISTORICAL BACKGROUND OF CHINATOWN
- II. TAX INCREMENT FINANCING
- III. PROJECT AREA LOCATION AND DESCRIPTION
- IV. BLIGHTED AREA CHARACTERISTICS EXISTING IN THE REDEVELOPMENT AREA
- V. GOALS AND OBJECTIVES OF REDEVELOPMENT
- VI. THE REDEVELOPMENT PROJECT
- VII. GENERAL LAND USE PLAN
- VIII. ESTIMATED REDEVELOPMENT PROJECT COSTS
- IX. FINANCING PLAN
- X. ISSUANCE OF OBLIGATIONS TO PAY FOR REDEVELOPMENT
- XI. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA
- XII. ANTICIPATED ASSESSED VALUATION
- XIII. TERMINATION OF THE REDEVELOPMENT PLAN
- XIV. AMENDMENT OF THE REDEVELOPMENT PLAN

I. HISTORICAL BACKGROUND OF CHINATOWN

Chinatown is an ethnic community that was founded about 86 years ago. It has always been closely associated with Chicago's history and culture, and has enhanced the City's colorful ethnic diversity.

Chinatown had prospered and expanded to form the core of Chicago's Chinese community. However, its growth was hampered by natural boundaries consisting of railroad yards and the south branch of the Chicago River. This problem was compounded by the construction of Interstate 94 and Interstate 55. Unable to expand within Chinatown, new members of the community looked outside this ethnic core to establish business ventures and to satisfy their residential needs. As a consequence, Chinatown itself decreased in population and lost businesses.

The area north of Chinatown consists largely of unused railroad yards and tracks. It is an economically stagnant area, but an ideal expansion site for Chinatown.

Redevelopment of this area through cooperative efforts of the City and the Chinese American community will serve to not only to revitalize this area, but will permit the revitalization of Chinatown through expansion beyond its existing boundaries. In addition, redevelopment of the area and redevelopment projects now taking place in the South Loop will mutually enhance each other.

II. TAX INCREMENT FINANCING

The City has been provided with a vehicle that enables it to raise public funds to use in redevelopment efforts. This is the Tax Increment Allocation Redevelopment Act of the State of Illinois (hereafter, the "Act"). The Act became effective in 1977. It allows municipalities to pay the public costs of redevelopment with new tax revenues generated by the redevelopment itself. These new tax revenues, or "increment" come from two sources. The first is real property tax revenues attributable to the increase in the equalized assessed value of properties in the redevelopment project area over the initial equalized assessed value of those properties. The second source of increment is generally referred to as sales tax increment. It consists of the taxes payable to the State and the municipality under the retailers' occupation tax acts, service occupation tax acts, and use and service tax acts, and attributable to increased sales resulting from redevelopment. This method of raising funds is called tax increment financing.

Tax increment financing does not generate revenues by increasing tax rates; it generates revenues by allowing the municipality to capture, temporarily, new tax revenues resulting from redevelopment. Further, under tax increment

financing, all taxing districts continue to receive the tax revenue they received prior to redevelopment from property in the area. Moreover, taxing districts can receive distributions of excess increment when more tax increment revenue is received than is necessary to pay for expected redevelopment project costs and principal and interest on obligations issued to pay for such costs. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid.

Prior to adopting tax increment financing, a municipality is to approve a Redevelopment Plan and Project and to designate a Redevelopment Project Area. This Chinatown Basin Tax Increment Redevelopment Plan and Project (hereafter called the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. This Redevelopment Plan describes the objectives of the Chinatown Basin redevelopment and the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project."

This Redevelopment Plan also describes the Chinatown Basin Redevelopment Project Area that meets the eligibility requirements of the Act.

On May 30, 1986, the Chicago City Council adopted an ordinance indicating an intent to use tax increment

financing for redevelopment of the Chinatown Basin, and directing formulation of this Redevelopment Plan and the identification of the Redevelopment Project Area.

III. PROJECT AREA LOCATION AND DESCRIPTION

The proposed Redevelopment Project Area is a contiguous area of approximately 30 acres, bounded on the east by the east side of Wentworth Avenue, on the southeast side by Archer Avenue, and the south by the south side of Cermak Road. It is bounded on the west by the east side of Stewart Avenue, and South Grove to the northwest. It is bounded on the north by 18th Street. Map 1 shows the boundaries of the Redevelopment Project Area. The legal description of the area follows Map 1.

IV. BLIGHTED AREA CHARACTERISTICS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Based on surveys and inspections made by the Chicago Department of Planning, the Redevelopment Project Area qualifies for redevelopment as a blighted area under the Act.

The vacant areas within the Redevelopment Project Area consist of unused railyards, rail tracks and railroad rights-of-way. Moreover, the vacant areas are

characterized by obsolete platting, making the area unconducive to contemporary uses, and by the presence of deteriorated structures and site improvements in neighboring areas adjacent to the vacant land. As a consequence of these conditions the sound growth of the taxing district within the area has been impaired.

The improved areas within the Redevelopment Project Area are detrimental to the public safety, health and welfare because of a combination of factors among which are: (1) dilapidation: the structures in the area are dilapidated and some have serious structural defects that impair the continued safe use of the buildings; (2) obsolescence: the structures in the area are characterized by conditions that make them incapable of efficient or economic use by contemporary standards as evidenced by inflexible configuration, making them difficult to modify for other uses without substantial capital expenditure; (3) deterioration: the structures in the area have deteriorated so as to be characterized by major defects that would be difficult to correct without the demolition of a substantial part of the structures; (4) excessive vacancies: several structures in the area are vacant and the remainder only partially occupied; and (5) depreciation of physical maintenance: the buildings in the area evidence lack of routine and basic maintenance.

The Redevelopment Project Area includes only those contiguous parcels which will be substantially benefitted by the Redevelopment Project improvements contemplated by the Redevelopment Plan.

The Redevelopment Project Area on the whole has 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 Redevelopment Plan.

The Redevelopment Project Area would not reasonably be developed without the use of the incremental revenues provided by the Act.

V. GOALS AND OBJECTIVES OF REDEVELOPMENT

Redevelopment of the Project Area is a significant and viable project with very important direct and indirect economic, social and civic benefits for the City of Chicago and its residents. The objectives of redevelopment are to accomplish the following:

1. Reverse the present decline in the commercial activity that Chinatown has experienced because of its restrictive physical boundaries.

2. Provide for commercial and residential activity in an area that is now dormant.
3. Provide an increased property and sales tax base for the City of Chicago, State of Illinois and taxing districts extending into the Project Area.
4. Provide an increase in permanent full time jobs for Chicago residents in the low to moderate income worker group, provide an additional number of temporary jobs, and provide job opportunities for minorities.

These goals and objectives may be modified, but any proposed changes or modifications must be approved by the Commissioner of the Department of Planning, City of Chicago.

VI. THE REDEVELOPMENT PROJECT

Redevelopment of the Project Area contemplates a cooperative program among the City of Chicago, the Chinese American Development Corporation (the "CADC"), an Illinois corporation composed of concerned Chinese business leaders that has committed to undertake redevelopment projects to reverse negative trends in Chinatown and the Chinatown

Basin to its north, and the Chinese American Development Foundation (the "CADF").

In several phases, described in more detail below, the City, CADC and CADF propose to acquire some or all of the land in the Redevelopment Project Area and construct commercial, residential, community, and parking facilities.

CADC intends to purchase, from the Atchison, Topeka and Santa Fe Railway Company and an affiliate, approximately 30 acres of land bounded by 18th Street to the north, Cermak Road to the south, Archer Avenue to the southeast, Stewart Avenue to the west, South Grove Street to the northwest, and Wentworth Avenue to the east. (This is referred to as the Chinatown Square area.) On that land, which is immediately north of Chinatown, the CADC intends to build, a mixed-use development consisting of approximately 110-story structures to be used for restaurants, other retail establishments, offices and residences. The CADC's second development project in the Chinatown Square area is to consist of an estimated 225 2-story residential townhouses. The developments are to be served by parking. The CADF intends to develop approximately 110-mid-rise apartment units for the elderly and to rehabilitate an existing structure on the site for use as a community center.

In addition the City intends to provide funds for certain necessary public improvements required for redevelopment of the Chinatown Square area, such as sewers, water, lighting, street construction and repairs.

At the present time the phases of redevelopment are projected to be as follows, but may vary by dates and by duration:

Phase I: 1986-1987

Construction of approximately 55 of approximately 110 2-story units in the mixed-use commercial and residential complex. Provision of necessary roadways, sewers, water, lighting and parkway plantings.

Phase II: 1987-1988

Construction of the balance of the approximately 110 2-story units in the mixed-use commercial and residential complex. Provision of necessary roadways, sewers, water, lighting and parkway plantings.

Phase III: 1988-1992

Construction of approximately 225 residential townhouses, 45 each year for 5 years. Provision of necessary roadways, sewers, water, lighting and landscaping.

Phase IV: 1988-1990

Construction of approximately 110 units of mid-rise apartments for the elderly and rehabilitation of an existing structure into a community center.

At the present time, construction of the publicly funded infrastructure and private sector improvements are estimated to be completed by 1992.

VII. GENERAL LAND USE PLAN

Map 2 identifies land uses to be in effect upon adoption of the Redevelopment Plan. These uses are as follows: mixed-use commercial (residential, other retail and office) and residential development, single family residences, apartments for the elderly, and community buildings.

The Redevelopment Plan and Redevelopment Project conform to the comprehensive plan for the development of the City as a whole.

VIII. ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean and include the sum of all reasonable or necessary costs incurred or estimated to be incurred and any such costs incidental to the Redevelopment Plan and the Redevelopment Project. Such costs are defined under the Act to include without limitation the following:

1. Costs of studies, surveys, plans, specifications, professional service costs including but not limited to architectural, engineering, legal, marketing, financial, planning, special services and implementation and administrative costs of the City, to the extent permitted by the Act, as amended.
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 rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures.
4. Costs of the construction of public works or improvements.

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 under the Act accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not exceeding 18 months thereafter and 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 Project, to the extent the City by written agreement accepts and approves such costs.

Estimated redevelopment project costs are set forth in Table 1. These represent the cost of providing the public improvements described under the "Redevelopment Project" and associated financing costs. Costs are estimated in 1986 dollars and may be increased by the rate of inflation reflected in the National Consumer Price Index.

IX. FINANCING PLAN

Funds necessary to pay for redevelopment project costs and municipal obligations which are issued to pay for such costs are to be derived principally from tax increment revenues and proceeds from municipal obligations which are secured by tax increment revenue. To further secure the issuance of these obligations, the City may permit the utilization of other guarantees, deposits and forms of security. In addition, interest earned on a \$3,200,000 capital account to be established by the developer in connection with the overall financing for the project will be pledged to serve the payment of debt service on a portion of the obligations issued to finance the redevelopment project costs.

The tax increment revenue which will be used to fund tax increment obligations and redevelopment project costs shall be incremental real property taxes attributable to the increase in the current equalized assessed value of each taxable lot, block, tract or parcel of real property in the Redevelopment Project Area over and above the initial equalized assessed value of such properties.

Other sources of funds which may be used to pay for eligible redevelopment project costs and the debt service on obligations issued, the proceeds of which are to pay for

such costs are, if available, State and federal grants, investment income, land disposition proceeds, and such other sources of funds and revenues as the City may from time to time deem appropriate. In the event funds are advanced by the CADC or others to pay for eligible costs these costs may be reimbursed by the City.

Prior to the undertaking by the City to issue any obligations, the CADC shall enter into a Redevelopment Agreement with the City, terms of which are satisfactory to the City.

X. ISSUANCE OF OBLIGATIONS TO PAY FOR REDEVELOPMENT

The City may issue obligations secured by the tax increment special tax allocation fund pursuant to Section 11-74.4-7 of the Act and pursuant to its home rule powers under the Constitution of the State of Illinois.

Obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the adoption of the ordinance designating the Redevelopment Project Area, such ultimate retirement date occurring in the year 2009, not later than January 1, 2009. In any event, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective

dates. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds, capitalized interest funds, debt service reserve funds and other sources of funds as may be provided by ordinance.

XI. MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA

For purposes of this draft Redevelopment Plan and Project, the most recent (1985) equalized assessed valuation of property located within the Project Area is estimated at \$250,000. Because this property is currently railroad owned property, estimates of equalized assessed valuation are based on information received from the State Department of Revenue (which assesses railroad property). The valuation described above is subject to refinement and adjustment prior to the adoption of the Redevelopment Plan and Project.

XII. ANTICIPATED ASSESSED VALUATION

By the year 1993, when it is estimated that all the anticipated private developments will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Project Area will be approximately \$3,339,000.

XIII. TERMINATION OF THE REDEVELOPMENT PLAN

The estimated dated for completion of the Redevelopment Plan is no later than August 1, 2009. It may be completed sooner, depending upon the amount of incremental taxes generated.

XIV. AMENDMENT OF THE REDEVELOPMENT PLAN

This Chinatown Basin Tax Increment Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

In particular, the Redevelopment Plan and Project may be amended to provide for additional park land and recreational space within the Redevelopment Area. This may be done by providing for an expansion of the existing boundaries of the Redevelopment Area and/or by providing

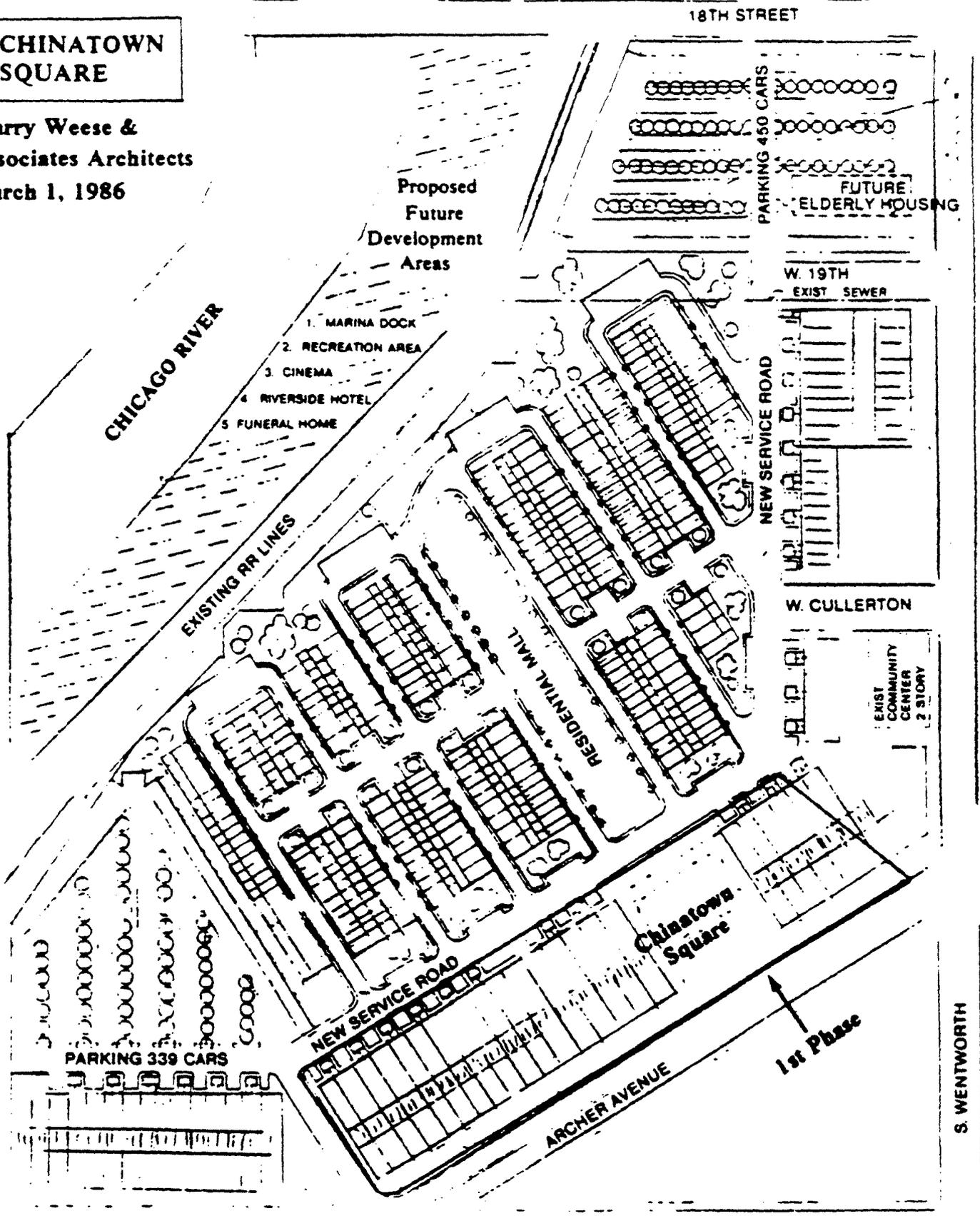
for the development of additional park land and recreational space within the boundaries of the existing boundaries of the Redevelopment Area. Among the factors which the City will analyze in deciding whether to propose one or both of these alternatives is the amount of incremental tax revenue generated (and expected to be generated) within Redevelopment Area, as described in this Redevelopment Plan and Project, and the need for additional recreational space to be included as part of the Redevelopment Project.

TABLE 1
ESTIMATED REDEVELOPMENT PROJECT COSTS
CHINATOWN SQUARE AREA

Roadways	3,042,084
Sewers	293,676
Water	769,062
Lighting	958,661
Planting	469,766
Contingencies	279,662
Costs of Issuance	559,325
Support Services	300,000
Professional Services	<u>267,764</u>
TOTAL	7,000,000

CHINATOWN SQUARE

Harry Weese &
Associates Architects
March 1, 1986



Proposed
Future
Development
Areas

1. MARINA DOCK
2. RECREATION AREA
3. CINEMA
4. RIVERSIDE HOTEL
5. FUNERAL HOME

PARKING 450 CARS

FUTURE
ELDERLY HOUSING

W. 19TH
EXIST SEWER

NEW SERVICE ROAD

W. CULLERTON

EXIST
COMMUNITY
CENTER
2 STORY

Chinatown
Square

NEW SERVICE ROAD

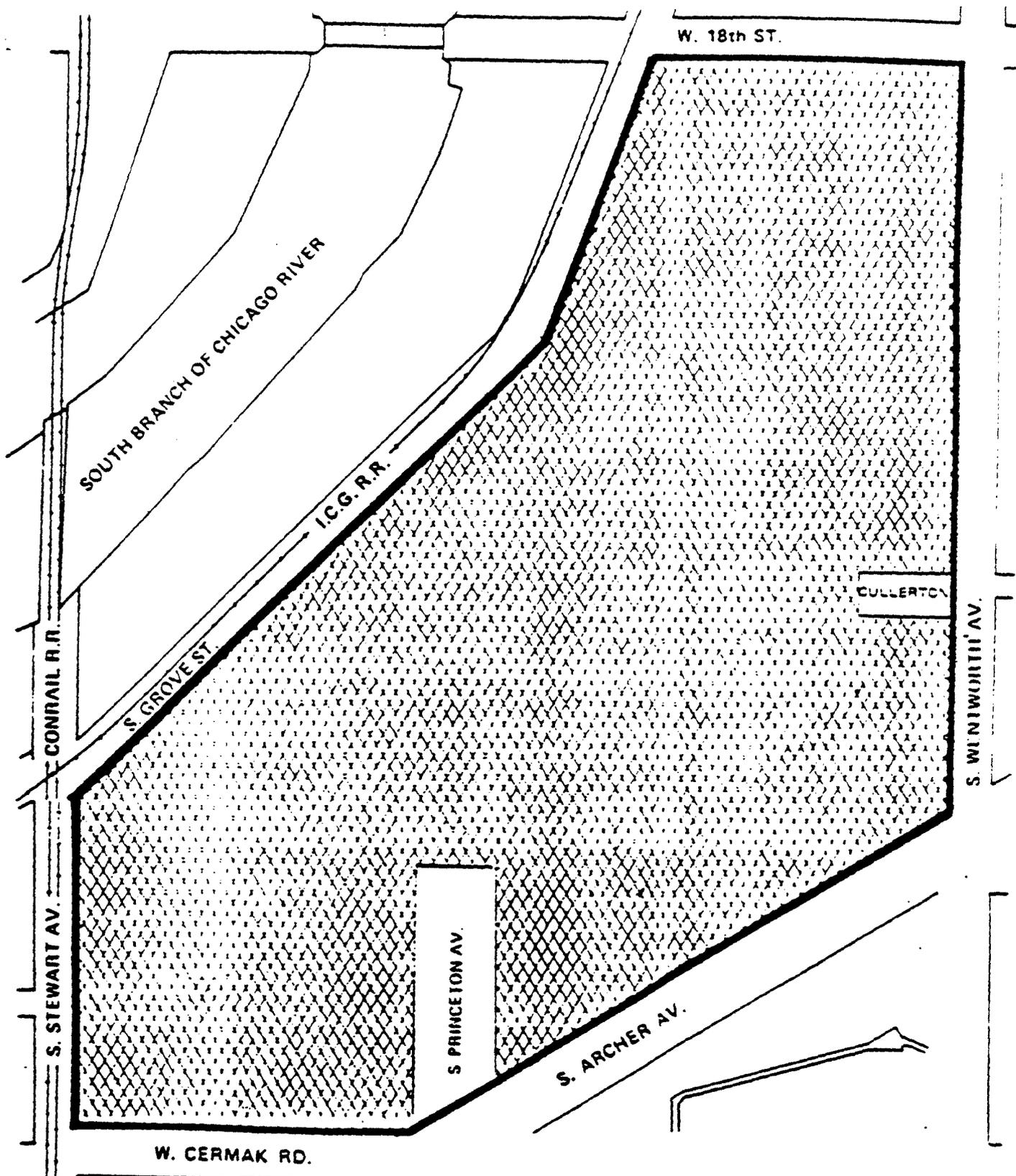
ARCHER AVENUE

CERMAK ROAD

1st Phase

S. WENTWORTH

- 1986 PHASE I: 55 stores (Apt. and office on 2nd floor)
- 1987 PHASE II: 55 stores
- 1988 PHASE III: 45 Townhouses
- 1989 PHASE IV: 120 Elderly apartments (rehabilitation of cultural center)

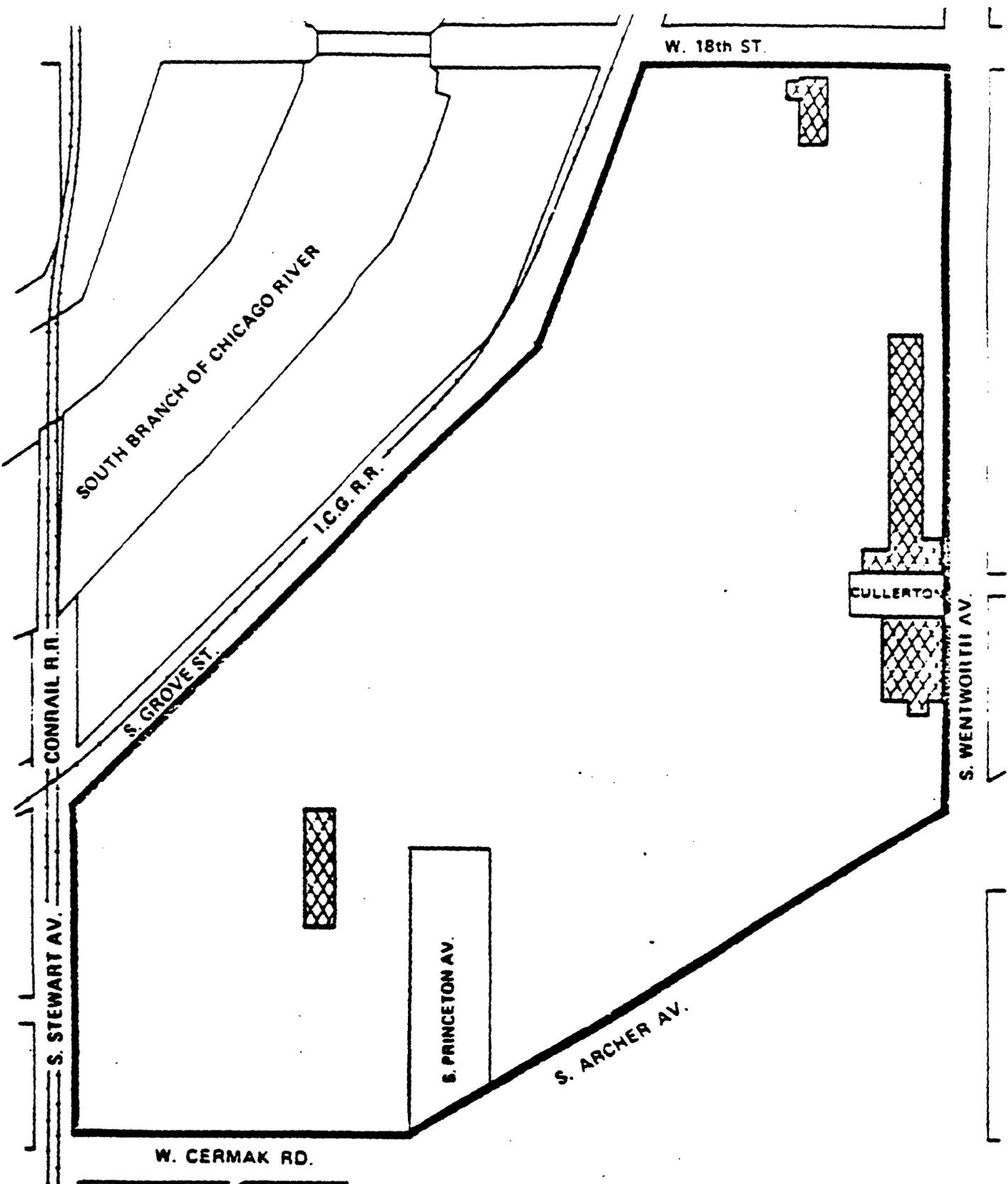


EXISTING LAND USE
 BLIGHTED COMMERCIAL AREA
 ARCHER - WENTWORTH
 COMMERCIAL DISTRICT
 DEVELOPMENT COMMISSION

CITY OF CHICAGO
 DEPARTMENT OF PLANNING
 JUNE, 1935



LEGEND
 Designated Blighted Area
 PROJECT BOUNDARY

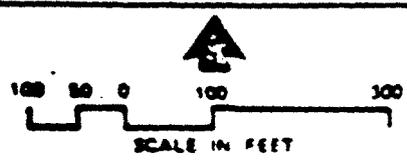


EXISTING STRUCTURES

**BLIGHTED COMMERCIAL AREA
ARCHER - WENTWORTH**

**COMMERCIAL DISTRICT
DEVELOPMENT COMMISSION**

**CITY OF CHICAGO
DEPARTMENT OF PLANNING
JUNE, 1985**



LEGEND

-  Designated Conservation Area
-  PROJECT BOUNDARY

LEGAL DESCRIPTION

PARCEL No. 1

A TRACT OF LAND, COMPRISED OF LOTS OR PARTS THEREOF IN BLOCKS 21, 25, 26, 40, 41 AND 43 IN CANAL TRUSTEES' NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTION OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND OF LOTS OR PARTS THEREOF IN THE RESUBDIVISION OF BLOCKS 20, 24, 40, 41, 43 AND 44, OF PARTS THEREOF IN CANAL TRUSTEES' NEW SUBDIVISION, AFORESAID, TOGETHER WITH ALL OR PART OF THE VACATED ALLEYS WITHIN SAID BLOCKS, AND OF THE VACATED STREETS LYING BETWEEN AND ADJOINING SAID BLOCKS, WHICH TRACT OF LAND IS BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING ON THE WEST LINE OF SAID BLOCK 43 AT THE POINT OF INTERSECTION OF SAID WEST LINE WITH THE NORTH LINE OF W. CERMAK ROAD (W. 22ND STREET) AS SAID W. CERMAK ROAD WAS WIDENED BY INSTRUMENT RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS, ON APRIL 13, 1926 AS DOCUMENT NO. 9238234 (SAID NORTH LINE OF W. CERMAK ROAD AS WIDENED BEING THE NORTH LINE OF THE SOUTH 14 FEET OF SAID BLOCK 43), AND RUNNING

THENCE NORTH 00 DEGREES, 02 MINUTES, 44 SECONDS EAST (MEASURED ALONG THE WEST LINE, AND NORTHWARD EXTENSION THEREOF, OF SAID BLOCK 43) AND ALONG THE WEST LINE OF SAID BLOCK 41), A DISTANCE OF 390.13 FEET TO A POINT WHICH IS 80.00 FEET SOUTH OF A STONE MONUMENT MARKING THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND IN SAID BLOCK 43 CONVEYED TO THE CHICAGO, MADISON AND NORTHERN RAILROAD COMPANY BY DEED RECORDED IN SAID RECORDER'S OFFICE ON JULY 3, 1900 AS DOCUMENT NO. 2981686;

THENCE NORTH 33 DEGREES, 43 MINUTES, 56 SECONDS EAST, A DISTANCE OF 312.60 FEET TO AN INTERSECTION WITH THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND, AT A POINT WHICH IS 250.00 FEET (MEASURED ALONG SAID SOUTHEASTERLY LINE) NORTHEASTERLY FROM THE SOUTHERLY CORNER OF SAID PARCEL OF LAND;

THENCE NORTH 43 DEGREES, 57 MINUTES, 21 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND, A DISTANCE OF 181.73 FEET TO AN INTERSECTION WITH THE WEST LINE OF VACATED NORTH AND SOUTH ALLEY IN SAID BLOCK 41;

THENCE NORTH 89 DEGREES, 48 MINUTES 38 SECONDS EAST, A DISTANCE OF 8.66 FEET TO AN INTERSECTION WITH THE CENTERLINE OF SAID VACATED ALLEY;

THENCE NORTH 00 DEGREES, 11 MINUTES, 22 SECONDS WEST ALONG THE CENTERLINE, AND ALONG A NORTHWARD EXTENSION THEREOF, OF SAID VACATED ALLEY, A DISTANCE OF 44.69 FEET TO AN INTERSECTION WITH THE NORTHEASTWARD EXTENSION OF THE NORTHWESTERLY LINE OF SAID BLOCK 41;

THENCE NORTH 44 DEGREES, 00 MINUTES, 23 SECONDS EAST ALONG SAID NORTHEASTWARD EXTENSION OF THE NORTHWESTERLY LINE OF SAID BLOCK 41, A DISTANCE OF 31.23 FEET TO AN INTERSECTION WITH THE CENTERLINE OF VACATED W. CULLERTON STREET (W. 20TH STREET);

THENCE NORTH 89 DEGREES, 54 MINUTES, 16 SECONDS EAST ALONG SAID CENTERLINE OF VACATED W. CULLERTON STREET, A DISTANCE OF 67.43 FEET;

THENCE NORTH 00 DEGREES, 05 MINUTES, 44 SECONDS WEST, A DISTANCE OF 33.00 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID VACATED W. CULLERTON STREET;

THENCE NORTH 44 DEGREES, 11 MINUTES, 15 SECONDS EAST ALONG THE SOUTHEASTERLY LINE (AS SAID SOUTHEASTERLY LINE IS UNMENTED) OF THE PARCEL OF LAND IN SAID BLOCK 26 CONVEYED TO THE CHICAGO, MADISON AND NORTHERN RAILROAD COMPANY BY SAID DEED RECORDED AS DOCUMENT NO. 2981686, A DISTANCE OF 251.76 FEET TO A STONE MONUMENT ON THE SOUTHWESTERLY LINE OF THE VACATED ALLEY LEADING SOUTHEASTERLY FROM GROVE STREET;

THENCE NORTH 44 DEGREES, 00 MINUTES 23 SECONDS EAST, A DISTANCE OF 0.30 FEET TO AN INTERSECTION WITH THE CENTERLINE OF SAID VACATED ALLEY;

THENCE NORTH 45 DEGREES, 59 MINUTES, 37 SECONDS WEST, ALONG THE CENTERLINE OF SAID VACATED ALLEY, A DISTANCE OF TWENTY FIVE ONE HUNDRETHS (0.25) OF A FOOT;

THENCE NORTH 44 DEGREES, 00 MINUTES, 23 SECONDS EAST, A DISTANCE OF 8.00 FEET TO A STONE MONUMENT MARKING THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND IN SAID BLOCK 24 CONVEYED TO SAID CHICAGO, MADISON AND NORTHERN RAILROAD COMPANY BY SAID DEED RECORDED AS DOCUMENT NO. 2981686;

THENCE NORTH 44 DEGREES, 00 MINUTES, 23 SECONDS EAST ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND (SAID SOUTHEASTERLY LINE BEING PARALLEL WITH THE NORTHWESTERLY LINE OF SAID BLOCK 24) A DISTANCE OF 50.00 FEET;

THENCE NORTHEASTWARDLY ALONG THE SOUTHEASTERLY LINE OF SAID PARCEL OF LAND, SAID SOUTHEASTERLY LINE BEING HERE THE ARC OF A CIRCLE, CONVEX TO THE SOUTHEAST AND HAVING A RADIUS OF 765.55 FEET, A DISTANCE OF 128.02 FEET (THE CHORD OF SAID ARC HAVING A BEARING OF NORTH 39 DEGREES 12 MINUTES, 56 SECONDS EAST AND A LENGTH OF 127.87 FEET) TO AN INTERSECTION WITH THE EAST LINE OF SAID BLOCK 24;

THENCE SOUTH 89 DEGREES, 52 MINUTES, 59 SECONDS EAST, A DISTANCE OF 33.00 FEET TO AN INTERSECTION WITH THE CENTERLINE OF VACATED S. PURPLE STREET;

THENCE NORTH 00 DEGREES, 07 MINUTES, 01 SECONDS EAST ALONG SAID CENTERLINE OF VACATED S. PURPLE STREET, AND ALONG SAID CENTERLINE EXTENDED, A DISTANCE OF 101.79 FEET TO AN INTERSECTION WITH A SOUTHWARD EXTENSION OF THE WESTERLY LINE OF SAID BLOCK 21;

THENCE NORTH 19 DEGREES, 11 MINUTES, 22 SECONDS EAST ALONG SAID SOUTHWARD EXTENSION OF THE WESTERLY LINE OF SAID BLOCK 21, A DISTANCE OF 22.07 FEET;

THENCE SOUTH 89 DEGREES, 52 MINUTES, 59 SECONDS EAST, A DISTANCE OF 25.79 FEET TO AN INTERSECTION WITH THE WEST LINE OF SAID BLOCK 21 AT THE MOST SOUTHERLY CORNER OF THE PARCEL OF LAND IN SAID BLOCK 21 CONVEYED TO THE CHICAGO, MADISON AND NORTHERN RAILROAD COMPANY BY SAID DEED RECORDED AS DOCUMENT NO. 2981686;

THENCE NORTHWARDLY ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND, SAID EASTERLY LINE BEING HERE THE ARC OF A CIRCLE, CONVEX TO THE EAST AND HAVING A RADIUS OF 765.55 FEET, A DISTANCE OF 47.40 FEET (THE CHORD OF SAID ARC HAVING A BEARING OF NORTH 21 DEGREES, 00 MINUTES, 26 SECONDS EAST AND A LENGTH OF 47.39 FEET) TO A STONE MONUMENT MARKING THE EASTERLY LINE OF SAID PARCEL OF LAND;

THENCE NORTH 19 DEGREES, 14 MINUTES, 01 SECONDS EAST, ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND, A DISTANCE OF 161.33 FEET TO A POINT 26.00 FEET, MEASURED PERPENDICULARLY, EASTERLY FROM THE WESTERLY LINE OF SAID BLOCK 21;

THENCE NORTHWARDLY ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND, SAID EASTERLY LINE BEING HERE THE ARC OF A CIRCLE, CONVEX TO THE WEST AND HAVING A RADIUS OF 703.78 FEET, A DISTANCE OF 75.88 FEET (THE CHORD OF SAID ARC HAVING A BEARING OF NORTH 22 DEGREES, 16 MINUTES, 41 SECONDS EAST AND A LENGTH OF 75.84 FEET) TO A POINT OF REVERSE CURVE.

THENCE NORTHWARDLY, CONTINUING ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND, SAID EASTERLY LINE BEING HERE THE ARC OF A CIRCLE, CONVEX TO THE EAST AND HAVING A RADIUS OF 729.78 FEET, A DISTANCE OF 78.68 FEET (THE CHORD OF SAID ARC HAVING A BEARING OF NORTH 22 DEGREES, 16 MINUTES, 41 SECONDS EAST AND A LENGTH OF 78.54 FEET);

THENCE NORTH 19 DEGREES, 11 MINUTES, 22 SECONDS EAST ALONG THE EASTERLY LINE OF SAID PARCEL OF LAND A DISTANCE OF 9.12 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID BLOCK 21; DISTANT 26.17 FEET EAST FROM THE NORTHWEST CORNER OF SAID BLOCK 21;

THENCE NORTH 87 DEGREES, 31 MINUTES, 58 SECONDS EAST ALONG THE NORTH LINE, AND SAID NORTH LINE EXTENDED EAST, OF SAID BLOCK 21, AND ALONG THE NORTH LINE OF SAID BLOCK 20, A DISTANCE OF 289.93 FEET TO AN INTERSECTION WITH THE WEST LINE OF THE EAST 8.00 FEET OF THE WEST HALF OF SAID BLOCK 20;

THENCE SOUTH 00 DEGREES, 05 MINUTES, 29 SECONDS EAST ALONG THE WEST LINE (AND SAID WEST LINE EXTENDED SOUTH) OF THE EAST 8.00 FEET OF THE WEST HALF OF SAID BLOCK 20, AND ALONG THE WEST LINE (AND SAID WEST LINE EXTENDED SOUTH) OF THE EAST 8.00 FEET OF THE WEST HALF OF SAID BLOCK 26, A DISTANCE OF 863.24 FEET TO AN INTERSECTION WITH THE NORTH LINE OF SAID BLOCK 40;

THENCE NORTH 89 DEGREES, 54 MINUTES, 16 SECONDS EAST ALONG SAID NORTH LINE OF BLOCK 40 A DISTANCE OF 140.65 FEET TO THE NORTHEAST CORNER OF SAID BLOCK 40;

THENCE SOUTH 00 DEGREES, 00 MINUTES, 58 SECONDS EAST ALONG THE EAST LINE OF SAID BLOCK 40, A DISTANCE OF 304.30 FEET TO AN INTERSECTION WITH THE NORTHWESTERLY LINE OF S. ARCHER AVENUE, AS SAID S. ARCHER AVENUE WAS WIDENED BY INSTRUMENT RECORDED IN SAID RECORDER'S OFFICE ON APRIL 13, 1926 AS DOCUMENT NO. 9238234;

THENCE SOUTH 58 DEGREES, 05 MINUTES, 45 SECONDS WEST ALONG SAID NORTHWESTERLY LINE OF S. ARCHER AVENUE AS WIDENED (SAID NORTHWESTERLY LINE OF S. ARCHER AVENUE AS WIDENED BEING THE NORTHWESTERLY LINE OF THE SOUTHEASTERLY 20 FEET OF SAID BLOCKS 40, 43 AND 44) A DISTANCE OF 817.31 FEET TO AN INTERSECTION WITH THE EAST LINE OF S. PRINCETON AVENUE, AS SAID S. PRINCETON AVENUE WAS DEDICATED BY INSTRUMENT RECORDED IN SAID RECORDER'S OFFICE ON AUGUST 22, 1931 AS DOCUMENT NO. 10959073;

THENCE NORTH 00 DEGREES, 07 MINUTES, 01 SECONDS EAST ALONG SAID EAST LINE OF S. PRINCETON AVENUE, A DISTANCE OF 369.00 FEET TO AN INTERSECTION WITH THE NORTH LINE OF VACATED W. 21ST STREET;

THENCE SOUTH 89 DEGREES, 48 MINUTES, 01 SECONDS WEST ALONG SAID NORTH LINE OF VACATED W. 21ST STREET, A DISTANCE OF 120.00 FEET;

THENCE SOUTH 00 DEGREES, 07 MINUTES, 01 SECONDS WEST ALONG THE WEST LINE OF S. PRINCETON AVENUE AS DEDICATED BY SAID INSTRUMENT RECORDED AS DOCUMENT NO. 10959073, A DISTANCE OF 443.39 FEET TO AN INTERSECTION WITH SAID NORTHWESTERLY LINE OF S. ARCHER AVENUE AS WIDENED;

THENCE SOUTH 58 DEGREES, 05 MINUTES, 45 SECONDS WEST ALONG SAID NORTHWESTERLY LINE OF S. ARCHER AVENUE AS WIDENED, A DISTANCE OF 9.85 FEET TO AN INTERSECTION WITH THE NORTH LINE OF W. CERNAK ROAD (W. 22ND STREET) AS SAID W. CERNAK ROAD WAS WIDENED BY INSTRUMENT RECORDED IN SAID RECORDER'S OFFICE AS DOCUMENT NO. 9238234; AND

THENCE SOUTH 89 DEGREES, 56 MINUTES, 36 SECONDS WEST ALONG SAID NORTH LINE OF W. CERNAK ROAD AS WIDENED, A DISTANCE OF 506.58 FEET TO THE POINT OF BEGINNING.

CONTAINING 1,202,119 SQUARE FEET (27.5969 ACRES) OF LAND, MORE OR LESS.

PARCEL No. 2

THAT PART OF BLOCKS 20 AND 26 OF CANAL TRUSTEES' NEW SUBDIVISION OF BLOCKS IN THE EAST FRACTION OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND VACATED ALLEYS THEREIN, TOGETHER WITH THAT PART OF VACATED WEST 19TH STREET, SOUTH OF BLOCK 20 AND NORTH OF BLOCK 26 (TAKEN AS A TRACT) LYING EAST OF A LINE 4 FEET WEST OF AND PARALLEL TO CENTERLINE OF SAID BLOCKS (EXCEPTING THEREFROM LOTS 8, 9, 12 AND 13 IN BLOCK 26 IN AFORESAID CANAL TRUSTEES' NEW SUBDIVISION OF BLOCKS AND ALSO EXCEPTING THE EAST HALF OF THAT PORTION OF VACATED ALLEY WEST OF AND ADJOINING LOTS 8, 9, 12 AND 13 IN BLOCK 26 IN CANAL TRUSTEES' NEW SUBDIVISION OF BLOCKS AFORESAID) IN COOK COUNTY, ILLINOIS.

PARCEL No. 3

LOTS 8, 9, 12, 13 IN BLOCK 26 OF THE CANAL TRUSTEES' SUBDIVISION OF THE SOUTHEAST QUARTER OF FRACTIONAL SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND A STRIP OF LAND 8 FEET IN WIDTH AND 200 FEET IN LENGTH, BEING THE EAST HALF OF THAT PORTION OF THE VACATED ALLEY LYING WEST OF AND ADJOINING LOTS 8, 9, 12, 13 IN BLOCK 26 OF THE CANAL TRUSTEES' SUBDIVISION OF THE EAST FRACTION OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.