
1999 Annual Report

River South Redevelopment Project Area



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

JUNE 30, 2000

River South Redevelopment Project Area 1999 Annual Report

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June 30, 2000

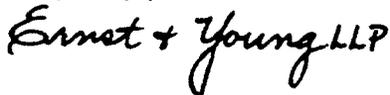
Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the annual report for the River South Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

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

Very truly yours,



Ernst & Young LLP



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)
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June 30, 2000

Mr. Daniel W. Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Comptroller Hynes:

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

Very Truly Yours,

Christopher R. Hill
Commissioner
Department of Planning and Development

NEIGHBORHOODS



**River South Redevelopment Project Area
1999 Annual Report**

(1) DATE OF DESIGNATION OR TERMINATION - 65 ILCS 5/11-74.4-5(d)(1.5)

The Project Area was designated on July 30, 1997. The Project Area may be terminated no later than July 30, 2020.

**River South Redevelopment Project Area
1999 Annual Report**

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

Please see attached.

CITY OF CHICAGO, ILLINOIS
RIVER SOUTH REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1999 AND 1998

CITY OF CHICAGO, ILLINOIS
RIVER SOUTH REDEVELOPMENT PROJECT

C O N T E N T S

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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 balance sheets of the River South Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1999 and 1998, and the related statements of revenues, expenditures and changes in fund balance for the years then ended. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the River South Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1999 and 1998, and the results of its operations and changes in fund balance for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of expenditures by statutory code on page 7, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the financial statements of River South Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

Bensley and Kilner, L.L.P.

Certified Public Accountants

May 12, 2000

CITY OF CHICAGO, ILLINOIS
RIVER SOUTH REDEVELOPMENT PROJECT

BALANCE SHEETS
DECEMBER 31, 1999 AND 1998

<u>A S S E T S</u>	<u>1999</u>	<u>1998</u>
Cash and investments	\$5,972,254	\$25,620,032
Property taxes receivable	900,000	39,192
Accrued interest receivable	<u>202,355</u>	<u>186,434</u>
Total assets	<u>\$7,074,609</u>	<u>\$25,845,658</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Deferred revenue	\$ 884,600	\$ 39,192
Due to other city funds	25,080	-
Vouchers payable	<u>4,437,671</u>	<u>-</u>
Total liabilities	5,347,351	39,192
Fund balance		
Designated for future redevelopment project costs	<u>1,727,258</u>	<u>25,806,466</u>
Total liabilities and fund balance	<u>\$7,074,609</u>	<u>\$25,845,658</u>

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

CITY OF CHICAGO, ILLINOIS
RIVER SOUTH REDEVELOPMENT PROJECT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Revenues		
Property tax	\$ 874,198	\$ -
Interest	<u>832,646</u>	<u>947,784</u>
Total revenues	1,706,844	947,784
Expenditures		
Capital projects	<u>28,286,052</u>	<u>8,850,692</u>
Revenues under expenditures	(26,579,208)	(7,902,908)
Other financing sources		
Operating transfers in (Note 2)	<u>2,500,000</u>	<u>10,500,000</u>
Revenues and other financing sources over (under) expenditures	(24,079,208)	2,597,092
Fund balance, beginning of year	<u>25,806,466</u>	<u>23,209,374</u>
Fund balance, end of year	<u>\$ 1,727,258</u>	<u>\$25,806,466</u>

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

CITY OF CHICAGO, ILLINOIS
RIVER SOUTH REDEVELOPMENT PROJECT
NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The River South Tax Increment Redevelopment Project Area (Project) was established in July 1997. 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, public improvements are completed and pass City inspection.

Basis of Accounting

The Project is accounted for within the special revenue funds of the City.

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
RIVER SOUTH REDEVELOPMENT PROJECT

NOTES TO 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

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.

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.

Note 2 - Operating Transfers In

During 1999 and 1998, in accordance with state statutes, the Project received \$2,500,000 and \$10,500,000, respectively, from the contiguous North Loop/Central Loop Redevelopment Project for the construction of the District 1 Police Station and other public improvements within the Project area.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

<u>Code Description</u>	<u>1999</u>	<u>1998</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, marketing	\$ 56,118	\$ 10,692
Costs of property assembly, 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	3,642,620	-
Costs of the construction of public works or improvements	<u>24,587,314</u>	<u>8,840,000</u>
	<u>\$28,286,052</u>	<u>\$8,850,692</u>

**River South Redevelopment Project Area
1999 Annual Report**

(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller
State of Illinois
201 Capitol
Springfield, Illinois 62706

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

Gwendolyn Clemons, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 2900
Chicago, Illinois 60602

Dean L. Viverito, Comptroller
Forest Preserve District of Cook County
536 North Harlem Avenue
River Forest, Illinois 60305

Michael Koldyke, Chairman
Chicago School Finance Authority
135 S. LaSalle Street, Suite 3800
Chicago, Illinois 60603

David Doig, General Superintendent & CEO
Chicago Park District
425 East McFetridge Drive, 2d Fl. East
Chicago, Illinois 60605

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

Andy Justo, Accounting Manager
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

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

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS/11-74.4-1 et seq., (the "Act") with regard to the River South Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

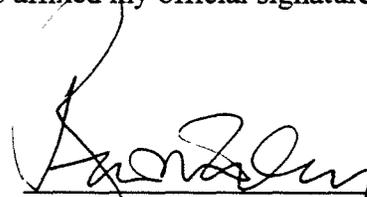
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 1999, 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, 2000.

A handwritten signature in black ink, appearing to read "Richard M. Daley", is written over a horizontal line. The signature is stylized and cursive.

Richard M. Daley, Mayor
City of Chicago, Illinois

**River South Redevelopment Project Area
1999 Annual Report**

(4) OPINION BY LEGAL COUNSEL - 65 ILCS 5/11-74.4-5(d)(4)



City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-6900
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<http://www.ci.chi.il.us>

June 30, 2000

Daniel W. Hynes
Comptroller
State of Illinois
201 Capitol
Springfield, Illinois 62706

Dolores Javier, Treasurer
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David Doig, General Superintendent &
CEO
Chicago Park District
425 East McFetridge Drive, 2d Fl. East
Chicago, Illinois 60605

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Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

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

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

Re: River South
Redevelopment Project Area (the "Redevelopment Project Area")

Dear Addressees:

I am Corporation Counsel of the City of Chicago, Illinois (the "City"). In such capacity, I am providing the opinion required by Section 11-74.4-5(d)(4) of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the "Act"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.4-5(d) of the Act for the Redevelopment Project Area.

Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings

NEIGHBORHOODS



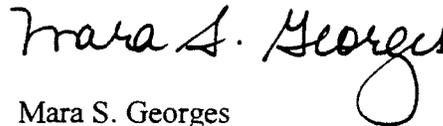
affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment project area and adoption of tax increment allocation financing for the Redevelopment Project Area, all in accordance with the then applicable provisions of the Act. Various departments of the City, including, if applicable, the Law Department, Department of Planning and Development, Department of Housing, Department of Finance and Office of Budget and Management, have personnel responsible for and familiar with the activities in the Redevelopment Project Area affecting such Department(s) and with the requirements of the Act in connection therewith. Such personnel are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the Law Department with respect to issues that may arise from time to time regarding the requirements of, and compliance with, the Act.

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

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

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

Very truly yours,



Mara S. Georges
Corporation Counsel

SCHEDULE 1

(Exception Schedule)

No Exceptions

Note the following Exceptions:

River South Redevelopment Project Area

1999 Annual Report

(5) ANALYSIS OF TIF FUND - 65 ILCS 5/11-74.4-5(d)(5)

COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 1999

	1999
Revenues	
Property tax	\$ 874,198
Sales tax	-
Interest	832,646
	1,706,844
Total revenues	1,706,844
Expenditures	
Costs of studies, admin., and professional services.	56,118
Marketing costs.	-
Property assembly, demolition, site preparation and environmental site improvement costs.	3,642,620
Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings.	-
Costs of construction of public works and improvements.	24,587,314
Cost of job training and retraining.	-
Financing costs.	-
Approved capital costs of overlapping taxing districts.	-
Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects.	-
Relocation costs.	-
Payments in lieu of taxes.	-
Costs of job training, retraining advanced vocational or career education provided by other taxing bodies.	-
Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects.	-
Costs of construction of new housing units for low income and very low income households.	-
Cost of day care services and operational costs of day care centers.	-
	28,286,052
Total expenditures	28,286,052
Revenues under expenditures	(26,579,208)
Other financing sources (uses)	
Proceeds of debt	-
Transfers in	2,500,000
Transfers out	-
	2,500,000
Revenues and other financing sources (uses) under expenditures	(24,079,208)
Fund balance, beginning of year	25,806,466
Fund balance, end of year	\$ 1,727,258
Fund balance	
Reserved for debt service	-
Reserved for encumbrances	-
Designated for future redevelopment project costs	1,727,258
	1,727,258
Total fund balance	\$ 1,727,258

**River South Redevelopment Project Area
1999 Annual Report**

(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

TABLE 6
DESCRIPTION OF PROPERTY PURCHASED BY THE CITY WITHIN THE TIF AREA

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	SELLER OF PROPERTY
1628-34 S. Dearborn	9,365 Sq. Ft.	\$289,000	Eugene, Miriam and Betty Weisman Trust
1600-16 S. Federal Street	25,235 Sq. Ft.	\$758,580	Western Union Telegraph Company c/o Ted Nicholas
1618-34 S. Federal Street	23,450 Sq. Ft.	\$705,454	Fern-Bob Partnership
1610-1626 S. Dearborn	21,521 Sq. Ft.	\$801,025	Victor J. Cacciatore

River South Redevelopment Project Area 1999 Annual Report

(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.4-5(d)(7)

- (a)** Projects implemented in the preceding fiscal year. Table 7(a)
- (b)** A description of the redevelopment activities undertaken.
- (c)** Agreements entered into by the City with regard to disposition or redevelopment of any property within a TIF area. Table 7(c)
- (d)** Additional information on the use of all TIF Funds received in a TIF area and steps taken by the City to achieve objectives of the plan.
- (e)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving payments financed by TIF revenues produced by the TIF area. Table 7(e)
- (f)** Joint Review Board Reports submitted to the City.
- (g)** Project-by-project review of public and private investment undertaken to date after the new TIF Act and expected to be undertaken in the following year, and ratio of private investment to public investment to the date of the report and as estimated to the completion of the redevelopment project. Table 7(g)

**River South Redevelopment Project Area
1999 Annual Report**

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

TABLE 7(a)
PROJECTS IMPLEMENTED IN THE PRECEDING FISCAL YEAR

NAME
OF PROJECT

Chicago Park District (Chinatown Park)
--

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

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

**River South Redevelopment Project Area
1999 Annual Report**

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

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

PARTIES TO AGREEMENT WITH MUNICIPALITY	NATURE OF AGREEMENT	PROJECT DESCRIPTION	ADDRESS	JOBS CREATED AND/OR RETAINED
Chicago Park District (Chinatown Park)	Intergovernmental Agreement	Support construction of new Chinatown Park on former railroad land.	Near Archer and Cermak.	n/a

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

The district has received cumulatively \$ 858,798 of property tax and sales tax (if applicable) increment. These amounts have been used to pay for project costs within the district and debt service (if applicable). The district's fund balance shown in Table 5 represents financial resources on a modified accrual basis of accounting that has not been expended.

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

During 1999, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

**River South Redevelopment Project Area
1999 Annual Report**

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

During 1999, no reports were submitted to the City by the Joint Review Board.

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

During 1999, no public investment was undertaken in the Project Area. As of December 31, 1999, no public investment was estimated to be undertaken for 2000.

**River South Redevelopment Project Area
1999 Annual Report**

**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE CITY - 65 ILCS
5/11-74.4-5(d)(8)(A)**

During 1999, there were no obligations issued for this Project Area.

**River South Redevelopment Project Area
1999 Annual Report**

(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.4-5(d)(8)(B)

During 1999, there were no obligations issued for the Project Area.

**River South Redevelopment Project Area
1999 Annual Report**

(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(d)(9)

Please see attached.

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

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

Established 1922

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 balance sheet of River South Redevelopment Project of the City of Chicago, Illinois as of December 31, 1999, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 12, 2000.

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 River South 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 12, 2000

River South Redevelopment Project Area 1999 Annual Report

(11) GENERAL DESCRIPTION

The Project Area generally encompasses the area bounded by Van Buren Street and Congress Parkway on the north, Federal Street, Clark Street, and State Street on the east; Cullerton Street on the south; and the Chicago River and Stewart Avenue on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

