

---

# 2008 Annual Report

## Pershing/King Redevelopment Project Area



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

*JUNE 30, 2009*

---

Ms. Christine Raguso  
Acting Commissioner  
Department of Planning and Development  
121 North LaSalle Street  
Chicago, Illinois 60602

30 June 2009

Dear Commissioner:

Enclosed is the annual report for the Pershing/King Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.6-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

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

Very truly yours,



Ernst & Young LLP

# Pershing/King Redevelopment Project Area 2008 Annual Report

---

## TABLE OF CONTENTS

### ANNUAL REPORT – PERSHING/KING REDEVELOPMENT PROJECT AREA IN COMPLIANCE WITH SECTION (d) OF 65 ILCS 5/11-74.4-5.

	PAGE
LETTER TO STATE COMPTROLLER.....	1
1) DATE OF DESIGNATION OR TERMINATION .....	2
2) AUDITED FINANCIALS.....	3
3) MAYOR’S CERTIFICATION.....	4
4) OPINION OF LEGAL COUNSEL.....	5
5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND.....	6
6) DESCRIPTION OF PROPERTY .....	7
7) STATEMENT OF ACTIVITIES .....	8
8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE MUNICIPALITY.....	12
9) ANALYSIS OF DEBT SERVICE.....	13
10) CERTIFIED AUDIT REPORT .....	14
11) GENERAL DESCRIPTION AND MAP.....	15



City of Chicago  
Richard M. Daley, Mayor

Department of Community  
Development

Chris Raguso  
Acting Commissioner

City Hall, Room 1000  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-4190  
(312) 744-2271 (FAX)  
(312) 744-2578 (TTY)

<http://www.cityofchicago.org>

June 30, 2009

The Honorable Daniel Hynes  
Comptroller  
State of Illinois  
Office of the Comptroller  
201 Capitol  
Springfield, IL 62706

Dear Comptroller Hynes:

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

Sincerely,

Christine Raguso  
Acting Commissioner



**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

The Project Area was designated on September 5, 2007. The Project Area may be terminated no later than December 31, 2031.

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

During 2008, no financial activity or cumulative deposits over \$100,000 occurred in the Project Area. Therefore, no audited statements were prepared pertaining to the Special Tax Allocation Fund for the Project Area.

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

Please see attached.

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

CERTIFICATION

TO:

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

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

Maurice S. Jones  
Director  
Cook County Dept. Planning & Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

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

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

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

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

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

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

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 ILCS5/11-74.4-1 et seq. (the "Act") with regard to the Pershing/King Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:



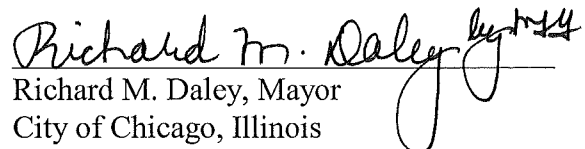
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2008, 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, 2009.

  
Richard M. Daley, Mayor  
City of Chicago, Illinois

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

Please see attached.



June 30, 2009

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) 744-0200  
(312) 744-8538 (FAX)  
(312) 744-2963 (TTY)  
<http://www.cityofchicago.org>

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

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

Maurice S. Jones  
Director  
Cook County Dept. Planning & Dev.  
69 West Washington Street, Suite 2900  
Chicago, Illinois 60602

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

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

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

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

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

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

Re: Pershing/King  
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.



June 30, 2009

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

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

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

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

Very truly yours,



Mara S. Georges  
Corporation Counsel

**SCHEDULE 1**

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

**(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.4-5(d)(5)**

Please see attached.

PERSHING/KING REDEVELOPMENT PROJECT AREA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND  
 YEAR ENDED DECEMBER 31, 2008

	2008
<b>Revenues</b>	
Property tax	\$ 98,213
Sales tax	-
Interest	1,147
	1,147
Total revenues	99,360
<b>Expenditures</b>	
Costs of studies, admin., and professional services. (q)(1)	1,406
Marketing costs. (q)(1.6)	-
Property assembly, demolition, site preparation and environmental site improvement costs. (q)(2)	-
Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings. (q)(3)	-
Costs of construction of public works and improvements. (q)(4)	-
Cost of job training and retraining. (q)(5)	-
Financing costs. (q)(6)	-
Approved capital costs of overlapping taxing districts. (q)(7)	-
Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects (q)(7.5)	-
Relocation costs. (q)(8)	-
Payments in lieu of taxes. (q)(9)	-
Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. (q)(10)	-
Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. (q)(11)(A-E)	-
Costs of construction of new housing units for low income and very low income households. (q)(11)(F)	-
Cost of day care services and operational costs of day care centers. (q)(11.5)	-
	-
Total expenditures	1,406
Revenues over expenditures	97,954
Other financing sources -	
Operating transfers in	470,000
Revenues and other financing sources over expenditures	567,954
Fund balance, beginning of year	-
Fund balance, end of year	\$ 567,954
<b>Fund balance</b>	
Reserved for debt service	\$ -
Reserved for encumbrances	-
Designated for future redevelopment project costs	567,954
Total fund balance	\$ 567,954

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

During 2008, the City did not purchase any property in the Project Area.



## **Pershing/King Redevelopment Project Area 2008 Annual Report**

---

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

- (A)** Projects implemented in the preceding fiscal year.
- (B)** A description of the redevelopment activities undertaken.
- (C)** Agreements entered into by the City with regard to disposition or redevelopment of any property within the Project Area.
- (D)** Additional information on the use of all Funds received by the Project Area and steps taken by the City to achieve the objectives of the Redevelopment Plan.
- (E)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.
- (F)** Joint Review Board reports submitted to the City.
- (G)** Project-by-project review of public and private investment undertaken from 11/1/99 to 12/31/08, and of such investments expected to be undertaken in year 2009; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/08, and an estimated ratio of such investments as of the completion of each project and as estimated to the completion of the redevelopment project.

SEE TABLES AND/OR DISCUSSIONS ON FOLLOWING PAGES.

## **Pershing/King Redevelopment Project Area 2008 Annual Report**

---

### **(7)(A) - 65 ILCS 5/11-74.4-5(d)(7)(A)**

During 2008, no projects were implemented.

### **(7)(B) - 65 ILCS 5/11-74.4-5(d)(7)(B)**

Redevelopment activities undertaken within this Project Area during the year 2008, if any, have been made pursuant to i) the Redevelopment Plan for the Project Area, and ii) any Redevelopment Agreements affecting the Project Area, and are set forth on Table 5 herein by TIF-eligible expenditure category.

### **(7)(C) - 65 ILCS 5/11-74.4-5(d)(7)(C)**

During 2008, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

## **Pershing/King Redevelopment Project Area 2008 Annual Report**

---

### **(7)(D) - 65 ILCS 5/11-74.4-5(d)(7)(D)**

The Project Area has received \$93,339 of property tax and sales tax (if applicable) increment since the creation of the Project Area. These amounts have been used to pay for project costs within the Project Area and for debt service (if applicable). The Project Area's fund balance as shown on Table 5 represents (on a modified accrual basis) financial resources (including increment) that have not been expended.

### **(7)(E) - 65 ILCS 5/11-74.4-5(d)(7)(E)**

During 2008, 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.

### **(7)(F) - 65 ILCS 5/11-74.4-5(d)(7)(F)**

During 2008, no reports were submitted to the City by the Joint Review Board.

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

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

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

Projects Undertaken in This Redevelopment Project Area	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 1: Neighborhood Improvement Fund (NIF)**	Program is Ongoing	\$1,000,000	\$0	\$500,000	Program is Ongoing	2.0 : 1

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

Each amount reported here under Public Investment Undertaken, Amount Estimated to Complete the Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Sections 2 or 5 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions including interest that may be payable on developer notes set forth in the Project's operating documents.

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

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

\*\*\* As of the End of the Reporting FY, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the FY in which the construction of the Project is completed and the total Private Investment figure is available.

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

During 2008, there were no obligations issued for the Project Area.

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

During 2008, there were no obligations issued for the Project Area.

**Pershing/King Redevelopment Project Area  
2008 Annual Report**

---

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

During 2008, there were no tax increment expenditures or cumulative deposits over \$100,000 within the Project Area. Therefore, no compliance statement was prepared.

# Pershing/King Redevelopment Project Area 2008 Annual Report

---

## (11) GENERAL DESCRIPTION AND MAP

The Pershing/King Redevelopment Project Area is generally bounded by Pershing Road on the north, 41<sup>st</sup> Street on the south, Vincennes Avenue on the east and Martin Luther King Drive 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.

