
2001 Annual Report

Stony Island Commercial and Burnside Industrial Corridor Redevelopment Project Area



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

JUNE 30, 2002

June 30, 2002

Ms. Alicia Mazur Berg
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the Stony Island Commercial and Burnside Industrial Corridor 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 5/11-74.4-1 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

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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REDEVELOPMENT PROJECT AREA IN COMPLIANCE WITH SECTION (d) OF 65 ILCS 5/11-74.4-5.**

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Alicia Mazur Berg
Commissioner

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

<http://www.cityofchicago.org>

June 30, 2002

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 Stony Island Commercial and Burnside Industrial Corridor Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-74.4-5(d).

Sincerely,

Alicia Mazur Berg
Commissioner

NEIGHBORHOODS



**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

The Project Area was designated on June 10, 1998. The Project Area may be terminated no later than June 10, 2021.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
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(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.4-5(d)(2)

Please see attached.

CITY OF CHICAGO, ILLINOIS
STONY ISLAND COMMERCIAL AND
BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2001 AND 2000

CITY OF CHICAGO, ILLINOIS
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
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 combined balance sheet of the Stony Island Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2001, and the combined related statements of revenues, expenditures and changes in fund balance - governmental funds for the years ended December 31, 2001 and 2000. 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 audits. We previously audited and reported upon the balance sheet as of December 31, 2000, totals of which are included for comparative purposes only.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Stony Island Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2001, and the results of its governmental funds operations and changes in fund balance for the years ended December 31, 2001 and 2000 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the combined 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 combined financial statements of Stony Island Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audits 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.

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

May 29, 2002

CITY OF CHICAGO, ILLINOIS
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

COMBINED BALANCE SHEETS
DECEMBER 31, 2001
(With Comparative Totals for 2000)

<u>ASSETS</u>	<u>Governmental Funds</u>	<u>General Long-term Debt Account Group</u>	<u>Total 2001</u>	<u>Total 2000</u>
Cash and investments	\$ 2,310,069	\$ -	\$ 2,310,069	\$ 673,900
Property taxes receivable	865,867	-	865,867	700,000
Accrued interest receivable	33,393	-	33,393	13,455
Amount available for debt service	-	950,000	950,000	-
Total assets	<u>\$ 3,209,329</u>	<u>\$ 950,000</u>	<u>\$ 4,159,329</u>	<u>\$ 1,387,355</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Due to other City funds	\$ 14,636	\$ -	\$ 14,636	\$ 9,199
Deferred revenue	777,161	-	777,161	624,445
Notes payable (Note 2)	-	950,000	950,000	-
Total liabilities	<u>791,797</u>	<u>950,000</u>	<u>1,741,797</u>	<u>633,644</u>
Fund balance				
Reserved for debt service	950,000	-	950,000	-
Designated for future redevelopment project costs	<u>1,467,532</u>	<u>-</u>	<u>1,467,532</u>	<u>753,711</u>
Total fund balance	<u>2,417,532</u>	<u>-</u>	<u>2,417,532</u>	<u>753,711</u>
Total liabilities and fund balance	<u>\$ 3,209,329</u>	<u>\$ 950,000</u>	<u>\$ 4,159,329</u>	<u>\$ 1,387,355</u>

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

CITY OF CHICAGO, ILLINOIS
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

COMBINED STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
Revenues		
Property tax	\$ 791,606	\$ 468,531
Interest	33,750	15,422
Total revenues	<u>825,356</u>	<u>483,953</u>
Expenditures		
Capital projects	21,091	14,129
Debt service		
Principal retirement	50,000	-
Interest	90,444	-
Total expenditures	<u>161,535</u>	<u>14,129</u>
Revenues over expenditures	663,821	469,824
Other financing sources		
Proceeds of debt	<u>1,000,000</u>	<u>-</u>
Revenues and other financing sources over expenditures	1,663,821	469,824
Fund balance, beginning of year	<u>753,711</u>	<u>283,887</u>
Fund balance, end of year	<u><u>\$ 2,417,532</u></u>	<u><u>\$ 753,711</u></u>

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

CITY OF CHICAGO, ILLINOIS
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Description of Project

The Stony Island Commercial and Burnside Industrial Corridors Tax Incremental Redevelopment Project Area (Project) was established in June 1998. 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 notes will be paid from incremental property taxes generated by the redevelopment district.

Basis of Accounting

The Project is accounted for within the capital project, debt service and special revenue funds of the City. The Notes 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
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
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 note proceeds and incremental taxes associated with the Stony Island Commercial and Burnside Industrial Corridors 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 note 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.

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.

CITY OF CHICAGO, ILLINOIS
STONY ISLAND COMMERCIAL AND BURNSIDE INDUSTRIAL CORRIDORS
REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

(Continued)

Note 2 – Notes Payable

In January 2001, the City issued Stony Island Commercial and Burnside Industrial Corridors Tax Increment Allocation Notes, Series 2001. The notes are for \$1,000,000 and have an interest rate of 9.25 percent and maturity dates ranging from January 1, 2002 to January 1, 2010. The proceeds were used to fund the Neighborhood Improvement Program in the Stony Island Commercial and Burnside Industrial Corridors Redevelopment Project Area.

The aggregate maturities of the notes (principal portion only) are as follows:

2002	\$ -
2003	50,000
2004	75,000
2005	100,000
2006	100,000
Thereafter	<u>625,000</u>
	<u>\$950,000</u>

Note 3 – Commitments

As of December 31, 2001 the Project has entered into contracts for approximately \$26,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

<u>Code Description</u>	<u>2001</u>	<u>2000</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	\$ 21,091	\$ 14,129
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 interest on any 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	140,444	-
	<u>\$ 161,535</u>	<u>\$ 14,129</u>

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

Please see attached.

STATE OF ILLINOIS)
)
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: Carol Reckamp, Director of Local
Government

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
Attn: Kay Kosmal

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

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

David Doig, General Superintendent & CEO
Chicago Park District
541 N. Fairbanks Court, 7th Floor
Chicago, Illinois 60611

Arne Duncan, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Linda Wrightsell

Mary West, Director of Finance
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
Attn: Dr. K. Lime, Manager

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 Stony Island Commercial and Burnside Industrial Corridor Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

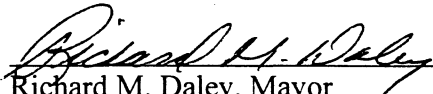
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2001, 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 28th day of June, 2002.


Richard M. Daley, Mayor
City of Chicago, Illinois

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

Please see attached.



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
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)

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

June 28, 2002

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

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

Gwendolyn Clemons, Director
Cook County Department of Planning &
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Attn: Kay Kosmal

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Attn: Barbara McKinzie

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

David Doig, General Superintendent &
CEO
Chicago Park District
541 N. Fairbanks Court, 7th Floor
Chicago, Illinois 60611

Arne Duncan, Chief Executive Officer
Chicago Board of Education
125 South Clark Street, 5th Floor
Chicago, Illinois 60603
Attn: Linda Wrightsell

Mary West, Director of Finance
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
Attn: Dr. K. Lime, Manager

Re: Stony Island Commercial and Burnside Industrial Corridor
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 28, 2002

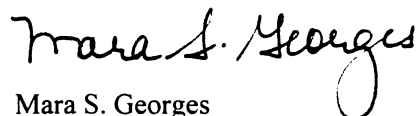
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 2001		2001
Revenues		
Property tax	\$	791,606
Sales tax		-
Interest		33,750
Total revenues		825,356
Expenditures		
Costs of studies, admin., and professional services. (q)(1)		21,091
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)		140,444
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		161,535
Revenues over expenditures		663,821
Other financing sources		
Proceeds of debt		1,000,000
Revenues and other financing sources over expenditures		1,663,821
Fund balance, beginning of year		753,711
Fund balance, end of year	\$	2,417,532
Fund balance		
Reserved for debt service		950,000
Reserved for encumbrances		-
Designated for future redevelopment project costs	\$	<u>1,467,532</u>
Total fund balance	\$	<u>2,417,532</u>

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

Below is listed all vendors,
including other municipal
funds, that were paid in excess
of \$5,000 during the current
reporting year.

Name	Service	Amount
Administrative Costs ¹	Administration	\$14,636
Advance Bank	Financing Costs	\$140,444

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

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

During 2001, the City did not purchase any property in the Project Area.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 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 11/1/00 to 12/31/01, and of such investments expected to be undertaken in Year 2002; also, a project-by-project ratio of private investment to public investment from 11/1/00 to 12/31/01, 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 THE FOLLOWING PAGES.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

During 2001, 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 2001, 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 2001, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

The Project Area has received \$ 1,462,145 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 2001, 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.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment Project Area
2001 Annual Report**

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

During 2001, no reports were submitted to the City by the Joint Review Board.

(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 Estimated To Be Undertaken During 2002	Private Investment Undertaken	Public Investment Undertaken	Ratio of Private/Public Investment
Project 1: Greenwood Associates, LP	\$12,881,599	\$2,600,000	5:1

* Each public investment amount reported is the maximum amount that could be made under the provisions of the corresponding Project/Redevelopment Agreement and may not necessarily reflect actual expenditures, if any, as reported under Sections 2 or 5 herein. The total public investment ultimately made under the Project/Redevelopment Agreement will depend upon each future occurrence of various conditions set forth in that agreement.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

This information is contained in the official statements, limited offering memoranda, promissory notes or debt service schedules of such obligations. See attached.

SPECIMEN

STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE
(STONY ISLAND AVENUE COMMERCIAL AND BURNSIDE INDUSTRIAL
CORRIDORS REDEVELOPMENT PROJECT)
TAXABLE SERIES 2001

SOLE NOTE:
REGISTERED
NO. ONE

PRINCIPAL AMOUNT:

\$1,000,000

INTEREST RATE

MATURITY DATE

DATED DATE

9.25%

January 1, 2010

January 9, 2001

Registered Owner: Advance Bank

[1] The City of Chicago (the "City") acknowledges itself to owe, and for value received promises to pay, from the source and in the manner as hereinafter provided, to the Registered Owner identified above, or registered assigns as provided below, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Note or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, per the payment schedule attached hereto as Schedule 1, until the Principal Amount is paid, except as the provisions set forth in this Note with respect to prepayment prior to maturity are and become applicable to this Note. No interest shall accrue on this Note after its maturity. The principal of and interest on this Note are payable in any coin or currency that at the time of payment is legal tender for the payment of public and private debts. Both the principal of this Note and the interest payable on this Note are payable at the office of the City Comptroller, 121 North LaSalle Street, Room 501, Chicago, Illinois 60602, as registrar and paying agent (the "Registrar"). Payment of principal of and interest on this Note shall be made on each applicable payment date to the Registered Owner of the Note on the registration books of the City maintained by the Registrar at the close of business on the 15th day of the month next preceding the applicable payment date and shall be paid by check or draft of the Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar.

[2] This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory of the Act and supplemental to the Act, and the principal of and interest on the Note are payable from Pledged Revenues (as defined in the Note Ordinance), including the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Stony Island Avenue Commercial And Burnside Industrial Corridors Redevelopment Project Area established by the City in accordance with the provisions of the Act (the "Project Area") by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each such piece of property as of June 10, 1998, as determined by the County Clerk of The County of Cook, Illinois, in accordance with the provisions of the Act (the "Incremental Taxes"). The Note is being issued for the purpose of providing funds to pay a portion of the Project Costs which have been approved for the Project Area, all as more fully described in an ordinance authorizing the issuance of the Note (the "Note Ordinance") adopted by the City Council of the City on November 8, 2000, to all the provisions of which the Registered Owner by the acceptance of this Note assents. The Note, together with the interest on the Note, are limited obligations of the City, payable solely from Pledged Revenues, including the Incremental Taxes and the amounts on deposit in and pledged to the various funds and accounts as provided in the Note Ordinance. All the Pledged Revenues are hereby irrevocably pledged until the obligations of the City are discharged under the Note Ordinance for the payment of both principal of and interest on this Note. THE NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION, EXCEPT AS HEREIN PROVIDED. NO REGISTERED OWNER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY FOR PAYMENT OF PRINCIPAL OF OR INTEREST ON THIS NOTE.

[3] Under the Act and the Note Ordinance, the Incremental Taxes shall be deposited in the Stony Island Avenue Commercial And Burnside Industrial Corridors Redevelopment Project Area Special Tax Allocation Fund of the City (the "Tax Allocation Fund"). Moneys on deposit in the Note Fund created within the Tax Allocation Fund shall be used and, pursuant to the terms and conditions stated in the Note Ordinance, are pledged for paying the principal of and interest on the Note and then in making any further required payments to the funds and accounts as provided by the terms of the Note Ordinance.

[4] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the City by this Note covenants and agrees that it has made provision for the segregation of those Incremental Taxes to be deposited in the Note Fund, and that it will properly account for those taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

[5] This Note is issued initially in fully registered form and is transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing at the office of the

Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges, provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange for the old Note or Notes.

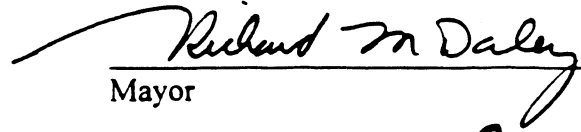
[6] The City and the Registrar may deem and treat the Registered Owner of this Note as the absolute owner of this Note for the purpose of receiving payment of or on account of principal of this Note, premium, if any, and interest due on this Note and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary.

[7] This Note may be prepaid prior to maturity at the option of the City, in whole or in part on any date from any available funds of the City without penalty or premium. Any prepayments on the debt service of the Note shall be made in inverse order of maturity.

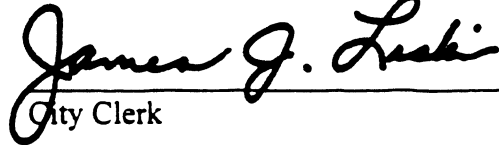
[8] The rights and obligations of the City and of the Registered Owners of the Note may be modified or amended at any time with the consent of the City and of the Registered Owners who constitute not less than a majority of the outstanding principal amount of the Note, provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the City to pay the principal of and interest on the Note, at the time and place and at the rate and in the currency provided in the Note Ordinance without the express consent of the Registered Owner of such Note or permit the creation of a preference or priority of any Note or Notes over any other Note or Notes.

[9] IN WITNESS WHEREOF, the City of Chicago, by its City Council, has caused this Note to be signed by the manual or duly authorized facsimile signature of the Mayor and City Clerk, all as appearing on this Note and as of the Dated Date identified above.

[SEAL]



Mayor



City Clerk

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint _____
_____ or its successor as attorney to transfer the said Note on the books
kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature

Signature guarantee: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

SCHEDULE 1 TO NOTE

Stony Island Avenue Commerical/Burnside Industrial Corridors Redevelopment Project
Annual Payments
At a Rate of 9.25%

Net Debt Service Schedule

Due Date	Interest	Principal	Payment	Balance
01/01	\$ 90,444.44	\$ 50,000.00	\$ 140,444.44	\$ 950,000.00
01/01	\$ 87,875.00	\$ 50,000.00	\$ 137,875.00	\$ 900,000.00
01/01	\$ 83,250.00	\$ 75,000.00	\$ 158,250.00	\$ 825,000.00
01/01	\$ 76,312.50	\$ 100,000.00	\$ 176,312.50	\$ 725,000.00
01/01	\$ 67,062.50	\$ 100,000.00	\$ 167,062.50	\$ 625,000.00
01/01	\$ 57,812.50	\$ 100,000.00	\$ 157,812.50	\$ 525,000.00
01/01	\$ 48,562.50	\$ 175,000.00	\$ 223,562.50	\$ 350,000.00
01/01	\$ 32,375.00	\$ 175,000.00	\$ 207,375.00	\$ 175,000.00
01/01	\$ 16,187.50	\$ 175,000.00	\$ 191,187.50	\$ 0.00
Total	\$ 559,881.94	\$ 1,000,000.00	\$ 1,559,881.94	

Advance Bank
Commercial Loan Department

01/04

The following is said ordinance as passed:

WHEREAS, Pursuant to an ordinance adopted by the City Council ("City Council") of the City of Chicago (the "City") on June 10, 1998, a certain redevelopment plan and project (the "Plan and Project") for the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project Area (the "Area") was approved

pursuant to and in accordance with the Illinois Tax Increment Allocation Redevelopment Act, as amended (65 ILCS 5/11-74.4-1, et seq) (1994) (the "Act"); and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1998, the Area was designated as a redevelopment project area pursuant to and in accordance with the Act; and

WHEREAS, Pursuant to an ordinance adopted by the City Council on June 10, 1998 (the "T.I.F. Ordinance"), tax increment allocation financing was adopted pursuant to and in accordance with the Act as a means of financing certain redevelopment project costs, as defined in the Act, incurred pursuant to the Plan and Project (the "Redevelopment Project Costs") and directed that the allocation of ad valorem taxes arising from levies by taxing districts upon the taxable real property in the Area and tax rates be divided in accordance with the Act and as described in the T.I.F. Ordinance; and

WHEREAS, The City is a home rule unit of government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois and, as such, is authorized to issue obligations pursuant to the Act for the purpose of financing Redevelopment Project Costs; and

WHEREAS, The City Council of the City has determined that it is necessary and in the best interest of the City to issue a tax increment allocation note for the purpose of paying Redevelopment Project Costs and other costs related to the issuance of the note; now, therefore,

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

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. There shall be borrowed for and on behalf of the City an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) and a note of the City shall be issued up to said amount and shall be designated "City of Chicago Tax Increment Allocation Revenue Note (Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project), Taxable Series 2000" (the "Note"), for the purposes of (a) paying a portion of the Redevelopment Project Costs in the Area, (b) funding certain capitalized interest on the Note and (c) paying certain expenses incurred in connection with the issuance of the Note. The Note shall be substantially in the form attached hereto as Exhibit A and made a part hereof, with such additions or modifications as shall be determined to be necessary, by the Chief Financial Officer of the City or, if there is no such officer then holding said office, the City Comptroller (the "Chief Financial Officer"), at the time of issuance to reflect the purpose of the issue. The Note shall have the terms and provisions set forth in this

ordinance and the Note form. The proceeds of the Note are hereby appropriated for the purposes set forth in this Section 2.

The Note shall mature not later than January 1, 2010 and shall bear interest at a rate not to exceed nine and nine-tenths percent (9.9%) per annum, from the date of the Note until the principal amount of the Note is paid, such interest (computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months) being payable on January 1 of each year, commencing January 1, 2001. Principal on the Note shall be payable annually on January 1, commencing January 1, 2002. The principal of the Note may be prepaid at the option of the City, in whole or in part, from any available funds, at any time without penalty or premium. Any prepayments on the debt service of the Note shall be made in inverse order of maturity.

SECTION 3. The principal of and interest on the Note shall be paid by check or draft of the Comptroller of the City, as registrar and paying agent (the "Registrar"), payable in lawful money of the United States of America to the person in whose name the Note is registered at the close of business on the fifteenth (15th) day of the month immediately prior to the applicable payment date, unless the City has been directed to make such payment in another manner by written notice given to the Registrar by the registered owner at least thirty (30) days prior to the applicable payment date; provided, that the final installment of the principal and accrued but unpaid interest of the Note shall be payable in lawful money of the United States of America at the principal office of the Registrar.

The Note shall be signed by the manual or facsimile signature of the Mayor of the City and attested by the manual or facsimile signature of the City Clerk of the City, and in case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

SECTION 4. The City shall cause books (the "Register") for the registration and for the transfer of the Note as provided in this ordinance to be kept at the principal office of the Registrar, which is hereby constituted and appointed the registrar of the City for the Note. The City is authorized to prepare, and the Registrar shall keep custody of, multiple Note blanks executed by the City for use in the transfer of the Note.

Upon surrender for transfer of the Note at the principal office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the registered owner or his attorney duly authorized in writing, the City shall execute and the Registrar shall date and deliver in the name of the transferee or transferees a new fully registered

Note of the same maturity, of authorized denomination, for a like aggregate principal amount. The execution by the City of the fully registered Note shall constitute full and due authorization of the Note and the Registrar shall thereby be authorized to date and deliver the Note, provided, however, that the principal amount of the Note delivered by the Registrar shall not exceed the authorized principal amount of the Note less previous retirements. The Registrar shall not be required to transfer or exchange the Note during the period beginning at the close of business on the fifteenth (15th) day of the month immediately prior to the maturity date of the Note.

The person in whose name the Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of the Note shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

No service charge shall be made for any transfer of the Note, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Note.

SECTION 5. Subject to the limitations set forth in Section 2 hereof, the Chief Financial Officer of the City (the "Chief Financial Officer") is authorized to determine the terms of the Note and to issue the Note on such terms as the Chief Financial Officer may deem to be in the best interests of the City. In connection with the issuance of the Note, the Chief Financial Officer shall make the following determinations: (a) the aggregate principal amount of the Note; (b) the maturity of the Note; (c) the annual interest rate or rates payable on the Note; (d) the dated date of the Note; (e) the schedule for funding the Debt Service Reserve Requirement (as hereinafter defined); (f) the designation of a trustee, if any; and (g) the use of proceeds derived from the issuance of the Note.

SECTION 6. (a) Special Tax Allocation Fund. Pursuant to the T.I.F. Ordinance, the City has created the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project Area Special Tax Allocation Fund (the "Tax Allocation Fund"). The Tax Allocation Fund shall be held by the City, except as hereinafter expressly provided, separate and apart from all other funds and accounts of the City. All of the Incremental Taxes shall be set aside as collected and deposited by the City Treasurer in the Tax Allocation Fund. "Incremental Taxes" means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Area by any and all taxing districts or municipal corporations having the power to tax real property in the Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the certified initial

equalized assessed value of each such piece of property, as certified by the Clerk of the County of Cook, Illinois in accordance with Section 5/11-74.4-9 of the Act.

(b) Note Fund. There is hereby created within the Tax Allocation Fund a special account to be known as the "Note Fund" (the "Note Fund"). The City shall promptly designate and deposit into the Note Fund all Pledged Revenues. "Pledged Revenues" means those Incremental Taxes and any other revenues from any source whatsoever in the amount (i) designated in Schedule 1 of the Note to pay principal of and interest on the Note and (ii) necessary to meet the Debt Service Reserve Requirement, as hereinafter defined, which Pledged Revenues include, without limitation, amounts on deposit in and pledged to various funds and accounts (other than the Expense Fund and the General Account), together with interest earnings thereon. The Note is secured by a pledge of all Pledged Revenues, and such pledge is irrevocable until the obligations of the City are discharged under this ordinance. The monies on deposit in the Note Fund shall be used by the City solely and only for the purpose of carrying out the terms and conditions of this ordinance and, except as otherwise provided in this ordinance, shall be deposited in the manner described below to the separate accounts created by this ordinance within the Note Fund to be known as the "Principal and Interest Account", the "Debt Service Reserve Account" and the "General Account". These accounts may be held by the City or by a depository or depositories selected by the Chief Financial Officer. As monies are deposited by the City into the Note Fund, they shall be credited in the following order of priority:

(i) The Principal and Interest Account. Prior to each principal or interest payment date, commencing with the January 1, 2001 payment date, the City shall credit and deposit into the Principal and Interest Account an amount of Pledged Revenues not to exceed the amount required to pay principal of and interest on the Note on the applicable principal or interest payment date. Except as provided below, such monies shall be used solely and only for the purpose of paying principal of and interest on the Note as the same become due. Capitalized interest received upon the sale of the Note shall be deposited to and held in the Capitalized Interest Sub-account created by this ordinance within the Principal and Interest Account and shall be used to pay interest coming due on the Note prior to applying any other monies for that purpose.

On or before thirty (30) days prior to each principal payment date on the Note, the City shall determine (A) the amount of Pledged Revenues to the credit of the Principal and Interest Account and (B) the amount of proceeds of the Note, together with investment earnings on those proceeds, to the credit of the Capitalized Interest Sub-account. Monies to the credit of the Capitalized Interest

Sub-account shall be deemed the first monies available to pay interest on the Note and shall be applied by the City to first interest coming due on the Note. The City shall determine the amount, if any (after taking into account the amounts on deposit in the Principal and Interest Account and the Capitalized Interest Sub-account), required to pay principal, interest and expenses, if any, on such principal payment date, which additional amount shall be transferred from the Debt Service Reserve Account to the Principal and Interest Account. Funds to the credit of the Principal and Interest Account in excess of such necessary amount shall first be transferred to the Debt Service Reserve Account as provided below and shall next be paid to and credited to the General Account as described below.

(ii) The Debt Service Reserve Account. To the extent not satisfied under subsection (c) of Section 8 hereof, the City shall next transfer the balance of the Pledged Revenues into the Debt Service Reserve Account until such account aggregates an amount equal to ten percent (10%) of the aggregate principal amount of the Note (the "Debt Service Reserve Requirement"), and thereafter no such payments shall be made into that account, except that when any monies is paid out of that account, payments shall be resumed and continued until that account has been restored to an aggregate amount equal to the Debt Service Reserve Requirement; provided, however, that the City's failure to make payments to restore the account to an aggregate amount equal to the Debt Service Reserve Requirement shall not constitute an event of default under the Note or this ordinance. A portion of the proceeds derived from the sale of the Note shall be deposited to and held in the Debt Service Reserve Account pursuant to Section 8 hereof and, thereafter, the Chief Financial Officer is authorized and directed to determine and approve the schedule for fully funding the Debt Service Reserve Requirement pursuant to Section 5 hereof on behalf of and in the name of the City. Monies on deposit in the Debt Service Reserve Account shall be transferred to the Principal and Interest Account as may be necessary from time to time to prevent or remedy a failure to pay principal of or interest on the Note.

(iii) The General Account. The balance of the Pledged Revenues remaining after crediting the required amounts to the respective accounts provided for above shall be credited to the General Account. Monies on deposit in the General Account shall be transferred by the City first, if necessary, to remedy any deficiencies in any prior accounts in the Note Fund; second, at the direction of the Chief Financial Officer, for one (1) or more of the following purposes, without priority among them:

- (A) for the purpose of paying any Redevelopment Project Costs; or
- (B) for the purpose of prepaying the Note; or

- (C) for the purpose of distribution of such funds to the taxing districts or municipal corporations having the power to tax real property in the Area in accordance with the Act.

Amounts on deposit in the General Fund are not pledged to the payment of the Note.

(iv) Investments. The monies on deposit in the Tax Allocation Fund and the various accounts therein may be invested from time to time in investments authorized by Chapter 2-32-520 of the Municipal Code of Chicago, as amended from time to time, pursuant to directions from the Chief Financial Officer. Any such investments may be sold from time to time by the City as monies may be needed for the purposes for which the Tax Allocation Fund and such accounts have been created. In addition, such investments may be sold when necessary to remedy any deficiency in the Note Fund or such accounts created therein. In the absence of such direction, such investment earnings shall be credited to and held in the Debt Service Reserve Account so long as the credit balance in said account is less than the Debt Service Reserve Requirement, and next shall be transferred to the Tax Allocation Fund. All other investment earnings shall be attributed to the account within the Tax Allocation Fund for which the investment was made.

SECTION 7. The Note, together with the interest thereon, is a limited obligation of the City, payable solely and only from Pledged Revenues, including the Incremental Taxes as provided in this ordinance. No registered owner of any Note shall have the right to compel the exercise of any taxing power of the City for payment of principal of or interest on the Note. The Note does not constitute an indebtedness of the City within the meaning of any statutory or constitutional provision, except as herein provided.

SECTION 8. The proceeds derived from the sale of the Note shall be used as follows:

(a) accrued interest received by the City upon the sale of the Note shall be deposited in the Capitalized Interest Sub-account of the Principal and Interest Account;

(b) the City shall then allocate from Note proceeds an amount for expenses incurred in the issuance of the Note, which shall be deposited into an "Expense Fund" to be maintained by the Chief Financial Officer and disbursed for such issuance expenses from time to time in accordance with usual City procedures for

the disbursement of funds. Monies not disbursed from the Expense Fund within six (6) months from the date of the issuance of the Note shall be transferred by the Chief Financial Officer to the Project Fund described below, and any deficiencies in the Expense Fund shall be paid by disbursement from the Project Fund;

(c) the City shall then allocate from Note proceeds an amount equal to the Debt Service Reserve Requirement, which shall be deposited into the Debt Service Reserve Account;

(d) the remaining proceeds of the Note shall be set aside in a separate fund created by this ordinance and designated as the "Project Fund -- Series 2000" (the "Project Fund"), which the City shall maintain. Monies in the Project Fund shall be withdrawn from time to time as needed for the payment of Redevelopment Project Costs, the City's administrative fee and the fees and expenses incidental to the Plan and Project not paid out of the Expense Fund.

SECTION 9. The provisions of this ordinance shall constitute a contract between the City and the registered owner of the Note.

SECTION 10. The Mayor, the City Treasurer, the Chief Financial Officer of the City, the City Comptroller, the City Clerk and the other officers of the City are authorized to execute and deliver on behalf of the City such other documents, agreements and certificates and to do such other things consistent with the terms of this ordinance as such officers and employees shall deem necessary or appropriate in order to effectuate the intent and purposes of this ordinance.

SECTION 11. If any provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such provision shall not affect any of the other provisions of this ordinance.

SECTION 12. All ordinances, resolutions, motions or orders in conflict with this ordinance are hereby repealed to the extent of such conflict.

SECTION 13. This ordinance shall be in full force and effect immediately upon its passage.

Exhibit "A" referred to in this ordinance reads as follows:

*Exhibit "A".**Form Of Note.*

State Of Illinois

County Of Cook

City Of Chicago

Tax Increment Allocation Revenue Note
 (Stony Island Avenue Commercial And Burnside Industrial
 Corridors Redevelopment Project)
 Taxable Series 2000.

Sole Note:		Principal Amount:
Registered Number One		\$1,500,000
Interest Rate:	Maturity Date:	Dated Date:
9.25%	January 1, 2010	_____, 2000

Registered Owner: Advance Bank

[1] The City of Chicago (the "City") acknowledges itself to owe, and for value received promises to pay, from the source and in the manner as hereinafter provided, to the Registered Owner identified above, or registered assigns as provided below, the Principal Amount identified above and to pay interest (computed on the basis of a three hundred sixty (360) day year of twelve (12) thirty (30) day months) on such Principal Amount from the date of this Note or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, per the payment schedule attached hereto as Schedule 1, until the Principal Amount is paid, except as the provisions set forth in this Note with respect to prepayment prior to maturity are and become applicable to this Note. No interest shall accrue on this Note after its maturity. The principal of and interest on this

Note are payable in any coin or currency that at the time of payment is legal tender for the payment of public and private debts. Both the principal of this Note and the interest payable on this Note are payable at the office of the City Comptroller, 121 North LaSalle Street, Room 501, Chicago, Illinois 60602, as registrar and paying agent (the "Registrar"). Payment of principal of and interest on this Note shall be made on each applicable payment date to the Registered owner of the Note on the registration books of the City maintained by the Registrar at the close of business on the fifteenth (15th) day of the month next preceding the applicable payment date and shall be paid by check or draft of the Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar.

[2] This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory of the Act and supplemental to the Act, and the principal of and interest on the Note are payable from Pledged Revenues (as defined in the Note Ordinance), including the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project Area established by the City in accordance with the provisions of the Act (the "Project Area") by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each such piece of property as of _____, as determined by the County Clerk of the County of Cook, Illinois, in accordance with the provisions of the Act (the "Incremental Taxes"). The Note is being issued for the purpose of providing funds to pay a portion of the Project Costs which have been approved for the Project Area, all as more fully described in an ordinance authorizing the issuance of the Note (the "Note Ordinance") adopted by the City Council of the City on _____, to all the provisions of which the Registered Owner by the acceptance of this Note assents. The Note, together with the interest on the Note, are limited obligations of the City, payable solely from Pledged Revenues, including the Incremental Taxes and the amounts on deposit in and pledged to the various funds and accounts as provided in the Note Ordinance. All the Pledged Revenues are hereby irrevocably pledged until the obligations of the City are discharged under the Note Ordinance for the payment of both principal of and interest on this Note. This Note Does Not Constitute An Indebtedness Of The City Within The Meaning Of Any Constitutional Or Statutory Provision Or Limitation, Except As Herein Provided. No Registered Owner Of This Note Shall Have The Right To Compel The Exercise Of Any Taxing Power Of The City For Payment Of Principal Of Or Interest On This Note.

[3] Under the Act and the Note Ordinance, the Incremental Taxes shall be deposited in the Stony Island Avenue Commercial and Burnside Industrial Corridors Redevelopment Project Area Special Tax Allocation Fund of the City (the "Tax Allocation Fund"). Monies on deposit in the Note Fund created within the Tax

Allocation Fund shall be used and, pursuant to the terms and conditions stated in the Note Ordinance, are pledged for paying the principal of and interest on the Note and then in making any further required payments to the funds and accounts as provided by the terms of the Note Ordinance.

[4] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Note did exist, have happened, been done and performed in regular and due form and time as required by law, and the City by this Note covenants and agrees that it has made provision for the segregation of those Incremental Taxes to be deposited in the Note Fund, and that it will properly account for those taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Note Ordinance.

[5] This Note is issued initially in fully registered form and is transferable by the Registered Owner thereof in person or by his attorney duly authorized in writing at the office of the Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges, provided in the Note Ordinance, and upon surrender and cancellation of this Note. Upon such transfer a new Note or Notes of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange for the old Note or Notes.

[6] The City and the Registrar may deem and treat the Registered Owner of this Note as the absolute owner of this Note for the purpose of receiving payment of or on account of principal of this Note, premium, if any, and interest due on this Note and for all other purposes and neither the City nor the Registrar shall be affected by any notice to the contrary.

[7] This Note may be prepaid prior to maturity at the option of the City, in whole or in part on any date from any available funds of the City without penalty or premium. Any prepayments on the debt service of the Note shall be made in inverse order of maturity.

[8] The rights and obligations of the City and of the Registered Owners of the Note may be modified or amended at any time with the consent of the City and of the Registered Owners who constitute not less than a majority of the outstanding principal amount of the Note, provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the City to pay the principal of and interest on the Note, at the time and place and at the rate and in the currency provided in the Note Ordinance without the express consent of the Registered Owner of such Note or permit the creation of a preference or priority of any Note or Notes over any other Note or Notes.

[9] In Witness Whereof, The City of Chicago, by its City Council, has caused this Note to be signed by the manual or duly authorized facsimile signature of the Mayor and City Clerk, all as appearing on this Note and as of the Dated Date identified above.

[Seal]

Mayor

City Clerk

(Assignment)

For Value Received, The undersigned hereby sells, assigns and transfers unto

(Name and Address of Assignee)

the within Note and does hereby irrevocably constitute and appoint _____

_____ or its successor as attorney to transfer the said Note

on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature

Signature guarantee: _____

Notice: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Schedule 1 referred to in this Form of Note reads as follows:

Schedule 1.
(To Form Of Note)

Stony Island/Burnside T.I.F.

Due Date	Interest	Principal	Payment	Balance
				\$1,466,096.52
Jan 1	\$ 33,903.48		\$ 33,903.48	1,500,000.00
Jan 2	138,750.00	\$ 75,000.00	213,750.00	1,425,000.00
Jan 3	131,812.50	75,000.00	206,812.50	1,350,000.00
Jan 4	124,875.00	75,000.00	199,875.00	1,275,000.00
Jan 5	117,937.50	175,000.00	292,937.50	1,100,000.00
Jan 6	101,750.00	175,000.00	276,750.00	925,000.00
Jan 7	85,562.50	175,000.00	260,562.50	750,000.00
Jan 8	69,375.00	250,000.00	319,375.00	500,000.00
Jan 9	46,250.00	250,000.00	296,250.00	250,000.00
Jan 10	23,125.00	250,000.00	273,125.00	0.00

STATE OF ILLINOIS, ss.
County of Cook.

I, JAMES J. LASKI, City Clerk of the City of Chicago in the County of Cook and State of Illinois, DO HEREBY CERTIFY that the annexed and foregoing is a true and correct copy of that certain ordinance now on file in my office an authorization for issuance of City of Chicago Tax Increment Allocation Revenue Note (Stony Island Avenue Commercial and Burnside Industrial Corridor Redevelopment Project) Taxable Series 2000.

I DO FURTHER CERTIFY that the said ordinance was passed by the City Council of the said City of Chicago on the eighth (8th) day of November, A. D. 2000 and deposited in my office on the eighth (8th) day of November, A. D. 2000.

I DO FURTHER CERTIFY that the vote on the question of the passage of the said ordinance by the said City Council was taken by yeas and nays and recorded in the Journal of the Proceedings of the said City Council, and that the result of said vote so taken was as follows, to wit:
Yeas 44, Nays 0.

I DO FURTHER CERTIFY that the said ordinance was delivered to the Mayor of the said City of Chicago after the passage thereof by the said City Council, without delay, by the City Clerk of the said City of Chicago, and that the said Mayor failed to return the said ordinance to the said City Council with his written objections thereto at the next regular meeting of the said City Council occurring not less than five days after the passage of the said ordinance.

I DO FURTHER CERTIFY that the original, of which the foregoing is a true copy, is entrusted to my care for safe keeping, and that I am the lawful keeper of the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Chicago aforesaid, at the said City, in the County and State aforesaid, this fourth (4th) day of December, A. D. 2000.

[L. S.]

James J. Laski
JAMES J. LASKI, City Clerk.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

This information is contained in the official statements, limited offering memoranda, promissory notes or debt service schedules of such obligations. See attached.

**Stony Island Commercial and Burnside Industrial Corridor Redevelopment
Project Area
2001 Annual Report**

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

Please see attached.

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

Established 1922

BERNARD J. SULLIVAN, C.P.A.
RICHARD J. QUINN, C.P.A.
PAUL A. MERKEL, C.P.A.
JOHN W. SANEW 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.
MAUREEN B. SHANAHAN, C.P.A.

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 auditing standards generally accepted in the United States of America, the balance sheet of Stony Island Commercial and Burnside Industrial Corridors Redevelopment Project of the City of Chicago, Illinois as of December 31, 2001, 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 29, 2002.

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 Stony Island Commercial and Burnside Industrial Corridors 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 29, 2002

Stony Island Commercial and Burnside Industrial Corridor Redevelopment Project Area 2001 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Stony Island Commercial and Burnside Industrial Corridor Redevelopment Project Area can be divided into two parts: a) the “industrial district,” which is generally bounded by Cottage Grove Avenue, the Norfolk Southern Rail Line, and the Bishop Ford Expressway and excludes most of the residential blocks within these general boundaries; and b) the “commercial district,” which is generally bounded by the Stony Island Avenue frontage from 95th Street to 80th Street and the 87th Street frontage from Blackstone Avenue to Anthony Avenue. 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.

