
2006 Annual Report

63rd/Ashland Redevelopment Project Area



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

JUNE 30, 2007

June 30, 2007

Ms. Kathleen A. Nelson
First Deputy Commissioner
Department of Planning and Development
121 North LaSalle Street
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the 63rd/Ashland 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

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

TABLE OF CONTENTS

**ANNUAL REPORT – 63RD/ASHLAND 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	9
8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE MUNICIPALITY	13
9) ANALYSIS OF DEBT SERVICE	14
10) CERTIFIED AUDIT REPORT.....	15
11) GENERAL DESCRIPTION AND MAP	16



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

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, 2007

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 63rd/Ashland
Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-
74.4-5(d).

Sincerely,

Kathleen A. Nelson
First Deputy Commissioner



**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

The Project Area was designated on March 29, 2006. The Project Area may be terminated no later than March 29, 2029.

Note: Incremental tax revenues levied in the 23rd tax year are collected in the 24th tax year. Although the Project Area will expire in Year 23 in accordance with 65 ILCS 5/11-74.4-3(n)(J)(3), the incremental taxes received in the 24th tax year will be deposited into the Special Tax Allocation Fund.

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

During 2006, 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.

**63rd/Ashland Redevelopment Project Area
2006 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 Tallamantez, Director of Local
Government.

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

Peter C. Nicholson, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 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

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

Arne Duncan, 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 63rd/Ashland Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

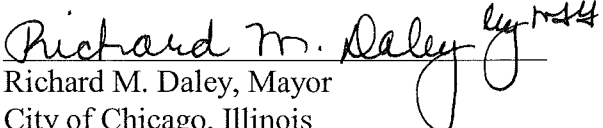
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2006, 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 29th day of June, 2007.


Richard M. Daley, Mayor
City of Chicago, Illinois

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

Please see attached.



June 29, 2007

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

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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 Tallamantez, Director of
Local Government

Dolores Javier, Treasurer
City Colleges of Chicago
226 West Jackson Boulevard, Room 1149
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Peter C. Nicholson, Director
Cook County Department of Planning &
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Tim Mitchell, General Superintendent &
CEO
Chicago Park District
541 North Fairbanks
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Arne Duncan, Chief Executive Officer
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125 South Clark Street, 5th Floor
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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: 63rd/Ashland
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 29, 2007

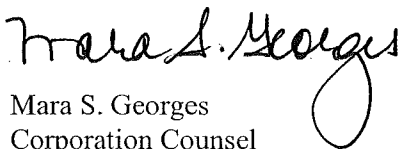
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

During 2006, there was no financial activity in the Special Tax Allocation Fund.

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

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

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	SELLER OF PROPERTY
6321 S Marshfield Ave ¹	N/A	N/A	N/A
6201 S Honore St ¹	N/A	N/A	N/A
6326 S Hermitage Ave ¹	N/A	N/A	N/A
6422 S Ashland Ave ¹	N/A	N/A	N/A
6330 S Hermitage Ave ¹	N/A	N/A	N/A
6333 S Marshfield Ave ¹	N/A	N/A	N/A
6138 S Hermitage Ave ¹	N/A	N/A	N/A
6345 S Hoyne Ave ¹	N/A	N/A	N/A
6324 S Hoyne Ave ¹	N/A	N/A	N/A
6138 S Wood St ¹	N/A	N/A	N/A
6000 S Wolcott Ave ¹	N/A	N/A	N/A
6016 S Wolcott Ave ¹	N/A	N/A	N/A
6023 S Wolcott Ave ¹	N/A	N/A	N/A
6237 S Winchester Ave ¹	N/A	N/A	N/A
6420 S Hoyne Ave ¹	N/A	N/A	N/A
6351 S Hoyne Ave ¹	N/A	N/A	N/A

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	SELLER OF PROPERTY
6435 S Hoyne Ave ¹	N/A	N/A	N/A
5836 S Wolcott Ave ¹	N/A	N/A	N/A
5830 S Wolcott Ave ¹	N/A	N/A	N/A
5840 S Wolcott Ave ¹	N/A	N/A	N/A
5834 S Wolcott Ave ¹	N/A	N/A	N/A
6348 S Bishop St ¹	N/A	N/A	N/A
6321 S Justine St ¹	N/A	N/A	N/A
5841 S Throop St ¹	N/A	N/A	N/A
5830 S Elizabeth St ¹	N/A	N/A	N/A
5840 S Bishop St ¹	N/A	N/A	N/A
6004 S Wolcott Ave ¹	N/A	N/A	N/A
5842 S Bishop St ¹	N/A	N/A	N/A
5839 S Throop St ¹	N/A	N/A	N/A
5844 S Bishop St ¹	N/A	N/A	N/A

¹ This property was acquired through the Tax Reactivation Program ("TRP"), under which the City instructs the County of Cook to make a no cash bid on certain tax-delinquent parcels. The City then pursues the acquisition in a court proceeding and receives a tax deed from the County after a court order is issued. The City pays court costs and certain incidental expenses for each parcel, which average between \$2,000 and \$2,500. The size and description of each parcel is usually not available.

**63rd/Ashland Redevelopment Project Area
2006 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 12/31/06, and of such investments expected to be undertaken in year 2007; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/06, 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.

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

During 2006, 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 2006, 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)

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

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	BUYER OF PROPERTY
1750 W. 61ST	N/A	N/A	N/A
6430 S. SEELEY	N/A	N/A	N/A
6214 S. ASHLAND	N/A	N/A	N/A

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

The Project Area has not yet received any increment.

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

During 2006, 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.

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

Joint Review Board Reports were submitted to the City. See attached.

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

Since November 1, 1999, no public investment was undertaken in the Project Area. As of December 31, 2006, no public investment is estimated to be undertaken for 2007.

CITY OF CHICAGO
JOINT REVIEW BOARD

Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on January 6, 2006, at 10:10 a.m.,
City Hall, Room 1003, Chicago, Illinois, and
presided over by Mr. Eric Reese.

PRESENT:

MR. ERIC REESE, CHAIRMAN
MR. KENNETH C. GUTSCH
MS. SUSAN MAREK
MR. JOHN McCORMICK

REPORTED BY: Accurate Reporting Service
200 N. LaSalle Street
Chicago, Illinois
By: Jack Artstein, C.S.R.

1 MR. REESE: Good morning. Welcome to
2 the Joint Review Board meeting. My name is
3 Eric Reese. And to the left of me is --

4 MR. McCORMICK: John McCormick with
5 the City of Chicago.

6 MS. MAREK: Susan Marek, Board of
7 Education.

8 MR. GUTSCH: Ken Gutsch, City
9 Colleges of Chicago.

10 MS. ALLEN: Annetta Allen, public.

11 MR. REESE: Thank you very much for
12 joining us today. For the record, my name is
13 Eric Reese. I'm the representative of the
14 Chicago Park District which under Section
15 11-74.4-5 of the Tax Increment Allocation
16 Redevelopment Act is one of the statutory
17 designated members of the Joint Review
18 Board. Until the election of a chairperson I
19 will moderate this Joint Review Board
20 meeting.

21 For the record, there will be two
22 meetings of the Joint Review Board. The
23 first meeting is to review the proposed 63rd
24 National Tax Increment Financing District.

1 The date of this meeting was announced at and
2 set by the Community Development Commission
3 of the City of Chicago at its meeting on
4 December 13, 2005.

5 Notice of this meeting of the
6 Joint Review Board was also provided by
7 certified mail to each taxing district
8 represented on the board which include the
9 Chicago Board of Education, Chicago
10 Community Colleges District 508, Chicago
11 Park District, Cook County and the City of
12 Chicago. Public notice of this meeting was
13 also posted as of Wednesday, January 4, 2006
14 in various locations throughout City Hall.

15 When a proposed redevelopment
16 plan would result in displacement of
17 residents from ten or more inhabited
18 residential units or would include 75 or more
19 inhabited residential units the TIF Act
20 requires that the public member of the Joint
21 Review Board must reside in the proposed
22 redevelopment project area.

23 In addition, if a municipality's
24 housing impacts that determines that the

1 majority of the residential units in the
2 proposed redevelopment project area are
3 occupied by very low, low, or moderate income
4 household as defined in Section 3 of the
5 Illinois Affordable Housing Act, the public
6 member must be a person who resides in a very
7 low, low, or moderate income housing with the
8 proposed redevelopment project area.

9 With us today is Ms. Annetta
10 Allen. Are you familiar with the boundaries
11 of the proposed 63rd and Ashland Tax
12 Increment Financing Redevelopment Project
13 Area?

14 MS. ALLEN: Yes, I am.

15 MR. REESE: What is the address of
16 your primary residence?

17 MS. ALLEN: 6325 South Hamilton.

18 MR. REESE: Is such address within
19 the boundaries of the proposed 63rd and
20 Ashland Tax Increment Financing
21 Redevelopment Project Area?

22 MS. ALLEN: Yes, it is.

23 MR. REESE: Have you provided a
24 representative of the City of Chicago's

1 Department of Planning and Development with
2 accurate information concerning your income
3 and the income of any other members of the
4 household residing at such address?

5 MS. ALLEN: Yes.

6 MR. REESE: Based on the information
7 provided to you by the Department of Planning
8 and Development regarding applicable income
9 level of very low, low, or moderate income
10 household do you qualify as a member of very
11 low, low or moderate income household?

12 MS. ALLEN: Yes, I do.

13 MR. REESE: Ms. Allen, are you
14 willing to serve as the public member for the
15 Joint Review Board proposed 63rd and Ashland
16 Tax Increment Financing Redevelopment
17 Project Area?

18 MS. ALLEN: Yes.

19 MR. REESE: I'll entertain a motion
20 that Ms. Allen be selected as the public
21 member. Is there a motion?

22 MR. McCORMICK: So moved.

23 MR. REESE: All in favor please vote
24 aye.

1 COMMISSION IN CHORUS: Aye.

2 MR. REESE: Let the record reflect
3 that Ms. Allen has been selected as the
4 public member for the proposed 63rd and
5 Ashland Tax Increment Financing
6 Redevelopment Project Area.

7 Our next order of business is to
8 select a chairperson for the Joint Review
9 Board. Are there any nominations?

10 MR. McCORMICK: I nominate Eric
11 Reese.

12 MR. REESE: Is there a second?

13 MS. MAREK: Second.

14 MR. REESE: All in favor?

15 COMMISSION IN CHORUS: Aye.

16 MR. REESE: Let the record reflect
17 that I, Erie Reese, have been elected as
18 chairperson and will now serve as
19 chairperson for the remainder of this
20 meeting.

21 As I mentioned, at this meeting
22 we will be reviewing a plan for the proposed
23 Tax Increment Financing District proposed by
24 the City of Chicago. Staff of the City's

1 Department of Planning and Development and
2 law and other departments have reviewed this
3 planned amendment which is introduced by the
4 City's Community Development Commission on
5 December 13, 2005.

6 We will listen to a presentation
7 by the consultant on the plan. Following the
8 presentation we can address any questions
9 that the members might have for the
10 consultant or City staff. Amendment to the
11 TIF requires us to base our recommendation to
12 approve or disapprove the proposed 63rd and
13 Ashland Tax Increment Financing District on
14 the basis of the area and the plan satisfying
15 the plan requirements, the eligibility
16 criteria defined in the TIF Act and the
17 objectives of the TIF Act.

18 If the Board approves the planned
19 amendment the Board will then issue an
20 advisory non-binding recommendation by the
21 vote of the majority of those members present
22 and voting. Such recommendation shall be
23 submitted to the City within 30 days after
24 the Board meeting. Failure to submit such

1 recommendation shall be deemed to constitute
2 approval by the Board.

3 If the Board disapproves the
4 planned amendment the Board must issue a
5 written report describing why the planned
6 amendment failed to meet one or more of the
7 objectives of the TIF Act in both the plan
8 requirements and the eligibility
9 requirements of the TIF Act. The City will
10 then have 30 days to resubmit a revised plan.

11 The Board and the City must also
12 confer during this time to try and resolve
13 the issues that led to the Board's
14 disapproval. If such issues cannot be
15 resolved or if the revised plan is
16 disapproved the City may proceed with the
17 plan and the plan can be approved only with
18 three fifths vote of the City Council
19 excluding positions of members that are
20 vacant and those members that are ineligible
21 to vote because of conflicts in interest.

22 We will now have a presentation
23 by Camiros Limited for the 63rd and Ashland
24 property.

1 MS. KAMPS LINDWALL: Hi. Good
2 morning, I'm Jeanne Lindwall the principal
3 consultant with Camiros Limited the
4 consultants who prepared the redevelopment
5 plan and we did a good part of the
6 eligibility analysis along with Ernest --
7 Enterprises.

8 The proposed 63rd and Ashland TIF
9 is irregularly shaped and is generally
10 bounded by 53rd Street on the north, 69th
11 Street on the south, Racine Avenue on the
12 east, and the TFX Railroad and Hamilton
13 Avenue on the west. The project area
14 includes a mix of commercial and residential
15 and public institutional and open space
16 uses.

17 The project area is
18 approximately 495 acres in size and contains
19 a total of 3,234 tax parcels located on 122
20 tax blocks. Nine tax blocks are entirely
21 improved and contain no vacant land. Six tax
22 blocks are entirely vacant and the remaining
23 107 tax blocks contain a mix of improved
24 property and vacant land.

1 Because of this mix of improved
2 and vacant land there are a total of 2164 tax
3 parcels that contain buildings and other
4 improvements. 1070 tax parcels are vacant.
5 There are 2007 buildings in the proposed
6 project area. 1857 or 92.5 percent of these
7 buildings were built in 1970 or earlier thus
8 meeting the 35 year age threshold under the
9 Act.

10 In order to designate TIF
11 district certain conditions must be present
12 within a project area. There are different
13 conditions that are used to qualify improved
14 property and vacant land under the state's
15 statute. Because there is so much vacant
16 land in the project area the evaluation
17 addressed the sets of criteria for both
18 improved property and for vacant land.

19 The eligibility analysis used to
20 determine whether the area qualifies for
21 designation under the TIF statute included
22 the following tasks: Exterior survey of the
23 condition and the use of each building, field
24 survey and environmental conditions

1 involving parking facilities, public
2 infrastructure, site access and general
3 property maintenance, analysis of existing
4 land uses and their relationships,
5 comparison of surveyed buildings, design
6 regulations, analysis of current planning,
7 building size and layout, review of
8 previously prepared plan studies and
9 discussions, reports and other data, an
10 analysis of real estate assessment data, and
11 a review of available building permit
12 records to determine the level of
13 development activity in the area.

14 The improved portions of the
15 project area meet the requirements for
16 designation as a conservation area. To
17 qualify at least 50 percent of the buildings
18 must be 35 years of age or older and at least
19 three of 13 factors that are defined in the
20 Act must be present.

21 As I noted earlier, 92.5 percent
22 of the buildings in the project area meet the
23 age requirements. And six of the required
24 factors are meaningfully present and

1 reasonably distributed in the project area.
2 These include obsolescence, deterioration,
3 presence of structures below minimum health
4 standards, excessive vacancies, deleterious
5 land use and layout, and lack of community
6 planning.

7 Five additional conditions are
8 present to a minor extent in the project area
9 and are less well distributed. These include
10 dilapidation, illegal use of structures,
11 lack of ventilation, light and sanitary
12 facilities, inadequate utilities and
13 excessive land coverage.

14 Vacant land in the project area
15 qualifies based on the presence of the
16 following conditions. Diversity of
17 ownership, tax and special assessment
18 delinquencies, deterioration of structures
19 of site improvements in areas adjacent to the
20 vacant land, and lagging, already planning
21 equalized assessed valuation.

22 And just as a note, on this map
23 which shows existing land use, all of these
24 parcels that are outlined in red represent

1 the vacant land within the project area.

2 As far as the redevelopment plan
3 is concerned the Plan seeks to encourage new
4 development on vacant land, vacant
5 commercial and residential land and the
6 redevelopment of deteriorating and obsolete
7 commercial properties that suffer from small
8 lot size, lack of off-street parking and poor
9 accessibility along the project's commercial
10 corridors.

11 The Plan recognizes that new
12 private investment is needed to improve the
13 project area and revitalize these areas of
14 the community that form the core of the
15 project area.

16 The Plan seeks to reduce or
17 eliminate deleterious conditions in the
18 project area, provide for the orderly
19 transition of obsolete to more appropriate
20 land development patterns, create an
21 attractive environment that encourages new
22 commercial and residential development,
23 encourage redevelopment of vacant and
24 underutilized property, increase the supply

1 of affordable housing and improve public
2 facilities and amenities.

3 Public intervention is needed to
4 help stabilize the project area and achieve
5 the City's development area objectives for
6 the area including creation of stable
7 residential neighborhoods served by
8 appropriate commercial, public and private
9 facilities.

10 Between 2000 and 2004 demolition
11 permits significantly outnumbered permits
12 for new construction. Until the market
13 begins to recognize the economic potential
14 of the project area private investment is
15 unlikely to occur. The City recognizes that
16 it must take a more active role to stimulate
17 and support private investment. TIF is one
18 the tools that the City can use to help
19 improve conditions in the project area.

20 The land use plan which is shown
21 in this figure is intended to serve as a
22 guide for future land use improvements and
23 developments within the project area. The
24 land use category for the project area

1 include residential mixed use, public
2 schools and parks, and commercial and
3 residential and institutional mixed use
4 which is this orange area here and is shown
5 on 59th Street which is Ashland and 163rd
6 Street.

7 The project area, see, these uses
8 are all consistent with the redevelopment
9 goals of the TIF plan. The project area
10 contains a total of 2454 residential units.
11 As of June 23, 2005, 2345 were identified and
12 considered to be inhabited.

13 Because the focus of the plan is
14 on rehabilitation and infilled development
15 on vacant land demolition of occupied
16 residential units is not contemplated.
17 However, over the course of the life of the
18 TIF plan displacement of ten or more
19 inhabited residential units may occur
20 requiring the preparation of a housing
21 impact study. Should displacement occur the
22 City will make a good faith effort to ensure
23 that affordable replacement homes are
24 available and are near the project area.

1 Increased service demands for
2 most taxing districts are expected to be
3 moderate because they are already serving
4 the area. Upon completion of the planning
5 project all taxing districts will share the
6 benefits of a substantially improved tax
7 base.

8 Over the 23 year life of the TIF
9 incremental property taxes are expected to
10 be generated from new private development in
11 the project area. These new property tax
12 revenues may be available to support a
13 variety of eligible redevelopment activity
14 including infrastructure improvements,
15 streetscape enhancement, rehabilitation and
16 other eligible activities.

17 The 2004 EAV of the project area
18 is approximately \$49.8 million. By tax year
19 2030 following substantial completion of the
20 redevelopment of the 63rd and Ashland
21 redevelopment project area the EAV of the
22 project area is estimated at approximately
23 \$89 million.

24 The estimated redevelopment

1 project costs include the following line
2 items and amounts: property assembly, \$3
3 million; rehabilitation of existing
4 buildings, \$4 million; public works and
5 improvements, \$8.2 million; relocation,
6 \$500,000; job training, retraining, -- of
7 work projects, \$3 million; infra-subsidy, \$2
8 million; professional services, \$750,000;
9 cost of construction of low and very low
10 income housing, \$5 million and daycare
11 services, \$250,000. For a total project
12 budget of \$26,700,000.

13 That concludes my presentation
14 and I'm available for questions.

15 MR. REESE: Are there any questions?

16 MS. KAMPS LINDWALL: Thank you.

17 MR. REESE: If there are no further
18 questions I will entertain an motion that
19 this Joint Review Board finds that the
20 proposed 63rd and Ashland Tax Increment
21 Financing Redevelopment Project Area
22 satisfies the redevelopment plan
23 requirements under the TIF Act, the
24 eligibility criteria defined in Section 11-

1 74.4-3 of the TIF Act, and the objectives of
2 the TIF Act, and that based on such findings
3 approve such a proposed plan under the TIF
4 Act. Is there a motion?

5 MR. McCORMICK: So moved.

6 MR. REESE: All in favor?

7 COMMISSION IN CHORUS: Aye.

8 MR. REESE: Let the record reflect
9 that the TIF has Board approval for proposed
10 63rd and Ashland Tax Increment Financing
11 Redevelopment Project Area under the TIF
12 Act. This will not actually adjourn the 63rd
13 and Ashland Joint Review Board meeting. Do I
14 have a motion?

15 MR. McCORMICK: So moved.

16 MR. REESE: All right, we will now --

17 COMMISSION IN CHORUS: Aye.

18 MR. REESE: All right.

19 MS. WORTHY: I think we need a brief
20 break here between meeting one and meeting
21 two.

22 MR. REESE: How long would you like
23 to take a brief break?

24 MS. WORTHY: Five minutes would be

1 fine.

2 MR. REESE: All right.

3 MS. WORTHY: We need to switch. We
4 need a public member switch.

5 MR. REESE: All right. Thank you
6 very much.

7 (Off the record.)

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CITY OF CHICAGO
JOINT REVIEW BOARD

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Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on January 6, 2006, at 10:10
a.m., City Hall, Room 1003, Chicago,
Illinois, and presided over by Mr. Eric
Reese.

PRESENT:

MR. ERIC REESE, CHAIRMAN
MR. KENNETH C. GUTSCH
MS. SUSAN MAREK
MR. JOHN McCORMICK

REPORTED BY: Accurate Reporting Service
200 N. LaSalle Street
Chicago, Illinois
By: Jack Artstein, C.S.R.

1 MR. REESE: Good morning. My name is
2 Eric Reese. To the left of me is --

3 MR. McCORMICK: John McCormick with
4 the City of Chicago.

5 MS. MAREK: Susan Marek, Board of
6 Education.

7 MS. PUTSCH: Ken Gutsch, City
8 Colleges of Chicago.

9 MS. HODGE: Kit Hodge, Metropolitan
10 Planning Council.

11 MR. REESE: We will now begin the
12 discussion, the amended 105th Vincennes
13 Joint Review Board meeting. For the record
14 my name is Eric Reese. I am the
15 representative of the Chicago Park District
16 which under Section 11-74.4-5 of the Tax
17 Increment Allocation Redevelopment Act, is
18 one of the statutory designated members of
19 the Joint Review Board. Until the election
20 of a chairperson I will moderate the Joint
21 Review Board meeting.

22 This is a meeting to review the

1 proposed amendment to the 105th and
2 Vincennes Tax Increment Financing District.
3 The date of this meeting was announced at and
4 set by Community Development Commission of
5 the City of Chicago at its meeting of
6 December 13, 2005.

7 Notice of this meeting by the
8 Joint Review Board was provided by certified
9 mail to each taxing district represented by
10 the Board, represented on the Board which
11 includes the Chicago Board of Education,
12 Chicago Community Colleges District 508, the
13 Chicago Park District, Cook County and the
14 City of Chicago and the public member.

15 Public notice of this meeting was
16 also posted as of Wednesday, January 4, 2006
17 at various locations throughout City Hall.

18 Our first order of business is to
19 select a chairperson for the Joint Review
20 Board. Is there any nominations?

21 MR. McCORMICK: I recommend Eric
22 Reese.

1 MR. REESE: Is there a second?

2 MS. MAREK: Second.

3 MR. REESE: All in favor?

4 COMMISSION IN CHORUS: Aye.

5 MR. REESE: Let the record reflect
6 that myself, Eric Reese, has been elected as
7 chairperson and will now serve as
8 chairperson for the remainder of the
9 meeting.

10 As I mentioned, at this meeting
11 we will be reviewing the proposed plan for
12 the amended, for amending, for the amended
13 105th and Vincennes TIF District by the City
14 of Chicago. Staff of the City's Department
15 of Planning and Development and other
16 departments have reviewed the plan which was
17 introduced by the City's Community
18 Development Commission on December 13, 2005.

19
20 We will listen to a presentation
21 by the consultant on the plan. Following the
22 presentation we can address any questions

1 that the members might have for the
2 consultant or City staff.

3 Previous amendment to the TIF Act
4 requires us to base our recommendation to
5 approve or disapprove the amended 105th and
6 Vincennes Plan on the basis of the area and
7 the amended plan satisfied, and the amended
8 plan satisfying the plan requirements, the
9 eligibility criteria defined in the TIF Act,
10 and the objectives of the TIF Act.

11 If the Board approves the amended
12 plan the Board will then issue an advisory
13 non-binding recommendation by the quote of
14 the majority of those members present and
15 voting. Such recommendations shall be
16 submitted to the City within 30 days after
17 the Board meeting. Failure to submit such
18 recommendations shall be deemed to
19 constitute approval by the Board.

20 If the Board disapproves a plan
21 the Board must issue a written report
22 describing why the amended plan in an area

1 failed to meet one of the objectives, failed
2 to meet one or more of the objectives of the
3 Act, and both the plan requirements and the
4 eligibility requirements of the TIF Act. The
5 City will then have 30 days to resubmit a
6 revised amended plan.

7 The Board and the City must also
8 confer during that time to try to resolve the
9 issues that led to the Board's disapproval.
10 If such issues cannot be resolved or if the
11 revised amended plan is disapproved the City
12 may proceed with the amended plan but the
13 amended plan can be approved only with three
14 fifth's vote of the City Council excluding
15 positions of members that are vacant and
16 those members that are ineligible to vote
17 because of conflicts of interest.

18 The presentation by Johnson
19 Research for the amended 105th and
20 Vincennes.

21 MS. MORONEY: Good morning everyone.
22 My name is Ann Moroney with Johnson Research

1 Group and I'll be presenting the amended plan
2 to you today.

3 You've seen this before. The
4 plan was adopted in 2001. Just to give you a
5 sense of history of the 105th and Vincennes
6 TIF, it was in 1997 the City of Chicago hired
7 Turkel Pettigrew Allen and King to undertake
8 an eligibility study and prepare a
9 redevelopment plan. But the TIF, and the
10 public hearing was filed, the Joint Review
11 Board was held, but the TIF was not adopted.

12 In 1998 the City of Chicago
13 considered alternatives land uses. Changes
14 to the plan were made but the Plan did not go
15 through public hearing or a Joint Review
16 process and it remained idle.

17 Then in 2001 a new developer came
18 to the City and proposed a revised
19 residential development. So minor changes
20 and updates were made to the Plan. The
21 revisions at this time included changing the
22 base year to 2000 from 1997 listing the tax

1 parcels, i.e., EAV, or listing the EAV by tax
2 parcels. Updating the development of some --
3 which upon the anticipated EAV was based and
4 changing the estimated EAV. Adding a one
5 page supplement to the eligibility study
6 that summarized the existing conditions as
7 of 2001. And identifying any consequent
8 impacts to the eligibility. No impacts were
9 found. And updated references were made to
10 the City's Affordable Housing Policy that
11 was included in the Plan.

12 The TIF was adopted on October 3,
13 2001. Shortly after this adoption the
14 developer filed for bankruptcy and the
15 development did not occur.

16 In 2003 a new developer came to
17 the City proposing a residential development
18 slightly modified from the earlier one.
19 Changes to the Plan required an amended
20 process and a full public hearing.

21 These changes included updating
22 language to reflect the City's current and

1 standard TIF Plan language throughout the
2 Plan. Extending the estimated data of TIF
3 completion to 2024, a step that was not taken
4 when the Plan was first adopted. This allows
5 the Plan to maximize the full 23 year life of
6 the TIF. Also included in this modification
7 was language that wanted the City to access
8 the 24th year increment. The modifications
9 to the development program were also
10 included. And the project budget was also
11 revised with updated information.

12 The amendment plan went through
13 the public hearing process and was prepared
14 for adoption in 2003 but a mailing error
15 occurred and the plan was not amended, the
16 plan was not adopted.

17 The developer of that process
18 sold his interest to another developer who in
19 turn modified the program and modified their
20 program and today we present to you the 2003
21 amendments in addition to the modification
22 of the development program in the newest

1 current development.

2 Just for your information the
3 changes that require an amendment, that
4 require a full public hearing include adding
5 additional parcels which has not happened.
6 Substantially affecting the general land
7 uses, which has not happened. Substantially
8 changing the nature or extending the life of
9 the redevelopment project. And one of the
10 changes that we're doing is to extend the
11 full life of the TIF to 24, so that is one of
12 the items. Increasing the number of
13 displaced households, that has not occurred.
14 And increasing the project budget by one in
15 -- and the budget hasn't increased since the
16 1997 preparation.

17 Just for, you have seen this
18 project before, but this is an overview. The
19 project area is 57.8 acres in size. It is
20 the former site of the Chicago Bridge and
21 Iron Works, primarily. It is bounded by
22 103rd Street on the north, 107th Street on

1 the south, I-567 on the east and Vincennes
2 Avenue on the west. There is 52 tax parcels
3 in the budget area and it's eligibility that
4 was adopted in 2001 is based on it being
5 found to be a vacant blighted area and an
6 improved blighted area.

7 A summary of the amended
8 redevelopment plan that we present to you
9 before. No changes to the land use plan.
10 The land use plan called for a primarily
11 residential blended commercial development.
12 Public area where the Metra train station is
13 and compatible open space and community
14 facilities as well.

15 The proposed development, as you
16 see in this board on your right, included 233
17 housing units which include condos,
18 townhomes and single family detached homes.
19 the estimated redevelopment project costs,
20 the budget for the project is 14,150,000.

21 This includes an administration
22 analysis and professional fees, property --

1 site prep and environmental remediation,
2 public works and improvements, developer
3 interest subsidies, taxing districts,
4 capital costs, developer or daycare services
5 and welfare work with job training.

6 The certified 2000 EAV, the base
7 EAV, is listed at \$1,268,074. After
8 completion of the redevelopment project
9 identified in the plan the anticipated EAV in
10 year 2024 is estimated at \$34 million.

11 The new, the updated development
12 program identifies 233 units and it's
13 estimated that the impact to the schools will
14 be slightly different, slightly lower than
15 they had previously been impacted. So it's
16 estimated that 100 new elementary students
17 may be generated by development of the
18 project area and 32 high school students will
19 be generated from the project area. CPS has
20 identified or has indicated that the
21 existing schools in the project area would be
22 able to accommodate that many children.

1 And lastly, a housing impact was
2 not recovered because the plan includes less
3 than, fewer than ten inhabited housing
4 units. So no housing impact was done in the
5 past and is not needed at the present time.

6 That concludes the summary of the
7 redevelopment plan. I'm happy to answer any
8 questions if you have some.

9 MR. REESE: One quick one. The
10 developer is building park --

11 MS. MORONEY: Yes. It will be a two
12 acre park.

13 MR. REESE: Okay. Any further
14 questions? Seeing there are no further
15 questions I will entertain a motion that this
16 Joint Review Board finds the proposed
17 amended 105th and Vincennes Tax Increment
18 Financing Redevelopment Project Area, the
19 area plan satisfies the redevelopment plan
20 requirements under the TIF Act, the
21 eligibility criteria defined in Section 11-
22 74.4-3 of the TIF Act and the objectives of

1 the TIF Act. And that based on such findings
2 approve such an amended project.

3 MR. McCORMICK: So moved.

4 MR. REESE: Second?

5 MS. MAREK: Second.

6 MR. REESE: All in favor?

7 COMMISSION IN CHORUS: Aye.

8 MR. REESE: Let the record reflect
9 that the Joint Review Board's approval of the
10 amended 105th and Vincennes Redevelopment
11 Plan under the TIF Act. I will consider a
12 motion for adjournment.

13 MR. McCORMICK: So moved.

14 MS. MAREK: Second.

15 MR. REESE: Thank you very much.

16 (Whereupon, the meeting
17 adjourned at 10:46 a.m.)

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

I, JACK ARTSTEIN depose and say that I am a verbatim reporter doing business in the County of Cook and City of Chicago; that I caused to be transcribed the proceedings heretofore identified and that the foregoing is a true and correct transcript of the aforesaid hearing.



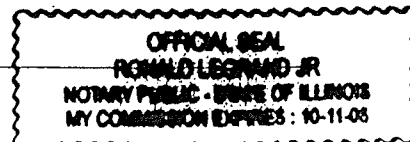
 JACK ARTSTEIN

SUBSCRIBED AND SWORN TO

BEFORE ME THIS 31st DAY OF
FEBRUARY, A.D. 2006.



 NOTARY PUBLIC



**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

During 2006, there were no obligations issued for the Project Area.

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

During 2006, there were no obligations issued for the Project Area.

**63rd/Ashland Redevelopment Project Area
2006 Annual Report**

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

During 2006, there were no tax increment expenditures or cumulative deposits over \$100,000 within the Project Area. Therefore, no compliance statement was prepared.

63rd/Ashland Redevelopment Project Area 2006 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The 63rd/Ashland Redevelopment Project Area is irregular in shape but encompasses certain properties in the area generally bounded by West 53rd Street on the north, West 65th Street on the south, South Ashland Avenue on the east and the CSX Railroad 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.

