
2008 Annual Report

Kennedy/Kimball Redevelopment Project Area



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

JUNE 30, 2009

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

30 June 2009

Dear Commissioner:

Enclosed is the annual report for the Kennedy/Kimball 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,

A handwritten signature in black ink that reads 'Ernst & Young LLP' in a cursive, script font.

Ernst & Young LLP

Kennedy/Kimball Redevelopment Project Area 2008 Annual Report

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City of Chicago
Richard M. Daley, Mayor

Department of Community
Development

Chris Raguso
Acting Commissioner

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

<http://www.cityofchicago.org>

June 30, 2009

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

Dear Comptroller Hynes:

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

Sincerely,

Christine Raguso
Acting Commissioner



**Kennedy/Kimball Redevelopment Project Area
2008 Annual Report**

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

The Project Area was designated on March 12, 2008. The Project Area may be terminated no later than December 31, 2032.

Kennedy/Kimball Redevelopment Project Area 2008 Annual Report

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

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

**Kennedy/Kimball Redevelopment Project Area
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(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.4-5(d)(3)

Please see attached.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION

TO:

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

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

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

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

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

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

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

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

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

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

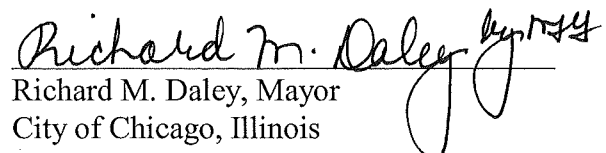
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2008, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

3. In giving this Certification, I have relied on the opinion of the Corporation Counsel of the City furnished in connection with the Report.

4. This Certification may be relied upon only by the addressees hereof.

IN WITNESS WHEREOF, I have hereunto affixed my official signature as of this 30th day of June, 2009.


Richard M. Daley, Mayor
City of Chicago, Illinois

**Kennedy/Kimball Redevelopment Project Area
2008 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) 744-0200
(312) 744-8538 (FAX)
(312) 744-2963 (TTY)
<http://www.cityofchicago.org>

June 30, 2009

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

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

Maurice S. Jones
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69 West Washington Street, Suite 2900
Chicago, Illinois 60602

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

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

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541 North Fairbanks
Chicago, Illinois 60611

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Chicago, Illinois 60603

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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: Kennedy/Kimball
Redevelopment Project Area (the "Redevelopment Project
Area")

Dear Addressees:

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



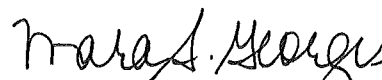
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

**Kennedy/Kimball Redevelopment Project Area
2008 Annual Report**

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

During 2008, there was no financial activity in the Special Tax Allocation Fund.

**Kennedy/Kimball Redevelopment Project Area
2008 Annual Report**

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

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

Kennedy/Kimball Redevelopment Project Area 2008 Annual Report

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

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

SEE TABLES AND/OR DISCUSSIONS ON FOLLOWING PAGES.

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

During 2008, no projects were implemented.

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

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

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

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

Kennedy/Kimball Redevelopment Project Area 2008 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 2008, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

Kennedy/Kimball Redevelopment Project Area 2008 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, 2008, no public investment is estimated to be undertaken for 2009.

CITY OF CHICAGO
JOINT REVIEW BOARD

RE: AN ORDINANCE OF THE CITY OF CHICAGO,
ILLINOIS APPROVING A REDEVELOPMENT
PLAN FOR THE KENNEDY/KIMBALL
REDEVELOPMENT PROJECT AREA

Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on December 7, 2007, at 10:00 a.m.
City Hall, Room 703, Conference Room,
Chicago, Illinois, and presided over by
Mr. John McCormick.

PRESENT:

MR. JOHN McCORMICK, CHAIRMAN
MS. TANYA ANTHONY
MS. SUSAN MAREK

1 MR. McCORMICK: This is the
2 Kennedy/King Joint Review Board Meeting.
3 For the record, my name is John McCormick --

4 MS. MAREK: Kennedy/Kimball.

5 MR. McCORMICK: I'm sorry,
6 Kennedy/Kimball. I am the representative of
7 the City of Chicago which under Section 11-
8 74, 4-5 of the Tax Increment Allocation
9 Redevelopment Act is one of the statutorily
10 designated members of the Joint Review
11 Board. Until elected as a chairperson I will
12 moderate the Joint Review Board. '

13 For the record this will be a
14 meeting to review the proposed
15 Kennedy/Kimball Tax Increment Financing
16 District. The date of the meeting was
17 announced and set by the Community
18 Development Commission of the City of
19 Chicago at its meeting of November 13th,
20 2007.

21 Notice of the Joint Review Board
22 was also provided by certified mail to each
23 taxing district represented on the board,
24 which includes Chicago Board of Education,

1 Community Colleges District, Chicago Park
2 District, Cook County, City of Chicago and
3 the public member. Public notice of the
4 meeting was posted Wednesday, December 5th
5 at various locations throughout City Hall.

6 The first order of business is to
7 select a chairperson of the Joint Review
8 Board. Are there any nominations?

9 MS. MAREK: I'll nominate John
10 McCormick.

11 MR. McCORMICK: Is there a second for
12 the nominations?

13 MS. ANTHONY: Second.

14 MR. McCORMICK: Okay. Are there any
15 other nominations? Let the record reflect
16 there were no other nominations. All in
17 favor of the nomination please vote by saying
18 aye.

19 (Chorus of ayes.)

20 MR. McCORMICK: All opposed, no --
21 let the record reflect that John McCormick
22 has been elected chairperson.

23 MR. SKOSEY: Congratulations, John.

24 MR. McCORMICK: Thank you. Yeah, I

1 think we ought to have a, I passed on the
2 introduction of our public member.

3 MR. SKOSEY: Peter Skosey, Public
4 Member, Joint Review Board.

5 MR. McCORMICK: My apologies. As I
6 mentioned, at this meeting we will be
7 reviewing a plan.

8 MS. WORTHY: For the record, I'm
9 Joann Worthy, I'm the coordinator of the
10 Joint Review Board for the Kennedy/Kimball
11 TIF. There was an attempt made to find a
12 resident public member to participate on
13 this Board, those attempts were
14 unsuccessful. And to document that we're
15 going to have Mike Weber who is the project
16 manager for our Neighborhoods Division
17 explain the processes that were followed
18 during that attempt.

19 MR. WEBBER: For the record, Mike
20 Roberts, Department of Planning and
21 Development. I've worked with Alderman Rey
22 Colon's office for the past couple of weeks
23 as well as kebic, Kedzie Elston Business
24 Industrial Counsel to try and attempt to

1 identify a public member for today's Joint
2 Review Board Meeting. Those attempts as
3 Joann mentioned were unsuccessful.

4 We made phone calls as well as e-
5 mails to the constituents in the
6 neighborhood. There are only approximately
7 nine multi-family residential buildings
8 within this proposed TIF District. Almost
9 entirely it's an industrial and commercial
10 TIF.

11 Total, in totality there's only
12 23 residential units within the TIF
13 boundary. The alderman was able to find a
14 couple of folks that would be willing to help
15 us but they were not within the boundary,
16 just outside the boundary to be exact.

17 So we prepared a memo indicating
18 what I just testified to, and I'd like to
19 submit it for, into the record for today's
20 meeting.

21 MR. McCORMICK: Thank you. Okay, as
22 I mentioned at this meeting we will be
23 reviewing the plan for the Kennedy/Kimball
24 Tax Increment Financing District proposed by

1 the City of Chicago. The staff of the City's
2 Department of Planning and Development along
3 with other departments have reviewed this
4 plan which was introduced at the City's
5 Community Development Commission on November
6 13th, 2007.

7 We will listen to a presentation
8 by the consultant on the plan. Following the
9 presentation we can address any questions
10 that members might have for the consultant or
11 the City staff.

12 An amendment to the TIF Act
13 requires us to base our recommendation to
14 approve or disapprove the proposed
15 Kennedy/Kimball Tax Increment Financing
16 District on the basis of the area in the plan
17 satisfying plan requirements, the
18 eligibility criteria defined in the TIF Act
19 and objectives of the TIF Act.

20 If the Board approves the plan
21 the Board will then issue an advisory, non-
22 binding recommendation by the vote of a
23 majority of those members present and
24 voting. Such recommendations shall be

1 submitted to the City within 30 days after
2 the Board meeting. Failure to submit such
3 recommendation shall be deemed to constitute
4 approval by the Board.

5 If the Board disapproves the
6 plan, the Board must issue a written report
7 describing why the planning area failed to
8 meet one or more objectives of the TIF Act,
9 and both the plan requirements and the
10 eligibility criteria of the TIF Act.

11 The City will then have 30 days
12 to resubmit a revised plan. The Board and
13 the City must also confer during this time to
14 try to resolve the issues that led to the
15 Board's disapproval. If such acts cannot be
16 resolved or if the revised plan is
17 disapproved, the City may proceed with the
18 plan but the plan can be approved only by
19 three-fifths vote of the City Counsel,
20 excluding positions of members that were
21 vacant and those members that are ineligible
22 because of conflicts of interest.

23 Okay, Teska Associates will be
24 the consultant presenting the plan.

1 MR. ORTEGA: Thank you, good morning.
2 For the record, my name is Mario Ortega, I'm
3 a Senior Associate Planner with Teska
4 Associates. Today I'm presenting to you our
5 findings regarding the survey of the
6 redevelopment project area generally bound
7 by the Kennedy Expressway and Kimball
8 Avenue, or actually, yeah.

9 The project area we're talking to
10 is generally bound by Addison on the north
11 with a small extension to the north to
12 include the Athletic Field Park located
13 right near Central Park and Addison. On the
14 east the boundary is generally Kennedy
15 Avenue with a small segment of the project
16 area traveling along Elston from Kedzie to,
17 to Whipple on the northern side of Elston
18 Avenue.

19 On the south the boundary is
20 generally Belmont Avenue, including however,
21 those properties on the north and south side
22 of Belmont, excluding some residential
23 areas, and also including some industrial-
24 type parcels located south of Belmont near

1 the Fletcher area, down here in the southeast
2 corner.

3 And the western boundary is
4 generally Drake Avenue. It does, it does
5 tend to take securitious routes to basically
6 include properties that are on the north side
7 of Belmont and also on the west side of
8 Kimball Avenue. And those are the general
9 boundaries.

10 One of the most telling features
11 that is kind of hard to represent on this map
12 is the fact that the, both the Metra Railroad
13 right of way and the Kennedy Expressway does
14 travel through from the southeast corner
15 through the, diagonally through the project
16 area through the northwest corner.

17 This map in front of you
18 represents the parcels, so that's why you
19 can't necessarily make it out. On subsequent
20 maps we'll attempt to clearly illustrate
21 where that right of way is.

22 MS. MAREK: What's the parcel that
23 was kind of drawn out below, the one that's
24 not in the --

1 MR. SKOSEY: Between Bernard and
2 Kimball down to the Kennedy?

3 MS. MAREK: Yes.

4 MR. ORTEGA: Bernard --

5 MS. MAREK: Up, the one that's
6 excluded.

7 MR. ORTEGA: Oh, this right here,
8 excuse me, I'm sorry. This is not only
9 existing TIF project area, this is
10 basically, there's a Home Depot right there
11 in that northwest corner, actually Kimball
12 TIF, yes.

13 MS. MAREK: Okay.

14 MR. ORTEGA: And there's a CVS
15 directly on the corner and the site has
16 actually already been redeveloped as a Home
17 Depot retail store.

18 MS. MAREK: Okay.

19 MR. ORTEGA: And our property is
20 directly around, and adjacent to that TIF.

21 MS. MAREK: Thank you.

22 MR. ORTEGA: And so, with that in
23 mind, the TIF area we're referring to has a
24 total of 93 buildings, 86 of which are

1 considered principal buildings, the primary
2 usage of those parcels, six are accessory
3 structures, there are a total of 176 parcels
4 within this project area, and that comes up
5 to a total of 152 acres.

6 In general this, as I mentioned,
7 a right of way for both the expressway and
8 Metra. They have a significant portion of
9 the land area. They account for 39 percent
10 of the project area, so in general the most
11 predominant, two predominant --
12 characteristics are industrial users.
13 Industrial use is mainly found south of
14 Addison, between Kimball and Kennedy, the
15 land area takes up approximately 26 percent
16 of that 152 acres.

17 And then there's also three
18 general commercial nodes if you will,
19 concentrations of commercial uses that's
20 located right here at the intersection of
21 Kimball and Belmont, also at the
22 intersection of Elston, Addison and Kedzie
23 there's a Jewel and a corresponding retail
24 users at this location.

1 And then there's also a
2 commercial concentration, if you will, along
3 Addison Street just to the east of the
4 intersection with the Kennedy Expressway,
5 there's a K-Mart right there and a couple
6 other office users in that location. So
7 commercial users compose approximately 24
8 percent of the land use in that area.

9 In addition too we have Athletic
10 Field Park located in the very northwest
11 corner, we also are going to be including the
12 Avondale Park, there's a community center
13 and some green space right here located on
14 School, just east of Drake.

15 So that's a -- for the existing
16 use which I'll show. This second map which
17 is --

18 MR. SKOSEY: Are there any schools in
19 there?

20 MR. ORTEGA: No, there are no schools
21 within this project area. Yeah, the only two
22 industrial -- institutional uses are the
23 park, Athletic Field Park and Avondale Park
24 and Community. And as I mentioned, the

1 Kennedy goes through, you have the Metra --
2 Midway, generally industrial right here with
3 those three commercial.

4 And then finally to sum up there
5 are mixed uses and some residential located
6 along the Elston corridor segment, and the
7 segment- does eventually connect to an
8 existing TIF Redevelopment Area on this side
9 of --

10 MR. WEBBER: Addison North TIF.

11 MR. ORTEGA: The Addison North TIF,
12 thank you. And, also the character of the
13 Belmont Avenue corridor, the segment we've
14 included is generally like a mixed use
15 nature, a lot of commercial, multi-
16 certibilities with commercial on the bottom
17 and residences, rental residences on the
18 top, or, or one, two, about four buildings on
19 Belmont are here, and then there are some
20 predominantly commercial users along
21 Belmont.

22 So with that in mind we evaluated
23 the area and determined that the best
24 designation for this is a conservation area

1 based on the following factors. First, and
2 the primary factor being that 67 percent of
3 the 86 principal buildings within this
4 project area are 35 years old or older. So
5 that's 58 of 86 buildings that are, meet the
6 age criteria.

7 And then secondly of the
8 remaining 13 criteria, three were found to be
9 majority contributing factors due to the
10 fact that they are extensive and found to be
11 equally distributed throughout the project
12 areas. The first of these factors being
13 obsolescence.

14 Of the 176 parcels, 54 of them
15 were determined to have some level of
16 obsolescence on them, that's 30 percent of
17 all parcels. This is predominantly
18 consisting of properties that due to the
19 creation of the Kennedy Expressway their
20 orientation and their configuration are not
21 capable of adequately holding the industrial
22 type of uses you normally, that have
23 developed in the area.

24 The result being that you have a

1 lot of loading zones inside right of ways,
2 you've got a lot of, basically there are a
3 lot of trucks in this small area, between the
4 Metra and the Kennedy that are having to
5 utilize right of way for loading and for
6 commercial, excuse me, for customer parking
7 and that sort of thing.

8 And then similarly, with the
9 configuration of the parcels in this area,
10 that results in an obsolescence factor.

11 MR. SKOSEY: Mario, do you have any
12 idea what caused those crazy parcel shapes?

13 MR. ORTEGA: It basically was the,
14 it's actually two factors, one being the
15 creation of the Kennedy, when it cut through
16 here they decided to make the curves that
17 resulted in this crazy patchwork of existing
18 parcels, and then a subsequent creation of,
19 attempt to create a right of way access, so
20 that way those properties could still have,
21 you know, access by vehicle.

22 And so while it's hard, you can't
23 tell by the parcel map, there is a, basically
24 a circular green road that goes through these

1 properties. The second --

2 MR. WEBBER: That's the Kennedy PMD
3 or Planned Manufacturing District, but
4 almost overlaid on top of this TIF District.

5 MR. ORTEGA: And then the second
6 actual major factor is the, historically
7 these were planted in service by rail, these
8 industrial users in this corridor. This is a
9 vacant rail spur that currently exists and
10 there's also another rail spur that it comes
11 off of this secondary one and goes into the
12 center.

13 And so a lot of these properties,
14 at the time when the area was being developed
15 for the first time, they were attempting to
16 gain access to that rail spur. So you had
17 all this securitous, and now the rail doesn't
18 even go through there anymore.

19 And so that, however there still
20 exists that railroad right of way and
21 therefore you have a lot of users that are
22 trying to, could use narrow parcels of land
23 and angled parcels and so therefore it's kind
24 of underutilized because you've got square

1 buildings on curved parking, basically.

2 MR. SKOSEY: And which railroad is
3 that, do you know?

4 MR. ORTEGA: That I don't know
5 because it's not --

6 MS. ANTHONY: Do you know how long,
7 what's the mileage for the rail spurs?

8 MR. ORTEGA: Oh, the distance?

9 MS. ANTHONY: Yes.

10 MR. ORTEGA: I'm not sure, I don't
11 know for sure but this is generally about a
12 quarter of an acre, or excuse me, quarter of
13 a mile so it's about 1400 feet from Kimball
14 to Kedzie. So, about a quarter of a mile.

15 The second major factor that we
16 found within this project area was
17 deterioration. 20 percent of the buildings
18 within this project area were found to have
19 some level of deterioration on minor
20 architectural features as doors, windows,
21 facades, roofs, that had a level of
22 maintenance that was more than just annual
23 maintenance, it was necessary for repair.

24 In addition to that, and those,

1 the 20 percent of these buildings actually
2 impact 54 percent of the blocks, so more than
3 half of the blocks within this project area
4 are being influenced by that deterioration
5 and therefore it is a major contributing
6 factor.

7 In addition too, the buildings,
8 the parcels themselves experience some level
9 of deterioration of the surface, whether it
10 be a parking surface or primarily where the
11 parking surfaces that had some level of major
12 deterioration, that's 23 percent of the
13 parcels, and coincidentally it also affected
14 54 percent of all blocks within this project
15 area, so therefore it was a major
16 contributing factor, and the fact that it was
17 distributed throughout the project area.

18 The third major factor we found
19 was vacancy within the project area. 20 of
20 86 buildings or 22 percent had some level of
21 vacancies. That resulted, and because of
22 that percentage, a 22 percent vacancy rate is
23 significantly high. Generally you have been
24 a five and six percent vacancy rate as

1 considered average for a turnaround in any
2 commercial or industrial area. A 22 percent
3 rate is significantly high. And that
4 actually also occurred in 18 percent of the
5 parcels. So one-fifth of parcels are being
6 influenced by this vacancy rate.

7 And finally the final
8 contributing factor for eligibility was the
9 lagging growth of the equalized assessed
10 value in comparison to the balance of the
11 City. For five of the last five years this
12 project, this project area has not grown at a
13 rate equal to the rest of the City.

14 The statute requires that only
15 three in the last five years in the factor,
16 it's the first time actually I've ever
17 encountered where it's five of the last five
18 years of the values have not been keeping
19 pace.

20 Finally, so those are the
21 eligibility factors, finally I just want to
22 point out the feature land use designated
23 within the redevelopment project area,
24 basically we would like to maintain the

1 character that exists and also the uses that
2 service the residential areas that are
3 adjacent to the project area, because they do
4 provide a significant use to the residences
5 in the area.

6 So, we have a concentration of
7 commercial to maintain the Elston and Kedzie
8 intersection, to maintain that commercial
9 nature along Addison, just East of the
10 Kennedy, then also to maintain the
11 commercial, primarily commercial users
12 located in the northeast corner of Kendall
13 and Belmont.

14 And with regards to the remaining
15 corridors, we'd like to expand upon and
16 maintain the mixed use character along
17 Belmont Avenue and mixed use character along
18 Kedzie Avenue. So in this way we will not be
19 anticipating the removal of any housing
20 units located currently in those areas.

21 And finally, and actually most
22 predominantly is the fact that we would like
23 to, we have recommended and would like to see
24 the industrial users within the project area

1 be maintained and enhanced so that that's all
2 the users south of Addison, east of Kimball
3 and west of Kedzie, in addition to this area
4 that's located between the Kennedy
5 Expressway and the Metra right of way.

6 This is mainly primarily due
7 because these, the industrial users provide
8 a very high paying and skilled employment
9 opportunities that tend to be leaving within
10 the City and so we'd like to maintain that
11 and enhance that and utilize the TIF funds to
12 make sure that those users are, have their
13 opportunity to redevelop and maintain --

14 And with that, if you have any
15 questions I'll be glad to answer them.

16 MR. SKOSEY: Could you identify where
17 the plant manufacturing district boundaries
18 are?

19 MR. ORTEGA: You know, I'm not
20 familiar with those.

21 MR. WEBBER: It's basically right,
22 almost the entire central node here is the
23 PMB, if you give me five minutes I could grab
24 another board to show you, but primarily you

1 have Novak Construction and several like
2 Mario mentioned, kind of just to the south of
3 the Kennedy Expressway there's a large
4 industrial core here as well as just behind
5 the Jewel site you have Addison south to the
6 Kennedy Expressway and west on Kedzie.
7 There's just, it's entirely, all of it
8 industrial businesses, federal moguel if you
9 will on Kedzie just south of the Jewel site.

10 MR. SKOSEY: So the PMB isn't
11 coterminous with the TIF nor does it include
12 those commercial nodes?

13 MR. WEBBER: That is correct.
14 Separate.

15 MR. McCORMICK: It's good to see
16 industrial TIF's.

17 MR. ORTEGA: And one, actually one of
18 the final points I just wanted to make is
19 that there is a Belmont, there is a CTA Blue
20 Line stop station in the project area located
21 at the north, excuse me, southeast corner of
22 Kimball and Belmont. I think it's the
23 Belmont stop.

24 MR. WEBBER: But it's the Blue Line

1 Belmont Subway Station.

2 MR. McCORMICK: Okay, so the Blue
3 Line, now where's the Kennedy?

4 MR. ORTEGA: The Kennedy is right
5 here, basically the Blue Line is coming up
6 Milwaukee this way and then it curves to hit
7 Belmont and then it comes this way and then
8 eventually it'll, Jet Park is next.

9 MR. McCORMICK: Okay. So you have a
10 stop there, a side track for our wonderful
11 express train to O'Hare. I'll hold that for
12 another discussion. Any other questions
13 that we might have?

14 Okay, if no further questions
15 I'll entertain a motion that this Joint
16 Review Board finds that the proposed
17 Kennedy/Kimball Tax Increment Financing
18 Redevelopment Project Area satisfies the
19 redevelopment plan requirements under the
20 TIF Act, eligibility criteria defined in
21 Section 11-74, 4-5 --

22 MR. SKOSEY: So moved.

23 MR. McCORMICK: So moved, okay.

24 MS. MAREK: Second.

1 MR. McCORMICK: Second? No further
2 discussion? No. All in favor?

3 (Chorus of ayes.)

4 MR. McCORMICK: All opposed. Okay,
5 let the record reflect the Joint Review
6 Board's approval of the proposed
7 Kennedy/Kimball Tax Increment Financing
8 Project Area under the TIF Act. Thank you.
9 Here is the letter for the record, I'll pass
10 that down. Thank you all.

11 (Whereupon the meeting adjourned
12 at 11:00 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.

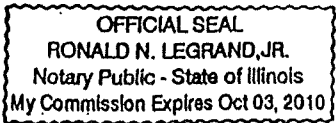
Jack Artstein

JACK ARTSTEIN

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 3RD DAY OF
JANUARY, A.D. 2008.

[Signature]

NOTARY PUBLIC



**Kennedy/Kimball Redevelopment Project Area
2008 Annual Report**

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

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

**Kennedy/Kimball Redevelopment Project Area
2008 Annual Report**

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

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

**Kennedy/Kimball Redevelopment Project Area
2008 Annual Report**

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

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

Kennedy/Kimball Redevelopment Project Area 2008 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Kennedy/Kimball Redevelopment Project Area is generally bounded by Addison Street on the north, Kennedy and Kedzie Avenues on the east, Belmont Avenue on the south and Drake Avenue on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

