
2004 Annual Report

Pratt/Ridge Industrial Park Conservation Area



**Pursuant to 65 ILCS 5/11-74.6-22(d)
(Industrial Jobs Recovery Act)**

JUNE 30, 2005

June 30, 2005

Ms. Denise Casalino
Commissioner
Department of Planning and Development
121 North LaSalle Street
Chicago, Illinois 60602

Dear Commissioner:

Enclosed is the annual report for the Pratt/Ridge Industrial Park Conservation Area 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

Pratt/Ridge Industrial Park Conservation Area 2004 Annual Report

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Denise M. Casalino, P.E.
Commissioner

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June 30, 2005

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 Pratt/Ridge Industrial Park Conservation Area Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-74.6-22(d).

Sincerely,

A handwritten signature in black ink, appearing to read "Denise Casalino".

Denise Casalino
Commissioner



Pratt/Ridge Industrial Park Conservation Area 2004 Annual Report

(1) DATE OF DESIGNATION AND TERMINATION - 65 ILCS 5/11-74.6-22(d)(1.5)

The Project Area was designated on June 23, 2004. The Project Area may be terminated no later than June 23, 2027.

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 5/11-74.6-10(l)(4), the incremental taxes received in the 24th tax year will be deposited into the Special Tax Allocation Fund.

Pratt/Ridge Industrial Park Conservation Area 2004 Annual Report

(2) AUDITED FINANCIALS - 65 ILCS 5/11-74.6-22(d)(2)

During 2004, 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.

**Pratt/Ridge Industrial Park Conservation Area
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(3) MAYOR'S CERTIFICATION - 65 ILCS 5/11-74.6-22(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: June Tallamantez, Director of Local
Government

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

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

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

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

Tim Mitchell, 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

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

Wallace Young
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. Khian K. Liem

I, RICHARD M. DALEY, in connection with the annual report (the “Report”) of information required by Section 11-74.6-22(d)(3) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq., (the “Law”) with regard to the Pratt/Ridge Industrial Park Conservation Area (the “Redevelopment Project Area”), do hereby certify as follows:

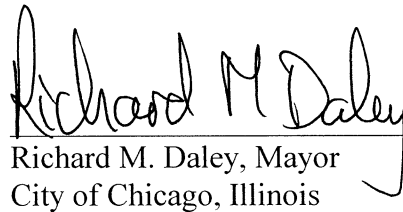
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2004, the City complied, in all material respects, with the requirements of the Law, 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, 2005.


Richard M. Daley, Mayor
City of Chicago, Illinois

**Pratt/Ridge Industrial Park Conservation Area
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(4) OPINION OF LEGAL COUNSEL - 65 ILCS 5/11-74.6-22(d)(4)

Please see attached.



June 30, 2005

City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

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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
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Gwendolyn Clemons, Director
Cook County Department of Planning &
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Attn: Joe Rose

Wallace Young
South Cook County Mosquito Abatement
District
155th & Dixie Highway
P.O. Box 1030
Harvey, Illinois 60426
Attn: Dr. Khian K. Liem

Re: Pratt/Ridge Industrial Park Conservation 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 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 *et seq.* (the "Law"), in connection with the submission of the report (the "Report") in accordance with, and containing the information required by, Section 11-74.6-22(d) of the Law for the Redevelopment Project Area.



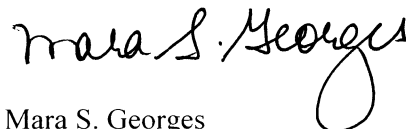
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Law have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

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 11-74.6-22(d)(9) of the Law and submitted as part of the Report, which is required to review compliance with the Law 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 Law 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:

**Pratt/Ridge Industrial Park Conservation Area
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(5) ANALYSIS OF SPECIAL TAX ALLOCATION FUND - 65 ILCS 5/11-74.6-22(d)(5)

During 2004, there was no financial activity in the Special Tax Allocation Fund.

**Pratt/Ridge Industrial Park Conservation Area
2004 Annual Report**

(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.6-22(d)(6)

During 2004, the City did not purchase any property in the Project Area.

**Pratt/Ridge Industrial Park Conservation Area
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(7) STATEMENT OF ACTIVITIES - 65 ILCS 5/11-74.6-22(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 12/31/04, and of such investments expected to be undertaken in year 2005; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/04, 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 5/11-74.6-22(d)(7)(A)

During 2004, no projects were implemented.

(7)(B) - 65 ILCS 5/11-74.6-22(d)(7)(B)

Redevelopment activities undertaken within this Project Area during the year 2004, 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 5/11-74.6-22(d)(7)(C)

During 2004, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

Pratt/Ridge Industrial Park Conservation Area 2004 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 2004, 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.

**Pratt/Ridge Industrial Park Conservation Area
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(7)(F) - 65 ILCS 5/11-74.6-22(d)(7)(F)

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

(7)(G) - 65 ILCS 5/11-74.6-22(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 2005	Private Investment Undertaken	Public Investment Undertaken	Ratio of Private/Public Investment
Project 1: S&C Electric Company	\$99,053,550	\$39,096,450	2.5 : 1

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

1 CHAIRMAN MCCORMICK: Let's go into
2 Pratt/Ridge. I'd like to before we get
3 started introduce Mary Sue Barrett who is our
4 Public Member. She is not just for this but
5 for all of our Joint Review Board meetings.

6 Okay. We'll now begin
7 Pratt/Ridge Joint Review Board meeting. For
8 the record my name is John McCormick. I'm a
9 representative of the City of Chicago which
10 under Section 11-744-5 of the Tax Increment
11 Allocation Redevelopment Act is one of the
12 statutorily designated members of the Joint
13 Review Board.

14 Until election of a Chairperson,
15 I will moderate the Joint Review Board
16 meeting. This will be a meeting to review a
17 proposed Pratt/Ridge Tax Increment Financing
18 District. The date of this meeting was
19 announced at and set by the Community
20 Development Commission of the City of
21 Chicago at its meeting of March 9, 2004.

22 Notice of this meeting of the
23 Joint Review Board was also provided by
24 certified mail to each tax increment

1 district represented on the Board which
2 includes the Chicago Board of Education, the
3 Chicago Community Colleges District 508, the
4 Chicago Park District, Cook County and the
5 City of Chicago and the Public Member.

6 Public notices were also posted
7 as of Tuesday, April 6, 2004 at various
8 locations throughout City Hall. Our first
9 order of business is to select a Chairperson
10 for this Joint Review Board. Are there any
11 nominations?

12 MS. MAREK: I'll nominate John
13 McCormick.

14 MS. KOSMAL: And I'll second.

15 MR. MCCORMICK: All in favor of the
16 nomination please vote by saying aye?

17 (Chorus of ayes.)

18 CHAIRMAN MCCORMICK: All opposed?
19 Let the record reflect that John McCormick
20 has been elected as Chairperson and will now
21 serve as the Chairperson for the remainder of
22 the meeting. As I mentioned, at this meeting
23 we will be reviewing the plan for Pratt/Ridge
24 Tax District proposed by the City of Chicago,

1 staff of the city's Department of Planning
2 and Development and other departments have
3 reviewed this plan which was introduced to
4 the city's Community Development Commission
5 on March 9, 2004.

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 members might have for the consultant or
10 city staff. Previous amendment to the TIF
11 Act requires us to base our recommendations
12 to approve or disapprove of the Pratt/Ridge
13 plan and the designation of the Pratt/Ridge
14 TIF area on the basis of the area plan
15 satisfied the plan requirements, the
16 eligibility criteria defined in the TIF Act
17 and objectives of the TIF Act.

18 If the Board approves the plan
19 and designation of the area, the Board will
20 issue an advisory non-binding recommendation
21 by the vote of the majority of its members
22 present and voting. TIF recommendations
23 shall be submitted to the city within thirty
24 days after the Board meeting.

1 Failure to submit such
2 recommendations shall be deemed to
3 constitute approval by the Board. If the
4 Board disapproves the plan and the
5 designation of the area, the Board must issue
6 a written report describing why the plan and
7 area failed to meet one or more of the
8 objectives of the TIF Act and both plan
9 requirements and eligibility requirements of
10 the TIF Act.

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

23 We will now have presentations on
24 the Pratt/Ridge plan. The consultants are

1 Ernst & Young LLP.

2 MR. PILEWSKI: Thank you. My name is
3 Joe Pilewski. I'm with Ernst & Young LLP.
4 We were the authors of the redevelopment
5 project and plan report which you have before
6 you.

7 The industrial park conservation
8 area known as the Pratt/Ridge Industrial
9 Park Conservation Area includes the
10 corporate headquarters of manufacturing
11 facilities owned and operated by S&C
12 Electric Company. It is located
13 approximately ten miles northwest of the
14 central business district of Chicago in the
15 Rogers Park neighborhood in the side
16 diagram.

17 The boundaries of the IPCA
18 include the continuous properties owned by
19 S&C Electric. No other property owners are
20 present within the district boundaries. The
21 IPCA is generally bounded by Pratt Avenue on
22 the north, Devon Avenue on the south, Ridge
23 Boulevard to the west and the Chicago
24 Northwestern Railway to the east.

1 The industrial park conservation
2 area means an area within the boundaries of
3 the regional project area located in the
4 municipality which is zoned as industrial no
5 later than the date on which the municipality
6 by ordinance designates the redevelopment
7 project area.

8 The area includes improved land
9 suitable for use as an industrial park or
10 research park or both. To be designated as
11 an industrial park conservation area, the
12 area so satisfies the following standards.

13 The municipality must be a labor
14 surplus municipality. The area must be
15 served by adequate public transportation,
16 road transportation and public
17 transportation. The redevelopment project
18 area shall contain no more than two percent
19 of the most recently ascertained equal and
20 assessed value of all taxable real property
21 within the corporate limits of the
22 municipality.

23 The project plan must also
24 provide for employment training program to

1 prepare unemployed workers for work in the
2 area. The redevelopment plan reasonably
3 expects to create a significant number of
4 permanent full-time new jobs and by the
5 implementation of the plan, it's expected
6 that the tax base within the area will
7 significantly expand.

8 I'll go through each of those
9 items in sequence. First of all in terms of
10 zoning, here we have a zoning map. The green
11 shaded area you see here is M2-2, General
12 Manufacturing. The yellow shaded area here
13 is M1-1 Restricted Manufacturing Districts.
14 So clearly the entire area is expected to be
15 zoned Industrial by the time the City Council
16 approves the plan.

17 Currently and for the past
18 approximately fifty years, this entire area
19 has been of an industrial use. So as we can
20 see here, the current use is industrial as
21 shown by the blue shading or hash marks and
22 the future use is the same. So the only
23 difference between these two maps are the
24 words current and future.

1 The City of Chicago qualifies as
2 a labor surplus municipality. Over the four
3 years within the study, we looked at the
4 unemployment statistics in the City of
5 Chicago versus the State of Illinois. The
6 city exceeded on average the state's
7 unemployment rate by 1.4% and exceeded the
8 U.S. unemployment rate by 1.9%.

9 The area has access to major
10 interstates through Pratt and Devon Avenue.
11 Those being I-94, I-90, I-294, I-80, I-57.
12 There's also access to the site via public
13 transit through the Devon Avenue bus route as
14 well as the CTA red line.

15 The current EAV of the district
16 is approximately 16.4 million dollars which
17 is .036% of the city's EAV. Clearly beneath
18 the 2% limitation. The required plan
19 elements include a marketing plan. Since the
20 current site is fully occupied by S&C, none
21 of the buildings on the site are vacant.
22 There is no need for a current marketing plan
23 to attract businesses to the site. However
24 within the redevelopment plan, if there are

1 vacancies in the future, the city is
2 authorized to develop a master plan and
3 implement that master plan in order to
4 attract businesses to the site.

5 In addition, S&C has been working
6 with the City Colleges of Chicago as
7 evidenced in Exhibit J and plan and has a
8 letter from City Colleges indicating their
9 willingness to participate in a job training
10 program for new workers.

11 With regard to growth and
12 development, we find that the area as a whole
13 has not been subject to growth and
14 development. And this map here, it's
15 difficult to see. Perhaps I'll hold it a
16 little closer. Is a footprint map of all the
17 buildings within the district. And in the
18 past seven years, only one building has been
19 constructed and that is what they call
20 Building 12A right here.

21 It's approximately 100,000
22 square feet. The new construction
23 constitutes less than 10% of the overall
24 square footage on the roof in the district.

1 In the district there's one million one
2 hundred twenty-five thousand square feet.
3 So this represents a fairly small
4 improvement for the area as a whole.

5 Building 12A, this building, was
6 built to eliminate material handling
7 problems and avoid maintenance expenditures
8 and limiting potential safety concerns.
9 Prior to its construction, the site had two
10 buildings on it which were over fifty years
11 of age and were functionally obsolete.

12 According to S&C Electric,
13 Building 12A did not substantially increase
14 productive capacity. In addition to
15 examining the history of this building
16 construction, we also pulled building permit
17 data from the city Building Department from
18 1997 to 2003 and found that twelve permits
19 were issued for \$700,000.

20 \$213,000 was attributable to
21 demolition of structures, about thirty
22 percent of total. \$300,000 was attributable
23 to installation of new equipment. Neither of
24 these increases the real property value

1 within the district.

2 In addition to looking at
3 building permit data in order to develop an
4 opinion on the growth and development in the
5 area, we looked at the overall area design
6 and layout. And as anyone can see, there's
7 more of a triangular shape of the area and
8 more importantly, across the street from the
9 subject site, across Pratt and across Ridge
10 Boulevard, is all residential properties.

11 To the south across from Devon is
12 commercial properties with the exception of
13 one small vacant lot in the corner here. So
14 the ability for S&C Electric to grow as a
15 company beyond its current street borders,
16 is virtually impossible. And in terms of the
17 railroad, this is elevated. It's probably a
18 good fifteen feet high right at the back of
19 the facility. So there's no ability to grow
20 this way.

21 Adding to the physical
22 impediments is the overall age of the
23 structure. This facility started with the
24 initial building here, right off of Ridge and

1 has evolved over the years through
2 acquisition of adjacent properties. As a
3 result what you have now is a twenty building
4 complex of all varying ages and heights.

5 And so any type of improvements
6 that the company attempts to make in the
7 overall flow of goods and product is very
8 costly. The average age in fact of the
9 buildings according to a study, an appraisal
10 done by Urban Real Estate Research in 2003,
11 is thirty-four years of age.

12 Lastly we looked at the cost of
13 construction and installation here in
14 Chicago versus Milwaukee because the
15 company, while they have facilities
16 throughout the globe, have a significant
17 facility outside of Milwaukee. The cost of
18 construction according to Means Construction
19 Cost Data is twelve percent higher in Chicago
20 than Milwaukee.

21 So for those reasons and also
22 interviews with corporate executives which
23 indicated that over 42 million of capital
24 projects have been deferred over the last

1 several years. We feel that the area as a
2 whole has not been subject to growth and
3 development.

4 Lastly on job creation, as
5 indicated in the report on Table 6, the
6 company intends to create 48 new permanent
7 jobs as a result of implementation of the
8 project and planning. In addition, S&C
9 anticipates retaining their current
10 workforce which is 1,500.

11 In terms of the financial plan,
12 the redevelopment project and plan outlines
13 the eligible cost which include property
14 assembly, disposition, rehabilitation of
15 existing structures, public improvements,
16 capital cost of taxing districts, employment
17 training and developer interest costs.

18 The total budget which is shown
19 on page 35, Table 9, estimates that over a
20 twenty-three year life there will be 48
21 million dollars, up to 48 million dollars in
22 estimated project costs. If the plan is
23 fully implemented, it is anticipated that
24 the current EAV of 16.4 million will grow to

1 50.4 million over a twenty-three year
2 period.

3 That is because the
4 implementation of the plan assumes that 145
5 million dollars of private investment, of
6 which 85 million is of a real property nature
7 through renovation, new buildings will take
8 place. And jumping to the financial impact
9 of the taxing district, the report indicates
10 that we anticipate a small administrative
11 cost to Cook County as properties are
12 renovated and reconstructed and new
13 properties are built.

14 This will involve additional
15 assessment time from the Assessor's Office.
16 Further there will be some administrative
17 costs to the City of Chicago in administering
18 the twenty-three year plan. And there will
19 be costs on the part of City Colleges for job
20 training.

21 The other taxing districts we
22 feel will be largely unaffected. The overall
23 site known as the John Conrad Industrial
24 Complex and John Conrad is the C in S&C and

1 he's still there on a daily basis, the
2 overall plan is to take this property which
3 is the current building configuration and to
4 bring this over twenty-three years.

5 Let me walk through that just
6 briefly. All the yellow shaded items in this
7 map are buildings that will be renovated and
8 all the black shaded areas are potentially
9 new buildings. And so this is truly a
10 twenty-three year redevelopment plan and
11 it's broken down into four phases.

12 The first phase over the first
13 five years is a 38 million dollar investment
14 which includes renovation of several
15 buildings and construction of a new advanced
16 technology center right here. Currently S&C
17 Electric tests its products in Europe and the
18 creation of this center will S&C to test
19 these products right on site rather than
20 overseas.

21 Phase two, years 6 through 11, is
22 estimated to be a 52 million dollar
23 investment with major reconstruction as well
24 as the construction of Building 2C right here

1 which would house fuse operations, a
2 photography studio and product warehouse.

3 Phase three, years 12 through 17,
4 would be a 33 million dollar investment and
5 would include construction of Building 15B,
6 this building here, which would house
7 polymer products manufacturing.

8 And finally, Phase four, 22
9 million dollars estimated investment between
10 the years 18 and 23, would be continued
11 renovation of facilities, the building of a
12 new parking deck.

13 One item which is also in the
14 plan but not in the area is in this shaded
15 area down here. Actually it's a small piece
16 of property S&C owns across from Devon Street
17 and in the long term plan that's a potential
18 spot for a corporate office building.

19 With that I will turn it over the
20 Joint Review Board for any questions.

21 CHAIRMAN MCCORMICK: Okay. Based on
22 the presentation, do any members of the Joint
23 Review Board have any questions? No further
24 questions, I'll entertain a motion that this

1 Joint Review Board finds that the proposed
2 redevelopment plan, Pratt/Ridge Tax
3 Increment Financing Redevelopment Project
4 area satisfies the redevelopment plan
5 requirements under the TIF Act.

6 The eligibility criteria is
7 defined in Section 11.744-3 of the TIF Act
8 and the objectives of the TIF Act and that
9 based on such findings approves such
10 proposed plan and designation of such area as
11 a redevelopment project area under the TIF
12 Act. Is there a motion?

13 MS. KOSMAL: So moved.

14 CHAIRMAN MCCORMICK: Point of order?

15 MR. NYBERG: Point of order, the tax
16 recovery.

17 CHAIRMAN MCCORMICK: Okay. The tax
18 recovery, okay. The project area under Tax
19 Recovery Act. Is there a motion?

20 MS. KOSMAL: So moved.

21 CHAIRMAN MCCORMICK: Is there a
22 second for the motion?

23 MS. MAREK: Second.

24 CHAIRMAN MCCORMICK: Is there any

1 further discussion? If not, all in favor
2 please vote by saying aye?

3 (Chorus of ayes.)

4 CHAIRMAN MCCORMICK: All opposed
5 please vote by saying no. Let the record
6 reflect the Joint Review Board's approval on
7 the proposed Pratt/Ridge Redevelopment Plan
8 and designation of the Pratt/Ridge Tax
9 Increment Financing Redevelopment Project
10 area as a redevelopment project area under
11 the TIF Act.

12 Anybody move that we adjourn?

13 MR. NYBERG: Change that to Jobs
14 Recovery.

15 CHAIRMAN MCCORMICK: Okay. Change
16 that to Jobs, what is it?

17 MR. NYBERG: Illinois Jobs Industrial
18 Recovery.

19 CHAIRMAN MCCORMICK: Okay, Illinois
20 Jobs Industrial Recovery which is not part of
21 the TIF Act, I take it? Anybody move that we
22 adjourn?

23 MS. KOSMAL: So moved.

24 MS. MAREK: Second.

1 CHAIRMAN MCCORMICK: Okay, we're
2 adjourned.

3 (Whereupon Pratt/Ridge
4 Development adjourned at 10:55
5 a.m.)

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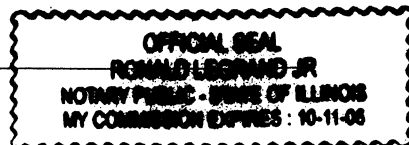
STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

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 8th DAY OF
April, A.D. 2004.

[Signature]
NOTARY PUBLIC



**Pratt/Ridge Industrial Park Conservation Area
2004 Annual Report**

**(8) DOCUMENTS RELATING TO OBLIGATIONS ISSUED BY THE
MUNICIPALITY - 65 ILCS 5/11-74.6-22(d)(8)(A)**

During 2004, there were no obligations issued for the Project Area.

**Pratt/Ridge Industrial Park Conservation Area
2004 Annual Report**

(9) ANALYSIS OF DEBT SERVICE - 65 ILCS 5/11-74.6-22(d)(8)(B)

During 2004, there were no obligations issued for the Project Area.

**Pratt/Ridge Industrial Park Conservation Area
2004 Annual Report**

(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.6-22(d)(9)

During 2004, there were no tax increment expenditures or cumulative deposits over \$100,000 within the Project Area. Therefore, no compliance statement was prepared.

Pratt/Ridge Industrial Park Conservation Area 2004 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Pratt/Ridge Industrial Park Conservation Area is generally bounded by Pratt Avenue on the north, Devon Avenue to the south, the Chicago and North Western Railway to the east, and Ridge Boulevard to 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.

