
1999 Annual Report

**Bronzeville
Redevelopment Project Area**



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

JUNE 30, 2000

June 30, 2000

Mr. Christopher R. Hill
Commissioner
Department of Planning and Development
121 N. LaSalle St.
Chicago, Illinois 60602

Commissioner Hill:

Enclosed is the annual report for the Bronzeville Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by the 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

Ernst & Young LLP

Bronzeville Redevelopment Project Area 1999 Annual Report

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)
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June 30, 2000

Mr. Daniel W. Hynes
Comptroller
State of Illinois
Office of the Comptroller
201 Capitol
Springfield, IL 62706

Comptroller Hynes:

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

Very Truly Yours,

Christopher R. Hill
Commissioner
Department of Planning and Development

NEIGHBORHOODS



**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

The Project Area was designated on November 4, 1998. The Project Area may be terminated no later than November 4, 2021.

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

Please see attached.

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE
REDEVELOPMENT PROJECT
FINANCIAL REPORT
DECEMBER 31, 1999

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

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BANSLEY AND KIENER, L. L. P.
CERTIFIED PUBLIC ACCOUNTANTS
125 SOUTH WACKER DRIVE
CHICAGO, ILLINOIS 60606-4496
AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

The Honorable Richard M. Daley, Mayor
Members of the City Council
City of Chicago, Illinois

We have audited the accompanying combined balance sheet of the Bronzeville Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1999, and the related combined statement of revenues, expenditures and changes in fund balance - governmental funds for the year then ended. These combined financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Bronzeville Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1999, and the results of its governmental funds operations and changes in fund balance for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The schedule of expenditures by statutory code on page 8, which is also the responsibility of the City of Chicago's management, is presented for purposes of additional analysis and is not a required part of the combined financial statements of Bronzeville Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the combined financial statements taken as a whole.

Bensley and Kiener, L.L.P.

Certified Public Accountants

May 19, 2000

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

COMBINED BALANCE SHEET
DECEMBER 31, 1999

<u>A S S E T S</u>	<u>Governmental Funds</u>	<u>General Long-term Debt Account Group</u>	<u>Total</u>
Cash and investments	\$250,000	\$ -	\$250,000
Accrued interest receivable	553	-	553
Amount to be provided for retirement of general long-term debt	<u>-</u>	<u>350,000</u>	<u>350,000</u>
Total assets	<u>\$250,553</u>	<u>\$350,000</u>	<u>\$600,553</u>
 <u>LIABILITIES AND FUND BALANCE</u> 			
Vouchers payable	\$250,000	\$ -	\$250,000
Notes payable (Note 2)	<u>-</u>	<u>350,000</u>	<u>350,000</u>
Total liabilities	250,000	350,000	600,000
Fund balance			
Designated for future redevelopment project costs	<u>553</u>	<u>-</u>	<u>553</u>
Total liabilities and fund balance	<u>\$250,553</u>	<u>\$350,000</u>	<u>\$600,553</u>

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

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 1999

Revenue	
Interest	\$ 553
Expenditures	
Capital projects	<u>350,000</u>
Revenue under expenditures	(349,447)
Other financing sources	
Proceeds of debt	<u>350,000</u>
Total other financing sources	<u>350,000</u>
Revenue and other financing sources over expenditures	553
Fund balance, beginning of year	<u>-</u>
Fund balance, end of year	<u>\$ 553</u>

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

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The Bronzeville Tax Increment Redevelopment Project (Project) was established in November 1998. This area has been established to finance improvements, leverage private investment and create and retain jobs through the Neighborhood Improvement Program. The Neighborhood Improvement Program provides grants to eligible property owners to make improvements to their property.

Principal and interest on the note will be paid from incremental property taxes generated by the redevelopment district.

Basis of Accounting

The Project is accounted for within the special revenue funds of the City. The Notes Payable are recorded in the City's General Long-term Debt Account Group. The report is presented herein on a combined basis.

The financial statements are prepared on the modified accrual basis of accounting and current financial resources measurement focus with only current assets and liabilities included on the balance sheet. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred.

Fixed assets are not capitalized in the general operating funds but, instead, are charged as current expenditures when purchased. The General Fixed Asset Account Group of the City includes the capital assets, if any, of the Project.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Illinois Tax Increment Redevelopment Allocation Act Compliance

The Project's expenditures include reimbursements for various eligible costs as described in subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act and the Redevelopment Agreement relating specifically to the Project. Eligible costs include but are not limited to survey, property assembly, rehabilitation, public infrastructure, financing and relocation costs.

Cash and Investments

The note proceeds and incremental taxes associated with the Bronzeville Tax Increment Financing District are deposited with the City Treasurer or in a separate trust account. Eligible project expenditures are approved by the Department of Planning and Development in accordance with the project budget and paid from the trust account. Eligible project expenditures may be paid from note proceeds or incremental taxes in excess of next year's annual debt service, after fully funding of all other funds and accounts.

Cash belonging to the City is generally deposited with the City Treasurer as required by the Municipal Code of Chicago. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when presented to the City Treasurer. Payment for all City warrants clearing is made by checks drawn on the City's various operating bank accounts.

The City Treasurer and City Comptroller share responsibility for investing in authorized investments. Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances.

The City values its investments at fair value or amortized cost. U.S. Government securities purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Property Taxes

Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end.

CITY OF CHICAGO, ILLINOIS
BRONZEVILLE REDEVELOPMENT PROJECT

NOTES TO COMBINED FINANCIAL STATEMENTS
(Continued)

Note 2 - Notes Payable

In October 1999, the City issued a Bronzeville Tax Increment Allocation Note, Series 1999. The note is for \$1,000,000 and has an interest rate of 8 percent and maturity dates ranging from January 1, 2002 to January 1, 2010. The City initially drew \$350,000 for this Project in 1999. The proceeds were used to fund the Neighborhood Improvement Program in the Bronzeville Redevelopment Project Area.

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

2000	\$ -
2001	-
2002	12,890
2003	13,922
2004	15,035
Thereafter	<u>308,153</u>
	<u>\$350,000</u>

The principal listed above for each year include amounts payable January 1 of the following year.

SUPPLEMENTARY INFORMATION

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

Costs of rehabilitation, reconstruction or repair
or remodeling of existing public or private
buildings and fixtures

\$350,000

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller
State of Illinois
201 Capitol
Springfield, Illinois 62706

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

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

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

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

David Doig, General Superintendent & CEO
Chicago Park District
425 East McFetridge Drive, 2d Fl. East
Chicago, Illinois 60605

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

Andy Justo, Accounting Manager
Metropolitan Water Reclamation District of
Greater Chicago
100 East Erie Street, Room 2429
Chicago, Illinois 60611

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

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 Bronzeville Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

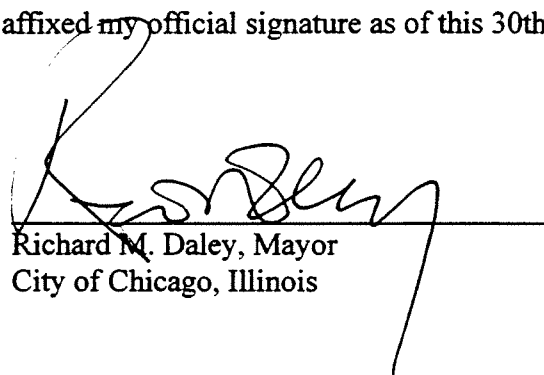
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 1999, 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, 2000.



Richard M. Daley, Mayor
City of Chicago, Illinois

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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



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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(312) 744-2963 (TTY)

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

June 30, 2000

Daniel W. Hynes
Comptroller
State of Illinois
201 Capitol
Springfield, Illinois 62706

Dolores Javier, Treasurer
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226 West Jackson Boulevard, Rm. 1149
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125 South Clark Street, 5th Floor
Chicago, Illinois 60603

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Metropolitan Water Reclamation
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100 East Erie Street, Room 2429
Chicago, Illinois 60611

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

Re: Bronzeville
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

NEIGHBORHOODS



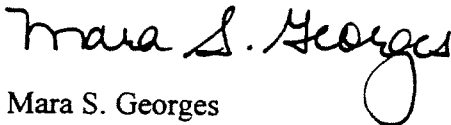
affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following matters: approval of the redevelopment plan and project for the Redevelopment Project Area, designation of the Redevelopment Project Area as a redevelopment 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:

Bronzeville Redevelopment Project Area 1999 Annual Report

(5) ANALYSIS OF TIF FUND - 65 ILCS 5/11-74.4-5(d)(5)

COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS YEAR ENDED DECEMBER 31, 1999

Revenues		1999
	Property tax	-
	Sales tax	-
	Interest	-
		<u>\$ 553</u>
	Total revenues	<u>553</u>
Expenditures		
	Costs of studies, admin., and professional services.	-
	Marketing costs.	-
	Property assembly, demolition, site preparation and environmental site improvement costs.	-
	Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings.	-
	Costs of construction of public works and improvements.	350,000
	Cost of job training and retraining.	-
	Financing costs.	-
	Approved capital costs of overlapping taxing districts.	-
	Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects.	-
	Relocation costs.	-
	Payments in lieu of taxes.	-
	Costs of job training, retraining advanced vocational or career education provided by other taxing bodies.	-
	Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects.	-
	Costs of construction of new housing units for low income and very low income households.	-
	Cost of day care services and operational costs of day care centers.	-
	Total expenditures	<u>350,000</u>
	Revenues over expenditures	<u>(349,447)</u>
	Other financing sources (uses)	
	Proceeds of debt	350,000
	Transfers in	-
	Transfers out	-
	Revenues and other financing sources (uses) over expenditures	<u>553</u>
	Fund balance, beginning of year	-
	Fund balance, end of year	<u>\$ 553</u>
	Fund balance	
	Reserved for debt service	-
	Reserved for encumbrances	-
	Designated for future redevelopment project costs	-
	Total fund balance	<u>\$ 553</u>

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

**TABLE 6
DESCRIPTION OF PROPERTY PURCHASED BY THE CITY WITHIN THE TIF AREA**

STREET ADDRESS	APPROXIMATE SIZE OR DESCRIPTION OF PROPERTY	PURCHASE PRICE	SELLER OF PROPERTY
31 E. 36th Place	n/a ¹	n/a ¹	n/a ¹
14 E. 37th Street	n/a ¹	n/a ¹	n/a ¹
10 E. 37th Street	n/a ¹	n/a ¹	n/a ¹
29 E. 36th Place	n/a ¹	n/a ¹	n/a ¹
100-108 W. 26 th Street	n/a ¹	n/a ¹	n/a ¹
3767 S. Michigan Avenue	n/a ¹	n/a ¹	n/a ¹
67 E. 36th Place	n/a ¹	n/a ¹	n/a ¹
3831 S. Wabash Avenue	n/a ¹	n/a ¹	n/a ¹
3803 S. Michigan Avenue	n/a ¹	n/a ¹	n/a ¹
3755-67 S. Michigan Avenue	n/a ¹	n/a ¹	n/a ¹
3840 S. Michigan Avenue	n/a ¹	n/a ¹	n/a ¹
3801 S. Michigan Avenue	n/a ¹	n/a ¹	n/a ¹

¹This 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 not available.

Bronzeville Redevelopment Project Area 1999 Annual Report

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

- (a)** Projects implemented in the preceding fiscal year. Table 7(a)
- (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 a TIF area. Table 7(c)
- (d)** Additional information on the use of all TIF Funds received in a TIF area and steps taken by the City to achieve objectives of the plan.
- (e)** Information on contracts that the City's consultants have entered into with parties that have received, or are receiving payments financed by TIF revenues produced by the TIF area. Table 7(e)
- (f)** Joint Review Board Reports submitted to the City.
- (g)** Project-by-project review of public and private investment undertaken to date after the new TIF Act and expected to be undertaken in the following year, and ratio of private investment to public investment to the date of the report and as estimated to the completion of the redevelopment project. Table 7(g)

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

NAME
OF PROJECT

Neighborhood Housing Services of
Chicago, Inc.
Community Investment
Corporation

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

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

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

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

PARTIES TO AGREEMENT WITH MUNICIPALITY	NATURE OF AGREEMENT	PROJECT DESCRIPTION	ADDRESS	JOBS CREATED AND/OR RETAINED
Neighborhood Housing Services of Chicago, Inc.	Neighborhood Improvement Fund	Retain administrator for N.I.F. projects in Bronzeville TIF district	n/a	n/a
Community Investment Corporation	Neighborhood Improvement Fund	Retain administrator for N.I.F. projects in Bronzeville TIF district	n/a	n/a

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

The district has not yet received any increment.

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

During 1999, no contracts were entered into by the City's tax increment advisors or consultants with entities or persons that have received, or are receiving, payments financed by tax increment revenues produced by the Project Area.

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

During 1999, no reports were submitted to the City by the Joint Review Board.

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

TABLE 7(g)
PROJECT BY PROJECT REVIEW OF PUBLIC AND PRIVATE INVESTMENT
AND RATIO OF PRIVATE TO PUBLIC INVESTMENT

Projects Undertaken in This Redevelopment Project Area	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	11/1/99 to date	estimated to complete project	11/1/99 to date	estimated to complete project	11/1/99 to end of reporting FY	estimated to complete project
Project 1: Neighborhood Housing Services of Chicago, Inc.*	n/a	n/a	n/a	\$ 750,000	n/a	n/a
Project2: Community Investment Corporation*	n/a	n/a	n/a	\$ 250,000		n/a
Total:	n/a	n/a	n/a	\$1,000,000	n/a	n/a

Projects Estimated To Be Undertaken During 2000	Private Investment Undertaken		Public Investment Undertaken		Ratio Of Private/Public Investment	
	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
Project 1:	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**
Total:	n/a**	n/a**	n/a**	n/a**	n/a**	n/a**

* During 1999, pursuant to a Neighborhood Improvement Fund program ("NIF Program") established by the City, the City engaged two agents, which are local not-for-profit corporations, to make grants to owners of multi-family and single-family housing in the Redevelopment Project Area.

Bronzeville Redevelopment Project Area 1999 Annual Report

For the multi-family housing portion of the NIF Program, in 1999 the City transferred some of the tax increment revenue note proceeds that are to be granted under the NIF Program into a specially segregated account of the local agent; this transfer is set forth in the financial sections of this report.

In connection with the single-family housing portion of the NIF Program, the City also engaged a local title company as escrow agent to hold all the tax increment revenue note proceeds that are to be granted thereunder. The City transferred these proceeds to the escrow agent in the 1999; this transfer also is set forth in the financial sections of this report.

Each NIF Program dollar granted to the owner of a multi-family property (e.g., a property containing over four dwelling units) must be matched dollar-for-dollar by private investment in the same property. If the owner's income exceeds a specified level, each NIF Program dollar granted to the owner of a single-family property (e.g., a property containing up to four dwelling units) also must be matched dollar-for-dollar by private investment in the same property.

** As of December 31, 1999, no public investment was estimated to be undertaken for 2000.

**Bronzeville Redevelopment Project Area
1999 Annual Report**

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

This information is contained in the official statements, limited offering memorandum, promissory note or debt service schedules. (Please see attached.)

STATE OF ILLINOIS
COUNTY OF COOK
CITY OF CHICAGO

TAX INCREMENT ALLOCATION REVENUE NOTE
(BRONZEVILLE REDEVELOPMENT PROJECT AREA)
TAXABLE SERIES 1999

SOLE NOTE:
REGISTERED
NO. ONE

PRINCIPAL AMOUNT:

\$1,000,000

INTEREST RATE

MATURITY DATE

DATED DATE

8.0%

September 1, 2009

October 26, 1999

Registered Owner: Local Initiatives Support Corporation

[1] The City of Chicago (the "City") acknowledges itself to owe, and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns as provided below, the Principal Amount advanced from time to time hereunder up to the amount identified above and to pay compound interest (computed on the basis of a 360-day year of twelve 30-day months, with any partial months based on the number of days actually elapsed during such month) on such Principal Amount from the date of this Note or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, per the attached payment schedule until the Principal Amount is paid, except as the provisions set forth in this Note with respect to prepayment prior to maturity are and become applicable to this Note. No interest shall accrue on this Note after its maturity unless this Note shall have been presented for payment at maturity and shall not have been paid. The outstanding Principal Amount of this Note shall be the sum of advances made from time to time hereunder to the City upon the request of the City, plus interest which has accrued and compounded as stated below, minus any principal amount paid on this Note; provided, that the City may not, without the consent of the Registered Owner, request more than two advances. The principal of and interest on this Note are payable annually on January 1, commencing January 1, 2002, in any coin or currency that at the time of payment is legal tender for the payment of public and private debts. Payments on this Note shall be applied first to accrued but unpaid interest and thereafter to principal. Unpaid interest

(except for interest which has accrued during any period when payments are deferred by the agreement of the City and the Registered Owner) shall accrue and compound on January 1 of each year. Both principal of this Note and the interest payable on this Note are payable at the office of the City Comptroller, 121 North LaSalle Street, Room 501, Chicago, Illinois 60602, as Note registrar and paying agent (the "Registrar"). Payment of interest on each interest payment date shall be made to the Registered Owner of the Note on the registration books of the City maintained by the Registrar at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Registrar.

[2] This Note is issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory of the Act and supplemental to the Act, and the principal of and interest on the Note are payable from Pledged Revenues (as defined in the Note Ordinance), including certain of the ad valorem taxes, if any, arising from the taxes levied upon taxable real property in the Bronzeville Redevelopment Project Area established by the City in accordance with the provisions of the Act (the "Project Area") by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each such piece of property as of November 4, 1998, as determined by the County Clerk of The County of Cook, Illinois, in accordance with the provisions of the Act (the "Incremental Taxes"). The Note is being issued for the purpose of providing funds to pay a portion of the Program Costs (as defined in the Note Ordinance) which have been approved for the Project Area, all as more fully described in an ordinance authorizing the issuance of the Note (the "Note Ordinance") adopted by the City Council of the City on the 21st day of July, 1999, to all the provisions of which the Registered Owner by the acceptance of this Note assents. The Note, together with the interest on the Note, are not general or moral obligations of the City, but are special, limited obligations of the City, payable solely from Pledged Revenues. For the prompt payment of this Note, both principal and interest, as stated above, at maturity, the Pledged Revenues are hereby irrevocably pledged. **THE NOTE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION. NO REGISTERED OWNER OF THIS NOTE SHALL HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY TAXING POWER OF THE CITY FOR PAYMENT OF PRINCIPAL OF OR INTEREST ON THIS NOTE.**

[3] Under the Act and the Note Ordinance, the Incremental Taxes shall be deposited in the Bronzeville Redevelopment Project Area Special Tax Allocation Fund of the City (the "Tax Allocation Fund"). Moneys on deposit in the Note Fund (as defined in the Note Ordinance) created within the Tax Allocation Fund shall be used and are pledged for paying the principal of and interest on the Note as provided by the terms of the Note Ordinance. As provided in the Note Ordinance, the City shall not, without the written consent of the Registered Owner, pledge any funds which are or will be on deposit in the Note Fund for payment of any other

obligations of the City, except as specified in the Note Ordinance.

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

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

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

[7] If the Pledged Revenues available in any year exceed the amount set forth on the attached payment schedule for that year, the excess amount of Pledged Revenues shall be used to make a mandatory prepayment on this Note. In the event that the City issues bonds or secures other long-term financing which, in either case, has as the sole source of repayment Incremental Taxes, and the proceeds of such bonds or financing are available for use generally within the Project Area (and are not intended to be used only for a project covering one or more of the Exempt Parcels (as defined in the Note Ordinance)), this Note is to be repaid in full prior to such bond issuance or closing of financing, or from the proceeds of such bond issuance or financing. At the option of the City, this Note may be prepaid prior to maturity on any date from any other available funds of the City. Any prepayments on the debt service of the Note shall be made in inverse order of maturity. Any prepayments may be in whole or in part, and shall be made without penalty or premium.

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

[9] The City hereby agrees that, during the term of this Note, the City shall provide the Registered Owner with quarterly reports on the status of the Tax Increment Financing Neighborhood Investment Program (the "Program") within the Project Area, including the following information about each grant recipient: (i) addresses, (ii) census tract, (iii) amount of grant, (iv) use of grant funds, (v) date of grant, (vi) for grants given to owners of one to four unit residences, the initial income level of the owner compared to median income, and (vii) for grants given to owners of buildings with five or more units, the highest rental rate in the property compared to the maximum rents under the Program, but only as it relates to the initial rental information provided to Community Investment Corporation during the grant application process. The quarterly report may consist of copies of monthly reports submitted to the City by other entities. In addition, during the term of this Note, the City shall provide the Registered Owner, within 15 days of the end of each calendar year, a report detailing for real property as a whole in the Project Area, and each Exempt Parcel (as defined in the Note Ordinance): (a) the equalized assessed value (for the most recent available year), as calculated by the County Clerk of The County of Cook, Illinois; (b) the Incremental Taxes actually received by the City through December 31 of that year; and (c) the expected Incremental Taxes to be received by the City for that year. Further, during the term of this Note, the City shall provide the Registered Owner with copies of any internal audit reports prepared by the City on actual Incremental Taxes collected within the Project Area, within thirty days of completion of such audit.

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