
2004 Annual Report

**Lakeside/Clarendon
Redevelopment Project Area**



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

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 Lakeside/Clarendon Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

It has been a pleasure to work with representatives from the Department of Planning and Development and other City Departments.

Very truly yours,



Ernst & Young LLP

Lakeside/Clarendon Redevelopment Project 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

City Hall, Room 1000
121 North LaSalle Street
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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
Lakeside/Clarendon Redevelopment Project Area (Report)
pursuant to 65 ILCS 5/11-74.4-5(d).

Sincerely,

Denise Casalino
Commissioner



Lakeside/Clarendon Redevelopment Project Area 2004 Annual Report

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

The Project Area was designated on July 21, 2004. The Project Area may be terminated no later than July 21, 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 5/11-74.4-3(n)(J)(3), the incremental taxes received in the 24th tax year will be deposited into the Special Tax Allocation Fund.

Lakeside/Clarendon Redevelopment Project Area 2004 Annual Report

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

**Lakeside/Clarendon Redevelopment Project Area
2004 Annual Report**

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

Please see attached.

STATE OF ILLINOIS)
)
COUNTY OF COOK)

CERTIFICATION

TO:

Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601
Attention: 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 North 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 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the Lakeside/Clarendon Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

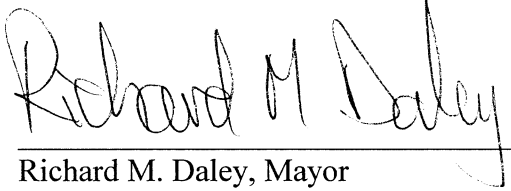
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2004, 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, 2005.

A handwritten signature in black ink that reads "Richard M. Daley". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

Richard M. Daley, Mayor
City of Chicago, Illinois

**Lakeside/Clarendon Redevelopment Project Area
2004 Annual Report**

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

Please see attached.



June 30, 2005

City of Chicago
Richard M. Daley, Mayor

Department of Law

Mara S. Georges
Corporation Counsel

City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
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Daniel W. Hynes
Comptroller of the State of Illinois
James R. Thompson Center
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Chicago, Illinois 60601
Attention: June Tallamantez, Director of
Local Government

Dolores Javier, Treasurer
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226 West Jackson Boulevard, Room 1125
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Gwendolyn Clemons, Director
Cook County Department of Planning &
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541 North Fairbanks Court, 7th Floor
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of Greater Chicago
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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

Re: Lakeside/Clarendon
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.



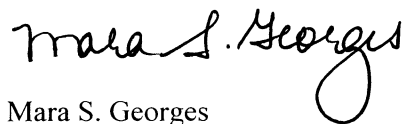
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

**Lakeside/Clarendon Redevelopment Project Area
2004 Annual Report**

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

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

**Lakeside/Clarendon Redevelopment Project Area
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(6) DESCRIPTION OF PROPERTY - 65 ILCS 5/11-74.4-5(d)(6)

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

Lakeside/Clarendon Redevelopment Project Area 2004 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 12/31/04, 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.

**Lakeside/Clarendon Redevelopment Project Area
2004 Annual Report**

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

During 2004, 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 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 5/11-74.4-5(d)(7)(C)

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

**Lakeside/Clarendon Redevelopment Project 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.

Lakeside/Clarendon Redevelopment Project Area 2004 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, 2004, no public investment is estimated to be undertaken for 2005.

CITY OF CHICAGO
JOINT REVIEW BOARD

Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on April 8, 2004, at 10:05 a.m.
City Hall, Chicago, Illinois, and presided over
by Mr. John McCormick.

PRESENT:

MR. JOHN MCCORMICK
MR. MARY SUE BARRETT
MS. SUSAN MAREK
MR. KAY KOSMAL

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

ACCURATE REPORTING SERVICE (312) 263-0052

1 MR. MCCORMICK: For the record my name
2 is John McCormick. I'm the representative of
3 the City of Chicago under Section 11-74 4-5
4 of the Tax Increment Allocation
5 Redevelopment Act as well as statutorily
6 designated members of the Joint Review
7 Board.

8 Until election of a Chairman I
9 will moderate the Joint Review Board
10 meetings. For the record there will be two
11 meetings of the Joint Review Board. One to
12 review the proposed Lakeside/Clarendon Tax
13 Increment Financing District and one to
14 review the proposed Tax Increment Financing
15 District.

16 The first meeting will be for
17 Lakeside/Clarendon. The date of the
18 Lakeside/Clarendon meeting was announced and
19 set by the Community and Development
20 Commission of the City of Chicago at its
21 meeting of March 9, 2004. Notice of the
22 Lakeside/Clarendon meeting of the Joint
23 Review Board was also provided by certified
24 mail to each taxing district represented on

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

6 Public notices were also posted
7 as of Tuesday, April 6, 2004 in various
8 locations throughout City Hall. When a
9 proposed redevelopment plan would result in
10 displacement of residents from ten or more
11 inhabited residential units or would include
12 seventy-five or more inhabited residential
13 units, the TIF Act requires that the Public
14 Member of the Joint Review Board must reside
15 in the proposed redevelopment project area.

16 In addition to that an impact
17 study determines that the majority of the
18 residential units in the proposed
19 redevelopment project area are very low, low
20 or moderate income households defined in
21 Section 3 of the Illinois Affordable Housing
22 Act. The Public Member must be a person who
23 resides in very low, low or moderate income
24 housing within the proposed redevelopment

1 project area.

2 With us today is Yvonne Fuede.
3 Are you familiar with the boundaries of the
4 proposed Lakeside/Clarendon tax increment
5 financing redevelopment project area?

6 MS. FUETE: Yes, I am.

7 MR. MCCORMICK: What is the address of
8 your primary residence?

9 MS. FUETE: I live at 817 W. Lakeside.

10 MR. MCCORMICK: Is such address
11 within the boundaries of the proposed
12 Lakeside/Clarendon tax increment financing
13 redevelopment project area?

14 MS. FUETE: Yes.

15 MR. MCCORMICK: Have you provided
16 representatives of the City of Chicago's
17 Department of Planning and Development with
18 accurate information concerning your income
19 and income of any other members residing at
20 such address?

21 MS. FUETE: Yes, I have.

22 MR. MCCORMICK: Based on the
23 information provided to you by the
24 Department of Planning and Development

1 regarding applicable income level for very
2 low, low or moderate income household, do you
3 qualify as a member of a very, low or
4 moderate income level household?

5 MS. FUETE: Low.

6 MR. MCCORMICK: Ms. Fuede, are you
7 willing to serve as the Public Member of the
8 Joint Review Board for the
9 Lakeside/Clarendon tax increment financing
10 redevelopment project area?

11 MS. FUETE: Yes.

12 MR. MCCORMICK: I will entertain a
13 motion that Yvonne Fuede be selected as a
14 Public Member. Is there such a motion?

15 MS. MAREK: So moved.

16 CHAIRMAN MCCORMICK: All in favor
17 please vote by saying aye?

18 MS. KOSMAL: Aye.

19 CHAIRMAN MCCORMICK: All opposed
20 please vote by saying no. Let the record
21 reflect that Yvonne Fuede has been selected
22 as the Public Member for the
23 Lakeside/Clarendon tax increment financing
24 redevelopment project area.

1 Our next order of business is to
2 select a Chairman for this Joint Review
3 Board. Are there any nominations?

4 MS. MAREK: I'll nominate John
5 McCormick.

6 MR. MCCORMICK: Is there a second for
7 the nomination?

8 MS. KOSMAL: Second.

9 MR. MCCORMICK: Thank you. Are there
10 any other nominations? Let the record
11 reflect that there are no other nominations.
12 All in favor of this nomination please vote
13 by saying aye?

14 (Chorus of ayes.)

15 MR. MCCORMICK: All opposed please
16 vote by saying no? Let the record reflect
17 that John McCormick has been selected as
18 Chairperson. He will now serve as
19 Chairperson for the remainder of the
20 meeting. I'd like to read first
21 just a purpose of the Joint Review Board for
22 anybody who is present. Under the Illinois
23 Tax Increment Allocation Redevelopment Act,
24 called the TIF Act, the Joint Review Board of

1 taxing authorities such as park districts,
2 school districts, et cetera, must meet to
3 determine whether a proposed tax increment
4 financing plan, called TIF Plan, meets all
5 the legal requirements for a TIF Plan for an
6 area that is being developed as a
7 conservation area which is being proposed
8 for Lakeside/Clarendon area.

9 Those legal requirements include
10 that at least fifty percent of the buildings
11 in the proposed TIF area are at least thirty-
12 five years old. That at least three of the
13 thirteen possible factors are present that
14 are detrimental to public safety, health,
15 morals or welfare and threatening to cause
16 the proposed TIF area to become blighted.

17 Examples of such factors include
18 obsolescence of structures, falling into
19 disuse or ill-suited for original use,
20 deterioration, major defects in building
21 components like doors, windows, facades or
22 deterioration of roadways, alleys, curbs,
23 structures below the minimum code standards,
24 excessive vacancies.

1 The Joint Review Board's only
2 task is to make a finding as to whether the
3 proposed TIF Plan meets the legal
4 requirements of the TIF Act. Their finding
5 is then presented in the form of a non-
6 binding advisory recommendation with City
7 Council.

8 Because of this limited mandate
9 to review only the legal requirements of the
10 TIF Act, the Joint Review Board is not a forum
11 for public comments. Instead, the TIF Act
12 requires a public hearing to be convened for
13 the specific purpose of collecting comments
14 from residents in the proposed area.

15 On both of the issues before us
16 today, the public hearing before the
17 Community Development Commission will be
18 held on May 11, 2004 at 1:00 p.m. in the City
19 Council Chambers. As I mentioned, at this
20 meeting we will be reviewing a plan for the
21 Lakeside/Clarendon TIF district proposed by
22 the City of Chicago. Staff of the city's
23 Department of Planning and Development and
24 other departments have reviewed this plan

1 which was introduced to the city's Community
2 Development Commission on March 9, 2004.

3 We will listen to a presentation
4 by the consultant on the plan. Following
5 presentation we can address any questions
6 that members might have for the consultant or
7 city staff. A previous amendment to the TIF
8 Act requires us to base our recommendation to
9 approve or disapprove the Lakeside/Clarendon
10 plan and the designation of the
11 Lakeside/Clarendon TIF area on the basis of
12 the area and the plan, satisfied plan
13 requirements, the eligibility criteria
14 defined in the TIF Act and objectives of the
15 TIF Act.

16 If the Board approves the plan
17 and designation of the TIF area, the Board
18 will then issue an advisory non-binding
19 recommendation by the vote of the majority of
20 the members present. Recommendations shall
21 be submitted to the city within thirty days
22 of the Board meeting. Failure to submit such
23 recommendations shall be deemed to
24 constitute approval by the Board.

1 If the Board disapproves the plan
2 and designation of the area, the Board must
3 issue a written report describing why the
4 plan and area failed to meet one or more of
5 the objectives of the TIF Act and both plan
6 requirements and eligibility criteria of the
7 TIF Act.

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

20 Okay, we'll hear the
21 presentation on Lakeside/Clarendon. The
22 consultant is S.B. Friedman & Company.

23 MR. SMITH: Good morning, everybody.
24 I'm Tony Smith with S.B. Friedman & Company.

1 We were the consultants that performed the
2 eligibility study and came up with the plan
3 for Lakeside/Clarendon.

4 I want to do three things here.
5 First I want to give the general instructions
6 as to boundaries and the area of the proposed
7 TIF. Second, I want to run through the
8 eligibility study we conducted and the third
9 the main elements of the plan itself.

10 First of all the area contains
11 fifteen parcels and six buildings located in
12 uptown area stretching from Clarendon Avenue
13 on the east all the way to Sheridan Road all
14 the way to the west between Lakeside Place
15 and Union Avenue. The primary focus of the
16 Lakeside/Clarendon is the former Charter
17 Barkley Hospital site near the east end of
18 the proposed RDA.

19 The older portion of the Charter
20 Barkley Hospital was constructed in 1962.
21 It's the south building here. The hospital
22 closed in about 1996 and in 1998 a company
23 called Heritage Care of Chicago attempted to
24 convert the site to a sheltered care

1 Alzheimer's facility. In the process of
2 doing so, they constructed a new building at
3 the north end of the site and attempted to
4 rehab the south building. However that
5 effort was aborted midway through because
6 they ran out of funds essentially.

7 Since the year 2000 several
8 potential purchasers discussed the
9 possibility of redeveloping but those
10 efforts have fallen through again because
11 the prospective purchaser did not feel the
12 economics of the deal worked. The existing
13 land uses that we encountered in the field
14 are as follows.

15 Represented on this map, yellow
16 represents residential uses, blue represents
17 institutional uses and green represents park
18 and open spaces. Park and open space is a
19 park commonly known as Campbell's Park
20 located at the west edge of the proposed RPA.
21 Blue uses, the institutional uses are the
22 former Charter Barkley Hospital, the two
23 main structures here and three additional
24 parcels which are former parking lots for the

1 hospital. And then yellow are four multi-
2 family residential structures.

3 I'll now talk about the
4 eligibility study that we performed. We did
5 three sets of data collection to evaluate
6 eligibility. First we conducted a parcel by
7 parcel field inspection of the properties
8 RPA. We collected data from the city
9 regarding building permits, code violations
10 and water and sewer infrastructure
11 conditions and we collected data from the
12 Cook County Assessor regarding the valuation
13 trends.

14 We found that the study area
15 qualified as a conservation area under the
16 Illinois TIF Act. As Mr. McCormick laid out
17 previously, one of the key requirements is
18 that fifty percent or more of the structures
19 in the proposed RPA must be thirty-five years
20 of age or older. In this case, five out of
21 the six structures, or eighty-three percent,
22 are thirty-five years or older.

23 In addition, three eligibility
24 factors or more must be present to a

1 meaningful extent. We found four
2 eligibility factors present. Those factors,
3 I went into greater detail in our report, our
4 obsolescence, deterioration, structures
5 below code and excessive vacancies.

6 Obsolescence applies to thirty-
7 three percent of the parcels and thirty-
8 three percent of the buildings essentially
9 comprised of the former Charter Barkley
10 Hospital. The unsuccessful attempts to
11 reuse the site as well as the fact that it's
12 remained vacant since 1996, demonstrates
13 that it's currently obsolete.

14 Deterioration was found in fifty
15 percent of the structures and when
16 deterioration of parking and infrastructure
17 was looked at, sixty percent of the parcels
18 also met the criteria. The main conditions
19 were cracks in building facades, sidewalks,
20 parking areas and then broken or missing
21 curbs.

22 Structures below code, about
23 fifty percent of the structures within the
24 proposed RPA were cited for code violations

1 by the city between 1998 and 2003. Also we
2 found that at least one of the hospital
3 buildings which was not cited for code
4 violations could possibly have met the
5 criteria for being below code based on a
6 detailed physical inspection of the
7 property.

8 Excessive vacancies applies to
9 thirty-five percent of the buildings, again
10 the former Charter Barkley building. To give
11 you an idea of the impact of that vacancy on
12 the rest of the RPA, they make up more than
13 half of the square footage within the
14 proposed RPA and no other structure within
15 the proposed RPA is more than one hundred
16 feet distant from the vacant hospital
17 structures.

18 Additionally, we looked at the
19 required findings and tests to establish
20 eligibility. Lack of growth and private
21 investment, we found that the study area has
22 not experienced growth in private investment
23 based on the fact that the only significant
24 building permits issued between 1998 and

1 2003 were related to that failed attempt I
2 discussed earlier to convert the Charter
3 Barkley site to an Alzheimer's facility.

4 Also we found that the subsequent
5 attempts to redevelop the site that has not
6 been successful demonstrate both a lack of
7 growth in private investment and also the
8 fact that TIF systems might be necessary to
9 facilitate redevelopment. Also, the
10 structures of the former hospital are laid
11 out in a very specialized manner so that
12 conversion to another use would be
13 inefficient and costly.

14 We looked at demand potentially
15 on taxing districts and services that might
16 result from redevelopment moving the RPA.
17 Three public schools who are in areas
18 directly affected by the RPA are Profession
19 Elementary, Orion Middle and Senn High
20 School. And according to Chicago Public
21 School data, these facilities are currently
22 operating below capacity.

23 Furthermore, provisions from the
24 Illinois TIF Act call for reimbursement of

1 affected schools for increased costs
2 incurred as a result of TIF's Board of
3 Housing units.

4 I'll now talk briefly about the
5 main elements of the redevelopment plan. The
6 overall goals of the plan are to reduce or
7 eliminate the condition that qualified
8 Lakeside/Clarendon RPA as a conservation
9 area and to facilitate the redevelopment of
10 the Charter Barkley site in a way that
11 integrates it with the scale and fabric of
12 the surrounding community.

13 Specific objectives that we
14 included in the plan to achieve those goals
15 include facilitating the assembly,
16 preparation and marketing of the former
17 Charter Barkley Hospital site for
18 redevelopment. Facilitating rehab or
19 reconfiguration of any reusable structures
20 within the proposed site. Promoting new
21 residential developments that accommodate a
22 diverse economic and demographic mix of
23 residents including the development of new
24 affordable housing.

1 Providing necessary public
2 structure and facilitating adequate on and
3 off street parking. Promoting the
4 development and improvement and/or
5 maintenance of park and open space uses as
6 necessary and appropriate to serve residents
7 of the RPA and surrounding neighborhood. And
8 providing opportunities for local and
9 disadvantaged businesses and residents.

10 The proposed land use plan is
11 another component of redevelopment plan
12 illustrated on this board here. It shows the
13 types of uses that can be afforded with TIF
14 funds throughout the RPA. It does not
15 supercede zoning and instead is the
16 framework to identify the types of uses
17 encouraged with TIF funds potentially.

18 In this case the future land use
19 plans have been kept rather flexible in order
20 to accommodate changes in the markets and
21 future planning and development initiatives
22 in the area. As indicated on this map, there
23 are two proposed land uses.

24 One is park and open space which

1 again is comprised of the existing park and
2 then a mixed use for an institutional
3 category which applies to the remainder of
4 the RPA.

5 The budget which is also included
6 in the redevelopment plan on page 35
7 represents the whole amount of funds we spend
8 in the TIF District over the next 23 years
9 adjusted for inflation. The budget shown is
10 seven and a quarter million dollars and the
11 major line items shown are 2.975 million
12 property acquisition, the property assembly
13 including site, preparation, demolition and
14 environmental radiation.

15 Two million for rehabilitation
16 cost. Seven hundred fifty thousand dollars
17 for construction costs including affordable
18 housing. Five hundred thousand dollars for
19 public improvements including sidewalk and
20 alley improvements. And seven hundred and
21 fifty thousand dollars for interest costs
22 incurred by redevelopment projects.

23 And smaller allowances for
24 professional services, relocation expenses,

1 job training, welfare to work and daycare.
2 The line items as they're currently
3 structured reflect the primary goal of the
4 proposed TIF to achieve a successful
5 redevelopment and reintegration of the
6 Charter Barkley site and surrounding area.

7 I will now take any questions
8 from the Board.

9 MS. MAREK: Can you tell us a little
10 bit about what the existing residential
11 housing is?

12 MR. SMITH: Sure.

13 MS. MAREK: Is that part of the
14 vacancy?

15 MR. SMITH: No. All the existing
16 buildings are occupied. The largest
17 structure is located here and in general, the
18 number of units in the building range from, I
19 believe it's three units in the small
20 structure to a little over 60 in this
21 structure over here.

22 CHAIRMAN MCCORMICK: Any more
23 questions? If there are no further
24 questions, I'll entertain a motion that this

1 Joint Review Board finds that the proposed
2 redevelopment plan, Lakeside/Clarendon 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 Any objectives of the TIF Act and that based
9 on such findings, approves such plan and the
10 designation of such areas of redevelopment
11 project area under the TIF Act. Is there a
12 motion?

13 MS. MAREK: So moved.

14 MS. YABLONSKI: Mr. Chairman, before
15 you begin a motion, could I just give you a
16 little --

17 CHAIRMAN MCCORMICK: I'm sorry.
18 There is no public testimony, comments
19 allowed here. As I mentioned earlier,
20 there's a public hearing.

21 MS. YABLONSKI: I know but when we had
22 our meeting nobody would listen to us because
23 they said we were a small group. Did they
24 bring back the information to you that when

1 we had the meeting nobody was in favor of
2 this? And I have letters signed by 121 of
3 the 210 unit owners in this owner who are not
4 in favor of passage at the present time.

5 CHAIRMAN MCCORMICK: That's fine and
6 I think you have a forum that is set for
7 that. Our initiative here is really just to
8 see if the area meets the criteria for the
9 conservation area. And I think that if you
10 have seen a public hearing in City Council
11 Chambers before the Committee, everybody
12 gets up to speak.

13 And they're all members of the
14 CDC who are going to be very much interested
15 in, you know, who you represent and what the
16 feelings are and the people in the area. So
17 I think that's really your forum. Is there a
18 motion?

19 MS. KOSMAL: So moved.

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

22 MS. MAREK: Second.

23 CHAIRMAN MCCORMICK: Is there any
24 further discussion? If not all in favor

1 please vote by saying aye?

2 (Chorus of ayes.)

3 CHAIRMAN MCCORMICK: All opposed
4 please vote by saying nay? Let the record
5 reflect that the Joint Review Board's
6 approval of the proposed Lakeside/Clarendon
7 Redevelopment Plan and designation of the
8 Lakeside/Clarendon Tax Increment Financing
9 Redevelopment Project area as a
10 redevelopment project area under the TIF
11 Act.

12 The adjournment of the
13 Lakeside/Clarendon Joint Review Board
14 meeting, do I hear a move to adjourn?

15 MS. MAREK: So moved.

16 CHAIRMAN MCCORMICK: We're done.

17 (Whereupon Lakeside/Clarendon
18 adjourned at 10:25 a.m.)

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

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

**Lakeside/Clarendon Redevelopment Project Area
2004 Annual Report**

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

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

**Lakeside/Clarendon Redevelopment Project Area
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(10) CERTIFIED AUDIT REPORTS - 65 ILCS 5/11-74.4-5(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.

Lakeside/Clarendon Redevelopment Project Area 2004 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Lakeside/Clarendon Redevelopment Project Area is generally bounded on the east by the east side of Clarendon Avenue, on the north by the north side of Lakeside Place and the north side of the alley between Lakeside Place and Leland Avenue, on the west by the western edge of Arai Campus Park (located on the north side of Leland Avenue approximately midway between Clarendon Avenue and Sheridan Road) and on the south by the north side of Leland Avenue. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

