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# **2008 Annual Report**

## **Central Loop Redevelopment Project Area**



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

***JUNE 30, 2009***

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

30 June 2009

Dear Commissioner:

Enclosed is the annual report for the Central Loop Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to Section 5(d) of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.6-1 et seq.), as amended. The contents are based on information provided to us by Chicago Departments of Planning and Development, Finance, and Law. We have not audited, verified, or applied agreed upon accounting and testing procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

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

Very truly yours,

A handwritten signature in cursive script that reads 'Ernst &amp; Young LLP'.

Ernst & Young LLP

# Central Loop Redevelopment Project Area 2008 Annual Report

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City of Chicago  
Richard M. Daley, Mayor

Department of Community  
Development

Chris Raguso  
Acting Commissioner

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June 30, 2009

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

Dear Comptroller Hynes:

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

Sincerely,

Christine Raguso  
Acting Commissioner



## **Central Loop Redevelopment Project Area 2008 Annual Report**

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

The Project Area was designated on June 20, 1984. The Project Area may be terminated no later than December 31, 2008. This Project Area was terminated by the City or by operation of the Illinois Tax Increment Allocation Redevelopment Act during 2008. The remaining fund balance/net assets will revert to the Cook County Treasurer after all applicable liabilities are settled.

**Central Loop Redevelopment Project Area  
2008 Annual Report**

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

Please see attached.

# City of Chicago, Illinois Central Loop Redevelopment Project

Financial Statements as of and for the  
Year Ended December 31, 2008,  
Required Supplementary Information and Additional  
Information for the Year Ended December 31, 2008,  
and Independent Auditors' Report

# CITY OF CHICAGO, ILLINOIS CENTRAL LOOP REDEVELOPMENT PROJECT

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the City of Chicago, Illinois' (the "City") Central Loop Redevelopment Project (the "Project") as of and for the year ended December 31, 2008, as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the respective financial statements, 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, such financial statements present fairly, in all material respects, the respective net assets or financial position of the government-wide activities and governmental funds and the agency fund of the Project as of December 31, 2008, and the respective changes in their financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 6 to the basic financial statements, the Project expired on December 31, 2008.

The Management's Discussion and Analysis on pages 2 to 3 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of the City's management. We have applied certain limited procedures that consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit such information and do not express an opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Project's basic financial statements. The additional information (page 14) is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is required by the Illinois Tax Increment Financing Act of 1997. This supplementary information is the responsibility of the City's management. Such additional information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, when considered in relation to the basic financial statements taken as a whole.

*Deloitte & Touche LLP*

June 26, 2009

# CITY OF CHICAGO, ILLINOIS

## CENTRAL LOOP REDEVELOPMENT PROJECT

### MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the Central Loop Redevelopment Project (the "Project"), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the years ended December 31, 2008. Please read it in conjunction with the Project's financial statements and notes to the financial statements immediately following this section.

#### *Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include four components: 1) Government-Wide Financial Statements, 2) Governmental Fund Financial Statements, 3) Statement of Fiduciary Net Assets and 4) notes to the financial statements. This report also contains additional information concerning the Project's expenditures as required by Illinois statutory code.

Basic Financial Statements include three kinds of financial statements that present different views of the Project — the Government-Wide Financial Statements, the Governmental Fund Financial Statements, and the Fiduciary Statement of Net Assets. These financial statements also include the notes to the financial statements that explain information in the financial statements and provide more detail.

The Project expired on December 31, 2008. Any remaining fund balance/net assets will revert to the Cook County Treasurer after all applicable liabilities are settled. See Note 6 to the financial statements.

*Government-Wide Financial Statements* provide both long-term and short-term information about the Project's financial status and use accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the Project's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities using the accrual basis of accounting. The two government-wide statements report the Project's net assets and how they have changed. Net assets — the difference between the Project's assets and liabilities — is one way to measure the Project's financial health, or position.

*Governmental Fund Financial Statements* provide more detailed information about the Project's significant funds — not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows, and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Such statements are prepared on the modified accrual basis of accounting. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional reconciling information in a separate statement to explain the relationship (or differences) between the two.

*Statement of Fiduciary Net Assets* accounts for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the Project's own programs. The Project's fiduciary activity is presented in a separate Statement of Fiduciary Net Assets.

*Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements, governmental fund financial statements and Statement of Fiduciary Net Assets. The notes to the financial statements follow the basic financial statements.

*Additional Information* presents a schedule of expenditures as required by Section 11-74.4-5 of the Illinois Tax Increment Redevelopment Allocation Act. This additional information follows the notes to the financial statements.

***Condensed Comparative Government-Wide Financial Statements***

	Government-Wide Statements			% Change
	2008	2007	Change	
Total assets	\$ 46,361,283	\$ 361,583,552	\$ (315,222,269)	(87)%
Total liabilities	46,597,445	174,367,386	(127,769,941)	(73)%
Net assets (deficit):				
Restricted for debt service	-	162,749,253	(162,749,253)	(100)%
Unrestricted	<u>(236,162)</u>	<u>24,466,913</u>	<u>(24,703,075)</u>	(101)%
Total net assets (deficit)	<u>\$ (236,162)</u>	<u>\$ 187,216,166</u>	<u>\$ (187,452,328)</u>	(100)%
Total revenues/transfers in	\$ 15,259,817	\$ 128,246,899	\$ (112,987,082)	(88)%
Total expenditures	<u>202,712,145</u>	<u>33,648,800</u>	<u>169,063,345</u>	502 %
Change in net assets	(187,452,328)	94,598,099	(282,050,427)	(298)%
Beginning net assets	<u>187,216,166</u>	<u>92,618,067</u>	<u>94,598,099</u>	102 %
Ending net assets (deficit)	<u>\$ (236,162)</u>	<u>\$ 187,216,166</u>	<u>\$ (187,452,328)</u>	(100)%

*Analysis of Overall Financial Position and Results of Operations*

Total assets decreased \$315.2 million or 87% from 2007 as a result of a decrease in cash and cash equivalents, cash with escrow agent and property tax receivables because of the December 31, 2008 expiration of the Project. Liabilities decreased primarily as a result of \$167.3 million in principal payments. Also, as a result of the Project's December 31, 2008 expiration date, no property taxes were levied for the current year which caused a decrease in property tax revenue of \$101.6 million or 93% over the prior year. Expenditures increased in 2008 as necessary funding was substantially complete and available to provide for certain economic development projects.

**CITY OF CHICAGO, ILLINOIS  
CENTRAL LOOP REDEVELOPMENT PROJECT**

**GOVERNMENT-WIDE STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUNDS COMBINED BALANCE SHEET  
AS OF DECEMBER 31, 2008**

	<b>Governmental Funds</b>	<b>Adjustments</b>	<b>Government- Wide Activities</b>
<b>ASSETS:</b>			
Cash and cash equivalents (Note 2)	\$ 41,069,825	\$ -	\$ 41,069,825
Investments (Note 2)	1,519,682		1,519,682
Cash and investments with escrow agent (Note 2)	28,820		28,820
Due from other City funds	3,414,337		3,414,337
Accrued interest receivable	<u>328,619</u>		<u>328,619</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 46,361,283</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 46,361,283</u></b>
<b>LIABILITIES AND FUND BALANCE:</b>			
<b>Liabilities:</b>			
Vouchers payable	\$ 46,199,130	\$ -	\$ 46,199,130
Due to other City funds	101,176		101,176
Accrued liabilities	<u>297,139</u>		<u>297,139</u>
<b>Total liabilities</b>	<b><u>46,597,445</u></b>	<b><u>-</u></b>	<b><u>46,597,445</u></b>
<b>Fund balance/net assets — fund balance (deficiency):</b>			
Reserved for encumbrances (Note 4)	167,000	(167,000)	-
Undesignated (Note 6)	<u>(403,162)</u>	<u>403,162</u>	<u>-</u>
<b>Total fund balance (deficiency)</b>	<b><u>(236,162)</u></b>	<b><u>236,162</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 46,361,283</u></b>		
<b>NET DEFICIENCY (Note 6)</b>		<b><u>(236,162)</u></b>	<b><u>(236,162)</u></b>
<b>TOTAL NET DEFICIENCY</b>		<b><u>\$ -</u></b>	<b><u>\$ (236,162)</u></b>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS  
CENTRAL LOOP REDEVELOPMENT PROJECT**

**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET ASSETS AND FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Funds	Adjustments	Statement of Activities
<b>REVENUES:</b>			
Property taxes	\$ 103,053,804	\$ (95,039,930)	\$ 8,013,874
Interest on investments	3,733,147		3,733,147
Sale of land	506,427		506,427
Miscellaneous	<u>106,369</u>		<u>106,369</u>
Total revenues	<u>107,399,747</u>	<u>(95,039,930)</u>	<u>12,359,817</u>
<b>EXPENDITURES:</b>			
Economic development projects	197,005,324	199,396	197,204,720
Debt service:			
Principal retirement	140,621,671	(140,621,671)	-
Interest expense	<u>27,899,453</u>	<u>(22,392,028)</u>	<u>5,507,425</u>
Total expenditures	<u>365,526,448</u>	<u>(162,814,303)</u>	<u>202,712,145</u>
EXPENDITURES OVER REVENUES	(258,126,701)	67,774,373	(190,352,328)
<b>OTHER FINANCING SOURCES —</b>			
Operating transfers in (Note 4)	<u>2,900,000</u>		<u>2,900,000</u>
EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES	(255,226,701)	255,226,701	-
CHANGE IN NET ASSETS (DEFICIT)		(187,452,328)	(187,452,328)
<b>FUND BALANCE/NET ASSETS (DEFICIT):</b>			
Beginning of year	<u>254,990,539</u>	<u>(67,774,373)</u>	<u>187,216,166</u>
End of year	<u>\$ (236,162)</u>	<u>\$ -</u>	<u>\$ (236,162)</u>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS  
CENTRAL LOOP REDEVELOPMENT PROJECT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS COMBINED STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS AND  
FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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THE CHANGE IN NET ASSETS REPORTED FOR  
GOVERNMENT-WIDE ACTIVITIES IN THE STATEMENT OF  
ACTIVITIES IS DIFFERENT BECAUSE:

Expenditures over revenues and other financing sources-total governmental funds.	\$ (255,226,701)
Property tax revenue is recognized in the period for which levied rather than when "available." A portion of the deferred property tax revenue is not available.	(95,039,930)
Debt issuance costs are deferred over the life of the debt rather than when incurred.	(199,396)
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net assets and do not result in an expense in the statement of activities.	140,621,671
Accreted interest on capital appreciation bonds.	<u>22,392,028</u>
CHANGE IN NET ASSETS (DEFICIT) OF GOVERNMENT-WIDE ACTIVITIES	<u>\$ (187,452,328)</u>

See notes to financial statements.

**CITY OF CHICAGO, ILLINOIS  
CENTRAL LOOP REDEVELOPMENT PROJECT**

**STATEMENT OF FIDUCIARY NET ASSETS  
AS OF DECEMBER 31, 2008**

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	<b>Agency Fund</b>
ASSETS:	
Cash and cash equivalents (Note 2)	\$4,087,850
Accrued interest receivable	<u>13,698</u>
Total assets	4,101,548
LIABILITIES — Accrued liabilities	<u>4,101,548</u>
NET ASSETS	<u>\$ -</u>

See notes to financial statements.

# CITY OF CHICAGO, ILLINOIS CENTRAL LOOP REDEVELOPMENT PROJECT

## NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

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### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity** — The Central Loop Redevelopment Project (the “Project”) was established as a Tax Increment Financing (TIF) district by the City of Chicago, Illinois (the “City”) in 1997. The Project is an extension of the North Loop Redevelopment Project established on June 20, 1984, and terminated on December 31, 2008. The Project has been established to finance improvements, leverage private investment, and create and retain jobs within the TIF district.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation** — The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. The fiduciary funds are excluded from the government-wide financial statements.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* 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. 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. Expenditures are recorded when the liability is incurred. The Project is accounted for within the capital projects, debt service, special revenue, and agency funds of the City.

**Governmental Funds** — The Project is accounted for within the capital projects, debt service, and special revenue fund types of the City. Capital project funds account for financial resources to be used for the acquisition or construction of major capital facilities. Debt service funds account for the accumulation of resources for, and the payment of, debt and related costs. Special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal, grant or regulatory provisions or administrative action. These funds are presented herein on a combined basis.

**Fiduciary (Agency) Fund** — The deposit maintained in and fully comprising the Agency fund of the Project represents assets held by the Project in a trustee capacity for a developer deposit received in 1993. Final ownership determination of these assets is pending; as such, these amounts have properly not been recognized as revenue in the current or previous periods. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, and then unrestricted resources, as they are needed.



**Management's Use of Estimates** — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Accordingly, actual results could differ from those estimates.

**Assets, Liabilities, and Net Assets:**

*Cash, Cash Equivalents, and Investments* — The bond proceeds and incremental taxes associated with the Project are deposited with the City Treasurer or a trust account. The Municipal Code of Chicago (the "Code") permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal and state savings and loan associations, located within the City, whose deposits are federally insured. The City uses separate escrow accounts in which certain tax revenues are deposited and held for payment of general obligation debt.

Investments authorized by the Code include interest-bearing general obligations of the City, State of Illinois (the "State"), and U.S. government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. government purchased in the open market below face value; domestic money market funds regulated and in good standing with the Securities and Exchange Commission; and tax anticipation warrants issued by the City. The City is prohibited by ordinance from investing in derivatives, as defined, without City Council approval.

Investments, generally, may not have a maturity in excess of one year from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinance.

Cash equivalents include certificates of deposit and other investments with maturities of three months or less when purchased.

*Capital Assets* — The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City include the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e., infrastructure or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental funds, as neither the City nor the Project will retain the right of ownership.

**Stewardship, Compliance, and Accountability:**

*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.

*Reimbursements* — Reimbursements are made to the developer for project costs, as public improvements are completed and pass City inspection. The semiannual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

## 2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

**Investments** — As of December 31, 2008, the Project had the following Investments:

Investment Type	Investment Maturities (in Years)				Fair Value
	Less Than 1	1-5	6-10	More Than 10	
Short-term	<u>\$ 28,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,820</u>
Subtotal	<u>\$ 28,820</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	28,820
Share of City's pooled funds					<u>16,846,322</u>
Total					<u>\$16,875,142</u>

**Interest Rate Risk** — As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that investments generally may not have a maturity date in excess of 10 years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

**Credit Risk** — The Code limits investments in commercial paper to banks whose senior obligations are rated in the top two rating categories by at least two national rating agencies and who are required to maintain such rating during the term of such investment. The Code also limits investments to domestic money market mutual funds regulated by, and in good standing with, the Securities and Exchange Commission. Certificates of deposit are also limited by the Code to national banks which provide collateral of at least 105% by marketable U.S. government securities marked to market at least monthly; or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category, as rated by a nationally recognized statistical rating organization maintaining such rating during the term of such investment. The Project does not have investments with exposure to credit risk as of December 31, 2008.

The Project participates in the City's pooled cash and investments account which includes amounts from other City funds and is maintained by the City Treasurer. Individual cash or investments are not specifically identifiable to any participant in the pool. The treasurer's pooled fund is included in the City's Comprehensive Annual Financial Report.

**Custodial Credit Risk — Cash and Certificates of Deposit** — This is the risk that in the event of a bank failure, the City's deposits may not be returned. The City's Investment Policy states that in order to protect the City public fund deposits, depository institutions are to maintain collateral pledges on City deposits during the term of the deposit of at least 105% of marketable U.S. government, or approved securities or surety bonds, issued by top-rated insurers. Collateral is required as security whenever deposits exceed the insured limits of the Federal Deposit Insurance Corporation (FDIC). The bank balance of cash and certificates of deposit with the City's various municipal depositories was \$372.2 million. Of the bank balance, 100% was either insured or collateralized with securities held by City agents in the City's name.

As of December 31, 2008, the following schedule summarizes the investments reported in the basic financial statements:

Per Note 2:	
Investments	\$ 28,820
Investments — City Treasurer pooled fund	<u>16,846,322</u>
	<u>\$16,875,142</u>
Per financial statements:	
Investments	\$ 1,519,682
Investments included in cash and investments with escrow agent	28,820
Investments included as cash and cash equivalents on the statement of net assets	<u>15,326,640</u>
	<u>\$16,875,142</u>

### 3. BONDS PAYABLE

In September 2003, the City authorized and issued the City of Chicago General Obligation Bonds (Central Loop Redevelopment Project) Series 2003 (\$137.0 million). The bonds were sold as capital appreciation bonds and have yields ranging from 2.3% to 4.07% and had maturity dates ranging from December 1, 2005 to December 1, 2008. Net proceeds (\$135.6 million) were used to finance certain Project costs. Available tax increment revenues, an ad valorem tax levy, or any revenues of the City legally available for that purpose were used to fund the debt service.

Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 2000 A and Taxable Series 2000 B (\$142.3 million) were sold in November 2000. The Series 2000 A (\$79.9 million) were sold as capital appreciation bonds having yields of 5.03% and maturity dates ranging from December 1, 2005 to December 1, 2008. The Taxable Series 2000 B (\$62.4 million) were sold as current interest bonds having interest rates ranging from 6.55% to 6.8% with maturity dates ranging from December 1, 2002 to December 1, 2005. Net proceeds of \$139.4 million were used to finance certain Project costs (\$125.2 million) and fund the debt service reserve account (\$14.2 million).

Subordinate Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 2000 A (\$98.9 million) were sold in November 2000. The bonds have interest rates ranging from 6.25% to 6.5% with maturity dates ranging from December 1, 2002 to December 1, 2008. Net proceeds of \$95.9 million together with certain proceeds of \$10.0 million released from the debt service reserve account in respect to the Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 1997 A were used to advance refund all of the Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 1997 A (\$95.0 million); fund the debt service reserve requirement for the Subordinate Tax Increment Allocation Bonds (Central Loop Redevelopment Project), Series 2000 A (\$9.9 million); and fund a portion of the Project costs (\$1.0 million). The advance refunding increased total debt payments by \$22.9 million and resulted in an economic loss of \$9.2 million. The City advance refunded the Series 1997 A bonds in order to remove certain covenants and to issue new bonds to finance additional redevelopment project costs.

In November 1997, the City authorized and issued the City of Chicago Tax Increment Allocation Bonds (Central Loop Redevelopment Project) Series 1997 A (\$96.0 million) and Taxable Series 1997 B (\$91.0 million). The bonds have interest rates ranging from 4.5% to 6.375% and had maturity dates ranging from June 1, 1999 to June 1, 2007. Certain net proceeds (\$166.6 million) were used to finance redevelopment of the TIF district. During 2000, \$96.0 million was defeased with the issuance of the new bonds.

Long-term liability activity for the year ended December 31, 2008, was as follows:

	<b>Bonds Payable</b>	<b>Capital Appreciation Bonds</b>	<b>Total Bonds</b>
Beginning balance	\$ 140,621,671	\$ 22,127,582	\$ 162,749,253
Additions		4,580,747	4,580,747
Reductions	<u>(140,621,671)</u>	<u>(26,708,329)</u>	<u>(167,330,000)</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**4. OPERATING TRANSFERS IN**

During 2008, in accordance with the State statutes, the Project received \$2,900,000 from two contiguous Redevelopment Projects (LaSalle Central \$1,450,000 and Near South \$1,450,000) for the expenses related to certain project costs.

**5. COMMITMENTS**

As of December 31, 2008, the Project has entered into contracts for approximately \$167,000 for services and construction projects.

**6. EXPIRATION OF REDEVELOPMENT PROJECT**

The Project expired on December 31, 2008. Any remaining fund balance/net assets will revert to the Cook County Treasurer after all applicable liabilities are settled. During 2008, the Project reimbursed the City for approximately \$11.8 million in Project related expenditures, such as survey, property assembly, rehabilitation, public infrastructure, financing, and relocation costs that were incurred, but not reported in prior periods. As a result, \$11.8 million of additional expense was recognized in fiscal year 2008 and is reported as Economic Development Project expense in the Government-Wide Statement of Activities and Governmental Funds Combined Statement of Revenues, Expenditures, and Changes in Net Assets and Fund Balance for the year ended December 31, 2008.

\* \* \* \* \*

## **ADDITIONAL INFORMATION**

**CITY OF CHICAGO, ILLINOIS  
CENTRAL LOOP REDEVELOPMENT PROJECT**

**SCHEDULE OF EXPENDITURES BY STATUTORY CODE  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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EXPENDITURES:

Costs of studies, surveys, development of plans and specifications, and implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, and marketing	\$ 2,322,359
Costs of property assembly, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	9,073,119
Costs of rehabilitation, reconstruction, or repair or remodeling of existing public or private buildings and fixtures	32,025,054
Costs of the construction of public works or improvements	152,724,071
Costs of job training and retraining projects	860,721
Costs of financing, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	<u>168,521,124</u>
TOTAL EXPENDITURES	<u>\$365,526,448</u>

**Central Loop Redevelopment Project Area  
2008 Annual Report**

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

Please see attached.

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK        )

CERTIFICATION

TO:

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

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

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

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

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

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

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

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

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

I, RICHARD M. DALEY, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq. (the "Act") with regard to the Central Loop Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:



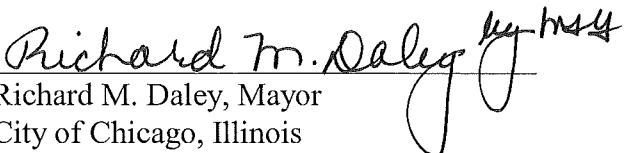
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

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

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

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

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

  
Richard M. Daley, Mayor  
City of Chicago, Illinois

**Central Loop Redevelopment Project Area  
2008 Annual Report**

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

Please see attached.



City of Chicago  
Richard M. Daley, Mayor

Department of Law

Mara S. Georges  
Corporation Counsel

City Hall, Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602  
(312) 744-0200  
(312) 744-8538 (FAX)  
(312) 744-2963 (TTY)  
<http://www.cityofchicago.org>

June 30, 2009

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

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

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

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

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

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

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

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

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

Re: Central Loop  
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:

**Central Loop Redevelopment Project Area  
2008 Annual Report**

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

Please see attached.

CENTRAL LOOP REDEVELOPMENT PROJECT AREA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2008

	2008
<b>Revenues</b>	
Property taxes	\$ 103,053,804
Sales taxes	-
Interest on investments	3,733,147
Sale of land	506,427
Miscellaneous	<u>106,369</u>
Total revenues	107,399,747
<b>Expenditures</b>	
Costs of studies, admin., and professional services. (q)(1)	2,322,359
Marketing costs. (q)(1.6)	-
Property assembly, demolition, site preparation and environmental site improvement costs. (q)(2)	9,073,119
Costs of rehabilitation, reconstruction, repair or remodeling and of existing buildings. (q)(3)	32,025,054
Costs of construction of public works and improvements. (q)(4)	152,724,071
Cost of job training and retraining. (q)(5)	860,721
Financing costs. (q)(6)	168,521,124
Approved capital costs of overlapping taxing districts. (q)(7)	-
Cost of reimbursing school district for their increase costs caused by TIF assisted housing projects (q)(7.5)	-
Relocation costs. (q)(8)	-
Payments in lieu of taxes. (q)(9)	-
Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. (q)(10)	-
Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. (q)(11)(A-E)	-
Costs of construction of new housing units for low income and very low income households. (q)(11)(F)	-
Cost of day care services and operational costs of day care centers. (q)(11.5)	<u>-</u>
Total expenditures	365,526,448
Expenditures over revenues	(258,126,701)
<b>Other financing sources</b>	
Operating transfers in	<u>2,900,000</u>
Expenditures over revenues and other financing sources	(255,226,701)
Fund balance, beginning of year	<u>254,990,539</u>
Fund balance, end of year	<u>\$ (236,162)</u>
<b>Fund balance (deficit)</b>	
Reserved for debt service	\$ -
Reserved for encumbrances	167,000
Undesignated (See Note 6 to the financial statements)	<u>(403,162)</u>
Total fund balance (deficit)	<u>\$ (236,162)</u>

**Central Loop Redevelopment Project Area  
2008 Annual Report**

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

Below is listed all vendors, including other municipal funds, that were paid in excess of \$5,000 during the current reporting year.\*

<b>Name</b>	<b>Service</b>	<b>Amount</b>
City Staff Costs <sup>1</sup>	Administration	\$1,550,663
City Program Management Costs	Administration	\$77,697
Neal & Leroy LLC	Professional Service	\$136,793
Globetrotters Eng.	Professional Service	\$35,048
Deloitte & Touche LLP	Professional Service	\$70,000
Skidmore Owning & Merrill	Professional Service	\$150,000
URS Corp.	Professional Service	\$262,541
S.B. Friedman & Co.	Professional Service	\$31,739
One South Dearborn	Development	\$2,000,000
JBC 300-308 Acq LLC	Property Acquisition	\$7,000,000
American Youth Hostel	Development	\$73,119
Iwan Reiss Co.	Rehabilitation	\$70,000
Metropolis Condominium	Rehabilitation	\$14,455
Miglin Beitler Management	Rehabilitation	\$77,975
330 S. Michigan LLC	Development	\$730,224
United Airlines	Development	\$5,475,000
One South State Street LLC	Development	\$9,477,400
CNA Financial Corp.	Development	\$13,680,000
CareerBuilder LLC	Development	\$2,500,000
Chicago Title & Trust Co.	Public Improvement	\$2,645,074
Northern Trust Co.	Public Improvement	\$11,000,000
Wight/Industrial JV	Public Improvement	\$927,773
Bauer Latoza Studio Ltd.	Public Improvement	\$177,944
Old Veterans Construction Inc.	Public Improvement	\$1,372,473
The Gordian Group	Public Improvement	\$275,943
Pacific Construction Services	Public Improvement	\$7,524,824
R.M. Chin & Associates	Public Improvement	\$238,070
G.F. Structures	Public Improvement	\$1,174,831



Capitol Cement Co.	Public Improvement	\$676,879
FHP Tectonics Corp.	Public Improvement	\$179,750
FH Paschen SN Nielson & Associates LLC	Public Improvement	\$4,787,489
Chicago Department of Transportation	Public Improvement	\$999,522
Chicago Department of Water Management	Public Improvement	\$30,138
Ameritech	Public Improvement	\$196,822
Desks, Inc.	Public Improvement	\$38,674
C & C Communication	Public Improvement	\$10,344
Interior Investments LLC	Public Improvement	\$126,794
Office Concepts Inc.	Public Improvement	\$75,770
Chicago Tourism Fund	Public Improvement	\$26,000
REO #2, Inc.	Public Improvement	\$6,388
Unisys Corp.	Public Improvement	\$14,057
Miglin Beitler Management Corp.	Public Improvement	\$53,435
Daniel Coffey & associates	Public Improvement	\$5,000
Dubin Reid	Public Improvement	\$40,904
F.H. Paschen & Associates	Public Improvement	\$940,132
Globetrotters Eng.	Public Improvement	\$9,618
Innovative Laboratories Systems	Public Improvement	\$8,646
Meccor Industries Ltd.	Public Improvement	\$409,232
Chicago Department of Streets & Sanitation	Public Improvement	\$48,139
Shah Engineering Inc.	Public Improvement	\$17,643
Holabird & Root LLC	Public Improvement	\$21,926
Kent Electronics	Public Improvement	\$28,126
McFarlane Douglas Co.	Public Improvement	\$7,500
Microage Solutions	Public Improvement	\$52,491
Montgomery Kone Inc.	Public Improvement	\$5,173
Moore Landscaping	Public Improvement	\$41,891
Paramont Electric Supply	Public Improvement	\$13,793
REMAC Enterprises	Public Improvement	\$5,100
Schuman Builders Supply	Public Improvement	\$8,528
Tishman Construction	Public Improvement	\$112,479
Brennan's Peb	Public Improvement	\$73,260
Professional Services Inc.	Public Improvement	\$6,225
Consoer Townsend	Public Improvement	\$1,257,462
Transystems Corp.	Public Improvement	\$808,075
Aldridge Electric Inc.	Public Improvement	\$13,089,333
Collins Engineers	Public Improvement	\$1,209,010
DuSable Inc.	Public Improvement	\$15,245

Earth Tech, Inc.	Public Improvement	\$554,421
HBK Engineering LLC	Public Improvement	\$644,623
HDO Productions	Public Improvement	\$8,610
Harley Ellis Devereaux	Public Improvement	\$162,499
Public Building Commission	Public Improvement	\$5,647,246
Chicago Transit Authority	Public Improvement	\$60,605,000
Chicago Park District	Public Improvement	\$1,158,117
108 N. State Retail LLC	Development	\$12,000,000
T Y Lin International Great Lakes Inc.	Public Improvement	\$51,651
Kudrna & Associates Ltd	Public Improvement	\$48,872
Alfred Benesch & Co.	Public Improvement	\$1,385,321
Walsh Construction Co.	Public Improvement	\$7,919,438
Rausch Construction Co., Inc.	Public Improvement	\$5,207,212
Muller & Muller Ltd.	Public Improvement	\$315,472
HNTB Corp.	Public Improvement	\$50,569
Stanley Consultants Inc.	Public Improvement	\$86,783
V3 Companies of Illinois	Public Improvement	\$58,515
Knight E/A Inc.	Public Improvement	\$158,381
Harry O Hefter Associates	Public Improvement	\$189,844
MQ Sewer and Water Contractors	Public Improvement	\$620,996.
Seven - D Construction Co.	Public Improvement	\$286,926
Sumit Construction Co., Inc.	Public Improvement	\$100,949
Civiltech Engineering, Inc.	Public Improvement	\$50,000
Oakley Construction, Inc.	Public Improvement	\$285,205
METRA	Public Improvement	\$837,522
Versar, Inc.	Public Improvement	\$11,829
Public Building Commission	Public Improvement	\$1,520,220
U.S. Equities Asset Management	Public Improvement	\$1,417,361
Emp & Emp SVCS	Job Training	\$283,407
Jobs for Youth/Chicago	Job Training	\$273,488
OAI, Inc.	Job Training	\$303,826
Katten Muchin & Zavis	Professional Service	\$5,250
Cole Taylor Bank	Financing	\$168,521,124

<sup>1</sup> Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.

\* This table may include payments for Projects that were undertaken prior to 11/1/1999.

**Central Loop Redevelopment Project Area  
2008 Annual Report**

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

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

## **Central Loop Redevelopment Project Area 2008 Annual Report**

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

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

SEE TABLES AND/OR DISCUSSIONS ON THE FOLLOWING PAGES.

## Central Loop Redevelopment Project Area 2008 Annual Report

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

TABLE 7(A)  
PROJECTS IMPLEMENTED IN THE PRECEDING FISCAL YEAR

<b>NAME OF PROJECT</b>
United Airlines, Inc.
Career Builder LLC
Arcelor Mittal
CTA Block 37
Carson Pirie Scott
CTA IGA

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

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

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

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

<b>PARTIES TO AGREEMENT WITH CITY</b>	<b>NATURE OF AGREEMENT</b>	<b>PROJECT DESCRIPTION</b>	<b>ADDRESS</b>	<b>JOB'S CREATED/ RETAINED</b>
United Airlines, Inc.	Redevelopment Agreement	Construction of Commercial Property	77 W. Wacker	365/0
Career Builder LLC	Redevelopment Agreement	Construction of Commercial Property	200 N. LaSalle	420/980
Arcelor Mittal	Redevelopment Agreement	Construction of Commercial Property	One South Dearborn	107/98
CTA Block 37	Redevelopment Agreement	Construction of Commercial Property	108 N. State St.	0/0
Carson Pirie Scott	Redevelopment Agreement	Construction of Retail Property	1 S. State	0/0
CTA IGA	Redevelopment Agreement	Construction of Institutional Property	N/A	0/0

## **Central Loop Redevelopment Project Area 2008 Annual Report**

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

The Project Area has received \$969,903,134 of property tax and sales tax (if applicable) increment since the creation of the Project Area. These amounts have been used to pay for project costs within the Project Area and for debt service (if applicable). The Project Area's fund balance as shown on Table 5 represents (on a modified accrual basis) financial resources (including increment) that have not been expended.

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

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

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

During 2008, no reports were submitted to the City by the Joint Review Board.

**Central Loop Redevelopment Project Area  
2008 Annual Report**

(7)(G) - 65 ILCS 5/11-74.4-5(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	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 1: Dearborn Center, L.L.C.	\$327,200,000	Project Completed	\$13,919,000	Project Completed	23.5 : 1	Project Completed
Project 2: CLIF Program **	\$3,000,000	Project Completed	\$1,271,914	Project Completed	2.4 : 1	Project Completed
Project 3: American Youth Hostels	\$10,470,000	Project Completed	\$3,530,000	Project Completed	3.0 : 1	Project Completed
Project 4: Canal Street Hotel Partners LP	\$19,325,000	Project Completed	\$2,458,426	Project Completed	7.9 : 1	Project Completed
Project 5: Goodman Theater	\$40,783,000	Project Completed	\$18,458,216	Project Completed	2.2 : 1	Project Completed
Project 6: Palmet Venture, L.L.C.	\$60,100,000	Project Completed	\$17,600,000	Project Completed	3.4 : 1	Project Completed
Project 7: Livent Realty (Chicago) Inc.	\$15,000,000	Project Completed	\$18,399,077	Project Completed	.81 : 1	Project Completed
Project 8: 201 North Wells Investors, L.L.C.; 201 Wells Investors, Inc.	\$38,439,149	Project Completed	\$7,000,000	Project Completed	5.5 : 1	Project Completed
Project 9: 330 South Michigan	\$21,308,040	Project Completed	\$2,030,000	Project Completed	10.5 : 1	Project Completed

**Central Loop Redevelopment Project Area  
2008 Annual Report**

TABLE 7(G) (continued)  
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	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 10: Chicago Oxford Associates LP	\$25,800,000	Project Completed	\$1,608,871	Project Completed	16.0 : 1	Project Completed
Project 11: Chicago Symphony Orchestra	\$64,500,000	Project Completed	\$2,500,000	Project Completed	25.8 : 1	Project Completed
Project 12: EthnicGrocer.com, Inc.	\$2,548,918	Project Completed	\$0	Project Completed	N/A	Project Completed
Project 13: Fisher Building	\$27,280,973	Project Completed	\$6,600,000	Project Completed	4.1 : 1	Project Completed
Project 14: Mentor Building, LLC	\$9,006,161	Project Completed	\$2,500,000	Project Completed	3.6 : 1	Project Completed
Project 15: Michigan Wacker Associates, L.L.C.	\$9,200,000	Project Completed	\$1,500,000	Project Completed	6.1 : 1	Project Completed
Project 16: One North Dearborn	\$124,055,809	Project Completed	\$13,662,953	Project Completed	9.1 : 1	Project Completed
Project 17: One South State Street, L.L.C.	\$63,415,586	Project Completed	\$5,500,000	Project Completed	11.5 : 1	Project Completed
Project 18: St. George Hotel, L.L.C.; HRH Development, L.L.C.	\$81,200,000	Project Completed	\$0 See Footnote (a)	Project Completed	N/A	Project Completed



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TABLE 7(G) (continued)  
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	
	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Amount Estimated to Complete the Project	11/1/1999 to End of Reporting FY	Ratio Estimated as of Project Completion
Project 19: State Cite, LLC (Info Tech)	\$28,521,000	Project Completed	\$8,000,000	Project Completed	3.6 : 1	Project Completed
Project 20: Monroe Presentations	\$34,973,000	Project Completed	\$5,564,650	Project Completed	6.3 : 1	Project Completed
Project 21: CNA	\$51,217,940	Project Completed	\$13,680,000	Project Completed	3.7 : 1	Project Completed
Project 22: Green Roof Improvement Fund (GRIF)	N/A	Project Completed	\$0	Project Completed	N/A	Project Completed
Project 23: CTA Block 37	N/A	Project Completed	\$42,350,000	Project Completed	N/A	Project Completed
Project 24: Art Institute of Chicago	N/A	Project Completed	\$1,000,000	Project Completed	N/A	Project Completed
Project 25: United Airlines, Inc.	\$17,506,515	Project Completed	\$5,475,000	Project Completed	3.2 : 1	Project Completed
Project 26: Career Builder LLC	\$8,756,114	Project Completed	\$2,500,000	Project Completed	3.5 : 1	Project Completed
Project 27: Arcelor Mittal	\$4,506,674	Project Completed	\$2,000,000	Project Completed	2.3 : 1	Project Completed

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TABLE 7(G) (continued)

Project 28: CTA Block 37	\$115,800,000	Project Completed	\$12,000,000	Project Completed	9.7 : 1	Project Completed
Project 29: Carson Pirie Scott	\$182,522,000	Project Completed	\$9,477,400	Project Completed	19.3 : 1	Project Completed
Project 30: Pritzker Park Expansion	\$0	Project Completed	\$1,400,000	Project Completed	N/A	Project Completed
Project 31: CTA IGA	\$63,154,000	Project Completed	\$22,200,000	Project Completed	2.8 : 1	Project Completed

\* 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.

Each amount reported here under Public Investment Undertaken, Amount Estimated to Complete the Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Sections 2 or 5 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions including interest that may be payable on developer notes set forth in the Project's operating documents.

Each amount reported here under Public Investment Undertaken, 11/1/1999 to End of Reporting FY, is cumulative from the date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999 are not reported on this table.

\*\* Depending on the particular goals of this type of program, the City may: i) make an advance disbursement of the entire public investment amount to the City's program administrator, ii) disburse the amounts through an escrow account, or iii) pay the funds out piecemeal to the program administrator as each ultimate grantee's rehabilitation work is approved under the program.

\*\*\* As of the End of the Reporting FY, the construction of this Project was ongoing; the Private Investment Undertaken and Ratio figures for this Project will be reported on the Annual Report for the FY in which the construction of the Project is completed and the total Private Investment figure is available.

(a) This agreement terminated in 2007 for developer's default, and all TIF money was repaid to City.

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

During 2008, there were no obligations issued for this Project Area

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

During 2008, there were no obligations issued for this Project Area

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

Please see attached.

## INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the government-wide activities, governmental funds, and agency fund of the City of Chicago, Illinois' Central Loop Redevelopment Project (the "Project") as of December 31, 2008, and have issued our report thereon dated June 26, 2009.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions of Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act insofar as they relate to financial and accounting matters. However, our audit was not directed primarily toward obtaining knowledge of noncompliance with such Subsection.

This report is intended solely for the information and use of the City of Chicago, the Project, and the State of Illinois, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Deloitte & Touche LLP*

June 26, 2009

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## (11) GENERAL DESCRIPTION AND MAP

The Central Loop Redevelopment Project Area is generally bounded by Wacker Drive on the north, Michigan Avenue on the east, Congress Parkway on the south, and Dearborn, LaSalle, and North Franklin Streets on the west. The map below illustrates the location and general boundaries of the Project Area. For precise boundaries, please consult the legal description in the Redevelopment Plan.

