
2006 Annual Report

Harrison/Central Redevelopment Project Area



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

JUNE 30, 2007

June 30, 2007

Ms. Kathleen A. Nelson
First Deputy Commissioner
Department of Planning and Development
121 North LaSalle Street
Chicago, Illinois 60602

Dear Commissioner:

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

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

Very truly yours,



Ernst & Young LLP

**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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WITH SECTION (d) OF 65 ILCS 5/11-74.4-5.**

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City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

City Hall, Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)
(312) 744-2578 (TTY)
<http://www.cityofchicago.org>

June 30, 2007

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 Harrison/Central
Redevelopment Project Area (Report) pursuant to 65 ILCS 5/11-
74.4-5(d).

Sincerely,

Kathleen A. Nelson
First Deputy Commissioner

Harrison/Central Redevelopment Project Area 2006 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 26, 2006. The Project Area may be terminated no later than July 26, 2029.

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.

Harrison/Central Redevelopment Project Area 2006 Annual Report

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

During 2006, 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.

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

Please see attached.

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION

TO:

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

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

Peter C. Nicholson, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 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

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

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

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

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

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

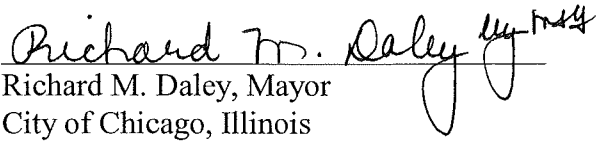
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

2. During the preceding fiscal year of the City, being January 1 through December 31, 2006, 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 29th day of June, 2007.


Richard M. Daley, Mayor
City of Chicago, Illinois

**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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

Please see attached.



June 29, 2007

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>

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 1149
Chicago, Illinois 60606

Peter C. Nicholson, Director
Cook County Department of Planning &
Development
69 West Washington Street, Room 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

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

Arne Duncan, Chief Executive Officer
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125 South Clark Street, 5th Floor
Chicago, Illinois 60603

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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: Harrison/Central
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.



June 29, 2007

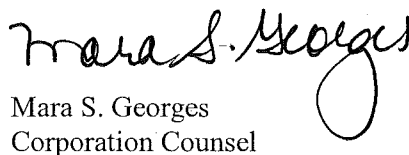
Attorneys, past and present, in the Law Department of the City familiar with the requirements of the Act have had general involvement in the proceedings affecting the Redevelopment Project Area, including the preparation of ordinances adopted by the City Council of the City with respect to the following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

**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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

During 2006, there was no financial activity in the Special Tax Allocation Fund.

**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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

During 2006, the City did not purchase any property in the Project Area.

Harrison/Central Redevelopment Project Area 2006 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 12/31/06, and of such investments expected to be undertaken in year 2007; also, a project-by-project ratio of private investment to public investment from 11/1/99 to 12/31/06, 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.

Harrison/Central Redevelopment Project Area 2006 Annual Report

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

During 2006, 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 2006, 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 2006, no agreements were entered into with regard to the disposition or redevelopment of any property within the Project Area.

Harrison/Central Redevelopment Project Area 2006 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 2006, 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.

**Harrison/Central Redevelopment Project Area
2006 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)

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

Projects Estimated To Be Undertaken During 2007	Private Investment Undertaken	Public Investment Undertaken	Ratio of Private/Public Investment
Project 1: Loretto Hospital	\$14,200,000	\$7,000,000	2.0 : 1
Project 2: Neighborhood Improvement Fund (NIF) Program**	\$2,000,000	\$1,000,000	2.0 : 1

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

** 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.

CITY OF CHICAGO
JOINT REVIEW BOARD

Report of proceedings of a hearing
before the City of Chicago, Joint Review
Board held on April 7, 2006, at 10:00 a.m.
City Hall, Room 1003A, Conference Room,
Chicago, Illinois, and presided over by
Mr. Eric Reese.

PRESENT:

MR. ERIC REESE
MR. JOHN McCORMICK
MS. SUSAN MAREK
MS. KAY KOSMAL
MS. KEN GOTSCH
MR. JOHN HUNTER

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

1 MR. REESE: Good morning. My name's
2 Eric Reese from the Chicago Park District.
3 To my left is --

4 MR. McCORMICK: John McCormick with
5 the City of Chicago.

6 MS. MAREK: Susan Marek, the Chicago
7 Board of Education.

8 MR. GOTSCH: Ken Gotsch, City -- of
9 Chicago.

10 MR. HUNTER: And John Hunter.

11 MR. REESE: Who's our public member.

12 For the record, my name is Eric
13 Reese, I'm a representative of the Chicago
14 Park District, which under Section 11-74.4-5
15 of the Tax Increment Allocation
16 Redevelopment Act, is one of the statutorily
17 designated members of the Joint Review
18 Board.

19 Until the election of a
20 chairperson, I'll moderate the Joint Review
21 Board Meetings. For the record, this meeting
22 of the Joint Review Board is to review the
23 proposed Harrison/Central Tax Increment
24 Financing District. The date of this meeting

1 was announced at and set by the Community
2 Development Commission of the City of
3 Chicago at the meeting of March 14th of 2006.

4 Notice of this meeting of the
5 Joint Review Board was also provided by
6 Certified Mail to each taxing district
7 represented by the Board, which includes the
8 Chicago Board of Ed, Chicago Community
9 Colleges District 508, Chicago Park
10 District, Cook County, and the City of
11 Chicago. Public notice of this meeting was
12 also posted as of Wednesday, April 5th, 2006
13 at various locations throughout City Hall.

14 While the proposed redevelopment
15 plan would result in the displacement of
16 residents at ten or more inhabited
17 residential units, but would include 75 or
18 more inhabited residential units, the TIP
19 Act requires that the public member of the
20 Joint Review Board must reside in the
21 proposed redevelopment budget area.

22 In addition, if a municipality
23 housing impact study determines that he
24 majority of residential units in the

1 proposed redevelopment project area are
2 occupied by very low, low, or moderate income
3 households as defined in Section 3 of the
4 Illinois Affordable Housing Act, the public
5 member must be a person who resides in a very
6 low, low or moderate income housing within
7 the proposed redevelopment project area.

8 With us today is John Hunter.

9 Sir, are you familiar with the
10 boundaries of the proposed Harrison/Central
11 Tax Increment Financing Redevelopment
12 Project Area?

13 MR. HUNTER: Yes.

14 MR. REESE: What is the address of
15 your primary residence?

16 MR. HUNTER: 5414 West Jackson
17 Boulevard.

18 MR. REESE: Is such address within
19 the boundaries of the proposed
20 Harrison/Central Tax Increment Financing
21 Redevelopment Project Area?

22 MR. HUNTER: Yes.

23 MR. REESE: Have you provided the
24 representatives of the City of Chicago's

1 Department of Planning and Development with
2 accurate information concerning your income
3 and the income of any other members of the
4 household residing at such address?

5 MR. HUNTER: Yes.

6 MR. REESE: Based on the information
7 provided to you by the Department of Planning
8 and Development regarding applicable income
9 levels for very low, low and moderate income
10 households, do you qualify as a member of
11 very low, low or moderate income households?

12 MR. HUNTER: Yes.

13 MR. REESE: Mr. Hunter, are you
14 willing to serve as the public member for the
15 Joint Review Board for the proposed
16 Harrison/Central Tax Increment Financing
17 Redevelopment Project Area?

18 MR. HUNTER: Yes.

19 MR. REESE: Thank you. I will
20 entertain a motion.

21 MR. McCORMICK: So moved.

22 MR. REESE: Thank you.

23 MS. MAREK: Second.

24 MR. REESE: Appreciate it. Let the

1 record reflect that John Hunter's been
2 selected as the public member for the
3 proposed Harrison/Central Tax Increment
4 Financing Redevelopment Project Area.

5 Our next order of business it to
6 select a Chairperson for the Joint Review
7 Board. Are there any nominations?

8 MR. McCORMICK: I nominate Eric
9 Reese.

10 MR. REESE: Is there a second?

11 MS. MAREK: Second.

12 MR. REESE: All in favor?

13 (Chorus of ayes.)

14 MR. REESE: Let the record reflect
15 that I, Eric Reese has been elected as
16 Chairperson and will now serve as the
17 Chairperson for the remainder of the
18 meeting.

19 As I mentioned, at this meeting
20 we'll be reviewing a plan for the proposed
21 Tax Increment Financing District proposed by
22 the City of Chicago. The staff of the City's
23 department of Planning and Development --
24 and other departments have reviewed this

1 plan amendment which was introduced to the
2 city's Community Development Commission on
3 March 14th, 2006.

4 We will listen to a presentation
5 by the consultant on the plan -- the
6 presentation we can address any questions
7 that the members may have with the consultant
8 or City staff. An amendment to the TIP Act
9 requires us to base our recommendations, to
10 prove or disprove the proposed
11 Harrison/Central Tax Increment Financing
12 District on the basis of the area and the
13 plant, satisfying the plant requirements.

14 The eligibility criteria defined
15 in the TIP Act and the objectives of the TIP
16 Act. If the Board approves the plan
17 amendment, the Board will then issue an
18 advisory non-binding recommendation by the
19 voting majority of those members present and
20 voting. Such recommendations shall be
21 submitted to the city within 30 days after
22 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 amendment, the Board must issue a written
3 report describing why the -- area failed to
4 meet one or more of the objectives of the TIP
5 Act and both the plan requirements and the
6 eligibility criteria of the TIP Act.

7 The city then, will then have 30
8 days to resubmit a revised plan. The Board
9 and the city must also confer during this
10 time to try and resolve the issues that led
11 to the Board's approval. If such issues can
12 be resolved, and if the revised plan is
13 disapproved, the city may proceed with the
14 plan, but the plan can be approved only with
15 three-fifths of the vote of City Counsel,
16 excluding positional members that are vacant
17 and those members who are ineligible due to
18 conflict of interest.

19 We'll now have a presentation of
20 the area by Ernst and Young.

21 MR. PILEWSKI: Thank you, Mr.
22 Chairman, members of the Joint Review Board.
23 My name is Joe Pilewski, I'm an Executive
24 Director with Ernst and Young and today I'm

1 here to summarize the elements of our
2 redevelopment project and plan report for
3 the Harrison/Central Redevelopment Project
4 Area.

5 The boundaries of the proposed
6 area are displayed on the map that you're all
7 looking at. To the north is West Madison
8 Street, to the west is South Austin
9 Boulevard, to the south is roughly the
10 Eisenhower Expressway and to the east is
11 South Laverne Avenue and South Laramie. It
12 should be noted that these X marks along the
13 boundary here represent the boundary of the
14 Madison/Austin Redevelopment Project Area.
15 And the boundaries to the south here, which
16 have these hash marks, represent the
17 boundaries of the Roosevelt/Cicero
18 Redevelopment Project Area.

19 And our survey firm, Brendan and
20 Peterman, has certified that our proposed
21 boundaries of the Harrison/Central
22 Redevelopment Project Area are adjacent to
23 both the Madison/Austin corridor
24 Redevelopment Project Area and the

1 Roosevelt/Cicero Redevelopment Project Area
2 that are currently in existence.

3 The qualifications for a
4 conservation area under state statutes
5 indicates that at least 50 percent of the
6 buildings in a proposed redevelopment
7 project area, or RPA, must be at least 35
8 years of age and three or more of 13
9 blighting factors must be present to a
10 meaningful extent, and reasonably
11 distributed throughout the RPA.

12 In addition it must be found that
13 the RPA has not been subject to sound growth
14 and development through investment by
15 private enterprise and is not likely to be
16 developed but for the establishment of the
17 RPA and the use of tax increment financing.

18 We surveyed, over the last
19 several months, the properties here with the
20 assistance and support of the City of Chicago
21 Public Planning and Development and the
22 office of Alderman Carruthers, alderman of
23 the 29th Ward. We came up with 5 of the 13
24 factors present to a meaningful extent.

1 Those factors are deterioration, illegal use
2 of structures, obsolescence -- land use and
3 layout and lack of community planning.

4 In addition we surveyed and
5 researched the age of the properties within
6 the RPA and found that over 90 percent of the
7 structures are over 35 years of age. To
8 provide a little more detail as to the
9 eligibility criteria, I'd like to just
10 mention a few items for each of the five
11 factors that we found. More detail is listed
12 in our report.

13 First, with regard to
14 obsolescence, obsolescence was prevalent
15 throughout many of the main structures
16 proposed in the RPA, in particular Loretto
17 Hospital's age. And Loretto Hospital is
18 located at the southern quarter of the
19 redevelopment project area, along West
20 Flournoy Street, between West Flournoy and
21 Harrison and the western boundary is South
22 Central Avenue -- 300 block.

23 Loretto Hospital, which is the
24 largest employer in the Austin Neighborhood,

1 it's aged and numerous expansion over it's
2 history have resulted in a facility which is
3 functionally obsolete. Expansion and
4 renovation of the hospital is needed to
5 modernize it's rooms, many of which are over
6 40 years old, and increase and enhance it's
7 emergency services.

8 The hospital's current layout
9 and design have become ill-suited for the
10 original use due to narrow hallways,
11 constricted entries and exits and archaic
12 emergency room configuration. The hospital
13 will be required to reconfigure the area to
14 allow more ground level services within
15 several buildings, wider ingress, egress,
16 and a larger staging area for patients.

17 Moreover, various old buildings
18 within the district are currently vacant and
19 disuse is prominent. Numerous buildings
20 along Congress and VanBuren have fallen into
21 disuse and are currently boarded up.

22 Reconfiguration and rehabilitation of such
23 structures will result in substantial cost
24 to any future user and therefore render the

1 structure functionally obsolete.

2 Moreover, there are numerous
3 vacant lots on nearly every street
4 throughout the proposed RPA, including
5 residential and commercial areas. The high
6 incidence of excessively vacant buildings
7 further indicates economic obsolescence as
8 disuse is a strong indicator of
9 obsolescence.

10 With regard to deterioration,
11 visual surveys of the RPA which took place
12 throughout the past several months
13 identified at least 85 structures which were
14 rated as deteriorated to a meaningful
15 extent. These structures suffer from
16 deterioration, and the distribution of these
17 structures was throughout the RPA.

18 The defects included, but were
19 not limited to, secondary building
20 components such as doors, windows, porches,
21 gutters, down spouts and fascia. Surface
22 impurities was also found in parkways and
23 vacant lots throughout the RPA. With respect
24 to surface improvements, condition of

1 roadways, alleys, curbs, gutters, sidewalks,
2 off street parking, surface storage areas
3 showed evidence of deterioration including
4 but not limited to cracking, crumbling,
5 potholes, impressions, loose paving material
6 and weeds protruding throughout the paved
7 surfaces.

8 Of the 42 analyzed blocks in the
9 project area, 27 analyzed lots were
10 approximately 64 percent -- exhibit
11 deterioration with respect to site
12 improvement, structures and --

13 Illegal use of structures.
14 During an August 30th interview with 29th
15 Ward Office Personnel and review of crime
16 statistics from the City of Chicago Police
17 Department, covering 1999 through 2003 as
18 well as other sources, indicated that
19 statistics shows that Austin Neighborhood
20 suffers from a considerably higher incidence
21 of the following types of crimes than the
22 rest of Chicago. Those crimes include
23 murder, aggravated assault, battery,
24 criminal sexual assault, arson, drug related

1 crimes, burglary, robbery, theft and motor
2 vehicle theft.

3 Many of these crimes, although
4 they occur outside of buildings, may be
5 either planned or staged or occur inside
6 structures as well. The difference between
7 the Austin Neighborhood in these statistics
8 and the rest of the city as a whole is very
9 striking. The total number of crimes in the
10 above categories outpaced the city average
11 by 235 percent in '99, 229 percent in 2000,
12 243 percent in 2001, 236 percent in 2002 and
13 253 percent in 2003.

14 In terms of -- land use and
15 layout, the -- survey did reveal several
16 indications of this factor, multiple
17 expansions of the hospital again have
18 resulted in inefficient ingress and egress
19 in the emergency room, which is the highest
20 demand area for Loretto Hospital. This
21 coupled with the fact that the hospital
22 shares a parking lot with a neighboring Greek
23 Orthodox Church, which is located again,
24 between Flournoy and Harrison, along

1 Central, right adjacent to the hospital.

2 So there's shared parking here
3 which makes it difficult for emergency
4 vehicles from the neighborhood to get into
5 the emergency room, which is located on the
6 western end of the hospital, and also
7 difficult for vehicles coming this way to
8 find hospital parking.

9 In addition to the parking and
10 configuration layout for Loretto, there is
11 not adequate parking for multi-family units
12 throughout the district, which has created
13 congestion and limited egress and ingress.
14 Approximately 50 percent of the blocks
15 within the RPA have inadequate parking, and
16 this problem is complicated during times of
17 high snow, obviously.

18 These results of these
19 observations also support at the same time
20 our lack of community planning criteria,
21 which shows that in this area approximately
22 49 percent of the residences are designated
23 as multi-family residences and many of these
24 are over 70 years of age and have numerous

1 apartments with no parking for residents.

2 Just to highlight how important,
3 how significant that statistic is, over
4 time, 70 years ago there were approximately
5 27 million vehicles in the United States. In
6 2000, according to federal statistics, there
7 were over 220 million vehicles. That's a 10-
8 fold increase. So now, you can imagine when
9 these apartments were built, there were very
10 few, there were 1/10, roughly, of the cars
11 that there are today. And so, if you could
12 imagine a 10-fold increase in cars, what that
13 does in terms of parking in the community.

14 That concludes the eligibility
15 portion of the presentation. I'll stop there
16 before I get into the Housing Impact and
17 Redevelopment Project to see if there's any
18 questions.

19 MR. HUNTER: May I ask a question?

20 MR. PILEWSKI: Yes.

21 MR. HUNTER: I noticed that you spoke
22 a lot about Loretto Hospital and so on, in
23 this whole process where you discuss what
24 will happen to that hospital, or those blocks

1 that have inadequate facilities and the
2 parking and all that you just mentioned,
3 would you discuss what will happen to all
4 that in this redevelopment?

5 MR. PILEWSKI: We will discuss what
6 is possible.

7 MR. HUNTER: What is possible, that's
8 good.

9 MR. PILEWSKI: As you know, the
10 district lasts for 23 years, we think the
11 issues and the challenges that have been
12 built up over 70 years will take a whole 20
13 years to fix, if you will.

14 MR. HUNTER: To fix, okay.

15 MR. PILEWSKI: But, I plan to discuss
16 that during the Redevelopment Project
17 Portion of the presentation.

18 MR. HUNTER: Okay, very good, thank
19 you.

20 MR. PILEWSKI: Any other questions?
21 I'm now going to touch briefly on the housing
22 impact study. The Housing Impact Study
23 includes an acquisition map which identifies
24 potential commercial vacant parking lots

1 that may be acquired along commercial
2 development corridors.

3 One of the observations we made
4 during our survey was that there is access to
5 the Eisenhower Expressway here on Laramie,
6 and full access on Central. And given the
7 traffic flow, and given the fact that West
8 Harrison Street here is a major
9 thoroughfare, we noticed that West Harrison
10 had many properties that were just vacant or
11 underutilized or just surface parking lots,
12 gravel-type parking lots.

13 What we hypothesized is that in
14 the future, with the use of -- perhaps some
15 retail development or commercial development
16 could be put in place along Harrison. And
17 the reason why I bring this up during the
18 Housing Impact portion of the presentation
19 is that in the acquisition map there are no
20 properties that have been identified that
21 are residential in nature. So there's no
22 inhabited residential units that have been
23 identified as being on the acquisition list.

24

1 The only ones that have been
2 identified are in this commercial corridor
3 right here. And they've been identified as
4 future potential acquisitions if there is a,
5 let's say a major proposed commercial
6 development where they need several larger
7 pieces of property, then the property owners
8 would be approached within accordance with
9 city policy.

10 The study also, so I wanted to
11 make a clear point that the acquisition map
12 does not identify any residential
13 properties. The study also provides useful
14 information about the residential nature of
15 the RPA.

16 MR. REESE: That's all. Thank you
17 Joe.

18 MR. PILEWSKI: Here, here is the
19 acquisition map. As you can see it's all
20 along this commercial corridor here.

21 With regard to residential
22 nature, there are approximately 2,012
23 buildings in the proposed RPA, which include
24 over 2,400 apartments and nearly 1,000

1 single family homes. An estimated 86 percent
2 of the residential units became two or more
3 bedrooms.

4 In terms of demographics which
5 the state law calls for measuring, an
6 estimated 98 percent of the RPA residents are
7 African American, approximately 1 percent
8 are Latino/Hispanic, and about ½ percent are
9 Caucasian, the balance being Asian and other
10 categories.

11 And then finally, an estimated 38
12 percent of the residents in the RPA are low
13 income or very low income, and 20 percent are
14 from moderate income households. When one
15 combines the aging character of the
16 community and infrastructure with 50 percent
17 low or moderate income households, it really
18 makes, it brings the point across that some
19 assistance needs to be put in place here to,
20 financial assistance, in order to improve
21 the infrastructure and repair the structures
22 in order to keep this area from becoming a
23 blighted area in the future.

24 I'll stop there and ask if

1 there's any questions on the Housing
2 Impacts.

3 MS. MAREK: So there's no land
4 acquisition targeted for Loretto Hospital?

5 MR. PILEWSKI: That's correct. Any
6 other questions? If not I'd like to move on
7 to the Redevelopment Project. Given all the
8 research I've just described, the city,
9 along with Ernst and Young and the alderman,
10 Alderman Carruthers' office, came up with
11 the following Redevelopment Project
12 Objectives. To provide site which are
13 conducive to commercial and residential
14 development through activities such as
15 demolition, rehabilitation; encourage the
16 use and maintenance of commercial
17 residential land; upgrade infrastructure
18 throughout the RPA; undertake appropriate
19 environmental remediation where necessary;
20 support job training programs and provide
21 employees living in the area with skills
22 necessary to maintain jobs in the RPA; to
23 prepare and replace the infrastructure where
24 needed, including roads, sidewalks, public

1 utilities and other public infrastructure;
2 promote women-owned and minority-owned
3 businesses and Affirmative Action programs;
4 renovate and expand existing healthcare
5 facilities, including Loretto Hospital;
6 preserve the historic and architecturally
7 significant character of the project area.
8 And one point I wanted to mention was
9 Columbus Park has been on the National
10 Register of Historic places since the early
11 '90's. So there are a number of other
12 properties which have significant historic
13 character throughout the neighborhood, and
14 improve the appearance of commercial
15 storefronts, including facade treatment,
16 lighting, color, materials, awnings; and --
17 the enhancements that are compatible with
18 historic and architectural significance in
19 the area.

20 The estimated redevelopment
21 project costs for, well, before I get into
22 that, one of the specific projects that has
23 been discussed is Loretto Hospital potential
24 expansion. As was mentioned, they are really

1 challenged right now, often times they are at
2 full capacity. Their emergency unit is often
3 at a point where it cannot receive additional
4 patients from the community, and, you know,
5 the emergency room setting -- configuration
6 does not allow for quick entry and exit of
7 patients.

8 And so there's possibility with
9 the approval of TIP that Loretto Hospital
10 would be able to do a significant expansion
11 and improvement to the Emergency Room
12 facilities, and renovation of all the
13 patient rooms. That would be something that
14 they're talking about within the next three
15 to five years.

16 Longer term they're looking at
17 the possibility of development of a new
18 professional office building, which would
19 generate jobs and opportunity in the
20 community, on property that they already
21 own. There, along with that they're
22 investigating the potential for daycare
23 services for the community which would help
24 support job opportunities.

1 Over 30 percent of the households
2 in the community are single parent
3 households so daycare is greatly needed in
4 the area. They're looking at the creation of
5 a new Dialysis Center, the creation of a
6 Woman's Health Center as well, and
7 enhancements to hospital technology.

8 Another major program that has
9 been discussed at community meetings and as
10 of last night I believe we have held so far
11 through the Office of Chamber of Commerce and
12 the alderman's office, for communities that
13 -- and we received a lot of input and had
14 direct participation, obviously, with the
15 Department of Planning and Development where
16 they spoke of the NIT program.

17 One of the major needs in the
18 area that we talked about was the need for
19 improvements to the housing stock. There was
20 great interest in the -- program expressed,
21 that's one of the key initiatives that the
22 alderman is going to seek right after this,
23 if this TIP is approved, I should say.

24 MR. HUNTER: Before you, may I ask a

1 question before you leave Loretto Hospital,
2 what about the parking? Did they, what is in
3 the plans for the sharing the parking with
4 the church? Once the church goes away what
5 would happen to the parking?

6 MR. PILEWSKI: Right now we, the
7 church is there to stay as far as I've heard,
8 but I think what they're looking at longer
9 term, because improving parking doesn't
10 immediately impact patient -- so that's
11 something that is beyond the three to five
12 year horizon.

13 If there was a parking
14 improvement to be done -- owned some property
15 adjacent just to the west of their current
16 parking lot -- and what they would be
17 investigating potentially is a deck parking
18 garage there, maybe a couple stories. That
19 might, that may come in terms of timing along
20 with the professional office building.

21 MR. HUNTER: Yes.

22 MR. PILEWSKI: And daycare facility.

23 MR. HUNTER: Sounds fine, thank you.

24 MR. PILEWSKI: Any other questions

1 about -- project? If not I'll, I'll stop
2 there. Thank you, Mr. Chairman.

3 MR. REESE: Appreciate it. If there
4 are no further questions I'd entertain a
5 motion that this Joint Review Board finds
6 that the Proposed Harrison/Central Tax
7 Increment Financing Redevelopment Project
8 Area satisfies the redevelopment plan
9 requirements under the TIP Act, the
10 eligibility criteria defined in Section 11-
11 74.4-3 of the TIP Act and the objectives of
12 the TIP Act, that based on such findings,
13 approve such a proposed plan under the TIP
14 Act. Is there a motion?

15 MR. McCORMICK: So moved.

16 MR. REESE: Second?

17 MS. MAREK: Second.

18 MR. REESE: All in favor?

19 (Chorus of ayes.)

20 MR. REESE: Let the record reflect
21 the Joint Review Board's approval of the
22 proposed Harrison/Central Tax Increment
23 Financing and Redevelopment Project Area
24 under the TIP Act. Thank you very much.

1 Is there a motion to adjourn?

2 MR. McCORMICK: So moved.

3 MS. MAREK: Second.

4 MR. REESE: Thank you very much.

5 (Whereupon the above matter
6 was concluded.)

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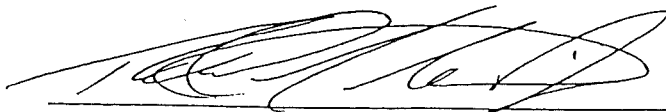
STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

I, JACK ARTSTEIN depose and say that I am a verbatim reporter doing business in the County of Cook and City of Chicago; that I caused to be transcribed the proceedings heretofore identified and that the foregoing is a true and correct transcript of the aforesaid hearing.

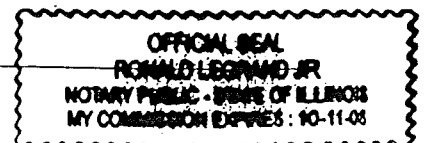


JACK ARTSTEIN

SUBSCRIBED AND SWORN TO
BEFORE ME THIS 27TH DAY OF
APRIL, A.D. 2006.



NOTARY PUBLIC



**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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

During 2006, there were no obligations issued for the Project Area.

**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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

During 2006, there were no obligations issued for the Project Area.

**Harrison/Central Redevelopment Project Area
2006 Annual Report**

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

During 2006, there were no tax increment expenditures or cumulative deposits over \$100,000 within the Project Area. Therefore, no compliance statement was prepared.

Harrison/Central Redevelopment Project Area 2006 Annual Report

(11) GENERAL DESCRIPTION AND MAP

The Harrison/Central Redevelopment Project Area is generally bounded by West Madison Avenue on the north, the Eisenhower Expressway on the south, South LaVergne and South Laramie Avenues on the east, and South Austin Boulevard 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.

