
1998 Annual Report

95th Street and Stony Island Avenue Redevelopment Project Area



**Pursuant to Mayor's
Executive Order 97-2**

JUNE 30, 1999



City of Chicago
Richard M. Daley, Mayor

Department of Planning
and Development

Christopher R. Hill
Commissioner

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Chicago, Illinois 60602
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June 30, 1999

The Honorable Mayor Richard M. Daley, Members
of the City Council, and Citizens of the City of Chicago
City of Chicago
121 N. LaSalle Street
Chicago, Illinois 60602

Ladies and Gentlemen:

The attached information for the 95th Street and Stony Island Avenue
Redevelopment Project Area, along with 63 other individual reports, is
presented pursuant to the Mayoral Executive Order 97-2 (Executive
Order) regarding annual reporting on the City's tax increment financing
(TIF) districts. The City's TIF program has been used to finance
neighborhood and downtown improvements, leverage private investment,
and create and retain jobs throughout Chicago.

Pursuant to the Executive Order, the Annual Report, presented in the form
of the attached, will be filed with the City Clerk for transmittal to the City
Council and be distributed in accordance with the Executive Order.

Sincerely,

Christopher R. Hill
Commissioner
Department of Planning and Development

Walter K. Knorr
Chief Financial Officer



June 30, 1999

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

Commissioner Hill:

Enclosed is the required annual report for the 95th Street and Stony Island Avenue Redevelopment Project Area, which we compiled at the direction of the Department of Planning and Development pursuant to the Mayor's Executive Order 97-2. The contents are based on information provided to us by the Chicago Departments of Planning and Development, Finance, and Law Department. We have not audited, verified, or applied agreed upon procedures to the data contained in this report. Therefore, we express no opinion on its accuracy or completeness.

The report includes the City's data methodology and interpretation of Executive Order 97-2 in addition to required information. The tables in this report use the same lettering system as the Executive Order in order to allow the reader to locate needed information quickly.

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

Very truly yours,

Ernst & Young LLP

Ernst & Young LLP

95th Street and Stony Island Avenue Redevelopment Project Area 1998 Annual Report

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(d) Description of Intergovernmental and Redevelopment Agreements

Table D describes agreements related to the Project Area which are either intergovernmental agreements between the City and another public entity or redevelopment agreements between the City and private sector entities interested in redeveloping all or a portion of the Project Area. The date of recording of agreements executed by the City in 1998 and filed with the Cook County Recorder of Deeds is included in Table D (if applicable).

(e) Description of TIF Projects

Table E describes each TIF project in the Project Area that has already received approval by the Community Development Commission, and which received TIF financing during 1998. Those projects in discussion, pre-proposal stage with a developer, or being reviewed by Community Development Commission staff are not "projects" for purposes of the Report. The amount budgeted for project costs and the estimated timetable were obtained from the Project Area's intergovernmental or redevelopment agreements, if such agreements exist. Table E specifically notes:

- 1) the nature of the project;
- 2) the budgeted project cost and the amount of TIF assistance allocated to the project;
- 3) the estimated timetable and a statement of any change in the estimate during the prior calendar year;
- 4) total City tax increment project expenditures during the prior calendar year and total City tax increment project expenditures to date;
- 5) a description of all TIF financing, including type, date, terms, amount, project recipient, and purpose of project financing.

95th Street and Stony Island Avenue Redevelopment Project Area 1998 Annual Report

Purpose of Report:

The purpose of the Annual Report for the 95th Street and Stony Island Avenue Redevelopment Project Area (Report) is to provide information regarding the City of Chicago (City) tax increment financing (TIF) districts in existence on December 31, 1998, as required by the Mayor's Executive Order 97-2 (Executive Order). This Report covers the 95th Street and Stony Island Avenue Redevelopment Project Area (Project Area).

Methodology:

In the process of providing information about the Project Area, care was taken to follow the organization of the Executive Order to allow the reader to locate needed information in an efficient manner. The Report reflects only TIF economic activity during 1998, also referred to in this report as "the prior calendar year." As outlined below, several assumptions were made concerning certain required information.

(a) General Description

The general boundaries of the Project Area are described and illustrated in a map. However, in order to provide ease of reading, only major boundary streets are identified. For exact boundaries, the interested reader should consult the legal description of the Project Area boundaries found in the Redevelopment Plan (Attachment).

(b) Date of Designation and Termination

For purposes of this Report, the date of termination is assumed to occur 23 years from the date of designation, the maximum duration currently allowed under the Tax Increment Allocation Redevelopment Act.

(c) Copy of Redevelopment Plan

The Redevelopment Plan, as amended (if applicable), for the Project Area is provided as the Attachment at the end of the Report.

95th Street and Stony Island Avenue Redevelopment Project Area 1998 Annual Report

(f) Description of all TIF Debt Instruments

Table F describes all TIF debt instruments related to the Project Area in 1998. It should be noted that debt instruments issued without a security pledge of incremental taxes or direct payments from incremental taxes for principal and interest are not included in Table F, as such instruments do not qualify as TIF debt instruments as defined by the Executive Order. Table F includes:

- 1) the principal dollar amount of TIF debt instruments;
- 2) the date, dollar amount, interest rate, and security of each sale of TIF debt instruments and type of instrument sold;
- 3) the underwriters and trustees of each sale;
- 4) the amount of interest paid from tax increment during the prior calendar year (1998);
- 5) the amount of principal paid from tax increment during the prior calendar year (1998).

(g) Description of City Contracts

Table G provides a description of City contracts related to the Project Area, executed or in effect during 1998 and paid with incremental tax revenues. In addition, the date, names of all contracting parties, purpose, amount of compensation, and percentage of compensation paid is included in the table. Table G does not apply to any contract or contract expenditure reported under (e)(5) of Section 4 of the Executive Order.

City contracts related to the Project Area are defined as those contracts paid from TIF funds, not related to a specific TIF project, and not elsewhere reported. Items include, but are not limited to, payments for work done to acquire, dispose of, or lease property within a Project Area, or payments to appraisers, surveyors, consultants, marketing agents, and other professionals. These services may affect more than one project in a Project Area and are not otherwise reported. Table G does not report such noncontractual cost items as Recorder of Deeds filing fees, postage, telephone service, etc. City contracts include term agreements which are city-wide, multi-year contracts that provide goods or services for various City departments.

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(h) Summary of Private and Public Investment Activity

Table H describes each TIF project in the Project Area that has been executed through an intergovernmental or redevelopment agreement in 1998, or that has been approved by the Community Development Commission in 1998.

To the extent this information is available to the Commissioner of Planning and Development on a completed project basis, the table provides a summary of private investment activity, job creation, and job retention within the Project Area and a summary for each TIF project within the Project Area.

Table H contains the final ratio of private/public investment for each TIF project. The private investment activity reported includes data from the intergovernmental or redevelopment agreement(s) and any additional data available to the Commissioner of Planning and Development. Other private investment activity is estimated based on the best information available to the Commissioner of Planning and Development.

(i) Description of Property Transactions

Information regarding property transactions is provided in Table I to the extent the City took or divested title to real property or was a lessor or lessee of real property within the Project Area. Specifically, the Executive Order requires descriptions of the following property transactions occurring within the Project Area during 1998:

- 1) every property acquisition by the City through expenditure of TIF funds, including the location, type and size of property, name of the transferor, date of transaction, the compensation paid, and a statement whether the property was acquired by purchase or by eminent domain;
- 2) every property transfer by the City as part of the redevelopment plan for the Project Area, including the location, type and size of property, name of the transferee, date of transaction, and the compensation paid;
- 3) every lease of real property to the City if the rental payments are to be made from TIF funds. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount;

95th Street and Stony Island Avenue Redevelopment Project Area 1998 Annual Report

- 4) every lease of real property by the City to any other person as part of the redevelopment plan for the Project Area. Information shall include the location, type and size of property, name of lessor, date of transaction, duration of lease, purpose of rental, and the rental amount.

(j) Financial Summary Prepared by the City Comptroller

Section (j) provides a 1998 financial summary for the Project Area audited by an independent certified public accounting firm. These statements were prepared in accordance with generally accepted accounting principles. These statements include:

- 1) the balance in the fund for the Project Area at the beginning of the prior calendar year;
- 2) cash receipts by source and transfers deposited into the fund during the prior calendar year;
- 3) transfer credits into the fund for the Project Area during the prior calendar year;
- 4) expenditures and transfers from the fund, by statutory category, for the Project Area during the prior calendar year;
- 5) the balance in the fund for the Project Area at the conclusion of the prior calendar year.

(k) Description of Tax Receipts and Assessment Increments

Table K provides the required statement of tax receipts and assessment increments for the Project Area as outlined in the Executive Order. The amount of incremental property tax equals the incremental EAV from the prior year multiplied by the applicable property tax rates. Actual receipts may vary due to delinquencies, sale of prior years' taxes, and payment of delinquencies. See the financial report for actual receipts. Table K provides the following information:

- 1) for a sales tax Project Area, the municipal sales tax increment and state sales tax increment deposited in the fund during the prior calendar year;

95th Street and Stony Island Avenue Redevelopment Project Area 1998 Annual Report

- 2) for a utility tax Project Area, the municipal utility tax increment and the net state utility tax increment amount deposited in the special allocation fund during the prior calendar year;
- 3) for a property tax Project Area, (A) the total initial equalized assessed value of property within the Project Area as of the date of designation of the area, and (B) the total equalized assessed value of property within the Project Area as of the most recent property tax year;
- 4) the dollar amount of property taxes on property within the Project Area attributable to the difference between items (3)(A) and (3)(B) above.

All terms used in Table K relating to increment amounts and equalized assessed value (EAV) are construed as in Section 9 of the Illinois Tax Increment Allocation and Redevelopment Act or the Illinois Industrial Jobs Recovery Law. Unless otherwise noted, the EAV and property tax information were obtained from the Cook County Clerk's Office. All sales tax information was obtained from the City of Chicago.

(l) Certain Contracts of TIF Consultants

Table L provides information about contracts, if any, between the TIF consultant who was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area. The contents of Table L are based on responses to a mail survey. This survey was sent to every consultant who has prepared at least one redevelopment plan for the establishment of a redevelopment project area within the City in 1998. The Executive Order specifically applies to contracts that the City's tax increment advisors or consultants, if any, have entered into with any entity that has received or is receiving payments financed by tax revenues produced by the same Project Area.

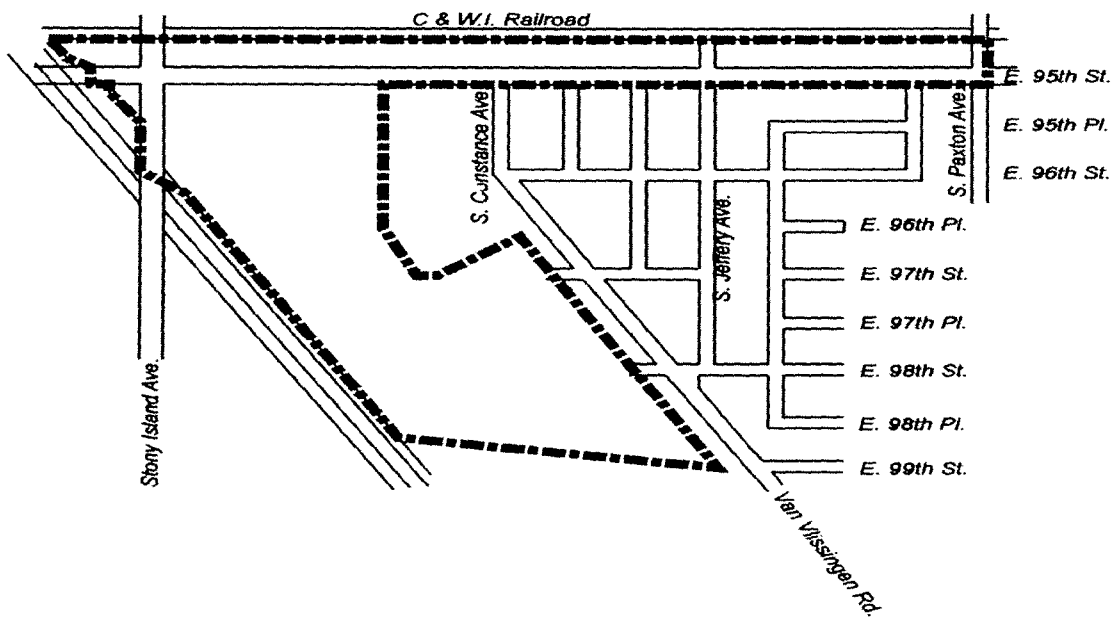
(m) Compliance Statement Prepared by an Independent Public Accountant

As part of the audit procedures performed by independent accountants, certain compliance tests were performed related to the Project Area. Included in the Annual Report is an audit opinion indicating compliance or non-compliance with the Illinois Tax Increment Allocation Redevelopment Act or the Illinois Industrial Jobs Recovery Law, as appropriate. Section (m) provides this statement.

95th Street and Stony Island Avenue Redevelopment Project Area 1998 Annual Report

(a) GENERAL DESCRIPTION

The Project Area is located on the southeast side of the City of Chicago. The Project Area is generally bounded by the C&W.I. Railroad (north of East 95th Street) on the north, Paxton Avenue and Van Vlissingen Road on the east, East 99th Street on the south, and the C&WI and the NYC & STL Railroads 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 (Attachment).



**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(b) DATE OF DESIGNATION AND TERMINATION

The Project Area was designated by the Chicago City Council on May 16, 1990. The Project Area may be terminated no later than July 1, 2012.

(c) COPY OF REDEVELOPMENT PLAN

The Redevelopment Plan for the Project Area, as amended (if applicable), is contained in this Report (Attachment).

(d) DESCRIPTION OF INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

TABLE D
INTERGOVERNMENTAL AND REDEVELOPMENT AGREEMENTS

PARTIES TO AGREEMENT WITH CITY	DATE OF AUTHORIZATION BY CITY COUNCIL	DATE OF EXECUTION	DATE OF RECORDING IN RECORDER OF DEEDS OFFICE (if applicable)
95th & Stony Island I, LLC and 95th & Stony Island II, LLC	4/1/98	11/23/98	11/24/98

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(e) DESCRIPTION OF TIF PROJECT(S)

During 1998, there were no tax increment project expenditures within the Project Area.

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(f) DESCRIPTION OF TIF DEBT INSTRUMENTS

During 1998, there were no TIF debt instruments outstanding for the Project Area.

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(g) DESCRIPTION OF CITY CONTRACTS

**TABLE G
DESCRIPTION OF CITY CONTRACTS RELATED TO THE PROJECT AREA**

CONTRACTING PARTIES WITH THE CITY OF CHICAGO	DATE OF EXECUTION	PURPOSE	AMOUNT OF COMPENSATION PAID IN 1998	PERCENT OF COMPENSATION PAID TO DATE
Bansley & Kiener	1998	Studies/Plan/Admin.	\$1,750	100%
Ernst & Young	1998	Studies/Plan/Admin.	\$7,692	100%
City TIF Program Administration	1998	Studies/Plan/Admin.	\$5,458	100%

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(h) SUMMARY OF PRIVATE AND PUBLIC INVESTMENT ACTIVITY

During 1998, there was no information available regarding public or private investment activity in the Project Area.

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(i) DESCRIPTION OF PROPERTY TRANSACTIONS

During 1998, the City did not take or divest title to real property within the Project Area. Additionally, the City was not a lessor or lessee of real property within the Project Area during 1998.

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(j) FINANCIAL SUMMARY PREPARED BY THE CITY COMPTROLLER

CITY OF CHICAGO, ILLINOIS
95TH STREET AND STONY ISLAND
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 1998 AND 1997

CITY OF CHICAGO, ILLINOIS

95TH STREET AND STONY ISLAND REDEVELOPMENT PROJECT

C O N T E N T S

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BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

125 SOUTH WACKER DRIVE

CHICAGO, ILLINOIS 60606-4496

AREA CODE 312 263-2700

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets of the 95th Street and Stony Island Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1998 and 1997, and the related statements of revenues, expenditures and changes in fund balance for the years then ended. These financial statements are the responsibility of the City of Chicago's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the 95th Street and Stony Island Redevelopment Project of the City of Chicago, Illinois, as of December 31, 1998 and 1997, and the results of its operations and changes in fund balance for the years then ended in conformity with generally accepted accounting principles.

As explained in Note 1 to the financial statements, in 1998 the 95th Street and Stony Island Redevelopment Project of the City of Chicago, Illinois changed its method of accounting for investments.

The year 2000 information on pages 7 and 8 is not a required part of the financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that authoritative measurement criteria regarding the status of remediation efforts have not been established. In addition, we do not provide assurance that the City of Chicago is or will become year 2000 compliant, that the City of Chicago's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Chicago does business are or will become year 2000 compliant.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of cash activities on page 9 and the schedule of expenditures by statutory code on page 10, which are also the responsibility of the City of Chicago's management, are presented for purposes of additional analysis and are not a required part of the financial statements of 95th Street and Stony Island Redevelopment Project of the City of Chicago, Illinois. Such additional information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 4, 1999

CITY OF CHICAGO, ILLINOIS
95TH STREET AND STONY ISLAND REDEVELOPMENT PROJECT

BALANCE SHEETS
DECEMBER 31, 1998 AND 1997

<u>A S S E T S</u>	<u>1998</u>	<u>1997</u>
Cash and investments	\$1,116,196	\$ 912,118
Property taxes receivable	181,000	206,250
Accrued interest receivable	-	16,179
Total assets	<u>\$1,297,196</u>	<u>\$1,134,547</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Due to other City funds	\$ 5,458	\$ 5,160
Deferred revenue	<u>181,000</u>	<u>206,210</u>
Total liabilities	186,458	211,370
Fund balance	<u>1,110,738</u>	<u>923,177</u>
Total liabilities and fund balance	<u>\$1,297,196</u>	<u>\$1,134,547</u>

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

CITY OF CHICAGO, ILLINOIS
95TH STREET AND STONY ISLAND REDEVELOPMENT PROJECT

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Revenues		
Property tax	\$ 161,159	\$150,646
Interest	<u>41,302</u>	<u>40,505</u>
Total revenues	202,461	191,151
Expenditures		
Capital projects	<u>14,900</u>	<u>13,754</u>
Revenues over expenditures	187,561	177,397
Fund balance, beginning of year	<u>923,177</u>	<u>745,780</u>
Fund balance, end of year	<u>\$1,110,738</u>	<u>\$923,177</u>

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

CITY OF CHICAGO, ILLINOIS
95TH STREET AND STONY ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Description of Project

The 95th Street and Stony Island Tax Increment Redevelopment Project Area (Project) was established in May 1990. The area has been established to finance improvements, leverage private investment and create and retain jobs. Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

Basis of Accounting

The Project is accounted for within the special revenue funds of the City.

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

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

Management's Use of Estimates

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

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.

CITY OF CHICAGO, ILLINOIS
95TH STREET AND STONY ISLAND REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash and Investments

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

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

On January 1, 1998, the City adopted GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." Accordingly, the City values its investments at fair value, or amortized cost.

Property Taxes

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

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

YEAR 2000 READINESS DISCLOSURE (UNAUDITED)

The City's operations, like those of many other business entities, may be impacted by the inability of certain computer programs and electronic systems with embedded microprocessor chips to recognize calendar dates beyond the year 1999. Unless such programs and microprocessors are modified or replaced prior to the year 2000, they may not function properly after 1999.

The City formed an executive committee in May 1998, to oversee possible City-wide year 2000 impacts. The Department of Business and Information Services has been charged with managing the City's year 2000 project. The year 2000 issue is covered within the scope of the City's year 2000 project. The year 2000 project is divided into stages as follows:

Awareness Stage - Establishing a budget and project plan for dealing with the year 2000 issue.

Assessment Stage - Identifying the mission critical systems, equipment and individual components for which year 2000 compliance is needed.

Remediation Stage - Making changes to systems and equipment.

Validation/testing Stage - Validating and testing the changes that were made during the remediation stage.

The City committed approximately \$28.2 million and \$32.0 million in 1998 and 1999, respectively, for the repair and replacement of year 2000 compromised systems. As of December 31, 1998, the City entered into contracts for approximately \$17.7 million for the test plan development, audit stages and upgrade of certain software programs.

Mission Critical Applications

The City has identified one computer application, the Chicago Accounting and Purchasing System, as critical to conducting the operations for year 2000 compliance. As of December 31, 1998, the City completed the awareness and assessment stages, and the remediation stage was in process for the above mission critical component. This mission critical component is still subject to the validation/testing stage. The City-wide completion of all stages is scheduled for September 1999.

Embedded Systems

The awareness stage, including an inventory of embedded systems has been completed. Baseline assessment of mission critical functions involving embedded systems was substantially completed by the end of the first quarter of 1999. The City has retained outside consultants to manage and implement completion of this aspect of the year 2000 project by the end of September 1999.

YEAR 2000 READINESS DISCLOSURE (UNAUDITED)
(Continued)

Other Considerations

The City also initiated an assessment of mission critical vendors, which is being performed by a consultant with oversight from the executive committee to plan for continuity in the City's supply chain. Contingency planning for mission critical systems and other elements of the year 2000 project is scheduled to be completed by the end of September 1999.

The above description of the stages of work to address the year 2000 issues is not a guarantee those systems will be year 2000 compliant. Although the City is currently on schedule to meet its objectives for year 2000 compliance, there is no assurance that compliance will be achieved in a timely manner. Further, if the City successfully addresses its year 2000 issues, there is no assurance that any other entity or governmental agency (including governmental organizations or entities that provide essential infrastructure) with which the City electronically interacts will be year 2000 compliant. At this time, the City can not determine the potential impact of such noncompliance on the business and financial condition or the results of its operations.

SUPPLEMENTARY INFORMATION

SCHEDULE OF CASH ACTIVITIES
YEARS ENDED DECEMBER 31, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities		
Property taxes received	\$ 161,199	\$156,892
Payments for capital projects	(14,602)	(8,594)
Interest received	<u>57,481</u>	<u>35,804</u>
Increase in cash and investments	204,078	184,102
Cash and investments, beginning of year	<u>912,118</u>	<u>728,016</u>
Cash and investments, end of year	<u>\$1,116,196</u>	<u>\$912,118</u>
Reconciliation of revenues over expenditures to net cash provided by operating activities		
Revenues over expenditures	\$ 187,561	\$177,397
Adjustments to reconcile revenues over expenditures to net cash provided by operating activities		
Changes in assets - (increase) decrease		
Property tax receivable	25,250	45,960
Accrued interest receivable	16,179	(4,701)
Changes in liabilities - increase (decrease)		
Due to other City funds	298	5,160
Deferred revenue	<u>(25,210)</u>	<u>(39,714)</u>
	<u>\$ 204,078</u>	<u>\$184,102</u>

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

<u>Code Description</u>	<u>1998</u>	<u>1997</u>
Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing	<u>\$14,900</u>	<u>\$13,754</u>

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(k) DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS

**TABLE K
DESCRIPTION OF TAX RECEIPTS AND ASSESSMENT INCREMENTS**

<u>YEAR</u>	<u>MUNICIPAL SALES TAX INCREMENT</u>	<u>STATE SALES TAX INCREMENT</u>	<u>MUNICIPAL UTILITY TAX INCREMENT</u>	<u>NET STATE UTILITY TAX INCREMENT</u>	<u>INITIAL EAV</u>	<u>TOTAL 1997 EAV</u>	<u>TOTAL INCREMENTAL PROPERTY TAXES 1997</u>
1998	N.A. (1)	N.A. (1)	N.A. (1)	N.A. (1)	\$2,321,632	\$4,054,267	\$181,147

(1) N.A. - not applicable.

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

(I) CERTAIN CONTRACTS OF TIF CONSULTANTS

During 1998, no TIF consultant was paid by the City for assisting to establish the Project Area and paid by any entity that has received or is currently receiving payments financed by tax increment revenues from the Project Area.

**95th Street and Stony Island Avenue Redevelopment Project Area
1998 Annual Report**

**(m) COMPLIANCE STATEMENT PREPARED BY AN INDEPENDENT PUBLIC
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Bansley and Kiener, L.L.P.
Certified Public Accountants

Established 1922

125 SOUTH WACKER DRIVE CHICAGO, ILLINOIS 60606-4496 312/263-2700 FAX: 312/263-6935

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with generally accepted auditing standards, the balance sheet of 95th Street and Stony Island Redevelopment Project of the City of Chicago, Illinois as of December 31, 1998, and the related statement of revenues, expenditures and changes in fund balance for the year then ended, and have issued our report thereon dated May 4, 1999.

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 in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the 95th Street and Stony Island Redevelopment Project of the City of Chicago, Illinois.

This report is intended for the information of the City of Chicago's management. However, this report is a matter of public record, and its distribution is not limited.

Bansley and Kiener, L.L.P.

Certified Public Accountants

May 4, 1999

**ATTACHMENT
REDEVELOPMENT PLAN**

**95th STREET and
STONY ISLAND AVENUE**

**Tax Increment Redevelopment
Project and Plan**

**City of Chicago
Eugene Sawyer, Acting Mayor**

March, 1989

**This plan is subject to review and may be
revised after the public hearing**

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INTRODUCTION

Economic development is a fundamental part of plans prepared by the City, including the Comprehensive Plan of Chicago completed in 1966, the Far Southeast Development Area Plan completed in 1967, and the Chicago Development Plan, Chicago Works together, completed in 1984. Although all departments are involved to varying degrees in implementing economic development policies, the City's Department of Economic Development has primary responsibility for establishing and administering programs and assists designed to stimulate provide investment in maintaining existing businesses, and in development of new businesses which strengthen and expand the tax and employment base of the City.

The 95th Street and Stony Island Avenue Tax Increment Redevelopment Project is located on the southeast side of the City of Chicago. Beginning around the turn of the century and continuing into the 1970's, the southeast side was part of one of the world's great industrial districts and served as a symbol of the economic strength and vitality of the City. In addition to three major steel producers, the area was home to a large number of related industries and service centers that constituted a critical part of the employment and tax base of the City and region.

Today, the southeast side of the City is an economically distressed area. The closing of Wisconsin Steel, dramatic cut backs in operations at U.S. Steel and LTV Steel, the decline in shipping and port operations, and the attendant job loss are a great concern to the community and to the City as a whole. There is an urgent need for comprehensive economic and community development within this important part of the City.

The Redevelopment Project Area which encompasses property along the north side of 95th Street and the southeast corner of 95th Street and Stony Island Avenue is a predominantly vacant and underutilized area in need of redevelopment. A large portion of the Redevelopment Project Area consists of unused railroad rights-of-way.

The Courtesy Home Center is located on the southeast corner of 95th Street and Stony Island Avenue on a site of approximately 235,000 square feet. Four buildings are located on this site. The principal buildings used for retail sales purposes contains approximately 80,000 square feet of floor area. All of the remaining buildings are of marginal construction quality and are in a deteriorating condition.

The Clearview Plastics building is located on the northside of 95th Street, approximately 375 feet east of Stony Island Avenue. This building is in basically sound condition and used for industrial purposes. The building occupies nearly 60 percent of its site.

The goal of the City of Chicago is that the entire Redevelopment Project Area be redeveloped on a comprehensive and planned development basis in order to ensure that new development occurs:

1. On a coordinated rather than a piecemeal basis to ensure that the land-use, pedestrian access, vehicular circulation, parking, service and urban design systems will functionally come together, meeting modern-day principles and standards.
2. On a reasonable, comprehensive and integrated basis to ensure that blighting factors are eliminated.
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

TAX INCREMENT FINANCING

The Redevelopment Project Area has not been subject to growth and development by private enterprise. An analysis of conditions within this area indicate that it would be appropriate for designation as a redevelopment project, utilizing the State of Illinois tax increment financing legislation.

This analysis disclosed that the area was originally developed without the benefit or guidance of overall community planning, and the area does not meet basic standards and guidelines for contemporary development. As a result of the lack of community planning, adequate development controls and other factors, the area is characterized by conditions which warrant the designation of the entire area as a "blighted area" within the definitions set forth in the *Tax Increment Allocation Redevelopment Act* of the State of Illinois (hereinafter referred to as the "Act".) The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 et seq., as amended.

In January, 1977, tax increment financing ("TIF") was made possible by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities after the approval of a "redevelopment plan and project" to redevelop "blighted," "conservation" or "industrial park conservation" areas and to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the current equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV (the "initial value") of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

The 95th Street and Stony Island Avenue Tax Increment Area Redevelopment Project and Plan (hereinafter referred to as the "Redevelopment Plan") has been formulated in accordance with the provisions of the Act. It is a guide to all proposed public and private actions in the Redevelopment Project Area.

In addition to describing the objectives of redevelopment, the Redevelopment Plan sets forth the overall program to be undertaken to accomplish these objectives. This program is the "Redevelopment Project".

This Redevelopment Plan also specifically describes the 95th Street and Stony Island Avenue Tax Increment Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area"). This area meets the eligibility requirements of the Act. The Redevelopment Project Area boundaries are described in Section 2 of the Redevelopment Plan and shown on the *Boundary Map*, Figure 1.

After its approval of the Redevelopment Plan, the City Council then formally designates the Redevelopment Project Area.

Revitalization of the Redevelopment Project Area is a large and complex undertaking, and it presents challenges and opportunities commensurable to its scale. The success of this effort will depend to a large extent on the cooperation between the private sector and agencies of local government. Planning and development efforts to date have not been capable of stimulating this comprehensive and coordinated public and private effort. In addition, the Redevelopment Project Area as a whole has not been subject to growth and development by private enterprise. The adoption of this Redevelopment Plan will make possible the implementation of a logical program to stimulate redevelopment in the Redevelopment Project Area-- an area which is not anticipated to develop without the adoption of this Redevelopment Plan. Through public investment, the area will become a stable environment to attract properly scaled new private investment to set the stage for the rebuilding of the area with private capital.

Successful implementation of the Redevelopment Plan and Project requires that the City of Chicago take full advantage of the real estate tax increments attributed to the Redevelopment Project as provided for in accordance with the Act. The Redevelopment Project Area would not reasonably be developed without the use of such incremental revenues. Incremental revenues will be exclusively utilized for the development of the Redevelopment Project Area.

REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

Boundaries of the Redevelopment Project area are shown on Exhibit 1, *Boundary Map*. The legal description of the Redevelopment Project Area is as follows:

THAT PART OF THE SOUTHEAST 1/4 OF SECTION 2, SOUTHWEST 1/4 OF SECTION 1, NORTHWEST 1/4 OF SECTION 12, AND NORTHEAST 1/4 OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT 220.00 FEET NORTH OF THE SOUTH LINE AND 499.81 FEET WEST OF THE EAST LINE OF SAID SOUTHEAST 1/4 OF SECTION 2;

THENCE EAST, PARALLEL WITH SOUTH LINE OF SAID SOUTHEAST 1/4, 499.81 FEET TO THE EAST LINE OF SAID SOUTHEAST 1/4;

THENCE EAST, PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST 1/4 OF SECTION 1, 578.54 FEET;

THENCE NORTH, PARALLEL WITH THE WEST LINE OF SAID SOUTHWEST 1/4 OF SECTION 1, 33.00 FEET TO A LINE 253.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST 1/4 OF SECTION 1;

THENCE EAST, PARALLEL WITH THE SOUTH LINE OF SAID SOUTHWEST 1/4, 3385.99 FEET TO THE WEST LINE OF S. PAXTON AVENUE;

THENCE SOUTH, ALONG THE WEST LINE OF S. PAXTON AVENUE 303.00 FEET TO THE SOUTH LINE OF E. 95TH STREET;

THENCE WEST, ALONG THE SOUTH LINE OF E. 95TH STREET, 2374.55 FEET TO A BEND IN SAID SOUTH LINE OF E. 95TH STREET;

THENCE WEST, ALONG THE SOUTH LINE OF E. 95TH STREET, 503.01 FEET TO A LINE PERPENDICULAR TO A LINE 50 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHWEST 1/4 OF SECTION 12, AT A POINT WHERE SAID PARALLEL LINE INTERSECTS A LINE 1,200 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY OF CHICAGO AND WESTERN INDIANA RAILROAD COMPANY;

THENCE SOUTH, ALONG SAID PERPENDICULAR LINE, 966.05 FEET TO ITS INTERSECTION WITH A LINE 662.50 FEET NORTHEASTERLY OF AND PARALLEL WITH NORTHEASTERLY LINE OF SAID ORIGINAL 66 FOOT RIGHT OF WAY;

THENCE SOUTHEASTERLY, ALONG SAID LINE 662.50 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY, 397.52 FEET TO SOUTHEASTERLY LINE OF LAND CONVEYED BY DOCUMENT 24 881 682;

THENCE NORTHEASTERLY, ALONG SAID SOUTHEASTERLY LINE OF LAND CONVEYED BY DOCUMENT 24 881 682, 537.50 FEET TO SAID LINE 1,200 FEET NORTH EASTERLY OF AND PARALLEL WITH NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY;

THENCE SOUTHEASTERLY, ALONG SAID LINE 1200 FEET NORTHEASTERLY OF AND PARALLEL WITH NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY 1,877.24 FEET TO THE NORTH LINE OF E. 99TH STREET;

THENCE NORTHWESTERLY 1,692.20 FEET TO A POINT IN A LINE 59.00 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY;

THENCE NORTHWESTERLY, ALONG SAID LINE 59.00 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY, 254.35 FEET TO A LINE 373.23 FEET SOUTHEASTERLY OF THE SOUTHWESTERLY EXTENSION OF THE SOUTHEASTERLY LINE OF LAND CONVEYED BY DOCUMENT 24 881 682;

THENCE NORTHEASTERLY, ALONG LINE 373.23 FEET SOUTHEASTERLY OF AND PARALLEL WITH SAID SOUTHWESTERLY EXTENSION, 40.00 FEET, TO A LINE 99.00 FEET NORTHEASTERLY OF AND PARALLEL WITH NORTHEASTERLY LINE OF ORIGINAL 66 FOOT RIGHT OF WAY;

THENCE NORTHWESTERLY, ALONG SAID LINE 99.00 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF 66.00 FOOT RIGHT OF WAY 1,550.00 FEET;

THENCE SOUTHWESTERLY, ALONG A LINE PERPENDICULAR TO SAID NORTHEASTERLY LINE OF ORIGINAL 66.00 FOOT RIGHT OF WAY, 35.00 FEET;

THENCE NORTHWESTERLY, ALONG A LINE 64.00 FEET NORTHEASTERLY OF AND PARALLEL WITH THE NORTHEASTERLY LINE OF ORIGINAL 66.00 FOOT RIGHT OF WAY, 72.64 FEET;

THENCE NORTHWESTERLY, 415.26 FEET TO A POINT ON THE WEST LINE OF S. STONY ISLAND, SAID POINT BEING 295.00 FEET SOUTH OF THE NORTH LINE AND 100.00 FEET WEST OF THE EAST LINE OF SAID NORTHEAST 1/4 OF SECTION 11;

THENCE WEST 14.03 FEET;

THENCE NORTHWEST, 113.42 FEET TO A POINT 175.15 FEET WEST OF THE EAST LINE OF SAID NORTHEAST 1/4;

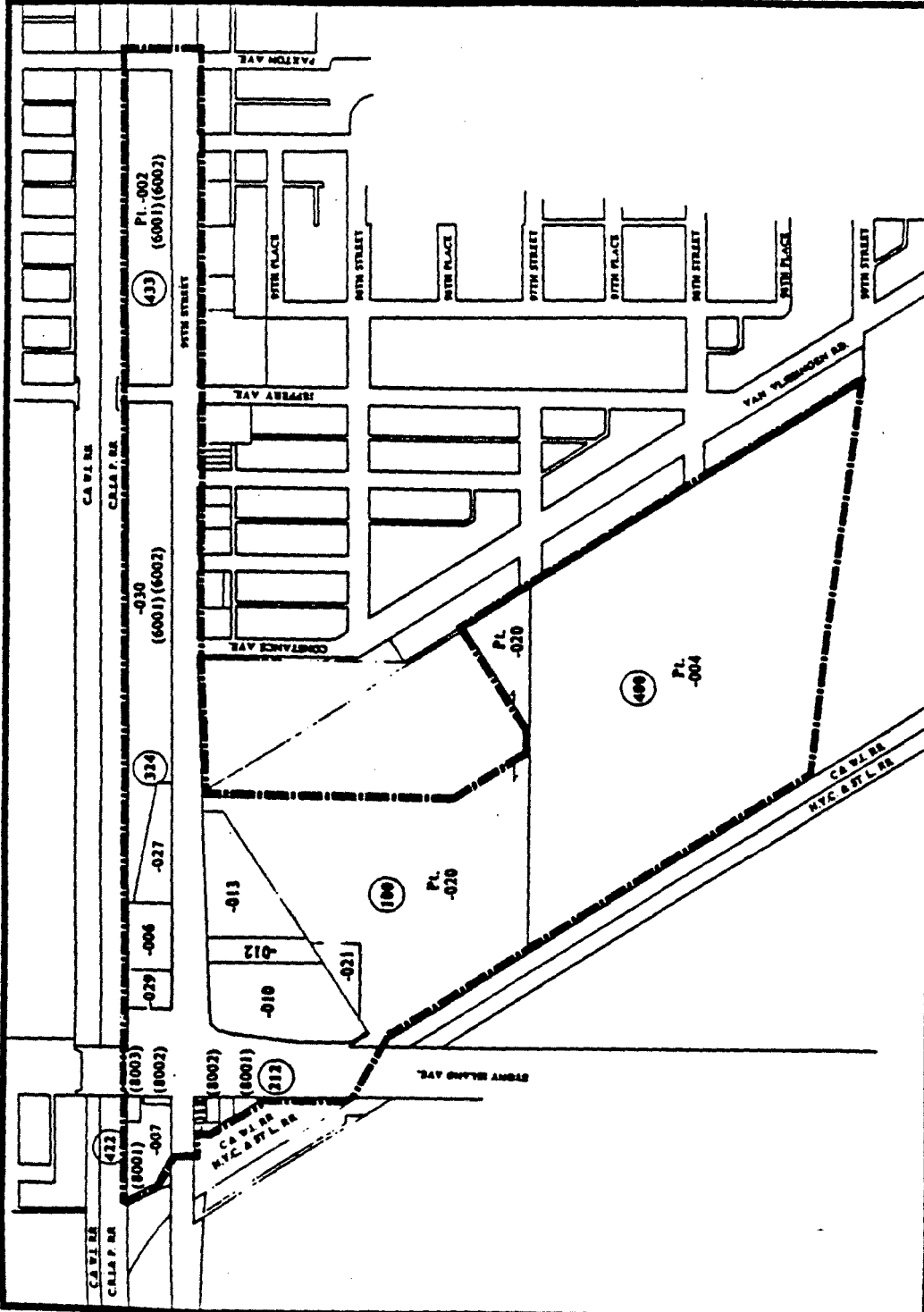
THENCE NORTHWEST, ALONG AN ARC CONVEX TO THE NORTHEAST HAVING RADIUS OF 1,210.53 FEET, 113.42 FEET;

THENCE NORTH, ALONG A LINE PERPENDICULAR TO THE SOUTH LINE OF E. 95TH STREET 63.84 FEET TO A POINT ON THE SOUTH LINE OF E. 95TH STREET, SAID POINT BEING 50.00 FEET SOUTH OF THE NORTH LINE AND 235.50 FEET WEST OF THE EAST LINE OF SAID NORTHEAST 1/4;

THENCE NORTHWEST 164.96 FEET TO A POINT ON THE NORTH LINE OF E. 95TH STREET, SAID POINT BEING 50.00 FEET NORTH OF THE SOUTH LINE AND 366.00 FEET WEST OF THE EAST LINE OF SAID SOUTHEAST 1/4 OF SECTION 2;

THENCE NORTHWEST, 97.74 FEET TO A POINT 98.28 FEET NORTH OF THE SOUTH LINE OF SAID SOUTHEAST 1/4;

THENCE NORTHWEST, 132.22 FEET, MORE OR LESS, TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.



Project Boundary
 Block Number
 Parcel Number

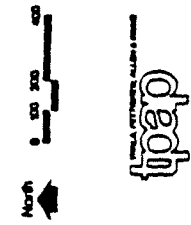


Exhibit 1
 Boundary Map
**95TH AND STONY
 TIF REDEVELOPMENT PROJECT**
 Chicago, Illinois

REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area, as it is in the entire City. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire City through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems of urban growth and development. The joint effort between the City and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and objectives of the Redevelopment Project Area. A latter section of this Redevelopment Plan identifies the more specific programs (the Redevelopment Project) which the City plans to undertake in achieving the redevelopment goals and objectives which have been identified.

General Goals

- Improve the quality of life in Chicago by eliminating the influences as well as the manifestations of, physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Revitalize the Redevelopment Project Area to establish it as a major community center that serves the southeast area of the City.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the City, and preserve or enhance the value of properties to remain adjacent to the Area.

Redevelopment Objectives

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a blighted area. Section 4 of this document, *Blighting Existing in the Redevelopment Project Area*, describes the conditions of decline.
- Strengthen the economic well-being of the Redevelopment Project Area and the City by increasing business activity, taxable values, and job opportunities.
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development.
- Encourage a high-quality appearance of buildings, rights-of-way, and open spaces, and encourages high standards of design.

- Provide sites for needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.

Development and Design Objectives

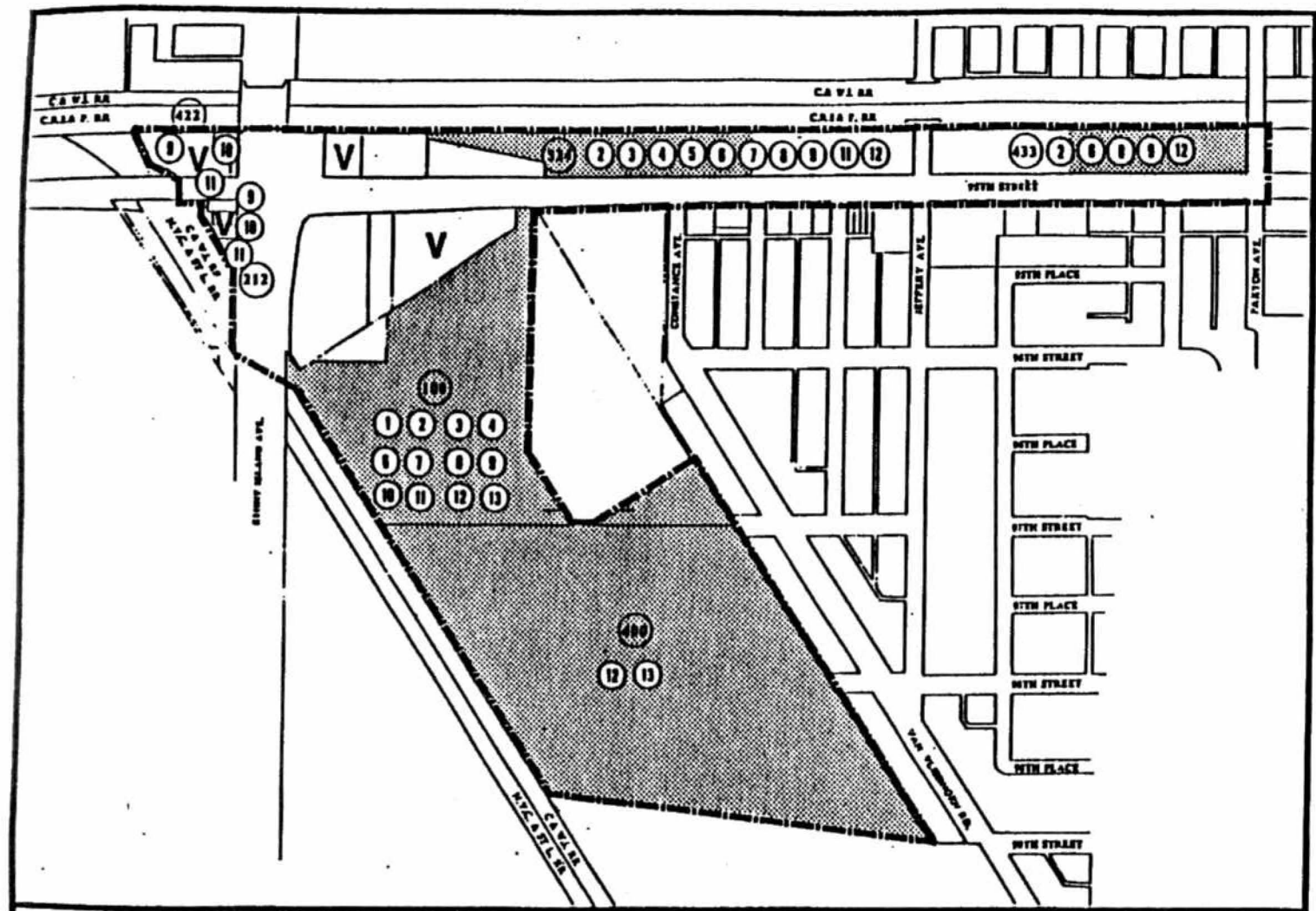
- Establish a pattern of land-use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- Provide safe and efficient vehicular access to the project area from major arterial routes, from neighborhoods and communities throughout the region.
- Ensure safe and adequate vehicular and pedestrian circulation patterns and capacity in the project area.
- Encourage coordinated development of parcels and structures in order to achieve efficient building design; multipurpose use of sites; unified off-street parking, trucking and service facilities; and internal pedestrian connections.

BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

As set forth the in the "Act," "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by, (1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; or deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or (2) the area immediately prior to becoming vacant qualified as a blighted improved area, or (3) the area consists of an unused quarry or unused quarries, or (4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or (5) the area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least five years, or (6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or (7) the area is not less than 50 or more than 100 acres and 75 percent of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

Based upon surveys, inspections and analyses of the area, the Redevelopment Project Area which encompasses an area of approximately 76 acres, qualifies as a "blighted area" as defined by the Act. Specifically:

- The area encompasses two areas of unused railroad rights-of-way totaling 54.65 acres which is approximately 71.9 percent of the Redevelopment Project Area.
- Improved non-railroad rights-of-way areas are characterized by the presence of a combination of five or more of the blighting factors as listed in the Act.
- Vacant parcels are characterized by the presence of two or more of the blighting factors as listed in the Act.
- The blighting factors present are reasonably distributed throughout the area.
- All blocks within the area show the presence of blighting factors.



Blight Factors by Block

Improved Area Factors

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Excessive Vacancies
5. Excessive Land Coverage
6. Deleterious Land-Use/ Layout
7. Depreciation of Physical Maintenance
8. Lack of Community Plannin

Vacant Area Factors








-  Unused Railroad R-O-W
- V** Vacant Parcels
- 9. Obsolete Platting
- 10. Diversity of Ownership
- 11. Deterioration of Site Improvements in Adjacent Areas
- 12. Area Consists of Unused Railyards, Tracks, or R-O-W
- 13. Area Subject to Flooding

Exhibit 2
Summary of Blighting Factors

**95TH AND STONY
TIF REDEVELOPMENT PROJECT**

Chicago, Illinois

 Project Boundary
 North
 0 100 200 400
 Block Number
 Parcel Number
 tipap

- The area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The Redevelopment Project area includes all or portions of five blocks as defined for real estate tax assessment purposes and illustrated in Exhibit 2, Summary of Blighting Factors. Unused railroad rights-of-way cover portions of Blocks 100, 400, 324 and 433 contained within the Redevelopment Project area. The unused railroad rights-of-way encompasses 54.65 acres which is approximately 86.9 percent of the net land area (not including street rights-of-way) contained within the Redevelopment Project area.

The non-railroad rights-of-way areas encompass approximately 17.25 acres, of which 14.61 acres or 84.69 percent is improved with buildings or site improvements. The following blighting factors are present in these areas.

1. **Dilapidation**
Dilapidation as a factor is present to a limited extent. This factor is present in the Courtesy Home Center property where three of the accessory storage buildings are in substandard (dilapidated) condition.
2. **Obsolescence**
Obsolescence as a factor is present to a major extent. Conditions contributing to this factor include obsolete platting resulting in the presence of parcels of irregular shape and size for development purposes, and obsolete, single purpose buildings.
3. **Deterioration**
Deterioration as a factor is present to a major extent. Deteriorating conditions include off-street parking and site surface areas, street pavement, curbs and sidewalks and three secondary structures, and to a limited degree in one large building.
4. **Excessive Vacancies**
Excessive Vacancies as a factor is present to a major extent in the irregularly shaped parcel on the south side of 95th Street, and within Blocks 422 and 212 on the southwest and northwest quadrants of the 95th Street and Stony Island intersection.
5. **Excessive Land Coverage**
Excessive land coverage as a factor is present on the north side of 95th Street where the existing industrial building occupies close to 60 percent of the site resulting in inadequate provision for set-backs, parking, access, loading and service.
6. **Deleterious Land-Use or Layout**
Deleterious land-use or layout as a factor is present to a major extent. Conditions contributing to this factor include the irregular and varied sizes of parcels, improper layout of buildings, and the existence of railroad embankment areas.
7. **Depreciation of Physical Maintenance**
This factor exists to a major extent and includes vacant properties, parking areas, site conditions, streets, curbs and sidewalks.

8. Lack of Community Planning

Lack of community planning is present to a major extent throughout the entire area. Conditions contributing to this factor include lack of consistent subdivision design standards resulting in parcels of limited or irregular size for development in accordance with current day needs and standards, and lack of reasonable development standards for building setbacks, off street parking and loading.

Currently vacant sites, including the unused railroad rights-of-way, are characterized by obsolete platting, diversity of ownership, and are located adjacent to deteriorating site improvements. Moreover, the large vacant, unused railroad right-of-way south of 95th Street contains a "Wetlands" area with swamp like conditions and standing water.

The above findings area based upon surveys and analyses conducted by qualified members of the firm of Trkla, Pettigrew, Allen & Payne. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the City.
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites;
8. Analysis of building floor area and site coverage;
9. Review of previously prepared plans, studies and data; and
10. Analysis of real estate assessment data.

95TH STREET AND STONY ISLAND AVENUE REDEVELOPMENT PROJECT

Redevelopment Plan and Project Objectives

The City proposes to achieve its redevelopment goals and objectives for the 95th Street and Stony Island Avenue Redevelopment Project through public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

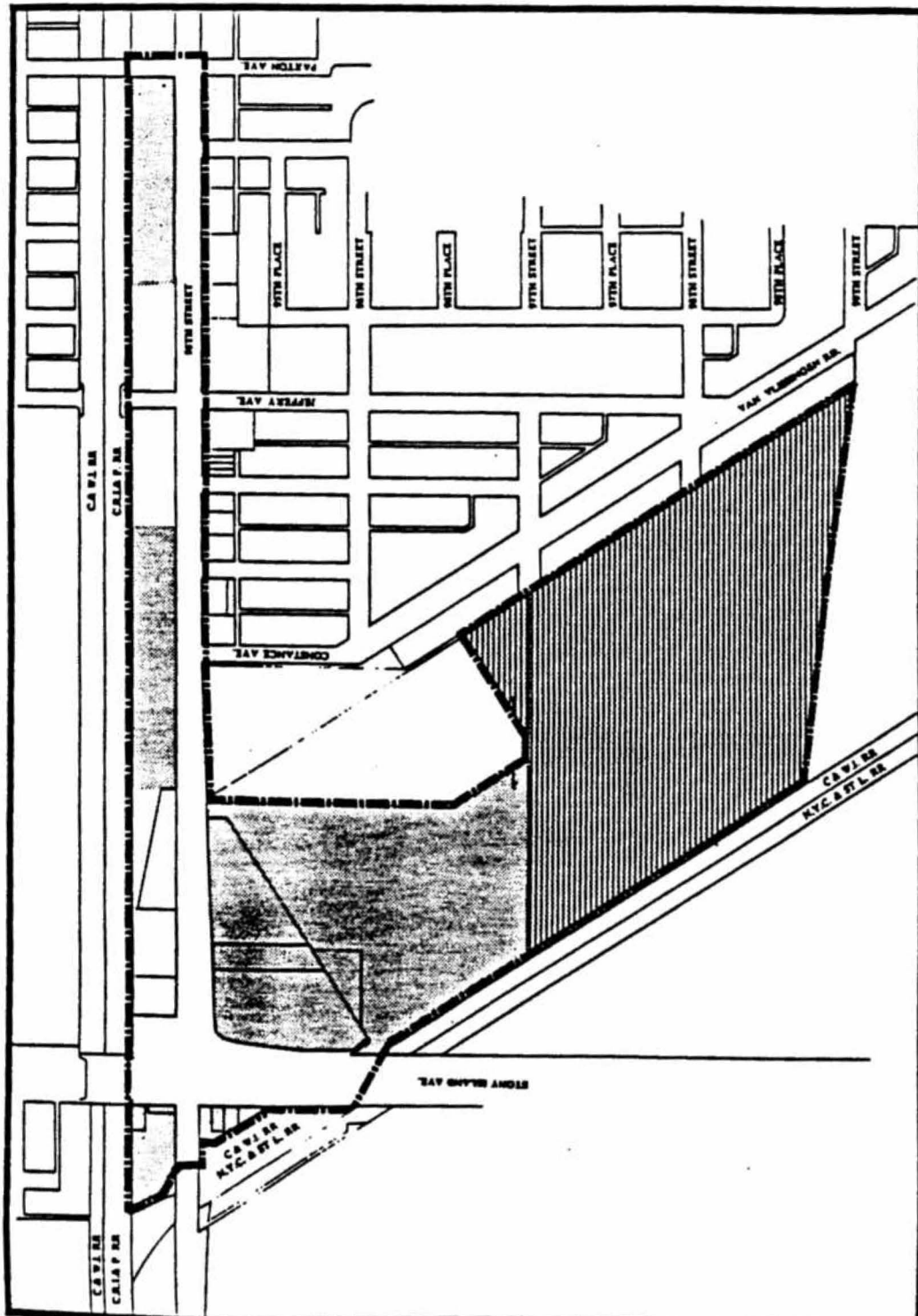
1. Assembling sites for redevelopment through appropriate land assemblage techniques, including: (a) acquiring and removing deteriorated and/or obsolete buildings and buildings so situated as to interfere with replatting of the land into parcels suitable for redevelopment in accordance with this Redevelopment Plan; (b) vacating, where necessary, existing public rights-of-way and making them a part of one or more redevelopment sites; and c) assisting relocation of businesses where necessary to achieve objectives of the Redevelopment Plan.
2. Providing for the conservation and preservation of basically sound buildings.
3. Providing public improvements and facilities which may include: (a) parking facilities, (b) new utilities and utility adjustments, (c) surface right-of-way improvements, (d) pedestrian walkways; (e) landscape buffer improvements, and (f) restorations of wetland areas.
4. Entering into redevelopment agreements for the construction of private improvements in accordance with this Redevelopment Plan.




Redevelopment Activities

1. Assemblage of Sites

To achieve the renewal of the Redevelopment Project Area, property identified in *Development Program*, Exhibit 3, attached hereto and made a part hereof, may be acquired by purchase, exchange or long-term lease by the City of Chicago and cleared of all improvements and either (a) sold or leased for private redevelopment, or (b) sold, leased or dedicated for construction of public improvements or recreational facilities. The City may determine that to meet the objectives of this Redevelopment Plan, properties in the Redevelopment Project Area not scheduled for acquisition may be acquired, and properties shown as scheduled for acquisition may be exempted from acquisition, without amendment to this plan.

Clearance and demolition activities will, to the greatest extent possible, be timed to coincide with redevelopment activities so that tracts of land do not remain vacant for extended periods and so that the adverse effects of clearance activities may be minimized. Clearance and demolition activities will include demolition of buildings, breaking-up and removal of old foundations, excavation and removal of soil and other materials to create suitable sites for new development and to provide for storm drainage.



-  New Development With Land Assembly
-  Existing Development
-  Existing and Relocated Wetlands

North 

0 100 200 400

Intersecting Project Boundary



Exhibit 3
Development Program

95TH AND STONY TIF REDEVELOPMENT PROJECT

Chicago, Illinois

2. Relocation

Active businesses that are displaced by the acquisition of property will be relocated and may be provided with assistance payments, comparable and suitable relocation space, and advisory services.

As an incidental but necessary part of the redevelopment process, the City may devote property which it has acquired to temporary uses until such property is scheduled for disposition and redevelopment.

3. Provision of Public Improvements and Facilities

Adequate public improvements and facilities will be provided to service the entire Redevelopment Project Area. Public improvements and facilities may include, but are not limited to:

- a. Adjustments and modifications to sewer and water lines as may be necessary to facilitate and serve redevelopment in accordance with the objectives and provisions of this Redevelopment Plan.
- b. The vacation, removal, resurfacing, widening, reconstruction and other improvements of streets, and other public rights-of-way.
- c. Repair and/or construction of pedestrian walkway improvements and beautification improvements.
- d. Construction of open space and landscape buffer improvements.
- e. Construction of retaining walls.
- f. Preservation and/or restoration of designated "wetland" areas.

In the event the City determines that construction of certain improvements is not financially feasible, the City may reduce the scope of the proposed improvements.

4. Redevelopment Agreements

Land assemblage which may be by purchase, exchange or long-term lease shall be conducted for (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Terms of conveyance shall be incorporated in appropriate disposition agreements which may contain more specific controls than those stated in this Redevelopment Plan.

GENERAL LAND-USE PLAN

This Redevelopment Plan and the proposed projects described herein conform to the land-use development policies for the municipality as a whole as currently provided by the Comprehensive Plan of Chicago, and the Development Area Plan for southeast Chicago.

The *Land-Use Plan*, Exhibit 4, attached hereto and made a part hereof, identifies land-uses and public rights-of-way to be in effect upon adoption of this Plan. The major land-use categories included within the Redevelopment Project Area are Business-Planned Development, Commercial, Industrial, and Open Space.

All major thoroughfares and street rights-of-way are shown on the *Land-Use Plan* map. Their locations are subject to minor modification.

The Land-Use Plan as designated in Exhibit 4, provides a guide for future land-use improvements and developments within the Project Area. It identifies which lands should be used for commercial, and industrial land uses. It describes interrelationships between land-use areas, and the types of projects and improvements desirable in each area.

Recommendations for specific land-use areas are presented below.

● Business-Planned Development

The Business-Planned Development Area is intended to serve as a location for a community-related general merchandise and convenience retail center to cater to the greater southeast Chicago area. Permitted uses include:

1. General and specialty retail uses which cater to the residents of the southeast Chicago area, including men's, women's and children's fashion and casual shops; shoe stores; jewelry stores; gift shops; greeting card shops; toy stores; electronic and video shops; appliance, television, and record shops, toy stores, and other similar and compatible general and specialty retail uses.
2. Convenience retail uses which cater to the daily convenience needs of employees, visitors, and residents in the southeast Chicago area, including such uses as photographic and reproduction shops; computer services; travel services; newspaper, candy, tobacco and ice cream shops; notions and sundries shops; and other similar and compatible convenience retail uses.
3. Super-market food stores, delicatessens, bakeries, and other similar and compatible retail food uses.
4. Restaurants and eating and drinking establishments.
5. Offices and financial institutions.
6. Off-street parking.
7. Private and public open spaces.
8. Similar and compatible uses.

● Commercial

The northwest, northeast and southwest corners of 95th Street and Stony Island Avenue are proposed for small-scale commercial use consistent with the limited size of the development parcels. One or all of the development parcels may be improved as attractively landscaped open space.

● Industrial

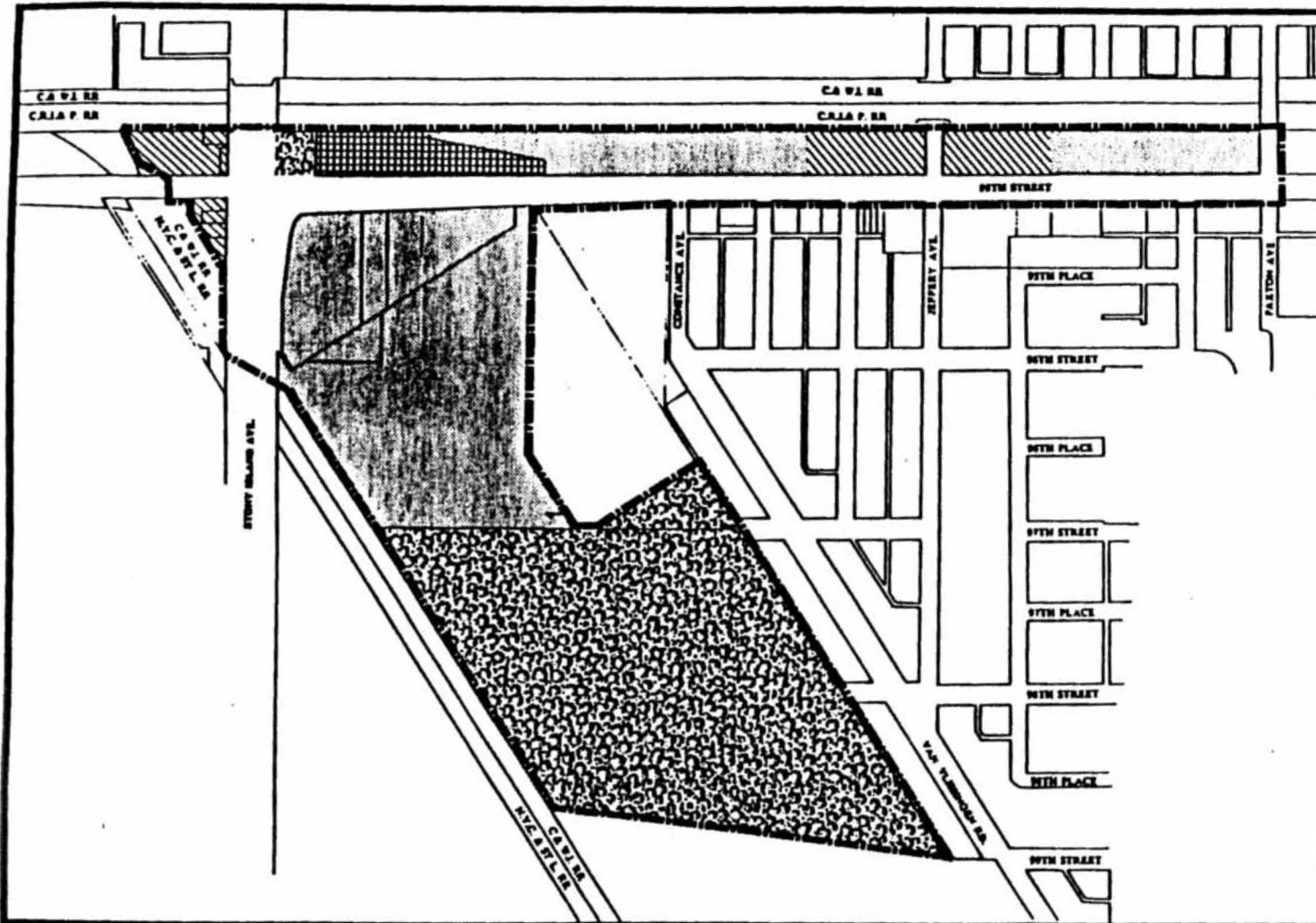
The existing industrial use on the north side of 95th Street should be maintained. Permitted uses for this site are those specified for the M1-1 district in the Chicago Zoning Ordinance. In the event that industrial use of the building is discontinued in the future, the building and/or site should be used for either industrial or commercial use that is compatible with adjacent and nearby development.

- Open Space
All or portions of the southern portion of the Redevelopment Project Area will be retained and improved as open space. Designated Wetland Areas located within this area will be retained or expanded as may be required.

Design and Development Objectives

It is intended that the Project Area be improved and developed as an economically viable and aesthetically pleasing environment. The following design and development objectives should be used to guide all improvements and new development within the Project Area.

- All new development should complement existing surrounding uses in terms of size, scale, intensity and appearance.
- The massing and interrelationship of new buildings and open space areas should help create a distinct and attractive visual identity for specific development districts and for the overall Project Area.
- All new development should be characterized by high-quality building construction and site design.
- Attractive and well-landscaped frontages should be provided along all streets.
- Safe and efficient vehicular circulation systems should be provided which enable adequate access to, movement within, and connections between, development areas.
- An adequate supply of conveniently located short-term patron and long-term employee parking spaces should be provided within all development areas; consolidation and joint-use of parking areas should be encouraged where possible.
- All parking areas should be paved, striped, lighted, well maintained, and be designed to allow for proper drainage.
- Adequate screening and buffering should be provided around all new parking areas.
- Off-street loading and service facilities should be consolidated, where possible, and should be screened and buffered from adjacent development areas and public streets.
- An overall, comprehensive pedestrian circulation system should be provided which facilitates pedestrian movement between buildings, parking and building destinations.
- Adequate screening and buffering should be provided between different land-use areas, particularly between residential and non-residential development areas.
- An overall system of signage should be provided which will establish visual continuity and promote a positive overall image for the Project Area.




-  Business-Planned Development
-  Industrial
-  Commercial
-  Open Space

Exhibit 4
Lead Use Plan

95TH AND STONY TIF REDEVELOPMENT PROJECT

Chicago, Illinois

Project Boundary  0 100 200 400

TPAP
TERRACON CONSULTING

ESTIMATED REDEVELOPMENT PROJECT COSTS

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Redevelopment Project. Such costs may include, without limitation, the following:

1. Costs of studies and surveys, plans and specifications, and professional service costs including but not limited to architectural, engineering, legal, marketing, financial, planning and special services;
2. Property assembly costs, 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;
3. Relocation costs to the extent that the City determines that relocation costs shall be paid or that the City is required to make payment of relocation costs by Federal or State law;
4. Costs of rehabilitation, construction, repair or remodeling of existing buildings and fixtures;
5. Costs of the construction of public works or improvements;
6. Financing costs, 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 obligation issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 18 months thereafter and including reasonable reserves related thereto; and
7. All or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the Redevelopment Plan and Project, to the extent the municipality, by written agreement, accepts and approves such costs.
8. Relocation costs to the extent that the City determines that relocation costs shall be paid or that the City is required to make payment of relocation costs by federal or state law.
9. Payment in lieu of taxes.
10. Cost of job training, advanced vocational education or career education, etc., incurred by one or more taxing districts in accordance with specified conditions.
11. Eligible cost incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project in accordance with specified conditions.

Estimated costs are shown in Table 1. To the extent that municipal obligations have been issued to pay for such Redevelopment Project costs in anticipation of the adoption of tax increment financing, the City shall be reimbursed for such redevelopment costs. The total

redevelopment project costs are intended to provide an upper limit on expenditures. Within this limit, adjustments may be made in line items without amendment of this Redevelopment Plan.

Table 1
ESTIMATED REDEVELOPMENT PROJECT COSTS

Program Action/Improvement

Acquisition, Relocation and Demolition	\$5,845,000
Site Work (Including soil removal and replacement)	4,325,000
Public Improvements (Including street and sidewalk improvements, utility adjustments, wetland relocation, traffic signal, lighting and landscaping)	2,462,500
Architect and Engineer Fees	72,000
Issuance Costs* (Including TIF appraisal, capitalized interest, discount points, debt service reserve, administrative expense)	<u>2,500,000</u>
TOTAL COST	\$15,204,500

*Issuance costs include ordinary, reasonable and accustomed charges and out-of-pocket disbursements associated with the issuance of obligations.

SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

The Act provides a means for municipalities to finance public redevelopment costs with incremental real estate tax revenues. Incremental real estate tax revenue ("tax increment revenue") is derived from the increase in the current equalized assessed valuation ("EAV") of real property within the TIF redevelopment area over and above the certified initial EAV (the "initial value") of the real property. Any increase in EAV is then multiplied by the current tax rate which results in tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

To finance redevelopment costs a municipality may issue obligations secured by the anticipated tax increment revenue generated within the TIF redevelopment area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge. To further secure the issuance of obligations a municipality may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

A municipality's own ad valorem tax arising from levies on taxable real property must be included in the determination of incremental revenue. If the municipality does not extend such a tax, it shall annually deposit in the municipality's Special Tax Increment Fund an amount equal to 10% of the total contributions to the fund from all other taxing districts in that year. This payment shall be in lieu of a contribution of ad valorem taxes on real property. If no such payment is made, any redevelopment project area of the municipality shall be dissolved.

ISSUANCE OF OBLIGATIONS

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Redevelopment Project Area, such ultimate retirement date occurring in the year 2012. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal of and interest on all obligations issued by the City pursuant to the Redevelopment Plan and the Act shall not exceed the amounts available, or projected to be available, from tax increment revenues and from such bond sinking funds or other sources of funds (including ad valorem taxes) as may be provided by ordinance. Obligations may be of a parity or senior/junior lien natures. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

Revenues shall be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds and redevelopment project costs, and, to the extent that real property tax increment is not used for such purposes, shall be declared surplus and shall then become available for distribution annually to taxing districts in the Redevelopment Project Area in the manner provided by the Act.

MOST RECENT EQUALIZED ASSESSED VALUATION OF PROPERTIES IN THE REDEVELOPMENT PROJECT AREA

Table 2 lists the most recent (1987) equalized assessed valuations of properties in the Redevelopment Project Area. The total estimated equalized assessed valuation for the Redevelopment Project Area is \$1,964,709. This amount is subject to final verification and certification by the County Clerk of Cook County, Illinois. This amount includes the entire value of parcel 25-12-400-004 which will undergo subdivision upon filing the adopted plan with the County, resulting in a different value.

**Table 2
SUMMARY OF 1987 EQUALIZED ASSESSED VALUATIONS**

Permanent Index Number	Equalized Assessed Valuation
25-01-324-006	\$360,000
-027	235,436
-029	21,224
-030	*
25-01-433-002-6001	RR.
-002-6002	*
25-02-422-007-8001	*
-007-8002	*
-007-8003	*
25-11-212-018-8001	Exempt
-018-8002	1,352
25-12-100-010	756,816
-012	55,972
-013	70,579
-020	RR.
-021	18,265
25-12-400-004**	<u>445,065</u>
TOTAL	1,964,709

*Not listed on tax rolls.

**This entire parcel is not within the proposed redevelopment project area; however, the entire value of 25-12-400-004 is shown. This parcel will undergo subdivision upon the filing of the adopted Redevelopment Plan with the County. The result of this subdivision will produce a different PIN number and value for this property.

ANTICIPATED EQUALIZED ASSESSED VALUATION

By the year 1991, when it is estimated that all the anticipated private development will be completed and fully assessed, the estimated equalized assessed valuation of real property within the Redevelopment Project Area is estimated at approximately \$13,340,000. By the year 1994, the equalized assessed value of real property within the Redevelopment Project is estimated at approximately \$14,650,000. These estimates are based on several key assumptions, including: 1) Redevelopment for the uses specified in this Redevelopment Plan will occur in a timely manner; 2) the market value of the recommended commercial developments will increase following completion of the redevelopment activities described in the Redevelopment Project and Plan; 3) the most recent State Multiplier of 1.8916 as applied to 1987 assessed values will remain unchanged; and 4) for the duration of the project the tax rate for the Redevelopment Area will remain unchanged from the 1987 level of 9.681% for tax code 70002.

PHASING AND SCHEDULING OF REDEVELOPMENT PROJECT

A phased implementation strategy will be utilized to achieve a timely and orderly redevelopment of the project area.

It is anticipated that City expenditures for redevelopment project cost will be carefully staged on a reasonable and proportional basis to coincide with expenditures in redevelopment by private developers.

The Redevelopment Project is anticipated to be complete at the end of 1990.

PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN AND PROJECT

This 95th Street and Stony Island Avenue Tax Increment Redevelopment Project and Plan may be amended pursuant to the provisions of the Act.

AFFIRMANTIVE ACTION PLAN

In implementing this Redevelopment Plan the City of Chicago is committed to fair employment practices and will follow its affirmative action plan.