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**2012 Annual Report**  
**47<sup>th</sup>/State**  
**Redevelopment Project Area**

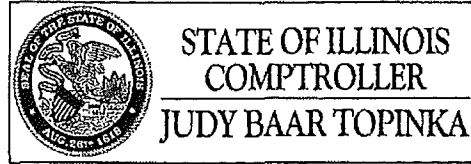


**Pursuant to 65 ILCS 5/11-74.4-5(d)**

***JUNE 30, 2013***

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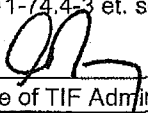
FY 2012  
ANNUAL TAX INCREMENT FINANCE  
REPORT



Name of Municipality: Chicago Reporting Fiscal Year: 2012  
 County: Cook Fiscal Year End: 12/31/2012  
 Unit Code: 016/620/30

**TIF Administrator Contact Information**

First Name: Andrew J. Last Name: Mooney  
 Address: City Hall 121 N. LaSalle Title: Administrator  
 Telephone: (312) 744-0025 City: Chicago, IL Zip: 60602  
 Mobile: n/a E-mail: TIFReports@cityofchicago.org  
 Mobile: \_\_\_\_\_ Best way to  Email \_\_\_\_\_ Phone \_\_\_\_\_  
 Provider: n/a contact \_\_\_\_\_ Mobile \_\_\_\_\_ Mail \_\_\_\_\_

I attest to the best of my knowledge, this report of the redevelopment project areas in:  
City of Chicago  
 is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]  
  
June 28, 2013  
 Written signature of TIF Administrator \_\_\_\_\_ Date \_\_\_\_\_

**Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)\*)**

**FILL OUT ONE FOR EACH TIF DISTRICT**

Name of Redevelopment Project Area.	Date Designated	Date Terminated
105th/Vincennes	10/3/2001	12/31/2025
111th Street/Kedzie Avenue Business District	9/29/1999	9/29/2022
119th and Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
126th and Torrence	12/21/1994	12/21/2017
134th and Avenue K	3/12/2008	12/31/2032
24th/Michigan	7/21/1999	7/21/2022
26th and King Drive	1/11/2006	12/31/2030
35th and Wallace	12/15/1999	12/31/2023
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
40th/State	3/10/2004	12/31/2012
43rd/Cottage Grove	7/8/1998	12/31/2022
45th/Western Industrial Park Conservation Area	3/27/2002	12/31/2026
47th/Ashland	3/27/2002	12/31/2026
47th/Halsted	5/29/2002	12/31/2026
47th/King Drive	3/27/2002	12/31/2026
47th/State	7/21/2004	12/31/2028
49th Street/St. Lawrence Avenue	1/10/1996	12/31/2020
51st/ Archer	5/17/2000	12/31/2024
51st/Lake Park	11/15/2012	12/31/2036
53rd Street	1/10/2001	12/31/2025

\*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Name of Municipality: Chicago  
 County: Cook  
 Unit Code: 016/620/30

Reporting Fiscal Year: 2012  
 Fiscal Year End: 12 / 31 / 2012

60th and Western	5/9/1996	5/9/2019
63rd/Ashland	3/29/2006	12/31/2030
63rd/Pulaski	5/17/2000	12/31/2024
67th/Cicero	10/2/2002	12/31/2026
67th/Wentworth	5/04/2011	12/31/2035
69th/Ashland	11/3/2004	12/31/2028
71st and Stony Island	10/7/1998	10/7/2021
72nd and Cicero	11/17/1993	12/31/2012
73rd and Kedzie	11/17/1993	12/31/2012
73rd/University	9/13/2006	12/31/2030
79th and Cicero	6/8/2005	12/31/2029
79th Street Corridor	7/8/1998	7/8/2021
79th Street/Southwest Highway	10/3/2001	12/31/2025
79th/Vincennes	9/27/2007	12/31/2031
83rd/Stewart	3/31/2004	12/31/2028
87th/Cottage Grove	11/13/2002	12/31/2026
89th and State	4/1/1998	4/1/2021
95th and Western	7/13/1995	7/13/2018
95th Street and Stony Island	5/16/1990	12/31/2014
Addison Corridor North	6/4/1997	6/4/2020
Addison South	5/9/2007	12/31/2031
Archer Courts	5/12/1999	12/31/2023
Archer/ Central	5/17/2000	12/31/2024
Archer/Western	2/11/2009	12/31/2033
Armitage/Pulaski	6/13/2007	12/31/2031
Austin/Commercial	9/27/2007	12/31/2031
Avalon Park/South Shore	7/31/2002	12/31/2026
Avondale	7/29/2009	12/31/2033
Belmont/ Central	1/12/2000	12/31/2024
Belmont/Cicero	1/12/2000	12/31/2024
Bronzeville	11/4/1998	12/31/2022
Bryn Mawr/Broadway	12/11/1996	12/11/2019
Calumet Avenue/Cermak Road	7/29/1998	7/29/2021
Calumet River	3/10/2010	12/31/2034
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/ Kingsbury	4/12/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago Lakeside Development – Phase 1 (USX)	5/12/2010	12/31/2034
Cicero/Archer	5/17/2000	12/31/2024
Clark Street and Ridge Avenue	9/29/1999	9/29/2022
Clark/Montrose	7/7/1999	7/7/2022
Commercial Avenue	11/13/2002	12/31/2026

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Reporting Fiscal Year: 2012  
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Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/ Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Division/North Branch	3/15/1991	12/31/2012
Division-Hooker	7/10/1996	12/31/2012
Drexel Boulevard	7/10/2002	12/31/2026
Eastman/North Branch	10/7/1993	12/31/2012
Edgewater/ Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2013
Englewood Neighborhood	6/27/2001	12/31/2025
Ewing Avenue	3/10/2010	12/31/2034
Forty-first Street and Dr. Martin Luther King, Jr. Drive	7/13/1994	12/31/2018
Fullerton/ Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	7/7/2022
Goose Island	7/10/1996	7/10/2019
Greater Southwest Industrial Corridor (East)	3/10/1999	12/31/2023
Greater Southwest Industrial Corridor (West)	4/12/2000	12/31/2024
Harlem Industrial Park Conservation Area	3/14/2007	12/31/2031
Harrison/Central	7/26/2006	12/31/2030
Hollywood/Sheridan	11/7/2007	12/31/2031
Homan/Grand Trunk	12/15/1993	12/31/2012
Homan-Arthington	2/5/1998	2/5/2021
Howard-Paulina	10/14/1988	12/31/2012
Humboldt Park Commercial	6/27/2001	12/31/2025
Irving Park/Elston	5/13/2009	12/31/2033
Irving/Cicero	6/10/1996	12/31/2020
Jefferson Park Business District	9/9/1998	9/9/2021
Jefferson/ Roosevelt	8/30/2000	12/31/2024
Kennedy/Kimball	3/12/2008	12/31/2032
Kinzie Industrial Corridor	6/10/1998	6/10/2021
Kostner Avenue	11/5/2008	12/31/2032
Lake Calumet Area Industrial	12/13/2000	12/31/2024
Lakefront	3/27/2002	12/31/2026
Lakeside/Clarendon	7/21/2004	12/31/2012
LaSalle Central	11/15/2006	12/31/2030
Lawrence/ Kedzie	2/16/2000	12/31/2024
Lawrence/Broadway	6/27/2001	12/31/2025
Lawrence/Pulaski	2/27/2002	12/31/2026
Lincoln Avenue	11/3/1999	12/31/2023
Lincoln-Belmont-Ashland	11/2/1994	12/31/2018
Little Village East	4/22/2009	12/31/2033
Little Village Industrial Corridor	6/13/2007	12/31/2031

Name of Municipality: Chicago  
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Reporting Fiscal Year: 2012  
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Madden/Wells	11/6/2002	12/31/2026
Madison/Austin Corridor	9/29/1999	12/31/2023
Michigan/Cermak	9/13/1989	12/31/2013
Midway Industrial Corridor	2/16/2000	12/31/2024
Midwest	5/17/2000	12/31/2024
Montclare	8/30/2000	12/31/2024
Montrose/Clarendon	6/30/2010	12/31/2034
Near North	7/30/1997	7/30/2020
Near South	11/28/1990	12/31/2014
Near West	3/23/1989	12/31/2013
North Branch (North)	7/2/1997	12/31/2021
North Branch (South)	2/5/1998	2/5/2021
North Pullman	6/30/2009	12/31/2033
North-Cicero	7/30/1997	7/30/2020
Northwest Industrial Corridor	12/2/1998	12/2/2021
Ogden/Pulaski	4/9/2008	12/31/2032
Ohio/Wabash	6/7/2000	12/31/2024
Pershing/King	9/5/2007	12/31/2031
Peterson/ Cicero	2/16/2000	12/31/2024
Peterson/ Pulaski	2/16/2000	12/31/2024
Pilsen Industrial Corridor	6/10/1998	12/31/2022
Portage Park	9/9/1998	9/9/2021
Pratt/Ridge Industrial Park Conservation Area	6/23/2004	12/31/2028
Pulaski Corridor	6/9/1999	6/9/2022
Randolph and Wells	6/9/2010	12/31/2034
Ravenswood Corridor	3/9/2005	12/31/2029
Read-Dunning	1/11/1991	12/31/2015
River South	7/30/1997	7/30/2020
River West	1/10/2001	12/31/2025
Roosevelt/Canal	3/19/1997	12/31/2021
Roosevelt/Cicero	2/5/1998	2/5/2021
Roosevelt/Racine	11/4/1998	12/31/2022
Roosevelt/Union	5/12/1999	5/12/2022
Roosevelt-Homan	12/5/1990	12/31/2014
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary Drainage and Ship Canal	7/24/1991	12/31/2015
South Chicago	4/12/2000	12/31/2024
South Works Industrial	11/3/1999	12/31/2023
Stevenson/Brighton	4/11/2007	12/31/2031
Stockyards Annex	12/11/1996	12/31/2020
Stockyards Industrial Commercial	3/9/1989	12/31/2013
Stockyards Southeast Quadrant Industrial	2/26/1992	2/26/2015
Stony Island Avenue Commercial and Burnside Industrial Corridors	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030



**SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]**

<b>Name of Redevelopment Project Area:</b> 47th/State Redevelopment Project Area
<b>Primary Use of Redevelopment Project Area*:</b> Combined/Mixed
<b>If "Combination/Mixed" List Component Types:</b> Industrial/Commercial/Residential
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b> Tax Increment Allocation Redevelopment Act <u>  X  </u> Industrial Jobs Recovery Law <u>      </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment labeled Attachment A</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO Certification labeled Attachment B</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>		X
A list of all intergovernmental agreements in effect in FY 2012, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	X	

\* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))**  
**Provide an analysis of the special tax allocation fund.**

Fund Balance at Beginning of Reporting Period \$ 6,290,817

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	1,731,818	\$ 10,908,984	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	16,080		0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers in from Municipal Sources (Porting in)			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

\*must be completed where 'Reporting Year' is populated

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period** 1,747,898

**Cumulative Total Revenues/Cash Receipts** \$ 10,908,984 100%

**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)** 672,783

**Transfers out to Municipal Sources (Porting out)** -

**Distribution of Surplus** 746,000

**Total Expenditures/Disbursements** 1,418,783

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS** 329,115

**FUND BALANCE, END OF REPORTING PERIOD\*** \$ 6,619,932

\* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

\* Except as set forth in the next sentence, each amount reported on the rows below, if any, is cumulative from the inception of the respective Project Area. Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either of the following: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the availability of records only from January 1, 1997 forward.









**Section 3.2 B**

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.\*

Name	Service	Amount
City Staff Costs <sup>1</sup>	Administration	\$32,070
51st St. Business Association	Professional Service	\$10,622
Bigane Paving Co.	Public Improvement	\$609,124
Electrical Resource Management	Public Improvement	\$15,876

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

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

**SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))  
 Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period  
 (65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

**FUND BALANCE, END OF REPORTING PERIOD** \$ 6,619,932

	Amount of Original Issuance	Amount Restricted
<b>1. Description of Debt Obligations</b>		
Restricted for debt service	\$ -	\$ -

**Total Amount Restricted for Obligations** \$ - \$ -

<b>2. Description of Project Costs to be Paid</b>		
Restricted for future redevelopment project costs		\$ 6,619,932

**Total Amount Restricted for Project Costs** \$ 6,619,932

**TOTAL AMOUNT RESTRICTED** \$ 6,619,932

**SURPLUS\*/(DEFICIT)** \$ -

\*NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts.

**SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]**

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

  X   No property was acquired by the Municipality Within the Redevelopment Project Area

If **NO** projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided: \_\_\_\_\_  
 If Projects **WERE** undertaken by the Municipality Within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below. 2

**SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES**

See "General Notes" Below.

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
<b>TOTAL:</b>			
Private Investment Undertaken	\$ 13,101,130	\$ -	\$ 1,000,000
Public Investment Undertaken	\$ 725,000	\$ 166,667	\$ 500,000
Ratio of Private/Public Investment	18 6/85		2

<b>Project 1:</b>			
<b>TRC Senior Village</b>		Project Completed	
Private Investment Undertaken	\$ 13,101,130	\$ -	\$ -
Public Investment Undertaken	\$ 725,000	\$ -	\$ -
Ratio of Private/Public Investment	18 6/85		0

<b>Project 2:</b>			
<b>Small Business Improvement Fund (SBIF) **</b>		Project is Ongoing ***	
Private Investment Undertaken (See Instructions)			\$ 1,000,000
Public Investment Undertaken		\$ 166,667	\$ 500,000
Ratio of Private/Public Investment	0		2

\*\* 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 or to the ultimate grantee as each ultimate grantee's work is approved under the program.

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

**General Notes**

(a) 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.

(b) Each amount reported here under Public Investment Undertaken, Total Estimated to Complete Project, is the maximum amount of payments financed by tax increment revenues that could be made pursuant to the corresponding Project's operating documents, but not including interest that may later be payable on developer notes, and may not necessarily reflect actual expenditures, if any, as reported in Section 3 herein. The total public investment amount ultimately made under each Project will depend upon the future occurrence of various conditions, including interest that may be payable on developer notes as set forth in the Project's operating documents.

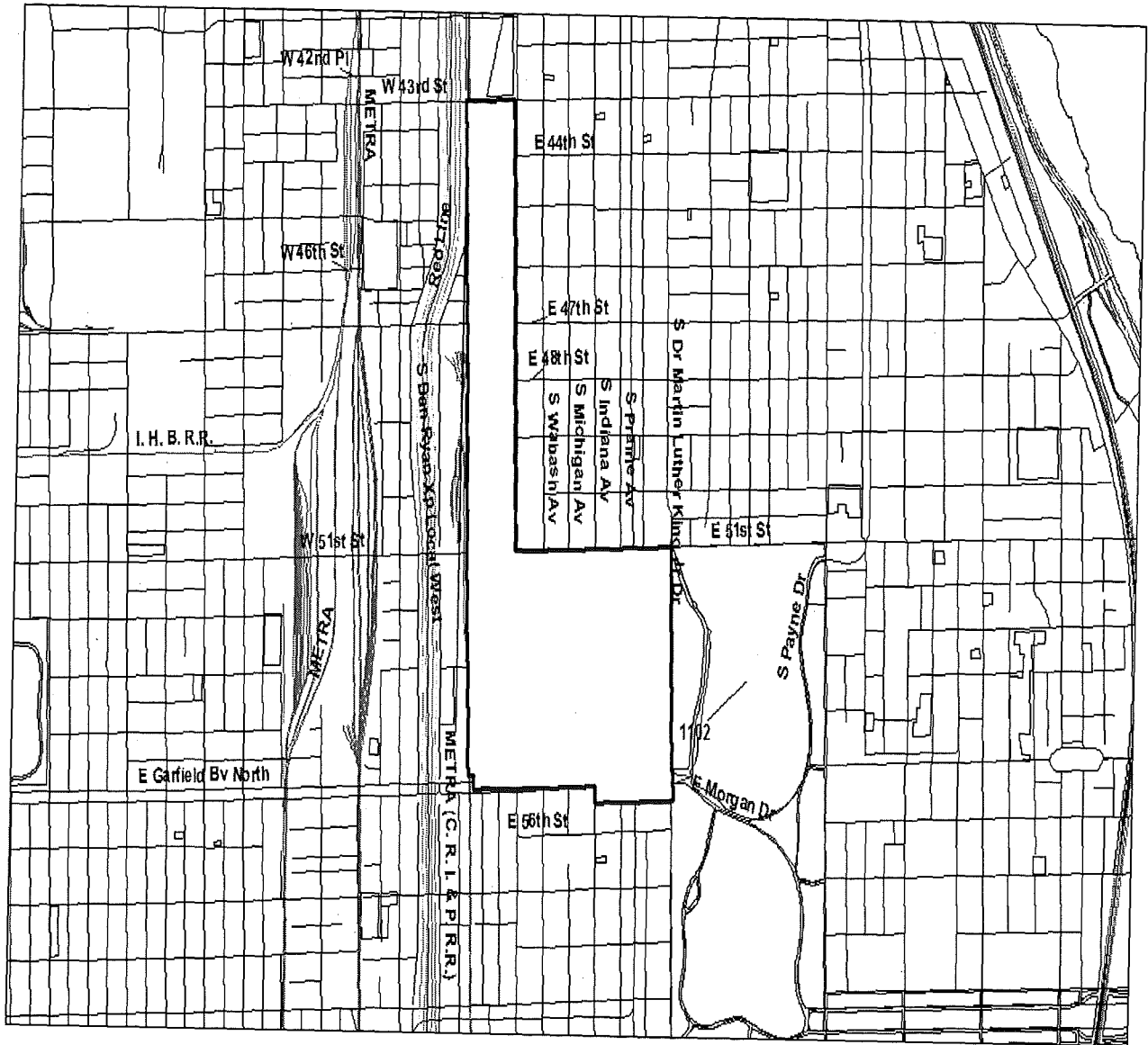
(c) Each amount reported here under Public Investment Undertaken, 11/1/1999 to Date, is cumulative from the Date of execution of the corresponding Project to the end of the reporting year, and may include interest amounts paid to finance the Public Investment amount. Projects undertaken prior to 11/1/1999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

(d) Intergovernmental agreements, if any, are reported on Attachment M hereto.





# 47<sup>th</sup>/State Redevelopment Project Area 2012 Annual Report



STATE OF ILLINOIS)

) SS

**Attachment B**

COUNTY OF COOK )

CERTIFICATION

TO:

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

Barbara Byrd-Bennett  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

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

Herman Brewer  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

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

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

Michael P. Kelly, General Superintendent &  
CEO  
Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611

I, Rahm Emanuel, in connection with the annual report (the "Report") of information required by Section 11-74.4-5(d) of the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-1 et seq., (the "Act") with regard to the 47th /State Redevelopment Project Area (the "Redevelopment Project Area"), do hereby certify as follows:

**Attachment B**

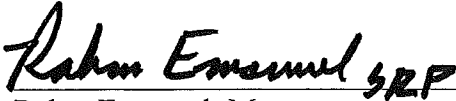
1. I am the duly qualified and acting Mayor of the City of Chicago, Illinois (the "City") and, as such, I am the City's Chief Executive Officer. This Certification is being given by me in such capacity.

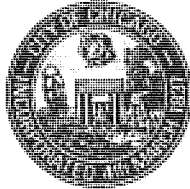
2. During the preceding fiscal year of the City, being January 1 through December 31, 2012, the City complied, in all material respects, with the requirements of the Act, as applicable from time to time, regarding the Redevelopment Project Area.

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 28th day of June, 2013.

  
\_\_\_\_\_  
Rahm Emanuel, Mayor  
City of Chicago, Illinois



June 28, 2013

DEPARTMENT OF LAW

Attachment C

CITY OF CHICAGO

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

Barbara Byrd-Bennett  
Chief Executive Officer  
Chicago Board of Education  
125 South Clark Street, 5th Floor  
Chicago, Illinois 60603

James R. Dempsey  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
226 West Jackson Boulevard, Room 1125  
Chicago, Illinois 60606

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

Herman Brewer  
Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

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

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

Michael P. Kelly, General Superintendent  
& CEO  
Chicago Park District  
541 North Fairbanks  
Chicago, Illinois 60611

Re: 47th /State  
Redevelopment Project Area (the "Redevelopment Project  
Area")

Dear Addressees:

I am the Corporation Counsel of the City of Chicago, Illinois (the "City") and, in such capacity, I am the head of the City's Law Department. 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.

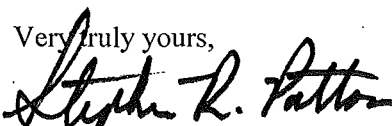
June 28, 2013

Attorneys, past and present, in the Law Department of the City and 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 Housing and Economic Development, Department of Finance and Office of Budget and Management (collectively, the "City Departments"), 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,  
  
Stephen R. Patton  
Corporation Counsel

**SCHEDULE 1**

(Exception Schedule)

No Exceptions

Note the following Exceptions:

**ATTACHMENT D**

**Activities Statement**

Projects that were implemented during the preceding fiscal year are set forth below:

<b><u>Name of Project</u></b>
Small Business Improvement Fund

4/24/2012

REPORTS OF COMMITTEES

24129

*Exhibit "G".*  
(To Franchise Renewal Agreement With  
RCN Cable TV Of Chicago, Inc.)

*Video On Demand.*

The CAC and City agree to follow the standardized procedures all commercial systems use for uploading VOD content to the Grantee's system. The CAC and City are responsible for providing all Metadata information when uploading the VOD content and that the content will be provided in an MPEG 2 transcoding.

The Metadata information will, if available, include, but is not limited to:

- The asset title
- Description
- Director and actors
- Show run time
- Rating
- Expiration date of the asset

Grantee will provide an interface to enter each asset in a user-friendly manner.

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THIRTY-FOURTH AMENDING AGREEMENT TO ADMINISTRATIVE SERVICES  
AGREEMENT WITH SOMERCOR 504, INC. AND MODIFICATION OF SMALL  
BUSINESS IMPROVEMENT FUND PROGRAM RULES.

[SO2012-640]

The Committee on Finance submitted the following report:

CHICAGO, April 24, 2012.

*To the President and Members of the City Council:*

Your Committee on Finance, having had under consideration a substitute ordinance authorizing an amendment to the Small Business Improvement Fund Program, having had



the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed substitute ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the Committee.

Respectfully submitted,

(Signed) EDWARD M. BURKE,  
*Chairman.*

On motion of Alderman Burke, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

*Yeas* -- Aldermen Moreno, Fioretti, Dowell, Burns, Hairston, Sawyer, Jackson, Harris, Beale, Pope, Balcer, Cárdenas, Quinn, Burke, Foulkes, Thomas, Lane, O'Shea, Cochran, Muñoz, Zalewski, Solis, Burnett, Ervin, Graham, Reboyras, Suarez, Waguespack, Mell, Austin, Colón, Sposato, Mitts, Cullerton, Laurino, P. O'Connor, M. O'Connor, Reilly, Smith, Tunney, Arena, Cappleman, Pawar, Osterman, Moore, Silverstein -- 46.

*Nays* -- None.

Alderman Pope moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago ("City"), a home rule unit of government under Section 6(a), Article VII of the 1970 Constitution of the State of Illinois, is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

WHEREAS, By an ordinance adopted by the City Council of the City ("City Council") on July 21, 1999, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* ("*Journal*") for said date at pages 8307 to 8344, inclusive (the "Program Ordinance"), the City implemented a redevelopment program known as the Small Business Improvement Fund program (the "Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas of the City; and

WHEREAS, By ordinances adopted by the City Council, the first on November 8, 2000, and published in the *Journal* for said date at pages 43877 to 43930, inclusive (the "First Amending Ordinance") and the most recent adopted on November 2, 2011 and published in the *Journal* for said date at pages 9614 to 9626 (the "Thirty-Third Amending Ordinance", collectively with

the Program Ordinance, the First Amending Ordinance and the other amending ordinances, the "SBIF Ordinance"), the City has restated and refined the Program and extended its reach to additional redevelopment project areas of the City; and

WHEREAS, The City Council now desires to extend the Program to three additional redevelopment project areas of the City ("New TIF/SBIF Areas"), which are identified on Exhibit A attached hereto and incorporated herein, and that are not already reached under the SBIF Ordinance; and

WHEREAS, The SBIF Ordinance authorized the Department of Housing and Economic Development ("HED") to fund the Program in the Bryn Mawr/Broadway Redevelopment Project Area ("Bryn Mawr/Broadway Area") in an amount not to exceed \$750,000; and

WHEREAS, As part of the Program, the \$750,000 funding previously authorized for the Bryn Mawr/Broadway Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Bryn Mawr/Broadway Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Jefferson Park Business District Redevelopment Project Area ("Jefferson Park Area") in an amount not to exceed \$1,500,000; and

WHEREAS, As part of the Program, the \$1,500,000 funding previously authorized for the Jefferson Park Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Jefferson Park Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Lincoln Avenue Redevelopment Project Area ("Lincoln Avenue Area") in an amount not to exceed \$1,000,000; and

WHEREAS, As part of the Program, the \$1,000,000 funding previously authorized for the Lincoln Avenue Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Lincoln Avenue Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Northwest Industrial Corridor Redevelopment Project Area ("Northwest Industrial Area") in an amount not to exceed \$2,500,000; and

WHEREAS, As part of the Program, the \$2,500,000 funding previously authorized for the Northwest Industrial Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Northwest Industrial Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Pulaski Corridor Redevelopment Project Area ("Pulaski Corridor Area") in an amount not to exceed \$1,000,000; and

WHEREAS, As part of the Program, the \$1,000,000 funding previously authorized for the Pulaski Corridor Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Pulaski Corridor Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Ravenswood Corridor Redevelopment Project Area ("Ravenswood Corridor Area") in an amount not to exceed \$1,000,000; and

WHEREAS, As part of the Program, the \$1,000,000 funding previously authorized for the Ravenswood Corridor Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Ravenswood Corridor Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Lawrence/Pulaski Redevelopment Project Area ("Lawrence/Pulaski Area") in an amount not to exceed \$750,000; and

WHEREAS, As part of the Program, the \$750,000 funding previously authorized for the Lawrence/Pulaski Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Lawrence/Pulaski Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Belmont/Central Redevelopment Project Area ("Belmont/Central Area") in an amount not to exceed \$1,200,000; and

WHEREAS, As part of the Program, the \$1,200,000 funding previously authorized for the Belmont/Central Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Belmont/Central Area; and

WHEREAS, The SBIF Ordinance authorized HED to fund the Program in the Humboldt Park Commercial Redevelopment Project Area ("Humboldt Park Area") in an amount not to exceed \$1,750,000; and

WHEREAS, As part of the Program, the \$1,750,000 funding previously authorized for the Humboldt Park Area was substantially expended for the improvement of commercial and industrial facilities of small businesses in the Humboldt Park Area; and

WHEREAS, By an ordinance adopted by the City Council of the City on December 2, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 79524 to 79546, inclusive ("Twenty-Third Amending Ordinance"), HED restated the SBIF Program Rules; and

WHEREAS, The City Council now desires to make additional changes to the Program Rules, as last amended by the Twenty-Third Amending Ordinance, and to the Program data required to be reported by SomerCor (as defined below); and

WHEREAS, The City Council, under the SBIF Ordinance, authorized HED to enter into an agreement with SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), and HED entered into such agreement on March 12, 2001, which agreement continues in full force and effect, as amended from time to time, pursuant to which SomerCor performs certain administrative services for the Program, and HED now desires to further amend that agreement by entering into a thirty-fourth amending agreement (the "Thirty-Fourth Amending Agreement") with SomerCor to (a) extend the Program into the New TIF/SBIF Areas;

(b) increase the amount of grant funds available in the Bryn Mawr/Broadway Area by an additional \$500,000 to a total, collective amount of \$1,250,000; (c) increase the amount of grant funds available in the Jefferson Park Area by an additional \$500,000 to a total, collective amount of \$2,000,000; (d) increase the amount of grant funds available in the Lincoln Avenue Area by an additional \$500,000 to a total, collective amount of \$1,500,000; (e) increase the amount of grant funds available in the Northwest Industrial Area by an additional \$500,000 to a total, collective amount of \$3,000,000; (f) increase the amount of grant funds available in the Pulaski Corridor Area by an additional \$500,000 to a total, collective amount of \$1,500,000; (g) increase the amount of grant funds available in the Ravenswood Corridor Area by an additional \$500,000 to a total, collective amount of \$1,500,000; (h) increase the amount of grant funds available in the Lawrence/Pulaski Area by an additional \$500,000 to a total, collective amount of \$1,250,000; (i) increase the amount of grant funds available in the Belmont/Central Area by an additional \$500,000 to a total, collective amount of \$1,700,000; (j) increase the amount of grant funds available in the Humboldt Park Area by an additional \$1,000,000 to a total, collective amount of \$2,750,000; (k) amend the Program Rules; (l) amend the data reporting requirements of SomerCor; and (m) authorize SomerCor to continue providing the same administrative services for the Program, which Thirty-Fourth Amending Agreement is set forth in more detail on Exhibit B, attached hereto and incorporated herein; and

WHEREAS, The City's obligation to provide funds under the Thirty-Fourth Amending Agreement may be met through (i) incremental taxes from the New TIF/SBIF Areas or the relevant redevelopment project area receiving an increase in grant funds pursuant to this ordinance, as applicable; or (ii) any other funds legally available to the City for this purpose; now, therefore,

*Be It Ordained by the City Council of the City of Chicago:*

SECTION 1. The above recitals are expressly incorporated in and made a part of this ordinance as though fully set forth herein.

SECTION 2. Section 2 to the Twenty-Third Amending Ordinance is hereby amended and restated by deleting the stricken language and inserting the underscored language as follows:

Exhibit "A".

City Of Chicago  
Department Of ~~Community Housing~~  
And  
Economic Development  
Small Business Improvement Fund (SBIF)  
Program Rules.

The City of Chicago's Small Business Improvement Fund is a TIF program which will reimburse building owners or tenants, as applicable, for eligible investments which preserve

building stock, improve neighborhood appearance or economic value, and enable businesses to stay in the neighborhood, remain competitive, or even expand within the TIF District.

Funding.

- Grants only, in the form of reimbursement, to the person or legal entity who incurred the costs of the eligible improvements.
- Each Property shall be eligible to receive the Maximum Program Assistance no more than every three years. "Property" shall mean: (1) a building regardless of whether it has multiple addresses or permanent index numbers ("PINs"); and/or (2) contiguous parcels under Common Ownership, regardless of whether they have multiple addresses or PINs. A building or multiple parcels under Common Ownership shall mean having an ownership interest by the same person or legal entity of 7.5% or more.
- Applicants whose eligibility is established by the Net Worth Requirements under the Eligible Applicant requirements are entitled to funding in the following manner:
  - a. Up to seventy-five percent (75%) of eligible costs if the Applicant demonstrates a net worth less than \$2,500,000.
  - b. Up to fifty percent (50%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$2,500,000, but less than \$4,500,000.
  - c. Up to twenty-five percent (25%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$4,500,000, but less than \$6,000,000.
- Applicants whose eligibility is established by the Annual Sales Requirement under the Eligible Applicant requirements are entitled to funding in the following manner:
  - a. Up to seventy-five percent (75%) of eligible costs if the Applicant demonstrates annual sales totaling less than ~~\$1,000,000~~ \$3,000,000.
  - b. Up to fifty percent (50%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than ~~\$1,000,000~~ \$3,000,000, but less than ~~\$2,000,000~~ \$4,000,000.
  - c. Up to twenty-five percent (25%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than ~~\$2,000,000~~ \$4,000,000, but less than ~~\$3,000,000~~ \$5,000,000.
- The Maximum Program Assistance shall be (i) Less than One Hundred Fifty Thousand Dollars (\$150,000) maximum assistance per applicant industrial Property; (ii) less than One Hundred Thousand Dollars (\$100,000) maximum assistance per

- commercial Property occupied by a single owner or tenant; or (iii) less than Two Hundred Fifty Thousand Dollars (\$250,000) maximum assistance per commercial Property occupied by multiple owners or tenants, provided that no individual Applicant shall receive assistance greater than Fifty Thousand Dollars (\$50,000). Applicants may receive one or more grants up to the Maximum Program Assistance. Once an Applicant has received the Maximum Program Assistance, the Applicant shall not be eligible to reapply to the Program one for another Program grant for the same Property until three years from the date on which they it receives final payment for any immediately the preceding Program grant(s), provided they have it has met DCD's HED's guidelines and procedures regarding re-application. Priority for Program Funds will be given to Eligible Applicants that have not previously received Program Funds. Applicants who have received a Program grant for one Property shall not be excluded from applying for a Program grant for another Property.
- Applicants selected by lottery; a waiting-list will be created, if needed. Any waiting list created as the result of a City Council authorization of Program Funds shall expire upon the expenditure of such Program Funds. A new lottery shall be conducted and a new waiting list created, as needed, for every new or additional authorization by City Council of Program Funds for any TIF area. Any waiting-list created on or after \_\_\_\_\_, 2012 [Effective Date of this Ordinance] shall expire two (2) years after the date of its creation. Any applicants placed on the waiting-list shall remain on the list until the waiting-list expires, they receive a grant, withdraw from the waiting-list, or are otherwise determined to no longer be eligible under the Program to receive a grant.
- The maximum grant any Property would be eligible to receive under the Program shall be reduced dollar for dollar by (i) any Direct City Financial Assistance from any other program for the Property within (3) years before the date of the application, (ii) any Direct City Financial Assistance currently being received for such Property, or (iii) any Direct City Financial Assistance that the City has agreed to provide to such Property at any time in the future pursuant to a written contract (except for "gap" financing for the Project that is disclosed at the time the Application is first filed). "Direct City Financial Assistance" shall mean financial assistance directly provided by the City, but shall not include any funds received pursuant to a contract for goods and services, a Delegate Agency Grant Agreement, or the "TIF Works" Program.
- All applicants for commercial properties who are approved for a grant of \$25,000 or greater shall be required to make at least one exterior improvement using at least ten percent (10%) of the maximum amount of their approved grant, including but not limited to, facade repair, windows and doors, awnings, and any other exterior improvements eligible under the Program; provided that, at HED's sole discretion such requirement may be waived if the applicant can demonstrate to HED's satisfaction that no exterior improvements are needed because improvements have been recently completed or the exterior features of the building have been well-maintained.

## Eligible Applicants.

- Property owners that have an ownership interest in a commercial business, located on the property to be improved, with a maximum average annual sales of ~~Three~~ Five Million Dollars (~~\$3,000,000~~ \$5,000,000) for the past three (3) years, or a business plan for a new business showing the same level of projected maximum average annual sales for three (3) years (the "Annual Sales Requirement"). Property owners that would otherwise be evaluated for eligibility under the Annual Sales Requirement, but lease any part of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth Requirement (defined herein).
- Industrial businesses currently employing a maximum of one hundred (100) full-time equivalent employees. Property owners of industrial businesses currently employing a maximum of one hundred (100) full-time employees. Property owners that would otherwise be evaluated for eligibility under this paragraph, but lease any part of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth Requirement (defined herein).
- Property owners or ownership entities who conform to maximum net worth and liquidity requirements (total net worth no more than Six Million Dollars (\$6,000,000), and total liquidity of no more than Five Hundred Thousand Dollars (\$500,000), and who lease space to eligible commercial or industrial tenants.
- Tenants that meet the Annual Sales Requirement, have a leasehold interest in the property they would like to improve pursuant to a lease agreement with the property owner and have express prior property owner approval to make specific improvements. The property owner's eligibility will not be a requirement for the Tenant's eligibility.
- Qualified building owners who seek to attract eligible new commercial or industrial tenants to vacant space.
- Businesses which are not eligible include, but may not be limited to: fast-food chain restaurants; national chain businesses (as defined by HED); branch banks; employment agencies; currency exchanges, pay day loan stores; pawn shops; astrology, palm-reading; liquor stores, bars; adult bookstores, massage parlors; hotels or motels; track waging facilities; trailer-storage yards; and junk yards, or any uses similar to those listed.
- Religious organizations that operate an industrial or commercial business may be eligible for a Program grant provided that an authorized officer signs an affidavit stating that (a) the room or space that the SBIF funds will be used to acquire, improve or rehabilitate is not its primary place of worship; (b) SBIF funds will be used only for those portions of the acquisition, improvement or rehabilitation of the premises that are attributable to business activities described in its application; and

(c) if in the future it uses the premises for inherently religious activities it will reimburse the City for the present value of the improvements, in an amount not to exceed the grant of SBIF funds.

#### Vacant Property.

Funding for vacant properties will require a minimum sixty percent (60%) lease-up by square footage of the entire property and one hundred percent (100%) lease-up of the ground floor space with a qualified tenant, prior to funding.

#### Eligible Costs.

Any TIF-eligible improvement which permits a building owner to attract new commercial or industrial tenants, allows an eligible business owner to maintain or expand operations, or contributes to the improved appearance and viability of a property may be funded by the Program. This includes, at HED's discretion, but is not limited to, funding for the rehabilitation, remodeling, or renovation of items improvements including, but not limited to, such as the following:

- roof and facade;
- signs or awnings which are permanently affixed to the building;
- alterations or structures needed for ADA compliance (e.g., railings or ramps);
- HVAC and other mechanical systems;
- plumbing and electrical work;
- certain beautification efforts located in the public way;
- certain environmental remediation measures;
- the purchase of adjacent land parcels for purposes of expansion or parking; and
- The cost of an energy audit that recommends measures to improve the energy efficiency of a building may be included as a rehabilitation cost to the extent that:
  - (a) the building renovations undertaken pursuant to such recommendation promote energy efficiency and resource conservation (e.g., the installation of low-flow plumbing fixtures or energy-efficient HVAC systems, the use of building materials made with a high degree of recycled content or renewable or non-toxic substances); and



(b) the cost of the energy audit does not exceed 10% of the project budget.

-- permanent interior renovations, including fixtures.

The following items are not eligible for reimbursement, and therefore will not be counted toward total project cost (this is not an exhaustive list):

- new construction;
- minor repairs or improvements such as painting or cleaning;
- equipment-related expenses;
- planters surrounding or affixed to buildings;
- perimeter security fencing;
- work on the interior of residential units; and
- work, in HED's sole determination, that is not consistent with the goals of this Program or the redevelopment priorities of the relevant TIF area, including Only projects which that do not conform with the uses and goals defined in the governing Redevelopment Plan for the relevant TIF district will be accepted for funding area.

#### Energy Efficiency Requirement.

All industrial applicants shall be required to purchase products that earn the Energy Star and meet the Energy Star specifications for energy efficiency. The applicant is encouraged to visit [energystar.gov](http://energystar.gov) for complete product specifications and updated lists of qualifying products.

#### Design Requirements For Facade Work.

In order to receive funding, projects must conform to minimum design requirements. In addition, projects will be encouraged to meet design goals and guidelines. Applicants are strongly advised to consult with SomerCor on design requirements and guidelines before drawing up plans for work. Work which is potentially damaging to the building, such as use of incorrect tuckpointing materials, will not be reimbursed. Plans must be submitted to SomerCor for design approval prior to beginning construction, or the project will be automatically disqualified.

#### Compliance.

- Checks will be performed on all applicants prior to funding to insure that they are not indebted to the City and that they are in compliance with child support laws.
- Each applicant will sign an Economic Disclosure Affidavit.
- Grantees will be required to sign an affidavit certifying that they will not relocate out of the TIF district or sell the business within a three (3) year period following disbursement of funds under the Program. This will be monitored.
- In cases of SBIF reimbursement for land purchase, proof of land ownership will be required before reimbursement may be made.

#### Time Limits.

Each stage of the program has a time limit by which it must be completed. Applicants who do not complete each stage within that limit will be disqualified:

- Applicant supplies any missing information to complete their application: twenty (20) days.
- Plans, bids, and specs, are obtained, debts are cured: one hundred twenty (120) days.
- Applicant provides evidence to the satisfaction of HED within one hundred twenty (120) days following the date of the commitment letter that it has sufficient funds to complete the approved project. Such evidence may include, but is not limited to, a letter of interest or commitment from a financial institution for a loan or line of credit or financial statements that demonstrate that the applicant currently has sufficient equity to complete the project.
- Construction is completed or land is purchased: ten (10) months.

A maximum of ~~one (1)~~ two (2) extensions may be granted with City HED approval in the case of an unavoidable delay due to extraordinary circumstances only. If a second extension is granted, it shall be limited to a maximum of forty-five (45) days, unless the delay is caused by the City. In such case, HED shall have discretion to determine the appropriate length of the extension.

#### Technical Assistance.

Grantees will have access to technical assistance to aid them in selecting contractors, obtaining bids, and drawing up proper work contracts.

Minority/Women-Owned Businesses (M/WBE).

A directory of City of Chicago certified M/WBE contractors will be provided to all eligible applicants to encourage the hiring of such contractors under the program.

Effective Date Of Program Rules.

These Program Rules shall be applicable to all projects approved for funding on or after \_\_\_\_\_, 2012 [Effective Date of this Ordinance]. Projects approved prior to this date shall be governed by the version of the Program Rules applicable on the date funding was approved for such project.

SECTION 3. The Commissioner of HED (the "Commissioner") or a designee of the Commissioner are each hereby authorized to incorporate those Program Rule changes into the Program as described in Section 2 and take all actions as may be necessary to carry out and comply with the provisions of this ordinance.

SECTION 4. SomerCor is hereby authorized to administer the Program in the New TIF/SBIF Areas and the redevelopment project areas receiving an increase in grant funds pursuant to this ordinance, subject to the supervision of HED.

SECTION 5. The Commissioner of HED or a designee of the Commissioner are each hereby authorized, with the approval of the City's Corporation Counsel as to legal form, to negotiate, execute and deliver the Thirty-Fourth Amending Agreement between SomerCor and the City substantially in the form attached hereto as Exhibit B and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Thirty-Fourth Amending Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Thirty-Fourth Amending Agreement.

SECTION 6. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall control. All sections of the SBIF Ordinance in conflict with this ordinance are hereby repealed to the extent of such conflict. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

SECTION 7. This ordinance shall be effective as of the date of its passage.

Exhibits "A" and "B" referred to in this ordinance read as follows:

*Exhibit "A".*  
(To Ordinance)

*Description Of New TIF/SBIF Areas.*

The following New TIF/SBIF Areas were created pursuant to the ordinances listed below:

on May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Archer/Central Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Archer/Central Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Archer/Central Redevelopment Project Area"; and

on June 27, 2001: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Division/Homan Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Division/Homan Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Division/Homan Redevelopment Project Area"; and

on July 21, 2004: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47<sup>th</sup>/State Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47<sup>th</sup>/State Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47<sup>th</sup> State Redevelopment Project Area".

*Exhibit "B".*  
(To Ordinance)

*Thirty-Fourth Amending Agreement  
To  
Administrative Services Agreement.*

This Thirty-Fourth Amending Agreement to Administrative Services Agreement (the "Agreement") is made this \_\_\_ day of \_\_\_\_\_ 2012, by and between the City of Chicago, a municipal corporation and home rule unit of the local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Housing and Economic Development ("HED"), and SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor") whose office address is 601 South LaSalle Street, Suite 510, Chicago, Illinois 60605 and whose federal tax identification number is (omitted for printing purposes).

Whereas, The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended from time to time (the "Act"), to finance projects that eradicate blighted conditions and conservation area factors through the use of tax increment allocation financing for redevelopment projects; and

Whereas, By ordinances adopted by the City Council of the City on July 21, 1999, and November 8, 2000, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said dates at pages 8307 to 8344, inclusive, and pages 43877 -- 43930, inclusive, respectively (the "SBIF Ordinances"), the City implemented and amended a redevelopment program known as the Small Business Improvement Fund program (the "SBIF Program") to provide financing assistance pursuant to the Act for the improvement of commercial and industrial facilities of small businesses in certain redevelopment project areas ("TIF Areas") in the City; and

Whereas, The City Council, under the SBIF Ordinances, authorized HED to enter into agreements with SomerCor, and HED and SomerCor entered into one agreement on September 22, 1999 ("First SomerCor Agreement") and another agreement on March 12, 2001 ("Second SomerCor Agreement"), to administer the SBIF Programs on behalf of the City; and

Whereas, In an ordinance adopted by the City Council on October 31, 2001 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 69965 through 70047, inclusive (the "Midwest TIF Area Ordinance") the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Midwest TIF Area (the "Midwest TIF Area Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on May 1, 2002, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83769 to 83781, inclusive ("Second Amending Ordinance"), the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Portage Park, Western Avenue North, Western Avenue South, Fullerton/Milwaukee and Belmont/Central TIF Areas (the "Second Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on December 4, 2002, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 100124 to 100135, inclusive ("Third Amending Ordinance"), the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with SomerCor to enable SomerCor to provide SBIF Program administrative services in the Madison/Austin Corridor and Humboldt Park Commercial TIF Areas (the "Third Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 5, 2003, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 102793 to 102803, inclusive ("Fourth Amending Ordinance"), the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with

SomerCor to enable SomerCor to provide SBIF Program administrative services in the Northwest Industrial Corridor Redevelopment Project Area (the "Fourth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on July 9, 2003, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 3418 to 3424, inclusive ("Fifth Amending Ordinance"), the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the SBIF Program Rules (the "Fifth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 3, 2004, and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 34545 to 34554, inclusive ("Sixth Amending Ordinance"), HED extended the SBIF Program to the Lawrence/Kedzie Redevelopment Project Area of the City (the "Sixth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 14, 2005 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 54724 to 54740, inclusive ("Seventh Amending Ordinance"), HED extended the SBIF Program to the 63<sup>rd</sup>/Pulaski, Belmont/Cicero, Lawrence/Pulaski, Peterson/Pulaski, West Irving Park, Greater Southwest-West, Galewood/Armitage Industrial, Pilsen Industrial Corridor, 119<sup>th</sup> and Halsted, and Pulaski Corridor Redevelopment Project Areas of the City and increased the amount of grant funds available in the Fullerton/Milwaukee Redevelopment Project Area and the Lawrence/Kedzie Redevelopment Project Area (the "Seventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 13, 2006 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 83420 to 83440, inclusive ("Eighth Amending Ordinance"), HED extended the SBIF Program to twenty-one redevelopment project areas of the City (the "Eighth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 7, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 97661 to 97672, inclusive ("Ninth Amending Ordinance"), HED extended the SBIF Program to the 63<sup>rd</sup>/Ashland and Devon/Western Redevelopment Project Areas of the City (the "Ninth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 13, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 2395 to 2402, inclusive ("Tenth Amending Ordinance"), the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the SBIF Program Rules (the "Tenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on October 31, 2007 and published in the *Journal of the Proceedings of the City Council of the City of Chicago* for said date at pages 10929 to 10942, inclusive ("Eleventh Amending Ordinance"), HED extended

the SBIF Program to certain redevelopment project areas of the City (the "Eleventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 11, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 28833 to 28843, inclusive ("Twelfth Amending Ordinance"), HED extended the SBIF Program to the Michigan/Cermak Redevelopment Project Area of the City (the "Twelfth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 10, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 36267 to 36277, inclusive ("Thirteenth Amending Ordinance"), HED extended the SBIF Program to the Irving/Cicero Redevelopment Project Area of the City (the "Thirteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 10, 2008 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 36704 to 36711, inclusive ("Fourteenth Amending Ordinance"), the City Council authorized HED to enter into an agreement amending the Second SomerCor Agreement with SomerCor which restated the SBIF Program Rules (the "Fourteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 11, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 54738 to 54748, inclusive ("Fifteenth Amending Ordinance"), HED extended the SBIF Program to the Hollywood/Sheridan Redevelopment Project Area of the City (the "Fifteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on March 18, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 55750 to 55762, inclusive ("Sixteenth Amending Ordinance"), HED extended the SBIF Program to the Elston/Armstrong Industrial Corridor Redevelopment Project Area and 47<sup>th</sup>/Ashland Redevelopment Project Area of the City (the "Sixteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on April 22, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 57265 to 57276, inclusive ("Seventeenth Amending Ordinance"), HED extended the SBIF Program to the Lawrence/Broadway Redevelopment Project Area and Touhy/Western Redevelopment Project Area of the City (the "Seventeenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on May 13, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 60322 to 60333, inclusive ("Eighteenth Amending Ordinance"), HED extended the SBIF Program to the Austin Commercial Redevelopment Project Area of the City (the "Eighteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 3, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 63080 to 63090, inclusive ("Nineteenth Amending Ordinance"), HED increased the amount of grant funds available in the Clark Street and Ridge Avenue Redevelopment Project Area by an additional \$1,000,000 to a total, collective amount of \$1,750,000 (the "Nineteenth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 30, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 64859 to 64871, inclusive ("Twentieth Amending Ordinance"), HED extended the SBIF Program to the Midway Industrial Corridor Redevelopment Project Area and increased the amount of grant funds available in the Peterson/Pulaski Redevelopment Project Area by an additional \$1,000,000 to a total, collective amount of \$1,500,000 (the "Twentieth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on September 9, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 69297 to 69308, inclusive ("Twenty-First Amending Ordinance"), HED increased the amount of grant funds available in the 35<sup>th</sup>/Halsted Redevelopment Project Area by an additional \$500,000 to a total, collective amount of \$1,250,000 (the "Twenty-First Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 18, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 74011 to 74023, inclusive ("Twenty-Second Amending Ordinance"), HED extended the SBIF Program to the 95<sup>th</sup> Street and Stony Island Avenue, Avalon Park/South Shore, Harlem Industrial Park Conservation, and Western Avenue/Rock Island Redevelopment Project Areas of the City (the "Twenty-Second Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on December 2, 2009 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 79524 to 79546, inclusive ("Twenty-Third Amending Ordinance"), HED restated the SBIF Program Rules, extended the SBIF Program to the Avondale and Woodlawn Redevelopment Project Areas, and increased the amount of grant funds available in the Northwest Industrial Corridor Redevelopment Project Area by an additional \$1,000,000 to a total, collective amount of \$2,500,000 (the "Twenty-Third Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on January 13, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 82434 to 82446, inclusive ("Twenty-Fourth Amending Ordinance"), HED extended the SBIF Program to the Addison South Redevelopment Project Area (the "Twenty-Fourth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on February 10, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 83847 to 83861, inclusive ("Twenty-Fifth Amending Ordinance"), HED



extended the SBIF Program to the 47<sup>th</sup>/King Drive, 79<sup>th</sup> Street Corridor and Armitage/Pulaski Redevelopment Project Areas and increased the amount of grant funds available in the Madison/Austin Corridor and Western Avenue North Redevelopment Project Areas (the "Twenty-Fifth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 9, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 92472 to 92483, inclusive ("Twenty-Sixth Amending Ordinance"), HED increased the amount of grant funds available in the Hollywood/Sheridan Redevelopment Project Area by an additional \$750,000 to a total, collective amount of \$1,150,000 (the "Twenty-Sixth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on June 30, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 94477 to 94491, inclusive ("Twenty-Seventh Amending Ordinance"), HED extended the SBIF Program to the Roosevelt/Cicero, Western/Ogden and Little Village Industrial Corridor Redevelopment Project Areas and increased the amount of grant funds available in the Belmont/Central and Portage Park Redevelopment Project Areas (the "Twenty-Seventh Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on October 6, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 99933 to 99946, inclusive ("Twenty-Eighth Amending Ordinance"), HED extended the SBIF Program to the Roosevelt/Homan and Ogden/Pulaski Redevelopment Project Areas and increased the amount of grant funds available in the Devon and Western and Western Avenue/Rock Island Redevelopment Project Areas (the "Twenty-Eighth Amending Agreement"); and

Whereas, By an ordinance adopted by the City Council of the City on November 3, 2010 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 104150 to 104161, inclusive ("Twenty-Ninth Amending Ordinance"), HED increased the amount of grant funds available in the 111<sup>th</sup> Street/Kedzie Avenue Business District Redevelopment Project Area ("111<sup>th</sup>/Kedzie Area") by an additional \$750,000 to a total, collective amount of \$1,750,000; and

Whereas, By an ordinance adopted by the City Council of the City on February 9, 2011 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 111666 to 111678, inclusive ("Thirtieth Amending Ordinance"), HED extended the SBIF Program to the Read/Dunning Redevelopment Project Area and increased the amount of grant funds available in the Midwest Redevelopment Project Area by an additional \$1,000,000 to a total, collective amount of \$2,500,000; and

Whereas, By an ordinance adopted by the City Council of the City on June 8, 2011 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 200 to 213, inclusive ("Thirty-First Amending Ordinance"), HED increased the amount of grant funds available in the 35<sup>th</sup>/Halsted Redevelopment Project Area by an

additional \$500,000 to a total, collective amount of \$1,750,000; increased the amount of grant funds available in the 47<sup>th</sup>/King Drive Redevelopment Project Area by an additional \$1,000,000 to a total, collective amount of \$1,500,000; increased the amount of grant funds available in the North Branch South Redevelopment Project Area by an additional \$500,000 to a total, collective amount of \$1,000,000; and increased the amount of grant funds available in the Portage Park Redevelopment Project Area by an additional \$500,000 to a total, collective amount of \$1,660,000; and

Whereas, By an ordinance adopted by the City Council of the City on July 28, 2011 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 3789 to 3802, inclusive ("Thirty-Second Amending Ordinance"), HED extended the SBIF Program to the Ewing Avenue Redevelopment Project Area; and

Whereas, By an ordinance adopted by the City Council of the City on November 2, 2011 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages 9614 to 9626, inclusive ("Thirty-Third Amending Ordinance"), HED increased the amount of grant funds available in the Portage Park Redevelopment Project Area By an additional \$500,000 to a total, collective amount of \$2,160,000; and

Whereas, By an ordinance adopted by the City Council of the City on \_\_\_\_\_, 2012 and published in the *Journal of the Proceedings of the City Council of the City of Chicago*, for said date at pages \_\_\_\_\_ to \_\_\_\_\_ inclusive ("Thirty-Fourth Amending Ordinance"), HED amended the Program Rules for the SBIF Program, as identified on (Sub)Exhibit 1 attached hereto and incorporated herein, extended the SBIF Program to certain redevelopment project areas of the City (the "New TIF/SBIF Areas"), as identified on (Sub)Exhibit 2 attached hereto and incorporated herein, increased the amount of grant funds available in eight other redevelopment project areas, and amended the data reporting requirements of SomerCor; and

Whereas, The Thirty-Fourth Amending Ordinance authorized HED to enter into an agreement with SomerCor to continue to provide SBIF Program administrative services, and HED and SomerCor now desire to enter into such an agreement, which will amend the First SomerCor Agreement and the Second SomerCor Agreement (the "Thirty-Fourth Amending Agreement");

Now, Therefore, In consideration of the mutual promises and covenants set forth below, the parties hereto agree as follows:

*Article I.*

*Incorporation And Recitals.*

The recitals set forth above are incorporated by reference as if fully set forth herein.

*Article II.*

*Reaffirmation Of Representations, Warranties And Covenants.*

SomerCor reaffirms each and every representation, warranty and covenant made in Article III of the Second SomerCor Agreement. SomerCor reaffirms that it has insurance in force that conforms to the requirements of Section 4.8 of the Second SomerCor Agreement.

*Article III.*

*Amendments To First And Second Somercor Agreements.*

1. The First SomerCor Agreement, as amended, is further amended, as follows:

(a) References in Sections 4.2(b) and 4.3(b) to \$750,000 as the maximum amount of funds available for use in the Jefferson Park Redevelopment Project Area shall be amended to state \$2,000,000.

2. The Second SomerCor Agreement, as amended, is further amended, as follows:

(a) Substitute (Sub)Exhibit 1 regarding Program Rules with (Sub)Exhibit 1 attached to this Agreement.

(b) Section 4.49(f)(2) is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

On January 1 and July 1 of each year, or upon ~~D.P.D.'s~~ HED's request, SomerCor shall submit to the City a report in a form approved by ~~D.P.D.~~ HED and containing certain data resulting from the Program, which may include but is not limited to the following: (A) the number of jobs retained and created; (B) the number of vacant buildings occupied; (C) the number of business expansions; (D) the percentage of applications funded; (E) the number of industrial and commercial projects; (F) the number of facades improved; (G) the number of businesses assisted (including phases); (H) the amount of all grants awarded (individual as well as collective data); (I) the average amount of industrial and commercial grants; (J) the amount of private investment; (K) the number of energy efficient or "green" projects; (L) wage information for each permanent job created or retained; (M) other economic benefits in connection with the Program; and (N) such other data as may be requested by HED from time to time.

(c) add the following text at the end of (Sub)Exhibit 2 thereof:

; and

82) on May 17, 2000: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Archer/Central Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Archer/Central Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Archer/Central Redevelopment Project Area"; and

83) on June 27, 2001: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Division/Homan Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Division/Homan Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the Division/Homan Redevelopment Project Area"; and

84) on July 21, 2004: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the 47<sup>th</sup>/State Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the 47<sup>th</sup>/State Redevelopment Project Area as a Redevelopment Project Area Pursuant to the Tax Increment Allocation Redevelopment Act"; and (3) "An Ordinance of the City of Chicago, Illinois Adopting Tax Increment Allocation Financing for the 47<sup>th</sup>/State Redevelopment Project Area".

(d) add the following text at the end of (Sub)Exhibit 5 thereof:

Archer/Central	\$ 500,000
Division/Homan	\$ 500,000
47 <sup>th</sup> /State	\$ 500,000

(e) amend the text in (Sub)Exhibit 5 thereof increasing the maximum funds available for the following areas, as follows:

Bryn Mawr/Broadway	\$1,250,000
Humboldt Park Commercial	\$2,750,000
Lincoln Avenue	\$1,500,000
Northwest Industrial Corridor	\$3,000,000
Pulaski Corridor	\$1,500,000

Ravenswood Corridor	\$1,500,000
Lawrence/Pulaski	\$1,250,000
Belmont/Central	\$1,700,000

(f) substitute the following for each occurrence of "Eighty-six Million Five Hundred Sixty Thousand Dollars (\$86,560,000)" in Section 4.2 thereof:

Ninety-three Million Five Hundred Sixty Thousand Dollars (\$93,560,000).

*Article IV.*

*Obligation To Provide Documents.*

SomerCor shall execute and deliver to HED such documents as may be required by the Corporation Counsel of the City to evidence SomerCor's participation in the Program, including, but not limited to, the City's current form of Economic Disclosure Statement and an opinion of counsel in substantially the form of (Sub)Exhibit 3 attached hereto and incorporated herein.

In Witness Whereof, The City and SomerCor have executed this Agreement as of the date first set forth above.

City of Chicago

By: \_\_\_\_\_  
Commissioner, Department  
of Housing and Economic Development

SomerCor 504, Inc.

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[(Sub)Exhibit 2 referred to in this Thirty-Fourth Amending Agreement to Administrative Services Agreement with SomerCor 504, Inc. constitutes Exhibit "A" to ordinance and printed on page 24141 of this *Journal*.]

(Sub)Exhibits 1 and 3 referred to in this Thirty-Fourth Amending Agreement to Administrative Services Agreement with SomerCor 504, Inc. read as follows:

*(Sub)Exhibit 1.*

(To Thirty-Fourth Amending Agreement To Administrative Services Agreement With SomerCor 504, Inc.)

*Amended Program Rules.*

City Of Chicago  
Department Of Community Housing And Economic Development  
Small Business Improvement Fund (SBIF)  
Program Rules.

The City of Chicago's Small Business Improvement Fund is a TIF program which will reimburse building owners or tenants, as applicable, for eligible investments which preserve building stock, improve neighborhood appearance or economic value, and enable businesses to stay in the neighborhood, remain competitive, or even expand within the TIF District.

Funding.

- Grants only, in the form of reimbursement, to the person or legal entity who incurred the costs of the eligible improvements.
- Each Property shall be eligible to receive the Maximum Program Assistance no more than every three years. "Property" shall mean: (1) a building regardless of whether it has multiple addresses or permanent index numbers ("PINs"); and/or (2) contiguous parcels under Common Ownership, regardless of whether they have multiple addresses or PINs. A building or multiple parcels under Common Ownership shall mean having an ownership interest by the same person or legal entity of 7.5 percent or more.
- Applicants whose eligibility is established by the Net Worth Requirements under the Eligible Applicant requirements are entitled to funding in the following manner:

- a. up to seventy-five percent (75%) of eligible costs if the Applicant demonstrates a net worth less than \$2,500,000;
  - b. up to fifty percent (50%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$2,500,000, but less than \$4,500,000;
  - c. up to twenty-five percent (25%) of eligible costs if the Applicant demonstrates a net worth equal to or greater than \$4,500,000, but less than \$6,000,000.
- Applicants whose eligibility is established by the Annual Sales Requirement under the Eligible Applicant requirements are entitled to funding in the following manner:
- a. up to seventy-five percent (75%) of eligible costs if the Applicant demonstrates annual sales totaling less than \$3,000,000;
  - b. up to fifty percent (50%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than \$3,000,000, but less than \$4,000,000;
  - c. up to twenty-five percent (25%) of eligible costs if the Applicant demonstrates annual sales totaling equal to or greater than \$4,000,000, but less than \$5,000,000.
- The Maximum Program Assistance shall be (i) less than One Hundred Fifty Thousand Dollars (\$150,000) maximum assistance per industrial Property; (ii) less than One Hundred Thousand Dollars (\$100,000) maximum assistance per commercial Property occupied by a single owner or tenant; or (iii) less than Two Hundred Fifty Thousand Dollars (\$250,000) maximum assistance per commercial Property occupied by multiple owners or tenants, provided that no individual Applicant shall receive assistance greater than Fifty Thousand Dollars (\$50,000). Applicants may receive one or more grants up to the Maximum Program Assistance. Once an Applicant has received the Maximum Program Assistance, the Applicant shall not be eligible to reapply for another Program grant for the same Property until three years from the date on which it receives final payment for the preceding Program grant(s), provided it has met HED's guidelines and procedures regarding re-application. Applicants who have received a Program grant for one Property shall not be excluded from applying for a Program grant for another Property.
- Applicants selected by lottery; a waiting-list will be created, if needed. Any waiting list created on or after \_\_\_\_\_ 2012 [Effective Date of the Ordinance] shall expire two (2) years after the date of its creation. Any applicants placed on the waiting-list shall remain on the list until the waiting-list expires, they receive a grant, withdraw from the waiting-list, or are otherwise determined to no longer be eligible under the Program to receive a grant.

- The maximum grant any Property would be eligible to receive under the Program shall be reduced dollar for dollar by (i) any Direct City Financial Assistance from any other program for the Property within (3) years before the date of the application, (ii) any Direct City Financial Assistance currently being received for such Property, or (iii) any Direct City Financial Assistance that the City has agreed to provide to such Property at any time in the future pursuant to a written contract (except for "gap" financing for the Project that is disclosed at the time the Application is first filed). "Direct City Financial Assistance" shall mean financial assistance directly provided by the City, but shall not include any funds received pursuant to a contract for goods and services, a Delegate Agency Grant Agreement, or the "TIF Works" Program.
- All applicants for commercial properties who are approved for a grant of \$25,000 or greater shall be required to make at least one exterior improvement using at least ten percent (10%) of the maximum amount of their approved grant, including but not limited to, facade repair, windows and doors, awnings, and any other exterior improvements eligible under the Program; provided that, at HED's sole discretion such requirement may be waived if the applicant can demonstrate to HED's satisfaction that no exterior improvements are needed because improvements have been recently completed or the exterior features of the building have been well-maintained.

#### Eligible Applicants.

- Property owners that have an ownership interest in a commercial business, located on the property to be improved, with a maximum average annual sales of Five Million Dollars (\$5,000,000) for the past three (3) years, or a business plan for a new business showing the same level of projected maximum average annual sales for three (3) years (the "Annual Sales Requirement"). Property owners that would otherwise be evaluated for eligibility under the Annual Sales Requirement, but lease any part of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth Requirement (defined herein).
- Industrial businesses currently employing a maximum of one hundred (100) full-time equivalent employees. Property owners of industrial businesses currently employing a maximum of one hundred (100) full-time employees. Property owners that would otherwise be evaluated for eligibility under this paragraph, but lease any part of the property to one or more entities in which they do not have an ownership interest are to be evaluated for eligibility under the Net Worth Requirement (defined herein).
- Property owners or ownership entities who conform to maximum net worth and liquidity requirements (total net worth no more than Six Million Dollars (\$6,000,000), and total liquidity of no more than Five Hundred Thousand Dollars (\$500,000), and who lease space to eligible commercial or industrial tenants.



- Tenants that meet the Annual Sales requirement, have a leasehold interest in the property they would like to improve pursuant to a lease agreement with the property owner and have express prior property owner approval to make specific improvements. The property owner's eligibility will not be a requirement for the Tenant's eligibility.
- Qualified building owners who seek to attract eligible new commercial or industrial tenants to vacant space.
- Businesses which are not eligible include, but may not be limited to: fast-food chain restaurants; national chain businesses (as defined by HED); branch banks; employment agencies; currency exchanges, pay day loan stores; pawn shops; astrology, palm reading; liquor stores, bars; adult bookstores, massage parlors; hotels or motels; track waging facilities; trailer-storage yards; and junk yards, or any uses similar to those listed.
- Religious organizations that operate an industrial or commercial business may be eligible for a Program grant provided that an authorized officer signs an affidavit stating that the room or space that the SBIF funds will be used to acquire, improve or rehabilitate is not its primary place of worship; (b) SBIF funds will be used only for those portions of the acquisition, improvement or rehabilitation of the premises that are attributable to business activities described in its application; and (c) if in the future it uses the premises for inherently religious activities it will reimburse the City for the present value of the improvements, in an amount not to exceed the grant of SBIF funds.

#### Vacant Property.

- Funding for vacant properties will require a minimum sixty percent (60%) lease-up square footage of the entire property and one hundred percent (100%) lease-up of the ground floor space with a qualified tenant, prior to funding.

#### Eligible Costs.

Any TIF-eligible improvement which permits a building owner to attract new commercial or industrial tenants, allows an eligible business owner to maintain or expand operations, or contributes to the improved appearance and viability of a property may be funded by the Program. This includes, at HED's discretion, funding for the rehabilitation, remodeling, or renovation of improvements including, but not limited to, such as the following:

- roof and facade;
- signs or awnings which are permanently affixed to the building;

- alterations or structures needed for ADA compliance (e.g., railings or ramps);
- HVAC and other mechanical systems;
- plumbing and electrical work;
- certain beautification efforts located in the public way;
- certain environmental remediation measures;
- the purchase of adjacent land parcels for purposes of expansion or parking;
- the cost of an energy audit that recommends measures to improve the energy efficiency of a building may be included as a rehabilitation cost to the extent that:
  - (a) the building renovations undertaken pursuant to such recommendation promote energy efficiency and resource conservation (e.g., the installation of low-flow plumbing fixtures or energy-efficient HVAC systems, the use of building materials made with a high degree of recycled content or renewable or non-toxic substances); and
  - (b) the cost of the energy audit does not exceed 10 percent of the project budget.
- permanent interior renovations, including fixtures,

The following items are not eligible for reimbursement, and therefore will not be counted toward total project cost (this is not an exhaustive list):

- new construction;
- minor repairs or improvements such as painting or cleaning;
- equipment-related expenses;
- planters surrounding or affixed to buildings;
- perimeter security fencing;
- work on the interior of residential units and

- work, in HED's sole determination, that is not consistent with the goals of this Program or the redevelopment priorities of the relevant TIF area, including projects that do not conform with the uses and goals defined in the governing Redevelopment Plan for the relevant TIF area.

#### Energy Efficiency Requirement.

All industrial applicants shall be required to purchase products that earn the Energy Star and meet the Energy Star specifications for energy efficiency. The applicant is encouraged to visit [energystar.gov](http://energystar.gov) for complete product specifications and updated lists of qualifying products.

#### Design Requirement Facade Work.

In order to receive funding, projects must conform to minimum design requirements. In addition, projects will be encouraged to meet design goals and guidelines. Applicants are strongly advised to consult with SomerCor on design requirements and guidelines before drawing up plans for work. Work which is potentially damaging to the building, such as use of incorrect tuckpointing materials, will not be reimbursed. Plans must be submitted to SomerCor for design approval prior to beginning construction, or the project will be automatically disqualified.

#### Compliance.

- Checks will be performed on all applicants prior to funding to insure that they are not indebted to the City and that they are in compliance with child support laws.
- Each applicant will sign an Economic Disclosure Affidavit.
- Grantees will be required to sign an affidavit certifying that they will not relocate out of the TIF district or sell the business within a three (3) year period following disbursement of funds under the Program. This will be monitored.
- In cases of SBIF reimbursement for land purchase, proof of land ownership will be required before reimbursement may be made.

#### Time Limits.

Each stage of the program has a time limit by which it must be completed. Applicants who do not complete each stage within that limit will be disqualified:

- Applicant supplies any missing information to complete their application: twenty (20) days.
- Plans, bids, and specs, are obtained, debts are cured: one hundred twenty (120) days.
- Applicant provides evidence to the satisfaction of HED within one hundred twenty (120) days following the date of the commitment letter that it has sufficient funds to complete the approved project. Such evidence may include, but is not limited to, a letter of interest or commitment from a financial institution for a loan or line of credit or financial statements that demonstrate that the applicant currently has sufficient equity to complete the project.
- Construction is completed or land is purchased: ten (10) months.

A maximum of two (2) extensions may be granted with HED approval in the case of an unavoidable delay due to extraordinary circumstances only. If a second extension is granted, it shall be limited to a maximum of 45 days, unless the delay is caused by the City. In such case, HED shall have discretion to determine the appropriate length of the extension.

#### Technical Assistance.

Grantees will have access to technical assistance to aid them in selecting contractors, obtaining bids, and drawing up proper work contracts.

#### Minority/Women-Owned Businesses (M/WBE).

A directory of City of Chicago certified M/WBE contractors will be provided to all eligible applicants to encourage the hiring of such contractors under the program.

#### Effective Date Of Program Rules.

These Program Rules shall be applicable to all projects approved for funding on or after \_\_\_\_\_, 2012. Projects approved prior to this date shall be governed by the version of the Program Rules applicable on the date funding was approved for such project.

*(Sub)Exhibit 3.*  
(To Thirty-Fourth Amending Agreement To Administrative  
Services Agreement With SomerCor 504, Inc.)

*Form Of Counsels Opinion.*

\_\_\_\_\_, 2012

City of Chicago  
Department of Housing and Economic Development  
121 North LaSalle Street  
Chicago, Illinois 60602

RE: Amending Agreement to Administrative Services Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as counsel for SomerCor 504, Inc., an Illinois not-for-profit corporation ("SomerCor"), in connection with the execution and delivery of the Agreement by and between SomerCor and the City of Chicago, acting by and through its Department of Housing and Economic Development (the "City"). SomerCor has requested that this opinion be furnished to the City.

In so acting as counsel for SomerCor I have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of SomerCor as furnished and certified by the Secretary of State of the State of Illinois;
- (iii) the By-Laws of SomerCor, as certified by the Secretary of SomerCor as of the date hereof; and
- (iv) the Certificate of Good Standing dated \_\_\_\_\_, issued by the Office of the Secretary of State of the State of Illinois, as to the good standing of SomerCor.

In my capacity as counsel, I have also examined such other documents or instruments as I have deemed relevant for the purposes of rendering the opinions hereinafter set forth.

I have also assumed, but have no reason to question, the legal capacity, authority and the genuineness of the signatures of and due and proper execution and delivery by the respective parties other than SomerCor which has made, executed or delivered or will make, execute and deliver the agreements and documents examined by me.

I express no opinion as to (i) the laws of any state or jurisdiction other than the State of Illinois (and any political subdivisions thereof) and the United States of America; and (ii) any matters pertaining or relating to the securities laws of the United States of America, the State of Illinois or any other state.

Based upon and subject to the assumptions and qualifications herein stated, it is my opinion that:

1. SomerCor is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois, SomerCor has made all filings required by the laws of the State of Illinois in respect of its formation and continuing existence, and has all requisite authority to carry on its business and to execute and deliver, and to consummate the transactions contemplated by, the Agreement.
2. The Agreement has been duly executed and delivered on behalf of SomerCor, and constitutes a legal, valid and binding obligation of SomerCor, enforceable against SomerCor in accordance with its terms, except to the extent that enforcement of any such terms may be limited by: (a) applicable bankruptcy, reorganization, debt arrangement, insolvency or other similar laws generally affecting creditors' rights; or (b) judicial and public policy limitations upon the enforcement of certain remedies including those which a court of equity may in its discretion decline to enforce.
3. There is no action, suit or proceeding at law or in equity pending, nor to my knowledge threatened, against or affecting SomerCor, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of SomerCor to perform under the Agreement or any of its business or properties or financial or other conditions.
4. The transactions contemplated by the Agreement are governed by the laws of the State of Illinois.
5. The execution and delivery of the Agreement and the consummation of the transactions contemplated thereby will not constitute:
  - A. a violation or breach of (i) the Articles of Incorporation of SomerCor, (ii) the By-Laws of SomerCor, (iii) any provision of any contract or other instrument to which SomerCor is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on SomerCor, or
  - B. a breach of any of the provisions of, or constitute a default under, or result in the creation or imposition of any lien or encumbrance upon any of the property of SomerCor pursuant to any agreement or other instrument to which SomerCor is a party or by which SomerCor is bound.
6. No action of, or filing with, any governmental or public body is required to authorize, or is otherwise required for the validity of, the execution, delivery and performance of any of the Agreement.

This opinion is furnished for your benefit and may be relied upon by you and any such other party in connection with the Agreement, but may not be delivered to or relied upon by any other person or entity without written consent from the undersigned.

Very truly yours,

**ATTACHMENT K**

CITY OF CHICAGO, ILLINOIS  
47TH/STATE  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2012

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

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# BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

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CHICAGO, ILLINOIS 60631

AREA CODE 312 263.2700

## INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the 47th/State Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

The financial statements present only the 47th/State Redevelopment Project and do not purport to, and do not present fairly the financial position of the City of Chicago, Illinois, as of December 31, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 47th/State Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The Schedule of Expenditures by Statutory Code is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Bansley and Kiener, L.L.P.*

Certified Public Accountants

June 18, 2013

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the 47th/State Tax Increment Redevelopment Project Area (Project), we offer the readers of the Project's financial statements this narrative overview and analysis of the Project's financial performance for the year ended December 31, 2012. Please read it in conjunction with the Project's financial statements, which follow this section.

*Overview of the Financial Statements*

This discussion and analysis is intended to serve as an introduction to the Project's basic financial statements. The Project's basic financial statements include three components: 1) government-wide financial statements, 2) governmental fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information concerning the Project's expenditures by statutory code.

*Basic Financial Statements*

The basic financial statements include two kinds of financial statements that present different views of the Project – the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements also include the notes to the financial statements that explain some of the information in the financial statements and provide more detail.

*Government-Wide Financial Statements*

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

*Governmental Fund Financial Statements*

The governmental fund financial statements provide more detailed information about the Project's significant funds – not the Project as a whole. Governmental funds focus on: 1) how cash and other financial assets can readily be converted to cash flows and 2) the year-end balances that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more financial resources that can be spent in the near future to finance the Project. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the statements to explain the relationship (or differences) between them.

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Continued)

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental fund financial statements. The notes to the financial statements follow the basic financial statements.

*Other Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents a schedule of expenditures by statutory code. This supplementary information follows the notes to the financial statements.

*Condensed Comparative Financial Statements*

The condensed comparative financial statements are presented on the following page.

*Analysis of Overall Financial Position and Results of Operations*

Property tax revenue for the Project was \$1,160,710 for the year. This was a decrease of 36 percent over the prior year. The change in net assets (including other financing uses) produced a decrease in net assets of \$241,993. The Project's net assets decreased by 3 percent from the prior year making available \$7,705,457 of funding to be provided for purposes of future redevelopment in the Project's designated area. Expenses increased this year due to the Project's formulation of a redevelopment plan or necessary funding was substantially complete and available.

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)  
(Concluded)

Government-Wide

	<u>2012</u>	<u>2011</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 7,759,911	\$ 7,967,666	\$ (207,755)	-3%
Total liabilities	<u>54,454</u>	<u>20,216</u>	<u>34,238</u>	169%
Total net assets	<u>\$ 7,705,457</u>	<u>\$ 7,947,450</u>	<u>\$ (241,993)</u>	-3%
Total revenues	\$ 1,176,790	\$ 1,820,005	\$ (643,215)	-35%
Total expenses	<u>672,783</u>	<u>284,494</u>	<u>388,289</u>	136%
Other financing uses	<u>746,000</u>	<u>2,000,000</u>	<u>(1,254,000)</u>	-63%
Changes in net assets	<u>(241,993)</u>	<u>(464,489)</u>	<u>222,496</u>	48%
Ending net assets	<u>\$ 7,705,457</u>	<u>\$ 7,947,450</u>	<u>\$ (241,993)</u>	-3%

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET  
DECEMBER 31, 2012

<u>ASSETS</u>	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Net Assets</u>
Cash and investments	\$ 6,422,374	\$ -	\$ 6,422,374
Property taxes receivable	1,321,600	-	1,321,600
Accrued interest receivable	15,937	-	15,937
Total assets	<u>\$ 7,759,911</u>	<u>\$ -</u>	<u>\$ 7,759,911</u>
 <u>LIABILITIES</u>  			
Vouchers payable	\$ 9,738	\$ -	\$ 9,738
Due to other City funds	44,716	-	44,716
Deferred revenue	1,085,525	(1,085,525)	-
Total liabilities	1,139,979	<u>(1,085,525)</u>	<u>54,454</u>
 <u>FUND BALANCE/NET ASSETS</u>  			
Fund balance:			
Restricted for future redevelopment project costs	<u>6,619,932</u>	(6,619,932)	-
Total liabilities and fund balance	<u>\$ 7,759,911</u>		
Net assets:			
Restricted for future redevelopment project costs		<u>7,705,457</u>	<u>7,705,457</u>
Total net assets		<u>\$ 7,705,457</u>	<u>\$ 7,705,457</u>
 Amounts reported for governmental activities in the statement of net assets are different because:			
Total fund balance - governmental fund			\$ 6,619,932
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.			<u>1,085,525</u>
Total net assets - governmental activities			<u>\$ 7,705,457</u>

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

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Governmental</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Activities</u>
Revenues:			
Property tax	\$ 1,731,818	\$ (571,108)	\$ 1,160,710
Interest	16,080	-	16,080
	<u>1,747,898</u>	<u>(571,108)</u>	<u>1,176,790</u>
Total revenues			
Expenditures/expenses:			
Economic development projects	672,783	-	672,783
	<u>1,075,115</u>	<u>(571,108)</u>	<u>504,007</u>
Excess of revenues over expenditures			
Other financing uses:			
Surplus distribution (Note 2)	(746,000)	-	(746,000)
	<u>329,115</u>	<u>(329,115)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses			
Change in net assets	-	(241,993)	(241,993)
Fund balance/net assets:			
Beginning of year	6,290,817	1,656,633	7,947,450
End of year	<u>\$ 6,619,932</u>	<u>\$ 1,085,525</u>	<u>\$ 7,705,457</u>

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - governmental fund	\$ 329,115
Property tax revenue is recognized in the period for which levied rather than when "available". A portion of the deferred property tax revenue is not available.	<u>(571,108)</u>
Change in net assets - governmental activities	<u>\$ (241,993)</u>

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

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In July 2004, the City of Chicago (City) established the 47th/State Tax Increment Redevelopment Project Area (Project). The area has been established to finance improvements, leverage private investment and create and retain jobs. The Project is accounted for within the special revenue funds of the City.

(b) *Government-Wide and Fund Financial Statements*

The accompanying financial statements of the Project have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). Effective January 2011, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was adopted to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, by eliminating the reserve component in favor of a restricted classification and by clarifying existing governmental fund type definitions. The "restricted fund balance" classification is utilized where amounts are constrained by either externally imposed laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Previously, GASB Statement No. 34 (as amended) was implemented and included the following presentation:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Project's overall financial position and results of operations.
- Government-wide financial statements prepared using the economic resources measurement focus and the *accrual basis of accounting* for all the Project's activities.
- Fund financial statements, which focus on the Project's governmental funds *current financial resources measurement focus*.

(c) *Measurement Focus, Basis of Accounting and Financial Statements Presentation*

The government-wide financial statements are reported using the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

The governmental fund financial statements are prepared on the *modified accrual basis of accounting* with only current assets and liabilities included on the balance sheet. Under *the modified accrual basis of accounting*, revenues are recorded when susceptible to accrual, i.e., both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes are susceptible to accrual and recognized as a receivable in the year levied. Revenue recognition is deferred unless the taxes are received within 60 days subsequent to year-end. Expenditures are recorded when the liability is incurred.

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



CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

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

(d) *Assets, Liabilities and Net Assets*

*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.

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

*Capital Assets*

Capital assets are not capitalized in the governmental fund but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) of the City includes the capital assets and related depreciation, if any, of the Project in which ownership of the capital asset will remain with the City (i.e. infrastructure, or municipal building). All other construction will be expensed in both the government-wide financial statements and the governmental fund as the City nor Project will retain the right of ownership.

(e) *Stewardship, Compliance and Accountability*

*Illinois Tax Increment Redevelopment Allocation Act Compliance*

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

*Reimbursements*

Reimbursements, if any, are made to the developer for project costs, as public improvements are completed and pass City inspection.

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 2 – Surplus Distribution

In December 2011, the City declared a surplus within the fund balance of the Project in the amount of \$746,000. In June 2012, the surplus funds were sent to the Cook County Treasurer's Office to be redistributed to the various taxing agencies.

Note 3 – Commitments

The City has pledged certain amounts solely from available excess incremental taxes to provide financial assistance to a developer under the terms of a redevelopment agreement for the purpose of paying costs of certain eligible redevelopment project costs.

As of December 31, 2012 the Project has entered into contracts for approximately \$102,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
47TH/STATE REDEVELOPMENT PROJECT

SCHEDULE OF EXPENDITURES BY STATUTORY CODE

Code Description

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

\$ 47,159

Costs of the construction of public works or improvements

625,624

\$672,783



ATTACHMENT L

BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

ESTABLISHED 1922

O'HARE PLAZA 8745 WEST HIGGINS ROAD SUITE 200 CHICAGO, ILLINOIS 60631 312.263.2700 FAX 312.263.6935 WWW.BK-CPA.COM

INDEPENDENT AUDITOR'S REPORT

The Honorable Rahm Emanuel, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of 47th/State Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net assets and governmental fund balance sheet as of December 31, 2012, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balance for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 18, 2013.

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 47th/State Redevelopment Project of the City of Chicago, Illinois.

However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Project's noncompliance with the above referenced regulatory provisions, insofar as they relate to accounting matters.

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

June 18, 2013