
2012 Annual Report

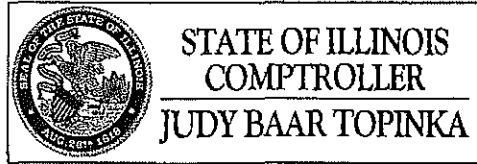
Ogden/Pulaski Redevelopment Project Area



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

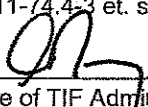
JUNE 30, 2013

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:	<u>Andrew J.</u>	Last Name:	<u>Mooney</u>
Address:	<u>City Hall 121 N. LaSalle</u>	Title:	<u>Administrator</u>
Telephone:	<u>(312) 744-0025</u>	City:	<u>Chicago, IL</u> Zip: <u>60602</u>
Mobile	<u>n/a</u>	E-mail	<u>TIFReports@cityofchicago.org</u>
Mobile Provider	<u>n/a</u>	Best way to contact	<input checked="" type="checkbox"/> Email <input type="checkbox"/> Phone <input type="checkbox"/> Mobile <input type="checkbox"/> 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

Name of Municipality: Chicago
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Reporting Fiscal Year: 2012
 Fiscal Year End: 12/31 /2012

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.]

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

	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)] If yes, please enclose the amendment labeled Attachment A	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)] Please enclose the CEO Certification labeled Attachment 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)] Please enclose the Legal Counsel Opinion labeled Attachment C		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)] If yes, please enclose the Activities Statement labeled Attachment D		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)] If yes, please enclose the Agreement(s) labeled Attachment E		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)] If yes, please enclose the Additional Information labeled Attachment F	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)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	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)] If yes, please enclose the Joint Review Board Report labeled Attachment H	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)] If yes, please enclose the Official Statement labeled Attachment I	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)] If yes, please enclose the Analysis labeled Attachment J	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) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		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)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		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)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.
 FY 2012 Section 2

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 \$ 5,456,009

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	1,202,623	\$ 7,712,920	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	14,473		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 1,217,096

Cumulative Total Revenues/Cash Receipts \$ 7,712,920 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) 898,284

Transfers out to Municipal Sources (Porting out) -

Distribution of Surplus -

Total Expenditures/Disbursements 898,284

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS 318,812

FUND BALANCE, END OF REPORTING PERIOD* \$ 5,774,821

* 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 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)	38,039	
		\$ 38,039
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)	40,620	
		\$ 40,620
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)	620,513	
		\$ 620,513
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)	199,112	
		\$ 199,112
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
		\$ -
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
		\$ -
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 898,284

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 ¹	Administration	\$29,602
NF Demolition Inc.	Demolition	\$26,020
Sumit Construction Co.	Property Management	\$14,600
Neighborhood Housing Services Chicago	Rehabilitation Program	\$391,347
SomerCor 504, Inc	Rehabilitation Program	\$229,166
Seven D Construction	Public Improvement	\$159,131
City Lights Ltd./ZSL Electric	Public Improvement	\$39,981

¹ 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

\$ 5,774,821

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

Total Amount Restricted for Obligations

\$ - \$ -

2. Description of Project Costs to be Paid

Restricted for future redevelopment project costs		\$ 5,774,821

Total Amount Restricted for Project Costs

\$ 5,774,821

TOTAL AMOUNT RESTRICTED

\$ 5,774,821

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.

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	1650 S. Karlov
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (2):	
Street address:	16-22-223-019-0000
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

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.

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	1650 S. Karlov
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

Property (2):	
Street address:	
Approximate size or description of property:	N/A
Purchase price:	N/A
Seller of property:	N/A

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. 3

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
TOTAL:			
Private Investment Undertaken	\$ -	\$ -	\$ 4,000,000
Public Investment Undertaken	\$ 962,665	\$ 1,095,778	\$ 3,000,000
Ratio of Private/Public Investment	0		1 1/3

Project 1:			
Small Business Improvement Fund (SBIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 150,000	\$ 283,333	\$ 1,000,000
Ratio of Private/Public Investment	0		2

Project 2:			
Neighborhood Improvement Fund (NIF) **		Project is Ongoing ***	
Private Investment Undertaken			\$ 2,000,000
Public Investment Undertaken	\$ 812,665	\$ 62,445	\$ 1,000,000
Ratio of Private/Public Investment	0		2

Project 3:			
Vacant Building Program - Ogden/Pulaski **		Project is Ongoing ***	
Private Investment Undertaken			
Public Investment Undertaken		\$ 750,000	\$ 1,000,000
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

** 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.

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

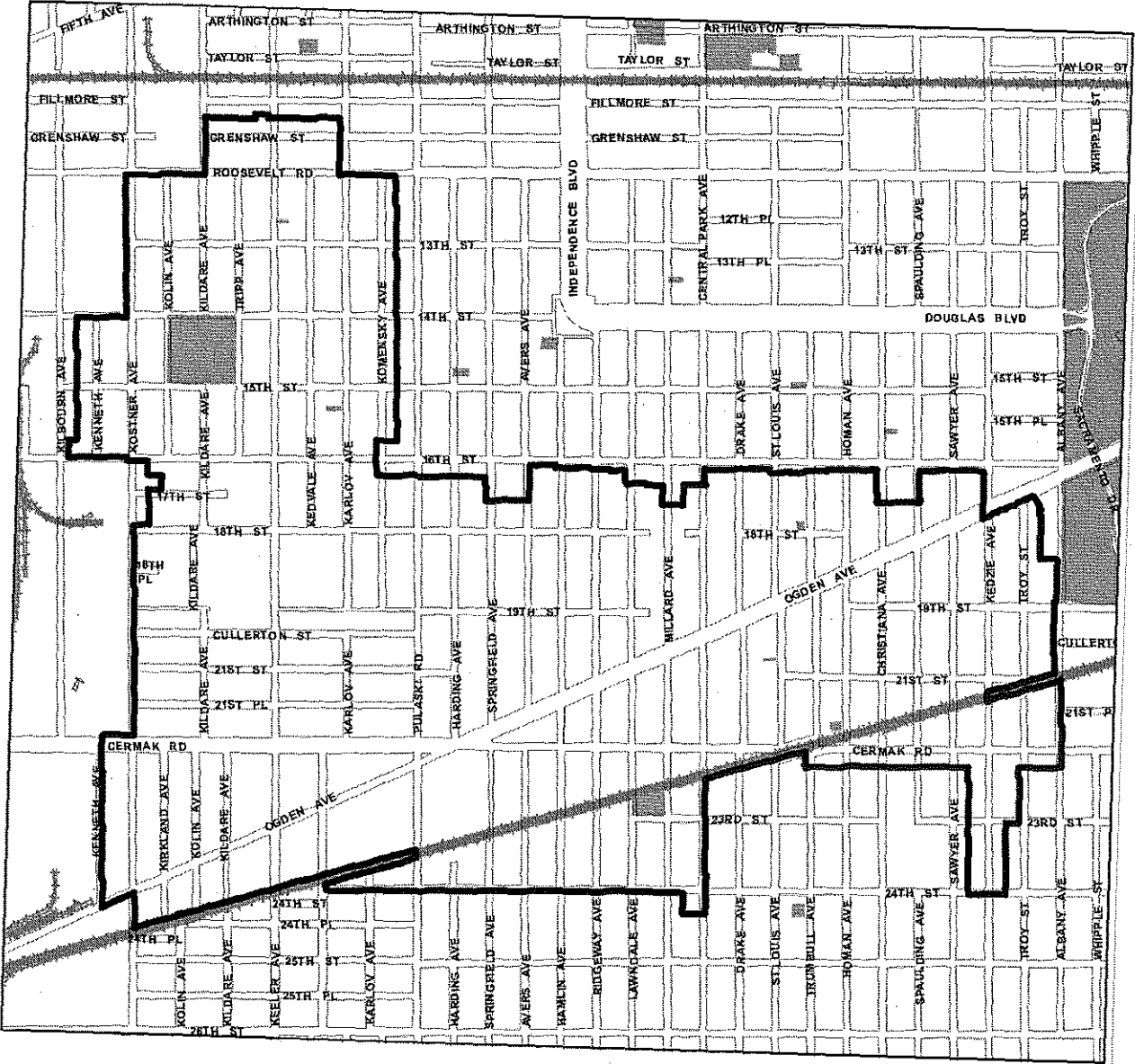
SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

--

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	X

Ogden/Pulaski 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 Ogden/Pulaski 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.

Handwritten signature of Rahm Emanuel in black ink, written in a cursive style. The signature is positioned above a horizontal line.

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

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Chicago, IL 60602

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

Re: Ogden/Pulaski
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.

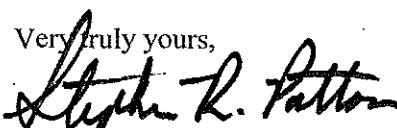
June 28, 2013

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:

<u>Name of Project</u>
Vacant Building Purchase Rehab MF Prog - Ogden Pulaski

7/25/2012

REPORTS OF COMMITTEES

30799

SECTION 5. This ordinance will be in full force and effect from and after its passage and approval.

CREATION OF OGDEN/PULASKI AREA VACANT BUILDING TAX INCREMENT FINANCING PURCHASE AND REHABILITATION PROGRAM AND ASSOCIATED AGREEMENT WITH COMMUNITY INVESTMENT CORPORATION.

[O2012-4434]

The Committee on Finance submitted the following report:

CHICAGO, July 25, 2012.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration an ordinance authorizing the creation of the Ogden/Pulaski Area Vacant Building Tax Increment Financing Purchase and Rehabilitation Program, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed 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 ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Moreno, Fioretti, Dowell, Burns, Hairston, Sawyer, Harris, Beale, Pope, Balcer, Quinn, Burke, Foulkes, Thompson, Thomas, Lane, O'Shea, Cochran, Brookins, Muñoz, Zalewski, Chandler, Solis, Maldonado, Burnett, Ervin, Graham, Reboyras, Suarez, Waguespack, Mell, Austin, Colón, Sposato, Mitts, Cullerton, Laurino, P. O'Connor, M. O'Connor, Reilly, Smith, Tunney, Arena, Pawar, Osterman, Moore, Silverstein -- 47.

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, In the City there are numerous homes and residential buildings that are vacant; and

WHEREAS, It is in the best interest of the City to promote and assist in the development of affordable rental housing by establishing programs whereby the City assists in the purchase and rehabilitation of vacant buildings to be developed as affordable rental housing; and

WHEREAS, By an ordinance adopted by the City Council of the City ("City Council") on May 4, 2011, and published in the *Journal of the Proceedings of the City Council of the City of Chicago Council ("Journal")* for said date at pages 117057 to 117064, inclusive (the "Establishment Ordinance"), the City authorized the Commissioner of the Department of Housing and Economic Development ("HED") to develop a "Vacant Building TIF Purchase and Rehabilitation Program" ("Program") to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing; and

WHEREAS, The City, through HED, now desires, in accordance with the Establishment Ordinance, to implement the Program and to enter into an agreement substantially in the form attached hereto as Exhibit A and made a part hereof, with Community Investment Corporation, an Illinois not-for-profit corporation ("CIC"), to perform certain administrative services for the Program in redevelopment project areas ("Eligible TIF-Areas") that have been authorized by the City Council (the "Program Agreement"); and

WHEREAS, To induce redevelopment pursuant to the Act in the Ogden/Pulaski Redevelopment Project Area ("Ogden/Pulaski Area"), the City Council adopted the following ordinances on April 9, 2008: (1) "An Ordinance of the City of Chicago, Illinois Approving a Redevelopment Plan for the Ogden/Pulaski Redevelopment Project Area"; (2) "An Ordinance of the City of Chicago, Illinois Designating the Ogden/Pulaski 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 Ogden/Pulaski Redevelopment Project Area"; and

WHEREAS, The City Council now desires to designate the Ogden/Pulaski Area as the initial Eligible TIF Area for the Program and to authorize an amount not to exceed \$1,000,000 to administer the Program in the Ogden/Pulaski Area; and

WHEREAS, The City's obligation to provide funds for the Program in the Ogden/Pulaski Area will be met through (i) incremental taxes deposited in the Special Tax Allocation Fund of the Ogden/Pulaski Area, 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. The Establishment Ordinance is hereby amended by deleting the language stricken through and by inserting the language underscored, as follows:

(a) Section 2(c)(1) definition of "Closing costs":

"Closing costs" means reasonable and customary costs, not to exceed ~~three~~ six percent of the base purchase price, associated with the closing of the purchase of the eligible property, including, but not limited to, transfer taxes, title company charges and recording fees.

(b) Section 2(c)(1) definition of "Eligible multi-family residential building":

~~"Eligible multi-family residential building"~~ "Eligible multi-family residential development" means a multi-family residential ~~building~~ development that is:

- (1) ~~vacant or foreclosed (meaning foreclosure proceedings have been completed under state law);~~
- (2) located in an TIF area in the city; and
- (3) in need of substantial rehabilitation.

(c) Section 2(c)(1) definition of "Multi-family residential building":

~~"Multi-family residential building"~~ "Multi-family residential development" means a ~~building designed, arranged, used or intended to be used for residential occupancy that contains 6 or more housing units that share common walls or common floors/ceilings with one or more housing units. The land upon which the building sits is not divided into separate lots~~ a building or group of buildings that contains 6 or more housing units that are located within a two block square area to one another and that are designed, arranged, used or intended to be used for residential occupancy.

(d) Section 2(c)(1) definition of "Vacant":

"Vacant" means a multi-family residential building, which is lacking the habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful residential occupancy has ceased; ~~provided that a multi-family residential building shall not be deemed vacant if it has been used as a residence by a person entitled to possession for a period of at least three months within the previous nine months and a person entitled to possession intends to resume residing at the property.~~

(e) Section 2(c)(5):

The commissioner shall prepare applications, in a form prescribed by the commissioner, which shall include all the information needed by the department to evaluate the applicant's eligibility to participate in the Program. Attached to every application shall be a copy of an inspection report for the proposed property prepared by a licensed and bonded home inspector or licensed contractor, and any other information deemed necessary by the commissioner.

(f) Section 2(c)(6):

Upon determination by the department that a developer is eligible to participate in the Program, the department may provide the developer purchase price assistance and substantial rehabilitation assistance, consistent with the provisions of this ordinance, in the applicable amount as set forth in subsection (c)(4). As a condition of receiving such assistance, the developer shall be required to establish 50 percent of the housing units in the multi-family residential building as affordable rental housing. If the development meets one or more of the following criteria, then the commissioner may provide an amount of assistance greater than the maximum program assistance:

- (i) will provide housing units for households earning up to 30 percent of the PMSA Median Income;
- (ii) will provide supportive housing;
- (iii) is located within 500 feet of a school, park, library, or church;
- (iv) has been designated as a National or City of Chicago Historic Landmark, is listed on the National Register of Historic Places, or is orange- or red-rated in the Chicago Historic Resources Survey; or
- (v) is located on a block where fifty percent or more of the properties are vacant or foreclosed.

(g) Section 2(c)(9):

~~Prior to the issuance of a building permit to a developer for any eligible multi-family residential building, the commissioner shall cause a lien, regulatory agreement or similar instrument to be recorded, initially, prior to development, against the, and comprising the, eligible multi-family residential building, and subsequently, in connection with the rental of any affordable rental housing, against the land on which such affordable rental housing is located to secure the requirements of this ordinance and the recapture of the following amounts:~~

- (i) ~~Upon the rental of any housing unit required to be affordable rental housing under this ordinance at a rental price that renders the housing unit not affordable rental housing, or to a household that does not meet the eligibility criteria, the owner shall pay a fee of \$500.00 per unit per day for each day that the owner is in noncompliance; provided that prior to the assessment of the penalty, the owner shall have 90 days, after written notice from the commissioner, to cure the noncompliance. If after 90 days the owner fails to cure the noncompliance, the fees shall be assessed from the first day of noncompliance. The 90-day time period to cure the noncompliance may be extended by the commissioner for good cause.~~

SECTION 3. The Program in the Ogden/Pulaski Area is hereby created, which program shall, among other things, assist developers in the purchase and rehabilitation of new affordable multi-family housing in the Ogden/Pulaski Area. An amount not to exceed \$1,000,000 is hereby appropriated from the Special Tax Allocation Fund of the Ogden/Pulaski Area to fund the Program in the Ogden/Pulaski Area.

SECTION 4. CIC is hereby authorized to administer the Program in the Ogden/Pulaski Area, 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 Program Agreement between CIC and the City substantially in the form attached hereto as Exhibit A and made a part hereof, and such other supporting documents as may be necessary to carry out and comply with the provisions of the Program Agreement, with such changes, deletions and insertions as shall be approved by the persons executing the Program 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. 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.

Exhibit "A" referred to in this ordinance reads as follows:

*Exhibit "A".
(To Ordinance)*

*Vacant Building Tax Increment Financing Neighborhood Purchase And
Rehabilitation Program Agreement For Multi-Family Homes
With Community Investment Corporation.*

This Vacant Building TIF Neighborhood Purchase and Rehabilitation Program Agreement for Multi-Family Homes (the "Agreement") is made on _____, 2012 by and between the City of Chicago, a municipal corporation and home rule unit of local government existing under the 1970 Constitution of the State of Illinois (the "City"), acting through its Department of Housing and Economic Development ("HED" or "Department"), and Community Investment Corporation, an Illinois not-for-profit corporation ("CIC").

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 "TIF 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 on May 4, 2011, the City authorized the Commissioner of HED to establish a "Vacant Building TIF Purchase and Rehabilitation Program" to assist in the stabilization of neighborhoods and the City's housing market by providing assistance for the purchase and rehabilitation of vacant housing (the "Program"); and

WHEREAS, in the City there are numerous homes and residential buildings that are vacant;
and

WHEREAS, it is in the best interest of the City to promote and assist in the development of affordable rental housing by establishing programs whereby the City assists in the purchase and rehabilitation of vacant buildings to be developed as affordable rental housing; and

WHEREAS, by an ordinance adopted by the City Council of the City on _____, 2012, the City has approved the execution and delivery of this Agreement to implement a portion of the Program in the TIF Areas designated in Exhibit A of this Agreement; and

WHEREAS, HED desires to implement a portion of the Program by using the services of CIC, and CIC desires to administer a portion of the Program in accordance with the provisions of this 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 - Definitions

"Affordable Rent" shall mean the rent amounts determined by the City for rental housing pursuant to 24 C.F.R. 570.208(a)(3), as may be adjusted for unit size, based on an income level not to exceed 50% of PMSA Median Income.

"Affordable Rental Housing" means a housing unit that is rented at a rental price that is affordable to Households earning up to 50% of the PMSA Median Income.

"Base Purchase Price" means the purchase price of an Eligible Multi-Family Residential Building, excluding any taxes, insurance, closing costs, or other such costs.

"CIC" means Community Investment Corporation, an Illinois not-for-profit corporation, and its successors and assigns.

"Closing Costs" means reasonable and customary costs, not to exceed 6% of the Base Purchase Price, associated with the closing of the purchase of the Eligible Multi-Family Residential Development, including, but not limited to, transfer taxes, title company charges and recording fees.

"Commissioner" means the commissioner of HED.

"Corporation Counsel" means the Corporation Counsel of the City.

"Department" or "HED" means the Department of Housing and Economic Development.

"Developer" means any person who develops an Eligible Multi-Family Residential Development, but does not include a lender or any governmental entity, and its successors or assigns.

"Development" or "develop" means the substantial rehabilitation of an Eligible Multi-Family Residential Development.

"Eligibility Criteria" means, at the time of the first rental by that Household, a Household earning up to 50% of the PMSA Median Income.

"Eligible Multi-Family Residential Development" means a Multi-Family Residential Development that is:

- (1) vacant or foreclosed (meaning foreclosure proceedings have been completed under State law);
- (2) located in an TIF area in the city; and
- (3) in need of substantial rehabilitation.

"Eligible TIF Area" means any TIF Area listed in Exhibit A to this Agreement as being eligible to receive Program Funds.

"Event of Default" means any event of default as set forth in Section 5.1 hereof.

"Grant" means any conditional grant of funds made by CIC to a Developer from Program Funds.

"Grant Documents" means the agreements entered into between CIC and a Developer in connection with a Grant, the Recapture Mortgage, and any other documents required by either HED or CIC to be executed in connection with a Grant, which documents shall be in substantially the form approved by the Corporation Counsel.

"Household" means, collectively, all the persons who occupy a Housing Unit as their primary residence.

"Household Income" means the combined income of the members of a Household for the calendar year preceding the date that the application for the Program is filed with CIC.

"Housing Unit" means a room or suite of rooms designed, occupied or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a "housing unit" does not include dormitories, or hotels as that term is defined in Section 13-4-010 of the Chicago Municipal Code.

"Maximum Program Assistance" means the total amount of Purchase Price Assistance and Substantial Rehabilitation Assistance granted to a Developer for the purchase and Substantial Rehabilitation of an Eligible Multi-Family Residential Development, but which shall be limited to no greater than 50% of the sum of the Base Purchase Price plus the cost of the Substantial Rehabilitation of the Eligible Multi-Family Residential Development.

"Multi-Family Residential Development" means a building or group of buildings that contains 6 or more Housing Units that are located within a two block square area to one another and that are designed, arranged, used or intended to be used for residential occupancy.

"PMSA Median Income" means the Primary Metropolitan Statistical Area median income, for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by the United States Department of Housing and Urban Development from time to time.

"Program" means the Vacant Building TIF Purchase and Rehabilitation Program established pursuant to an Ordinance adopted by the City Council of the City on May 4, 2011, and this Agreement.

"Program Funds" means those funds which will be used by the City to implement the Program in accordance with this Agreement.

"Purchase Price Assistance" means financial assistance awarded by the Department to a Developer to be used for the base purchase price and closing costs associated with the purchase of an Eligible Multi-Family Residential Development.

"Recapture" means the recapture by CIC or the City of Program Funds from Developers under the Grant Documents as described in Section 4.8.

"Recapture Mortgage" means the recapture mortgage, in a form to be approved by the Corporation Counsel, that shall be recorded with the Office of the Cook County Recorder of Deeds following the closing of a Grant to secure the continuing occupancy requirements set forth in Sections 4.3(h) and 4.8(e) of this Agreement.

"Reservation of Program Funds" means the conditional reservation of funds issued by CIC upon an initial determination of eligibility for the Program by CIC, pursuant to Section 4.3 of the Agreement.

"State" means the State of Illinois.

"Substantial Rehabilitation" means the reconstruction, enlargement, installation, repair, alteration, improvement or renovation of a building, structure or portion thereof requiring a permit issued by the City and costing \$25,000.00 or more per Housing Unit to rehabilitate.

"Substantial Rehabilitation Assistance" means the amount of assistance granted to a Developer under this Program that shall be used for the Substantial Rehabilitation of an Eligible Multi-Family Residential Building.

"Supportive Housing" means a residential development that combines housing with social services, including, but not limited to: job training, life skills training, alcohol and drug abuse counseling, educational programs, and case management.

"TIF Act" means the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended from time to time

"TIF Area" means a redevelopment project area designated pursuant to the TIF Act.

"Vacant" means a Multi-Family Residential Development, which is lacking the habitual presence of human beings who have a legal right to be on the premises, or at which substantially all lawful residential occupancy has ceased.

ARTICLE III - REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations and Warranties. In connection with the executions and delivery of this Agreement, CIC represents and warrants to the City that:

- (a) CIC is incorporated in the State as a not-for-profit corporation; and is in good standing in the State;
- (b) CIC is financially solvent and able to pay its debts as they mature;
- (c) CIC, its employees, agents and officials are competent and qualified to perform the services required under this Agreement;
- (d) CIC has the right, power and authority to execute, deliver and perform, or cause to be performed, this Agreement under the terms and conditions stated herein; CIC has obtained and received all necessary approvals from its Board of Directors and any other required approvals which are necessary for CIC to execute and deliver this Agreement and to perform its duties hereunder;
- (e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City is employed by CIC or has a financial or economic interest directly in this Agreement or the compensation to be paid hereunder except as may be permitted by the Board of Ethics established pursuant to the Municipal Code of Chicago;
- (f) CIC is not in default on any contract or Grant awarded to CIC by the City at the time of the execution of this Agreement, and CIC has not been, within five years preceding the date hereof, in default on any contract or Grant awarded to CIC by the City;

(g) CIC has carefully examined and analyzed the provisions and requirements of this Agreement and, from this analysis, CIC has satisfied itself as to the nature of all things needed for the performance of this Agreement; and the time available to CIC for such examination, analysis, inspection and investigation has been adequate;

(h) this Agreement is feasible of performance by CIC as appropriate, in accordance with all of its provisions and requirements;

(i) except only for those representations, statements or promises expressly contained in this Agreement and any exhibits attached hereto and incorporated by reference herein, no representation, statement or promise, oral or in writing, or of any kind whatsoever, by the City, its officials, agents or employees, has induced CIC to enter into this Agreement or has been relied upon by CIC including any with reference to: (A) the meaning, correctness, suitability or completeness of any provisions or requirements of this Agreement; (B) the general conditions which may in any way affect this Agreement or its performance; (C) the compensation provisions of this Agreement; or (D) any other matters, whether similar to or different from those referred to in (A) through (C) immediately above, affecting or having any connection with this Agreement, the negotiation hereof, any discussions hereof, the performance hereof or those employed herein or connected or concerned herewith;

(j) CIC was given ample opportunity and time and was requested by the City to review thoroughly this Agreement prior to execution of this Agreement in order that CIC might request inclusion in this Agreement of any statement, representation, promise or provision which is desired or on which CIC wished to place reliance, that it did so review said documents, and either every such statement, representation, promise or provision has been included in this Agreement or else, if omitted, CIC expressly hereby relinquishes the benefit of any such omitted statement, representation, promise or provision and CIC is willing to perform this Agreement in its entirety without claiming reliance thereon or making any other claim on account of such omission;

(k) there are no actions or proceedings by or before any court or governmental commission, board, bureau or other administrative agency pending or, to the knowledge of CIC, threatened, against or affecting CIC which if adversely determined could materially and adversely affect the ability of CIC to perform hereunder or which might result in any material, adverse change to the financial condition of CIC or may materially affect the property or assets of CIC; and

(l) this Agreement has been executed and delivered by authorized officers of CIC and constitutes a legal, valid and binding obligation of CIC, enforceable in accordance with its terms.

3.2 Covenants. In connection with the execution and delivery of this Agreement, CIC covenants to the City that:

(a) except for its own employees, CIC will not use any individual, organization, partnership or corporation to carry out any of the duties or obligations of CIC hereunder, unless (1) CIC first obtains a certification of such individual, organization, partnership or corporation substantially the same as the representations, warranties and covenants contained in this Article III and in Article IV hereof, (2) such certifications shall be addressed and delivered to the City and (3) the City approves, in writing, the use of such individual, organization, partnership or corporation;

(b) all warranties and representations of CIC contained in this Agreement will be true, accurate and complete at the time of each Grant made pursuant to this Agreement, and shall

survive the execution, delivery and acceptance hereof by the parties hereto for the length of this Agreement;

(c) CIC shall be subject to, obey and adhere to any and all federal, State and local laws, statutes, ordinances, rules, regulations and executive orders as are now or may be in effect during the term of this Agreement which may be applicable to CIC;

(d) CIC shall remain solvent and able to pay its debts as they mature;

(e) no member of the governing body of the City and no other elected official, appointed official, officer, agent, consultant or employee of the City shall have any personal interest, direct or indirect, in the business of CIC or shall participate in any decision relating to the business of CIC which affects his/her personal interests or the interests of any corporation, partnership or association in which he/she is directly interested;

(f) no former member of the governing body of the City and no former other elected official, appointed official, officer, agent, consultant or employee of the City shall, for a period of one year after the termination of such person's term of office or employment, assist or represent CIC in any business transaction involving the City or any of its agencies, if the person participated personally and substantially in the subject matter of the transaction during his/her term of office or employment, provided that if the person exercised contract management authority with respect to this Agreement (including any Grant), this prohibition shall be permanent as to this Agreement;

(g) CIC shall immediately notify the City of any and all events or actions which may materially adversely affect the ability of CIC to carry on its operations or perform any or all of its obligations under this Agreement at any time while this Agreement is in effect;

(h) CIC shall not enter into any other agreement or transaction which would conflict with the performance of the duties of CIC hereunder or under any of the Grant Documents;

(i) during the term of this Agreement, CIC shall continue as an Illinois not-for-profit corporation in good standing under the laws of the State; and

(j) CIC shall enforce all provisions of the Grant Documents in accordance with the terms thereof and shall provide to the City all notices required hereunder or thereunder.

ARTICLE IV - Duties and Obligations

4.1 CIC shall execute and deliver to HED such documents as may be required by the Corporation Counsel to evidence CIC'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 Exhibit B attached hereto and incorporated herein.

4.2 (a) In each Eligible TIF Area, CIC shall use Program Funds authorized by the City for the Eligible TIF Area to provide Purchase Price Assistance and Substantial Rehabilitation Assistance to a Developer for the purchase and Substantial Rehabilitation of an Eligible Multi-Family Residential Development, consistent with the provisions of this Agreement.

(b) CIC agrees that the total amount of funds available for the Program in any Eligible TIF Area shall be up to the amount stated in Exhibit A of this Agreement for such Eligible TIF Area and that there have been no representations, assurances or agreements that any other assistance shall be forthcoming from the City. CIC shall provide written notice to the City when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of CIC pursuant to Section 6.5, equals 80% of the Program Funds authorized for each Eligible TIF Area and thereafter when the aggregate amount of Program Funds committed or paid, including Grants and administrative costs paid to or for the account of CIC pursuant to Section 6.5, equals 100% of the Program Funds authorized for each Eligible TIF Area. Program Funds are deemed committed for purposes of this Section when CIC has determined the amount of Program Funds to be the subject of a Grant and sent notice of final approval of an Application pursuant to Section 4.3(e) to an eligible Developer. No Grants shall be made or committed to be made by CIC hereunder when such commitment would result in the aggregate amount of Grants, together with all administrative costs related to such Grants paid to CIC pursuant to Section 6.5, exceeding the amounts authorized for an Eligible TIF Area, as identified in Exhibit A to this Agreement (or such other amount as the City may determine from time to time). No Grants shall be made or committed to be made by CIC hereunder when such commitment occurs after the date of receipt of the notice from the City described in Section 6.2 hereof regarding the termination of this Agreement.

(c) This amount of Program Funds authorized for any Eligible TIF Area may be changed from time to time upon written notice by HED to CIC, provided that the aggregate amount shall not exceed the amount listed for such Eligible TIF Area in Exhibit A to this Agreement (or such other amount as the City may determine from time to time).

4.3 CIC shall manage the Program in the following manner (or as otherwise agreed to by HED and CIC):

(a) CIC will work with HED to provide information to potential Developers about the availability of the Program, including explaining what the Program offers and the income, property and residency requirements. Program Funds shall be available on a first-come, first-served basis.

(b) CIC shall inform potential Developers of the process and documentation that is required in order for them to both obtain a Reservation of Program Funds and to receive final approval for the Grant.

(c) Before potential Developers can be declared eligible to receive a Reservation of Program Funds, the potential Developer must complete an Application. CIC shall accept and process Applications in the following manner (or as otherwise agreed to by HED and CIC):

(i) CIC shall make Application forms available at its main office. CIC shall make employees available in person or over the phone to answer inquiries;

(ii) Applications shall also be available by calling CIC, which will mail applications to potential applicants;

(iii) Applications must include a sworn statement of contractor and a narrative of the construction work. Attached to every application shall be a copy of an inspection report for the proposed property prepared by a licensed and bonded contractor, and any other information deemed necessary by CIC or HED; and

(iv) All Applications shall be returned directly to CIC; the City will not accept Applications.

(v) When Applications are received by CIC, they will be time-stamped and reviewed in the order received. Applications must be complete to be reviewed. CIC shall review all Applications for eligibility, completeness and compliance with the Agreement.

(vi) For each potential Developer, CIC shall obtain title information regarding the Developer and the Multi-Family Residential Development, respectively, and shall verify that rent being charged in the building is, or will be, an Affordable Rent. CIC shall forward the name, address and Social Security number of every applicant to HED for a scofflaw check. CIC shall perform an initial site visit to verify that the property will qualify. CIC shall approve a scope of work and shall order an appraisal for the property. CIC shall not approve any Application unless a commitment for matching funds required hereunder has been obtained by the Developer.

(vii) CIC will notify applicants if their Application has been approved or rejected. Within 10 days of approving or rejecting an Application, CIC shall notify the applicant in writing of such approval or rejection and shall provide the City with a copy of each such notice. All notices of rejection shall include the reasons for such rejection.

(viii) While Applications will be reviewed in the order of receipt, funds will be provided to Developers in the order in which the Developers meet all the requirements for funding a Grant hereunder.

(ix) If all Program funds in an Eligible TIF Area are fully reserved, CIC will establish a wait list for additional Reservations of Program Funds on a first-come, first-served basis. If a Developer does not use its reserved funds within the required time period, CIC will notify the Developer that the funds are no longer reserved and contact the next Developer on the wait list.

(d) Upon determination by CIC that a Developer is eligible to participate in the Program, CIC may provide the Developer Purchase Price Assistance and Substantial Rehabilitation Assistance, consistent with the provisions of this Agreement, in the applicable amount as set forth in subsection 4.3(e). As a condition of receiving such assistance, the Developer shall be required to establish at least 50% of the Housing Units in the Multi-Family Residential Development as Affordable Rental Housing. If the Development meets one or more of the following criteria, then CIC may provide, if approved by HED, an amount of assistance greater than the Maximum Program Assistance:

- (i) Will provide Housing Units for Households earning up to 30 percent of the PMSA Median Income;
- (ii) Will provide Supportive Housing;
- (iii) Is located within 500 feet of a school, park, library, or church;

- (iv) Has been designated as a National or City of Chicago Historic Landmark, is listed on the National Register of Historic Places, or is orange- or red-rated in the Chicago Historic Resources Survey; or
- (v) Is located on a block where fifty percent or more of the properties are vacant or foreclosed.

(e) The amount of the Purchase Price Assistance and Substantial Rehabilitation Assistance granted to any Developer for an Eligible Multi-Family Residential Development shall be limited to no greater than 50% of the sum of the Base Purchase Price plus the cost to Substantially Rehabilitate the Eligible Multi-Family Residential Development. Grant funds awarded under this Program shall be provided on a pro-rata basis with the amount of funds required from the Developer to complete the Development.

(f) The Affordable Rental Housing required by this subsection shall continue to be affordable for a period of 15 years after the time of the issuance of the certificate of occupancy (or after the first day of the initial lease, if no such certificate is issued); provided that if a longer term is required by any other applicable law, the longer term shall apply.

(g) The rental of such Affordable Rental Housing created pursuant to this Agreement shall be made only to Households meeting the eligibility criteria.

(h) Prior to the issuance of a building permit to a Developer for any Eligible Multi-Family Residential Development, CIC shall cause a lien, regulatory agreement or similar instrument ("Recapture Mortgage") to be recorded to secure the requirements of this Agreement and the Recapture of the following amounts:

(i) Upon the rental of any Housing Unit required to be Affordable Rental Housing under this Agreement at a rental price that renders the Housing Unit not Affordable Rental Housing, or to a Household that does not meet the eligibility criteria, the Developer shall pay a fee of \$500.00 per unit per day for each day that the Developer is in noncompliance; provided that prior to the assessment of the penalty, the Developer shall have 90 days, after written notice from HED, to cure the noncompliance. If after 90 days the Developer fails to cure the noncompliance, the fees shall be assessed from the first day of noncompliance. The 90-day time period to cure the noncompliance may be extended by HED, for good cause.

4.4 CIC shall provide the following services:

(a) Technical/Rehabilitation Services. CIC shall assist the Developer in the preparation of detailed plans and specifications for the renovation work. CIC must approve the contractor selected, which must be licensed and properly insured; in its approval, CIC shall consider the financial strength and the technical capability of the contractor. CIC shall review the contract(s) between the Developer and the contractor(s) for the renovation work. While the Developer is not required to use Minority Business Enterprises or Women Business Enterprises for the renovation work, the City shall supply to CIC, and CIC shall make available to each Developer, a current list of contractors and subcontractors which are certified by the City as Minority Business Enterprises or Women Business Enterprises. While the requirements of Section 2-92-330 of the Municipal Code of the City of Chicago (City Resident Employment Requirement) will not apply to the renovation work done pursuant to the Program, CIC shall use its best efforts to recruit and encourage the use of

qualified contractors based in Chicago (particularly in the relevant Eligible TIF Areas) for the renovation work being funded pursuant to this Agreement.

(b) Requirements for Grants for Eligible Multi-Family Residential Developments. After approving an Application, CIC shall promptly prepare and execute Grant Documents for each Grant. The Grant Documents shall require that:

(i) Program Funds finance only TIF-TIF-eligible costs; and

(ii) the Grant Funds shall not be provided unless loan proceeds or other funds from the Developer (which loans may, but shall not be required to, be made by CIC) are available to fully finance the purchase and/or rehabilitation of the Multi-Family Residential Development.

(c) Closing. CIC shall promptly close each Grant. Prior to disbursement of any Program Funds by CIC, CIC shall require each Developer to enter into the Grant Documents. The Grant Documents shall require that the renovation of the Multi-Family Residential Development commences within six months of the date on which a Grant closes. CIC shall provide in all Grant Documents that the City is a third-party beneficiary of the Grant Documents. CIC shall not close each Grant, or provide any Program Funds unless the matching funds described in subsection (b) above are available to the Developer. CIC shall not provide Program Funds to any Developer in an amount in excess of the applicable Maximum Program Assistance; provided, that the maximum amount so provided may be increased with the approval of HED in accordance with Section 4.3(d).

(d) Disbursement of Grant Funds. The City will place the Grant funds for each Eligible TIF Area into an interest-bearing segregated or escrow account established by CIC for this purpose. Any income earned on amounts held in the account shall be used at the sole discretion of the City; (i) to make Grants hereunder, or (ii) in such other manner as the City determines. CIC shall disburse funds from this account to the City at the written request of the City if income is earned on amounts held in the account. CIC shall make any such disbursement within 30 days of its receipt of the City's request. CIC agrees that any disbursements from this account which are later determined to have been made in violation of this Agreement will be repaid to this account by CIC. Pursuant to the Grant Documents, CIC will draw funds from the segregated account as needed to pay for approved TIF-eligible costs to Developers. Prior to disbursing any funds from this account, CIC shall obtain evidence that the costs being paid for are TIF-eligible costs. Each Grant shall be accounted for separately in the records maintained by CIC.

(e) Monitoring.

(1) CIC shall specify an employee directly responsible for working on each Grant. CIC shall provide HED with notice of the person(s) responsible for these duties and the respective Grants.

(2) If an Developer breaches any covenant or agreement under the applicable Grant Documents, CIC shall mail notice of such breach to the Developer as provided in the Grant Documents (with a copy to HED) and shall take such further action consistent with the terms of this Agreement.

(3) CIC shall monitor the progress of the renovation work to confirm compliance with this Agreement and the Grant Documents. CIC shall make a final inspection of the renovation work at its completion to confirm compliance with this Agreement and the Grant Documents.

(f) Reporting. On a quarterly basis during the term hereof, CIC shall submit to the City a report in a form approved by HED and containing the following information for each Grant closed during the previous month, and for each Developer whose Application has been approved: (i) the address of the Multi-Family Residential Development; (ii) the name and address of each Developer for such Multi-Family Residential Development; (iii) the amount of the applicable Grant and the date of the Grant; (iv) the status of the renovation work on such Multi-Family Residential Development; and (v) evidence that the maximum rental rates charged in any Multi-Family Residential Development do not exceed the maximum amount permitted under this Agreement. In addition, CIC shall also include the following in such report regarding the Program as of the end of the preceding quarter: (i) total number of matching loans approved by CIC; (ii) number of renovations in process; (iii) number of renovations completed; (iv) total amount of Grant funds disbursed hereunder, with a description to include how much was disbursed for each Multi-Family Residential Development; (v) the total amount of interest earned on Grant funds held by CIC; (vi) evidence that no disbursement would result in the funds disbursed by CIC hereunder for any Multi-Family Residential Development exceeding the applicable Maximum Program Assistance; and (vii) the total amount of fees paid to CIC pursuant to Section 6.5. At the end of every quarter, CIC shall deliver a report to the City regarding the application process and listing (A) the total number of Applications, and (B) the total dollar amount of Grants requested, along with any other information requested by the City.

(g) Marketing. CIC shall make information about the Program, including Applications, readily available to persons applying to become Developers. In connection therewith, CIC shall prepare and distribute brochures and other written materials describing the Program. CIC shall also make appropriate personnel available to speak at seminars to promote and explain the Program and shall conduct other affirmative outreach efforts (including organizing or participating in seminars, conferences and public meetings) to disseminate information about the Program to the public. CIC shall cooperate (and shall bind its contractors to cooperate) with HED in any event which HED may undertake to promote and explain the Program. CIC shall dedicate sufficient employee time and resources to respond promptly to inquiries from potential applicants.

4.5 The Grant Documents shall require that each rental unit in a Eligible Multi-Family Residential Development bear rents not greater than the Affordable Rent for such unit at any time during the Affordability Period.

4.6 The Grant Documents shall require that each Developer who renovates housing assisted with Program Funds maintain the premises in compliance with all State and City code requirements.

4.7 CIC shall be responsible for all actions of any agents, employees, officers of CIC performing any duties or obligations of CIC hereunder.

4.8 (a) The Program Funds to be provided to CIC hereunder by the City are a conditional grant, and the use of such funds by CIC and Developers is subject to the compliance by CIC and Developers with certain provisions of this Agreement. The Grant Documents shall provide that Program Funds provided for a Eligible Multi-Family Residential Development shall be subject to Recapture if, at any time during the Affordability Period, the requirements of Section 4.5 are not met

(subject to any applicable cure periods in the Grant Documents) with respect to such unit. The amount subject to Recapture shall be calculated as follows, based on when the requirements of Section 4.5 are not met (subject to cure periods as indicated above): if the event of noncompliance takes place within the first year after the applicable Grant has been fully disbursed, then the full amount of the Grant will be subject to Recapture; on the first anniversary of the date that the applicable Grant was fully disbursed, the amount so subject to Recapture will be reduced by 1/15 of the amount of the applicable Grant; and the amount subject to Recapture will be reduced by a like amount each succeeding anniversary, so that on the fifteenth anniversary the amount subject to Recapture will be zero.

(b) Upon the occurrence of any event set forth in paragraph (a) of this Section, CIC shall immediately notify HED of the occurrence of such event and shall take any or all necessary action to Recapture the aggregate amount of Program Funds provided to each Developer with respect to the Eligible Multi-Family Residential Development, including any late payment penalties due under any of the Grant Documents.

(c) Any monies Recaptured by CIC shall be returned to the City. Funds so recaptured with respect to any Eligible Multi-Family Residential Development may be used only with respect to costs in the tax increment financing redevelopment area in which the Eligible Multi-Family Residential Development is located.

(d) CIC shall include the provisions of this Section in the Grant Documents.

(e) The Recapture right of the City will be secured by a lien, recorded at the time the Grant Documents are signed against the real property on which each Eligible Multi-Family Residential Development is located ("Recapture Mortgage"). The lien shall be in a form acceptable to the City and will be recorded by CIC at no expense to the City. The lien will reflect that the amount subject to Recapture will decline over time.

4.9 The City authorizes CIC to act, subject to the limitations contained herein and in accordance with the provisions of this Agreement: (i) to manage and service the Grants; (ii) to enforce or to refrain from enforcing the Grant Documents for each Grant; (iii) to give consents or approvals in connection with the Grant Documents for each Grant; (iv) to take or refrain from taking any action and make any determination provided for herein or in the Grant Documents; and (v) to exercise all such powers as are incidental thereto.

4.10 In its marketing efforts regarding the Program, the City shall notify potential Program applicants that there will be a matching funds requirement (as set forth in Section 4.4(b) hereof).

4.11 Insurance

(a) CIC must provide and maintain at its own expense, except as may be otherwise provided herein, during the term of this Agreement and during the time period following expiration if CIC is required to return and perform any of the work or services under the agreement, the insurance coverages and requirements specified below, insuring all operations related to the Agreement.

1) Workers Compensation and Employers Liability

Workers Compensation Insurance, as prescribed by applicable law covering all employees

who are to provide work under this Contract and Employers Liability coverage with limits of not less than \$500,000 each accident, illness or disease.

2) Commercial General Liability (Primary and Umbrella)

Commercial General Liability Insurance or equivalent with limits of not less than \$2,000,000 per occurrence for bodily injury, personal injury, and property damage liability. Coverages must include the following: All premises and operations, products/completed operations and contractual liability (not to include Endorsement CG 21 39 or equivalent). The City of Chicago is to be named as an additional insured on a primary, non-contributory basis for any liability arising directly or indirectly from the work or services.

Subcontractors performing work for CIC must maintain limits of not less than \$1,000,000 with the same terms herein.

3) Automobile Liability (Primary and Umbrella)

When any motor vehicles (owned, non-owned and hired) are used in connection with work to be performed, CIC must provide Automobile Liability Insurance with limits of not less than \$1,000,000 occurrence for bodily injury and property damage. The City of Chicago is to be named as an additional insured on a primary, non-contributory basis.

4) Errors & Omissions/Professional Liability

When any Program Managers/Administrators or any other professional consultants perform work in connection with this Agreement, Professional Liability Insurance covering acts, errors, or omissions must be maintained with limits of not less than \$1,000,000. When policies are renewed or replaced, the policy retroactive date must coincide with, or precede, start of work on the Agreement. A claim-made policy which is not renewed or replaced must have an extended reporting period of two (2) years.

5) Valuable Papers

When any media, data, records, reports, application and other documents are produced or used under this Contract, Valuable Papers Insurance must be maintained in an amount to insure against any loss whatsoever, and must have limits sufficient to pay for the re-creation and reconstruction of such records.

6) Blanket Crime

CIC must provide Blanket Crime coverage covering all persons handling funds under this Agreement against loss by dishonesty, robbery, burglary, theft, destruction, or disappearance, computer fraud, credit card forgery, and other related crime risks. The policy limit must be written to cover losses in the amount of maximum monies/funds collected, received and in the possession of CIC at any given time.

7) Property

CIC is responsible for all loss or damage to City property at full replacement cost that results from this Agreement.

CIC is responsible for all loss or damage to personal property (including materials, equipment, tools and supplies) owned, rented or used by CIC.

b) CIC must furnish the City of Chicago, Department of Housing and Economic Development, City Hall, Room 1006, 121 North LaSalle Street 60602, original Certificates of Insurance, or such similar evidence, to be in force on the date of this Agreement, and Renewal Certificates of Insurance, or such similar evidence, if the coverages have an expiration or renewal date occurring during the term of this Agreement. CIC must submit evidence of insurance on the City of Chicago Insurance Certificate Form (copy attached) or equivalent prior to execution of the Agreement. The receipt of any certificate does not constitute agreement by the City that the insurance requirements in the Agreement have been fully met or that the insurance policies indicated on the certificate are in compliance with all requirements. The failure of the City to obtain certificates or other insurance evidence from CIC is not a waiver by the City of any requirements for CIC to obtain and maintain the specified coverages. CIC must advise all insurers of the Agreement provisions regarding insurance. Non-conforming insurance does not relieve CIC of the obligation to provide insurance as specified herein. Nonfulfillment of the insurance conditions may constitute a violation of the Agreement, and the City retains the right to stop work until proper evidence of insurance is provided, or the Agreement may be terminated.

The insurance must provide for sixty (60) days prior written notice to be given to the City in the event coverage is substantially changed, canceled, or non-renewed.

Any deductibles or self-insured retentions on referenced insurance coverages must be borne by CIC.

CIC hereby waives and agrees to require their insurers to waive their rights of subrogation against the City of Chicago, its employees, elected officials, agents, or representatives.

The coverages and limits furnished by CIC in no way limit CIC's liabilities and responsibilities specified within this Agreement or by law.

Any insurance or self-insurance programs maintained by the City of Chicago do not contribute with insurance provided by CIC under this Agreement.

The required insurance to be carried is not limited by any limitations expressed in the indemnification language in this Agreement or any limitation placed on the indemnity in this Agreement given as a matter of law.

If CIC is a joint venture or limited liability company, the insurance policies must name the joint venture or limited liability company as a named insured.

CIC must require all subcontractors to provide the insurance required herein, or CIC may provide the coverages for subcontractors. All subcontractors are subject to the same insurance requirements of CIC unless otherwise specified in this Agreement.

If CIC or subcontractor desire additional coverages, the party desiring the additional coverages is responsible for the acquisition and cost.

Notwithstanding any provision in the Agreement to the contrary, the City of Chicago Risk Management Department maintains the right to modify, delete, alter or change these requirements, and the City shall promptly notify CIC of any such changes.

ARTICLE V - Events of Default; Remedies

5.1 Events of Default Defined. The following, subject to the notice and cure provisions of Section 5.2 hereof, shall each constitute an Event of Default hereunder:

(a) any material misrepresentation, whether negligent or willful and whether in the inducement or in the performance of this Agreement, made by CIC to the City;

(b) failure by CIC to perform any of its duties or obligations under this Agreement;

(c) any change in ownership or control of CIC without the prior written approval of the City;

(d) the dissolution of CIC or the entry of a decree or order for relief by a court having jurisdiction with respect to CIC in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of CIC or for any substantial part of the property thereof or ordering the winding-up or liquidation of the affairs of CIC and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days;

(e) the commencement by CIC of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by CIC to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of CIC or of any substantial part of the property of CIC or of any royalties, revenues, rents, issues or profits therefrom, or the making by CIC of any assignment for the benefit of creditors or the failure of CIC generally to pay its respective debts as such debts become due or the taking of action by CIC in furtherance of any of the foregoing;

(f) a final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of competent jurisdiction against CIC, and CIC shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, within 60 days from the date of entry thereof, or such longer period during which execution of such judgment shall have been stayed;

(g) default by CIC under any other agreement which CIC may currently have or may enter into with the City during the term of this Agreement; or

(h) a failure by CIC to fulfill its obligations under any Grant Documents.

5.2 Remedies. If any event referred to in Section 5.1 hereof cannot reasonably be cured within 30 days after receipt of notice given in accordance with the terms of this Agreement, or if CIC has failed, in the sole opinion of the City, to commence and continue diligent efforts to cure such

event, the City may, at its sole option, declare an Event of Default hereunder. Whether to declare an Event of Default hereunder is within the sole discretion of the City and neither that decision nor the factual basis for it is subject to review or challenge under this Agreement. Written notification of, or that results in, an Event of Default, and any intention of the City to terminate this Agreement, shall be provided to CIC and such decision shall be final and effective upon receipt of such notice pursuant to Section 6.14 hereof and failure to cure within the stated applicable cure period. Upon the giving of such notice, the City may invoke any or all of the following remedies:

- (a) the right to terminate this Agreement as to any or all of the services yet to be performed effective at a time specified by the City;
- (b) the right of specific performance, an injunction or any other appropriate equitable remedy;
- (c) the right to money damages;
- (d) the right to withhold all or any part of the compensation of CIC hereunder; and
- (e) the right to deem CIC non-responsible in future contracts to be awarded by the City.

If the City considers it to be in its best interests, it may elect not to declare an Event of Default hereunder or to terminate this Agreement. The parties acknowledge that this provision is solely for the benefit of the City and that if the City permits CIC to continue to provide the services despite one or more Events of Default, CIC shall in no way be relieved of any of its responsibilities, duties or obligations under this Agreement nor shall the City waive or relinquish any of its rights thereby.

The remedies under the terms of this Agreement are not intended to be exclusive of any other remedies provided, but each and every such remedy shall be cumulative and shall be in addition to any other remedies, existing now or hereafter, at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor shall it be construed as a waiver of any Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VI – General Provisions

6.1 Duration of the Agreement. This Agreement shall commence on the date of execution and delivery hereof and, unless earlier terminated pursuant to this Agreement, shall terminate when the last Grant payment is made by CIC hereunder.

6.2 Termination. The City may terminate this Agreement for convenience upon thirty (30) days written notice from the City. In such event, all rights and obligations running to and from each party shall be terminated and of no further force and effect; provided that CIC shall be obligated to maintain all records and monitoring obligations with respect to any Grant made in accordance with the terms of this Agreement for a period of five years after the date of the Grant.

6.3 Indemnification. CIC shall pay, indemnify and save the City and the City's officers,

employees and agents harmless of, from and against, any and all losses incurred by any such party under this Agreement and any claim brought by reason of any such loss due to CIC's negligence, bad faith or willful misconduct. In the event that any claim is brought against the City or any of the City's officers, employees or agents, by reason of any such loss, CIC, upon notice from the City, covenants to resist and defend such claim on behalf of the City and the City's officers, employees and agents. The City shall have the right to employ separate counsel in any such claim and to participate in the defense thereof and the fees and expenses of such counsel incurred shall be at the expense of CIC, without regard to any authorization of such employment by CIC.

6.4 Non-Liability of Public Officials. No official, employee or agent of the City shall be charged personally by CIC or by any assignee or subcontractor of CIC with any liability or expenses of defense or shall be held personally liable to CIC, or any assignee or subcontractor of CIC under any terms or provisions of this Agreement because of the City's execution or attempted execution hereof or because of any breach hereof.

6.5 Compensation. CIC shall not charge any Eligible Homebuyer any fees or charges for a Grant hereunder. The only compensation received by CIC for performance under this Agreement shall be in accordance with this Section 6.5, as follows:

(a) CIC shall be entitled to compensation hereunder in an amount equal to 3 percent (3%) of the aggregate Program Funds paid by the City for each Eligible Property if CIC is the senior lender or an amount equal to 5 percent (5%) if CIC is not the senior lender.

(b) The City shall not be responsible for the payment of any fees other than as set forth in this Section.

6.6 Documentation of Costs and Income; Records and Availability. All TIF-eligible costs paid from the proceeds of a Grant shall be supported by properly executed invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the TIF-eligible costs. All checks, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be maintained by CIC and shall be clearly identified and readily accessible to the City upon written request.

CIC shall maintain records evidencing compliance with the all requirements of the Program for each Eligible Property which is the subject of a Grant, including the provisions of Section 4.5. Such records shall be maintained for a period of five years after the date of the Grant. All Grant Documents shall be held by CIC for the benefit of the City during the term of this Agreement and for five years thereafter. Upon the written request of the City, CIC shall provide the City with access to and copies of such records.

At any time during normal business hours and as often as the City may deem necessary, CIC shall make available to the City (i) all of its records with respect to matters covered by this Agreement and (ii) access to its employees who have knowledge about the matters covered by this Agreement. CIC shall permit the City to audit, examine and make excerpts or transcripts from such records, and to make copies of records relating to personnel, conditions of employment and other data covered by this Agreement.

At any time during normal business hours and as often as the City may deem necessary, each Eligible Homebuyer shall make available to the City the Eligible Property and records relating

to tenants of the unit, if any, in order for the City to verify compliance with this Agreement, including Section 4.5. CIC shall include this requirement in the Grant Documents.

6.7 Non-discrimination. CIC agrees it shall be an unlawful employment practice for CIC (1) to fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, or the terms, conditions, or privileges of his employment, because of such individual's race, color, religion, sex, age, handicap or national origin; or (2) to limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any individual in any way of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color religion, sex, age, handicap or national origin.

CIC shall comply with the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. and any rules and regulations promulgated in accordance therewith, including, but not limited to the Equal Employment Opportunity clause, 56 Ill. Admin. Code 2520 Appendix G. Furthermore, CIC shall comply with and shall cause any contractor utilized under this Agreement to comply with the Discrimination in Public Contracts Act, 775 ILCS 10/0.01, et seq.

6.8 City Requirements. CIC shall comply with the Chicago Human Rights Ordinance, ch. 2.160, Section 2-160-010 et seq. of the Chicago Municipal Code (1990); and the Chicago Fair Housing Regulations ch. 5-8, Section 5-8-010 et seq. of the Chicago Municipal Code (1990).

CIC agrees to furnish and to cause each of its subcontractor(s) to furnish such reports and information as requested by the Chicago Commission on Human Relations.

6.9 Assignment. CIC may not assign, sell, transfer or delegate any of its duties or obligations under this Agreement without the prior written consent of the City. The City may assign, sell, transfer or otherwise dispose of any of its rights hereunder, in whole or in part, without the permission of CIC.

6.10 Savings Clause. In case any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

6.11 Entire Agreement. This Agreement and the incorporated Exhibits constitute the entire Agreement and may not be modified, altered or amended unless agreed to by both parties in writing. Any waiver or any provision of this Agreement must be executed in writing by the party granting the waiver and such waiver shall not affect any other rights of the party granting the waiver or act to affect any other duty or obligation of the party receiving the waiver.

6.12 Counterparts. This Agreement is composed of several identical counterparts, each to be fully executed by the parties and each to be deemed an original having identical legal effect.

6.13 Headings. The headings and titles of this Agreement are for convenience only and shall not influence the construction or interpretation of this Agreement.

6.14 Notices. Unless otherwise specified, any notice, demand or request hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier;

or (d) registered or certified mail, return receipt requested.

IF TO CITY: Department of Housing and Economic Development
City of Chicago
121 North LaSalle Street, Room 1906
Chicago, Illinois 60602
Attention: Commissioner

WITH COPIES TO: Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance & Economic Development Division

and

Department of Finance
City of Chicago
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Comptroller

IF TO CIC: Community Investment Corporation
222 South Riverside Plaza, Suite 2200
Chicago, Illinois 60606
Attention: President

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the business day immediately following deposit with the overnight courier and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two business days following deposit in the mail.

6.15 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State without regard to its conflict of laws principles.

6.16 Approval. Wherever in this Agreement provision is made for the approval or consent of the City, or any matter is to be to the City's satisfaction, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction or the like shall be made, given or determined by the City in its sole discretion, subject to the review by the Corporation Counsel. Any such approval, consent or other determination shall be made by the Commissioner of the Department of Housing and Economic Development, or any designee thereof, in his or her role as administering this Agreement for the City.

6.17 Standard of Performance. CIC shall at all times act in the best interest of the City, consistent with the professional obligations assumed by it in entering into this Agreement. CIC shall

perform, or cause to be performed, all services hereunder in accordance with the terms and conditions of this Agreement and to the reasonable satisfaction of the City. Any review, approval, acceptance or payment for any and all of the services by the City shall not relieve CIC of its responsibility for the professional accuracy and due diligence of its services. This provision in no way limits the City's rights against CIC either under this Agreement or otherwise, at law or in equity.

6.18 References to Statutes, etc. All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions or notices or circulars issued by any governmental body shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, notices and circulars.

6.19 No Contractor Inducements. CIC shall comply with Chapter 2-156 of the Municipal Code of Chicago, "Governmental Ethics", including but not limited to Section 2-156-120 of such Chapter, pursuant to which no payment, gratuity or offer of employment shall be made in connection with any City contract, by or on behalf of a subcontractor to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order. Any contract negotiated, entered into, or performed in violation of any of the provisions of such Chapter 2-156 shall be voidable as to the City.

6.20 No Business Relationship with City Elected Officials. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion of any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to this Agreement, or in connection with the transactions contemplated hereby, shall be grounds for termination of this Agreement and the transactions contemplated hereby. CIC hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to this Agreement or the transactions contemplated hereby.

IN WITNESS WHEREOF, the City and CIC have executed this Agreement as of the date first set forth above.

By: _____
Commissioner of Housing and
Economic Development

COMMUNITY INVESTMENT CORPORATION

By: _____

Its: President

(Sub)Exhibits "A" and "B" referred to in this Vacant Building Tax Increment Financing Neighborhood Purchase and Rehabilitation Program Agreement for Multi-Family Homes with Community Investment Corporation read as follows:

(Sub)Exhibit "A":
(To Vacant Building Tax Increment Financing Neighborhood Purchase
And Rehabilitation Program Agreement For Multi-Family Homes
With Community Investment Corporation)

Eligible TIF Areas.

1. Ogden/Pulaski Redevelopment Project Area established pursuant to ordinances passed on April 9, 2008.

Total amount of authorized Program Funds: \$1,000,000.

(Sub)Exhibit "B":
(To Vacant Building Tax Increment Financing Neighborhood Purchase
And Rehabilitation Program Agreement For Multi-Family Homes
With Community Investment Corporation)

Form Of Counsel's Opinion.

[To Be Placed On Attorney's Letterhead]

_____, 2012.

Office of the Corporation Counsel
City of Chicago
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

Re: Vacant Building TIF Purchase and Rehabilitation Program Agreement (the "Agreement")

Ladies and Gentlemen:

I have acted as Corporate General Counsel for Community Investment Corporation, an Illinois not-for-profit corporation ("CIC"), in connection with the execution and delivery of the Agreement by and among the CIC and the City of Chicago, acting by and through its Department of Housing and Economic Development (the "City"). CIC has requested that this opinion be furnished to the City.

In so acting as Corporate General Counsel for CIC I have examined:

- (i) an executed original of the Agreement;
- (ii) the Articles of Incorporation, including all amendments thereto, of CIC as furnished and certified by the Secretary of State of the State of Illinois;

- (iii) the Bylaws of CIC, as certified by the Secretary of CIC 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 CIC.

In my capacity as Corporate General 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 CIC 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. CIC is a not-for-profit corporation, duly organized and validly existing under the laws of the State of Illinois. CIC 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 CIC, and constitutes a legal, valid and binding obligation of CIC, enforceable against CIC 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. To my knowledge, there is no action, suit or proceeding at law or in equity pending, nor threatened, against or affecting CIC, before any court or before any governmental or administrative agency, which if adversely determined could materially and adversely affect the ability of CIC 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 CIC, (ii) the Bylaws of CIC, (iii) any provision of any contract or other instrument to which CIC is bound, or (iv) any order, writ, injunction, decree, statute, rule or regulation binding on CIC; 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 either CIC pursuant to, any agreement or other instrument to which CIC is a party or by which the CIC 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,

SETTLEMENT AGREEMENT REGARDING CASE OF MICHAEL TILLMAN V. FORMER CPD COMMANDER JON BURGE; MAYOR AND FORMER STATE'S ATTORNEY RICHARD DALEY; FORMER CPD SERGEANT JOHN BYRNE; FORMER CPD DETECTIVES PETER DIGNAN, RONALD BOFFO, JACK HINES AND GEORGE PATTON; THE ESTATE OF FORMER CPD DETECTIVE JOHN YUCAITIS; FORMER COOK COUNTY ASA TIMOTHY FRENZER; FORMER CPD SUPERINTENDENTS LEROY MARTIN AND TERRY HILLARD; FORMER OPS DIRECTOR GAYLES SHINES; FORMER AIDE TO THE CPD SUPERINTENDENT THOMAS NEEDHAM; THE CITY OF CHICAGO, COOK COUNTY, ILLINOIS; AND THE COOK COUNTY STATE'S ATTORNEY'S OFFICE.

[O2012-447]

The Committee on Finance submitted the following report:

ATTACHMENT E

Agreements entered into concerning the disposition or redevelopment of property within the Project Area during the preceding fiscal year are listed below.

Parties to Agreement with City	Project Description	Address
N/A	Construction of Mixed Use Property	3638 - 3642 W. Ogden Avenue
N/A	Construction of Mixed Use Property	4149, 4151, 4153 W. 16th Street
N/A	Construction of Mixed Use Property	4337 - 4345 W. 13th Street

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2012

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT

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BANSLEY AND KIENER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

O'HARE PLAZA

8745 WEST HIGGINS ROAD, SUITE 200

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 Ogden/Pulaski 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 Ogden/Pulaski 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 Ogden/Pulaski 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 Kieny, L.L.P.

Certified Public Accountants

June 19, 2013

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

As management of the Ogden/Pulaski 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
OGDEN/PULASKI 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 \$20,913 for the year. This was a decrease of 99 percent over the prior year. The change in net assets produced a decrease in net assets of \$862,898. The Project's net assets decreased by 13 percent from the prior year making available \$5,778,864 of funding to be provided for purposes of future redevelopment in the Project's designated area. Revenues decreased this year due to the Project's redevelopment plan of land acquisition, removing dilapidated or deteriorating structures and accordingly decreasing the total equalized assessed value of parcels and subsequent tax increment and related collections.

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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	\$ 5,916,370	\$ 6,749,329	\$ (832,959)	-12%
Total liabilities	<u>137,506</u>	<u>107,567</u>	<u>29,939</u>	28%
Total net assets	<u>\$ 5,778,864</u>	<u>\$ 6,641,762</u>	<u>\$ (862,898)</u>	-13%
Total revenues	\$ 35,386	\$ 1,441,699	\$ (1,406,313)	-98%
Total expenses	<u>898,284</u>	<u>1,003,087</u>	<u>(104,803)</u>	-10%
Changes in net assets	<u>(862,898)</u>	<u>438,612</u>	<u>(1,301,510)</u>	-297%
Ending net assets	<u>\$ 5,778,864</u>	<u>\$ 6,641,762</u>	<u>\$ (862,898)</u>	-13%

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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	\$ 5,902,056	\$ -	\$ 5,902,056
Accrued interest receivable	14,314	-	14,314
Total assets	<u>\$ 5,916,370</u>	<u>\$ -</u>	<u>\$ 5,916,370</u>
 <u>LIABILITIES</u>			
Vouchers payable	\$ 102,281	\$ -	\$ 102,281
Due to other City funds	35,225	-	35,225
Deferred revenue	4,043	(4,043)	-
Total liabilities	141,549	(4,043)	137,506
 <u>FUND BALANCE/NET ASSETS</u>			
Fund balance:			
Restricted for future redevelopment project costs	5,774,821	(5,774,821)	-
Total liabilities and fund balance	<u>\$ 5,916,370</u>		
Net assets:			
Restricted for future redevelopment project costs		5,778,864	5,778,864
Total net assets		<u>\$ 5,778,864</u>	<u>\$ 5,778,864</u>

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

Total fund balance - governmental fund	\$ 5,774,821
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>4,043</u>
Total net assets - governmental activities	<u>\$ 5,778,864</u>

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

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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	\$ 1,202,623	\$ (1,181,710)	\$ 20,913
Interest	14,473	-	14,473
	<hr/>	<hr/>	<hr/>
Total revenues	1,217,096	(1,181,710)	35,386
Expenditures/expenses:			
Economic development projects	898,284	-	898,284
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	318,812	(318,812)	-
Change in net assets	-	(862,898)	(862,898)
Fund balance/net assets:			
Beginning of year, as restated (Note 2)	5,456,009	1,185,753	6,641,762
	<hr/>	<hr/>	<hr/>
End of year	<u>\$ 5,774,821</u>	<u>\$ 4,043</u>	<u>\$ 5,778,864</u>

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

Net change in fund balance - governmental fund	\$ 318,812
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>(1,181,710)</u>
Change in net assets - governmental activities	<u>\$ (862,898)</u>

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

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In April 2008, the City of Chicago (City) established the Ogden/Pulaski 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
OGDEN/PULASKI 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
OGDEN/PULASKI REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS
(Concluded)

Note 2 – Prior Period Adjustment

The net assets at December 31, 2011 have been restated to reflect a change in the 2012 property tax levy due to a decrease in assessed valuation in the Project area. The net assets, beginning of the year, on the statement of activities have been reduced by \$1,000,000.

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 \$670,000 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
OGDEN/PULASKI 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	\$ 38,039
Costs of property assembly, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land	40,620
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	620,513
Costs of the construction of public works or improvements	<u>199,112</u>
	<u>\$ 898,284</u>



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 Ogden/Pulaski 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 19, 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 Ogden/Pulaski 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 19, 2013