

**FY 2018  
ANNUAL TAX INCREMENT FINANCE  
REPORT**



**STATE OF ILLINOIS  
COMPTROLLER  
SUSANA A. MENDOZA**

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

Reporting Fiscal Year: **2018**  
Fiscal Year End: **12/31/2018**

**TIF Administrator Contact Information**

First Name: Eleanor Last Name: Esser Gorski  
Address: City Hall, 121 N LaSalle Title: Administrator  
Telephone: (312) 744-4190 City: Chicago Zip: 60602  
Email- TIFreports@cityofchicago.org  
required

I attest to the best of my knowledge, that this FY 2018 report of the redevelopment project area(s) in the City/Village of: City of Chicago is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and or Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.].

*Eleanor Gorski* 6/28/2019  
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
107th/Halsted	4/2/2014	12/31/2038
111th/Kedzie	9/29/1999	9/29/2022
116th/Avenue O	10/31/2018	12/31/2042
119th/Halsted	2/6/2002	12/31/2026
119th/I-57	11/6/2002	12/31/2026
24th/Michigan	7/21/1999	7/21/2022
26th/King Drive	1/11/2006	12/31/2030
35th/Halsted	1/14/1997	12/31/2021
35th/State	1/14/2004	12/31/2028
35th/Wallace	12/15/1999	12/31/2023
43rd/Cottage Grove	7/8/1998	12/31/2022
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/St. Lawrence	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.]

60th/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	5/4/2011	12/31/2035
71st/Stony Island	10/7/1998	10/7/2021
73rd/University	9/13/2006	12/31/2030
79th Street Corridor	7/8/1998	7/8/2021
79th/Cicero	6/8/2005	12/31/2029
79th/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
95th/Western	7/13/1995	12/31/2019
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/Cermak	7/29/1998	12/31/2018
Canal/Congress	11/12/1998	12/31/2022
Central West	2/16/2000	12/31/2024
Chicago/Central Park	2/27/2002	12/31/2026
Chicago/Kingsbury	4/12/2000	12/31/2024
Cicero/Archer	5/17/2000	12/31/2024
Clark/Montrose	7/7/1999	7/7/2022
Clark/Ridge	9/29/1999	9/29/2022
Commercial Avenue	11/13/2002	12/31/2026
Devon/Sheridan	3/31/2004	12/31/2028
Devon/Western	11/3/1999	12/31/2023
Diversey/Chicago River	10/5/2016	12/31/2040
Diversey/Narragansett	2/5/2003	12/31/2027
Division/Homan	6/27/2001	12/31/2025
Drexel Boulevard	7/10/2002	12/31/2018
Edgewater/Ashland	10/1/2003	12/31/2027
Elston/Armstrong Industrial Corridor	7/19/2007	12/31/2031
Englewood Mall	11/29/1989	12/31/2025
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
Foster/California	4/2/2014	12/31/2038
Foster/Edens	2/28/2018	12/31/2042
Fullerton/Milwaukee	2/16/2000	12/31/2024
Galewood/Armitage Industrial	7/7/1999	12/31/2023
Goose Island	7/10/1996	7/10/2019

	Greater Southwest Industrial (East)	3/10/1999	12/31/2023
	Greater Southwest Industrial (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/Arthington	2/5/1998	2/5/2021
	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	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	12/31/2022
	Lake Calumet Area Industrial	12/13/2000	12/31/2024
	Lakefront	3/27/2002	12/31/2026
	LaSalle Central	11/15/2006	12/31/2030
	Lawrence/Broadway	6/27/2001	12/31/2025
	Lawrence/Kedzie	2/16/2000	12/31/2024
	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
	Madden/Wells	11/6/2002	12/31/2026
	Madison/Austin Corridor	9/29/1999	12/31/2023
	Michigan/Cermak	9/13/1989	12/31/2025
	Midway Industrial Corridor	2/16/2000	12/31/2024
X	Midwest	5/17/2000	12/31/2036
	Montclare	8/30/2000	12/31/2024
	Montrose/Clarendon	6/30/2010	12/31/2034
	Near North	7/30/1997	7/30/2020
	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	12/31/2022
	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 Industrial Corridor	6/9/1999	12/31/2023
	Randolph/Wells	6/9/2010	12/31/2034
	Ravenswood Corridor	3/9/2005	12/31/2018
	Read/Dunning	1/11/1991	12/31/2018
	Red Purple Modernization Phase One (Transit TIF)	11/30/2016	12/31/2052
	River South	7/30/1997	7/30/2020
	River West	1/10/2001	12/31/2025
	Roosevelt/Cicero Industrial Corridor	2/5/1998	2/5/2021

Roosevelt/Racine	11/4/1998	12/31/2034
Roosevelt/Union	5/12/1999	5/12/2022
Roseland/Michigan	1/16/2002	12/31/2026
Sanitary and Ship Canal	7/24/1991	12/31/2027
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 Southeast Quadrant Industrial	2/26/1992	12/31/2028
Stony Island Commercial/Burnside Industrial	6/10/1998	12/31/2034
Touhy/Western	9/13/2006	12/31/2030
Washington Park	10/8/2014	12/31/2038
Weed/Fremont	1/9/2008	12/31/2018
West Irving Park	1/12/2000	12/31/2024
West Woodlawn	5/12/2010	12/31/2034
Western Avenue North	1/12/2000	12/31/2024
Western Avenue South	1/12/2000	12/31/2024
Western/Ogden	2/5/1998	2/5/2021
Western/Rock Island	2/8/2006	12/31/2030
Wilson Yard	6/27/2001	12/31/2025
Woodlawn	1/20/1999	1/20/2022

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

**FY 2018**

<b>Name of Redevelopment Project Area (below):</b> <p style="text-align: center;"><b>Midwest Redevelopment Project Area</b></p>
<b>Primary Use of Redevelopment Project Area*: <b>Combination/Mixed</b></b>

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

<b>If 'Combination/Mixed' List Component Types: <b>Residential/Retail/Institutional</b></b>
<b>Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):</b> <div style="display: flex; justify-content: space-between;"> <span>Tax Increment Allocation Redevelopment Act</span> <input checked="" type="checkbox"/> </div> <div style="display: flex; justify-content: space-between;"> <span>Industrial Jobs Recovery Law</span> <input type="checkbox"/> </div>

**Please utilize the information below to properly label the Attachments.**

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] <b>If yes, please enclose the amendment (labeled Attachment A).</b>	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] <b>Please enclose the CEO certification (labeled Attachment B).</b>		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] <b>Please enclose the Legal Counsel Opinion (labeled Attachment C).</b>		X
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] <b>If yes, please enclose the Activities Statement (labeled Attachment D).</b>	X	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] <b>If yes, please enclose the Agreement(s) (labeled Attachment E).</b>		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] <b>If yes, please enclose the Additional Information (labeled Attachment F).</b>	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] <b>If yes, please enclose the contract(s) or description of the contract(s) (labeled Attachment G).</b>	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] <b>If yes, please enclose the Joint Review Board Report (labeled Attachment H).</b>	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] <b>If yes, please enclose any Official Statement (labeled Attachment I). If Attachment I is answered yes, then the Analysis must be attached and (labeled Attachment J).</b>	X	
An analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] <b>If attachment I is yes, then Analysis <u>MUST</u> be attached and (labeled Attachment J).</b>	X	
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) <b>If yes, please enclose Audited financial statements of the special tax allocation fund (labeled Attachment K).</b>		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] <b>If yes, the audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (g) of Section 11-74.4-3 (labeled Attachment L).</b>		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] <b>If yes, please enclose list only, not actual agreements (labeled Attachment M).</b>	X	

**SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d)(5)(a)(b)(d) and (65 ILCS 5/11-74.6-22 (d) (5)(a)(b)(d))**

**Provide an analysis of the special tax allocation fund.**

**FY 2018**

**TIF NAME: Midwest Redevelopment Project Area**

Special Tax Allocation Fund Balance at Beginning of Reporting Period:

\$ 42,340,635

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 18,834,683	\$ 195,300,861	79%
State Sales Tax Increment			
Local Sales Tax Increment			
State Utility Tax Increment			
Local Utility Tax Increment			
Interest	\$ 517,265	\$ 5,788,653	2%
Land/Building Sale Proceeds		0	0%
Bond Proceeds		\$ 30,373,738	12%
Transfers from Municipal Sources	\$ 8,500,000	\$ 12,254,510	5%
Private Sources		0	0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 4,924,000	2%

**All Amount Deposited in Special Tax Allocation Fund**

\$ 27,851,948

**Cumulative Total Revenues/Cash Receipts**

\$ 248,641,762      100%

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

\$ 22,260,083

**Transfers to Municipal Sources**

\$ 14,086,378

**Distribution of Surplus**

\$

**Total Expenditures/Disbursements**

\$ 36,346,461

**Net Income/Cash Receipts Over/(Under) Cash Disbursements**

\$ (8,494,513)

**FUND BALANCE, END OF REPORTING PERIOD\***

\$ 33,846,122

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

(a) Cumulative figures for the categories of 'Interest,' 'Land/Building Sale Proceeds' and 'Other' may not be fully available for this report due to either: (i) the disposal of certain older records pursuant to the City's records retention policy, or (ii) the extraordinary administrative burden of developing cumulative City records prior to the City's conversion to its current accounting system in 2003.

**Schedule of "Other" Sources of Revenue/Cash Receipts Deposited in Fund During Reporting FY  
(Total and Cumulative Values Carried Forward to Section 3.1)**

**FY 2018**

**TIF NAME: Midwest Redevelopment Project Area**

"Other" Sources	Reporting Year	Cumulative
Cumulative Revenue Prior to 2017		\$ 4,924,000
Note Proceeds		0
Non-compliance Payment		0
Excess Reserve Requirement		0
Build America Bonds Subsidy		0
Collection Returns		0
Credits from Expenditures		0

**Total Schedule of "Other" Sources During Reporting Period**      \$ -

**Cumulative Total Schedule of "Other" Sources**      \$ 4,924,000

**SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) (c) and 65 ILCS 5/11-74.6-22 (d) (5)(c))**

**FY 2018**

**TIF NAME: Midwest Redevelopment Project Area**

**ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND**

(by category of permissible redevelopment project costs)

**PAGE 1**

Category of Permissible Redevelopment Project Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Cost of studies, surveys, development of plans, and specifications. Implementation and administration of the redevelopment plan, staff and professional service cost.		
	\$ 296,886	
		\$ 296,886
2. Annual administrative cost.		
		\$ -
3. Cost of marketing sites.		
		\$ -
4. Property assembly cost and site preparation costs.		
	\$ 90,987	
		\$ 90,987
5. Costs of renovation, rehabilitation, reconstruction, relocation, repair or remodeling of existing public or private building, leasehold improvements, and fixtures within a redevelopment project area.		
	\$ 146,615	
		\$ 146,615
6. Costs of construction of public works or improvements.		
	\$ 2,367,092	
		\$ 2,367,092





**SECTION 3.2 A**

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project.	\$ 93,165	
Costs of construction of new housing units for low income or very low income households.	\$ 3,429,163	
		\$ 3,522,328
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 22,260,083</b>

**Section 3.2 B**

**FY 2018**

**TIF NAME: Midwest Redevelopment Project Area**

***Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.***

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

<b>Name</b>	<b>Service</b>	<b>Amount</b>
City Staff Costs (1)	Administration	\$252,619.00
Private Bank	Development	\$90,986.91
Maple Jack LLC	Development	\$303,304.16
Liberty Square Apartments	Development	\$93,165.65
Harvest Homes Apartments	Development	\$519,772.00
East Park Redevelopment LP	Development	\$2,606,087.50
Zions Bank	Financing	\$15,807,770.83
St. Augustine College	Job Training	\$28,404.05
S.B. Friedman & Co.	Professional Service	\$32,789.44
Sumit Construction Co.	Public Improvement	\$79,206.85
Stanley Construction	Public Improvement	\$27,200.00
Spaan Tech	Public Improvement	\$11,877.46
Seven-D Construction	Public Improvement	\$31,706.23
Leopardo Companies	Public Improvement	\$98,514.49
Kenny Construction	Public Improvement	\$150,000.00
John Burns Construction	Public Improvement	\$322,780.23
Graybar Electric	Public Improvement	\$19,626.96
Gordian Group	Public Improvement	\$16,544.45
Globetrotters Engineering	Public Improvement	\$293,270.64
Electrical Resource	Public Improvement	\$29,382.21
EJM Engineering	Public Improvement	\$151,483.10
CNECT LLC	Public Improvement	\$13,546.80
Chicago Department of Transportation	Public Improvement	\$253,589.65
Charles Equip Energy	Public Improvement	\$146,254.00
Aldridge Electric	Public Improvement	\$713,044.98
SomerCor 504, Inc.	Rehabilitation Program	\$146,615.70

(1) Costs relate directly to the salaries and fringe benefits of employees working solely on tax increment financing districts.



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

**FY 2018**

**TIF NAME: Midwest Redevelopment Project Area**

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

  X   Check here if no property was acquired by the Municipality within the Redevelopment Project Area.

**Property Acquired by the Municipality Within the Redevelopment Project Area.**

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

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

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

## SECTION 5 - 20 ILCS 620/4.7 (7)(F)

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TIF Name: **Midwest Redevelopment Project Area**Page 1 is to be included with TIF report. Pages 2 and 3 are to be included **ONLY** if projects are listed.Select **ONE** of the following by indicating an 'X':

1. <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area.	_____
2. The Municipality <b>DID</b> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	_____ <b>X</b>
<b>2a.</b> The number of projects undertaken by the municipality within the Redevelopment Project Area:	<b>14</b>

**LIST** the projects undertaken by the Municipality Within the Redevelopment Project Area:

<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ 136,270,444	\$ -	\$ 100,761,521
Public Investment Undertaken	\$ 35,562,706	\$ 7,526,250	\$ 54,247,175
Ratio of Private/Public Investment	3 5/6	-	1 85/99

\*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

**Project 1\*: SBIF - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 7,500,000
Public Investment Undertaken	\$ 2,027,776	\$ 130,000	\$ 3,750,000
Ratio of Private/Public Investment		-	2

**Project 2\*: NIF - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 13,500,000
Public Investment Undertaken	\$ 6,327,855	\$ 184,000	\$ 6,750,000
Ratio of Private/Public Investment		-	2

**Project 3\*: Liberty Square Apartments (DOH) (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 12,438,917
Public Investment Undertaken	\$ 591,421	\$ 50,000	\$ 1,900,000
Ratio of Private/Public Investment		-	6 35/64

**Project 4\*: New West Kedzie, LLC (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 17,744,426
Public Investment Undertaken	\$ 2,749,472	\$ 50,528	\$ 3,500,000
Ratio of Private/Public Investment		-	5 3/43

**Project 5\*: Lawndale Restoration Apartments (Project Completed)**

Private Investment Undertaken (See Instructions)	\$ 19,846,475	-	\$ 0
Public Investment Undertaken	\$ 8,950,000	-	\$ 0
Ratio of Private/Public Investment	2 5/23	-	

**Project 6\*: Renaissance Place (Project Completed)**

Private Investment Undertaken (See Instructions)	\$ 8,767,263	-	\$ 0
Public Investment Undertaken	\$ 2,000,000	-	\$ 0
Ratio of Private/Public Investment	4 28/73	-	

**Project 7\*: New Homes Chicago - Resurrection (Project Completed) (1)**

Private Investment Undertaken (See Instructions)	0	-	\$ 0
Public Investment Undertaken (2)	0	-	\$ 0
Ratio of Private/Public Investment		-	

**Project 8\*: Rockwell West End - Phase II-A Rental (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 38,123,910
Public Investment Undertaken	0	-	\$ 1,250,000
Ratio of Private/Public Investment		-	30 1/2

**Project 9\*: TIFWorks - Midwest\*\* (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 0
Public Investment Undertaken	\$ 852,746	\$ 5,635	\$ 885,000
Ratio of Private/Public Investment		-	

**Project 10 Vacant Bldg Purch Rehab SF Prog - Midwest\*\* (Project Completed)**

Private Investment Undertaken (See Instructions)	0	-	\$ 0
Public Investment Undertaken	\$ 1,000,000	-	\$ 0
Ratio of Private/Public Investment		-	

**Project 11 Harvest Homes (Project Completed)**

Private Investment Undertaken (See Instructions)	\$ 13,063,323	-	\$ 0
Public Investment Undertaken	\$ 1,039,544	-	\$ 0
Ratio of Private/Public Investment	12 17/30	-	

**Project 12 Maple Jack LLC (Project Completed)**

Private Investment Undertaken (See Instructions)	\$ 25,593,383	-	\$ 0
Public Investment Undertaken	\$ 2,917,804	-	\$ 0
Ratio of Private/Public Investment	8 27/35	-	

**Project 13 East Park SRO (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	0	-	\$ 11,454,268
Public Investment Undertaken	\$ 2,606,088	\$ 2,606,088	\$ 5,212,175
Ratio of Private/Public Investment		-	2 16/81

**Project 14 SINAI Health System (Project is Ongoing\*\*\*)**

Private Investment Undertaken (See Instructions)	\$ 69,000,000	-	\$ 0
Public Investment Undertaken	\$ 4,500,000	\$ 4,500,000	\$ 31,000,000
Ratio of Private/Public Investment	15 1/3	-	

**Project 15**

Private Investment Undertaken (See Instructions)		-	\$
Public Investment Undertaken		-	\$
Ratio of Private/Public Investment		-	

## Section 5 Notes

**FY 2018**

**TIF NAME: Midwest Redevelopment Project Area**

\*\* 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.

(a) Each actual or estimated Public Investment reported here is, to the extent possible, comprised only of payments financed by tax increment revenue, and may include interest amounts paid to finance the Public Investment amount. 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 revenue 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.

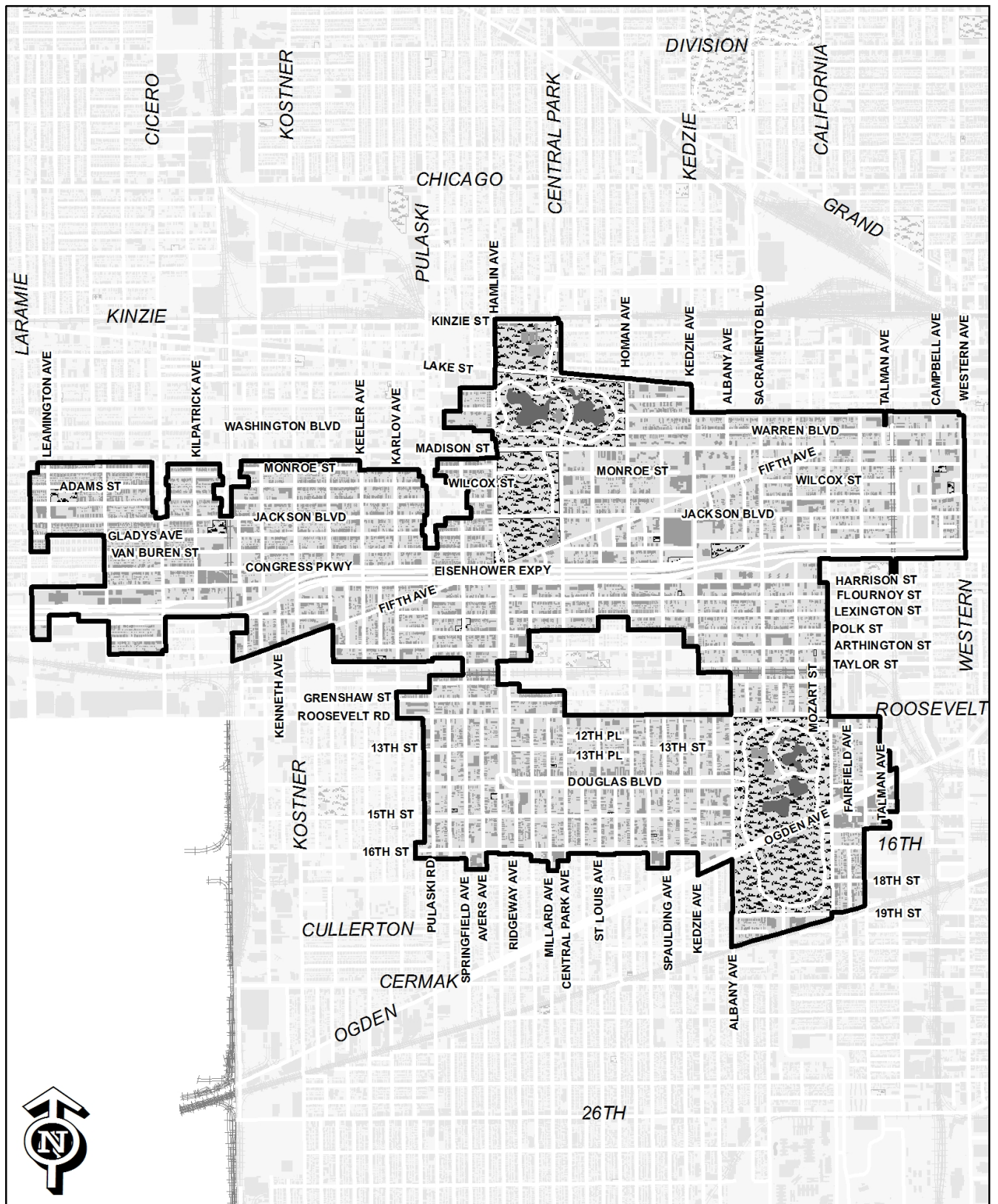
(1) This project straddles the Midwest Redevelopment Project Area and the Western/Ogden Redevelopment Project Area and the Pilsen Industrial Corridor Redevelopment Project Area.

(2) This line reports the amounts, if any, that have been or are anticipated to be funded from increment received from this Area only. In this case, no increment from this Area was invested in this Project. The aggregate amount of Public Investment Undertaken for this Project is the sum of these figures, if any, and the corresponding figures, if any, from the other Area or Areas that this Project straddles.





# Midwest TIF 2018 Annual Report



STATE OF ILLINOIS        )  
  )  
COUNTY OF COOK        )

**CERTIFICATION**

**TO:**

Susana Mendoza  
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

Janice Jackson  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

Daryl Okrzesik  
Associate Vice Chancellor-Finance  
City Colleges of Chicago  
3901 South State Street  
Chicago, Illinois 60609

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

Jay Stewart  
Interim Bureau Chief  
Cook County Bureau of Economic Dev.  
69 West Washington Street, Suite 3000  
Chicago, Illinois 60602

Charles Givines, President  
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, 7th Floor  
Chicago, Illinois 60611

I, Lori E. Lightfoot, 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 Midwest Redevelopment Project Area (the “Redevelopment Project Area”), do hereby certify as follows:

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


**Attachment B**

2. During the preceding fiscal year of the City, being January 1 through December 31, 2018, the City complied, in all material respects, with the requirements of the Law, 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, 2019.

  
Lori E. Lightfoot, Mayor  
City of Chicago, Illinois



DEPARTMENT OF LAW  
CITY OF CHICAGO

June 28, 2019

Susana Mendoza  
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

Janice Jackson  
Chief Executive Officer  
Chicago Board of Education  
42 West Madison Street  
Chicago, Illinois 60603

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Chicago, IL 60602

Michael P. Kelly, General Superintendent CEO  
Chicago Park District  
541 North Fairbanks, 7th Floor  
Chicago, Illinois 60611

Re: Midwest 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.

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 Planning and 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 City Departments 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 factual certification of the Acting Commissioner of the Department of Planning and Development attached hereto as Schedule 1, along with 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.

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 her required certification in connection with the Report, and not by any other party.

Very truly yours,



Mark A. Flessner  
Corporation Counsel

## SCHEDULE 1

June 28, 2019

### CERTIFICATION

Acting Commissioner  
Department of Planning and Development  
City of Chicago

I, Eleanor Esser Gorski, am the Acting Commissioner of the Department of Planning and Development (“DPD”) of the City of Chicago, Illinois (the “City”) and, in such capacity, I am the head of DPD. I am also the TIF Administrator for the City for purposes of the Report (defined below). In such capacity, I am providing this Certification for the Corporation Counsel of the City to rely upon in connection with the opinion required by either 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”), or by Section 11-74.6-22(d)(4) of the Industrial Jobs Recovery Law, 65 ILCS 5/11-74.6-1 et seq. (the “Law”), as the case may be, in connection with the submission of an annual report (the “Report”) containing the information required by Section 11-74.4-5(d) of the Act or Section 11-74.6-22(d) of the Law for each of the Redevelopment Project Areas listed in Section 1 of the Report and hereby incorporated into this Certification (the “Redevelopment Project Areas”).

I hereby certify the following to the Corporation Counsel of the City:

1. DPD has overall responsibility for and is familiar with the activities in each of the Redevelopment Project Areas. DPD personnel are familiar with the requirements of the Act and the Law and are encouraged to seek and obtain, and do seek and obtain, the legal guidance of the City’s Department of Law with respect to legal issues that may arise from time to time regarding the requirements of, and compliance with, the Act and the Law.
2. DPD personnel have monitored compliance with the requirements of the Act and the Law during the previous fiscal year under the supervision of my predecessor Commissioner and to my reasonable satisfaction in connection with each of the Redevelopment Project Areas.

Based on the foregoing, I hereby certify to the Corporation Counsel of the City that, in all material respects, DPD has taken the appropriate actions to ensure that the City is in compliance with the provisions and requirements of the Act and the Law in effect and then applicable at the time actions were taken from time to time with respect to each of the Redevelopment Project Areas.

This Certification is given in an official capacity and not personally and no personal liability shall derive herefrom. Further, this Certification may be relied upon only by the Corporation Counsel of the City in providing the required legal opinion in connection with the Report, and not by any other party.

Very truly yours,



Eleanor Esser Gorski  
Acting Commissioner  
Department of Planning and Development

FY 2018

TIF NAME: Midwest Redevelopment Project Area

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

<b>Parties to Agreement with City</b>	<b>Project Description</b>	<b>Address</b>
N/A	Construction of Mixed Use Property	3214 W Flournoy St
N/A	Construction of Mixed Use Property	13 S Albany Ave
N/A	Construction of Mixed Use Property	4354 W Lexington St
N/A	Construction of Mixed Use Property	4048 W Van Buren St
N/A	Construction of Mixed Use Property	4110 W Van Buren St
N/A	Construction of Mixed Use Property	4144 W Adams St
N/A	Construction of Mixed Use Property	737 S Kedvale Ave
N/A	Construction of Mixed Use Property	3252 W Flournoy St
N/A	Construction of Mixed Use Property	1240 S Hamlin Ave
N/A	Construction of Mixed Use Property	3606 W Flournoy St
N/A	Construction of Mixed Use Property	3614 W Flournoy St
N/A	Construction of Mixed Use Property	3830 W Wilcox St
N/A	Construction of Mixed Use Property	3129 W Polk St
N/A	Construction of Mixed Use Property	2615 W Jackson Blvd
N/A	Construction of Mixed Use Property	35 S Albany Ave
N/A	Construction of Mixed Use Property	3219 W Flournoy St
N/A	Construction of Mixed Use Property	1505 S Ridgeway Ave
N/A	Construction of Mixed Use Property	2934 W Van Buren St
N/A	Construction of Mixed Use Property	1414 S Drake Ave
N/A	Construction of Mixed Use Property	3304 W Douglas Blvd
N/A	Construction of Mixed Use Property	1309 S Homan Ave
N/A	Construction of Mixed Use Property	1311 S Homan Ave
N/A	Construction of Mixed Use Property	4306 W Lexington St
N/A	Construction of Mixed Use Property	1521 S Ridgeway Ave
N/A	Construction of Mixed Use Property	1128 S Mozart
N/A	Construction of Mixed Use Property	1503 S Springfield Ave
N/A	Construction of Mixed Use Property	1426 S Springfield Ave
N/A	Construction of Mixed Use Property	1309 S Millard Ave
N/A	Construction of Mixed Use Property	1332 S Millard Ave
N/A	Construction of Mixed Use Property	1301 S Lawndale Ave
N/A	Construction of Mixed Use Property	1244 S Millard Ave
N/A	Construction of Mixed Use Property	1504 S Lawndale Ave



CITY OF CHICAGO, ILLINOIS  
MIDWEST  
REDEVELOPMENT PROJECT

FINANCIAL REPORT

DECEMBER 31, 2018

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION	1-2
Management's discussion and analysis	3-5
Statement of net position and governmental funds balance sheet	6
Statement of activities and governmental funds revenues, expenditures and changes in fund balance	7
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SUPPLEMENTARY INFORMATION	
Schedule of expenditures by statutory code	12

## INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, Mayor  
Members of the City Council  
City of Chicago, Illinois

We have audited the accompanying financial statements of the Midwest Redevelopment Project of the City of Chicago, Illinois, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Project's basic financial statements as listed in the table of contents.

### **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 Midwest Redevelopment Project of the City of Chicago, Illinois, as of December 31, 2018, 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.

### **Emphasis of Matter**

As described in Note 1, the financial statements present only the activities of the Midwest Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project, debt service and special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

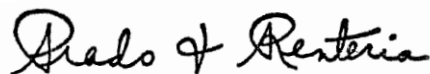
### **Other Matters**

#### *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.



June 28, 2019

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(UNAUDITED)

As management of the Midwest 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, 2018. 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 position 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 position and how they have changed. Net position – 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  
MIDWEST 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 funds 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 \$19,462,610 for the year. This was an increase of 11 percent over the prior year. The change in net position (including other financing uses - net) produced an increase in net position of \$7,730,828. The Project's net position increased by 19 percent from the prior year making available \$49,351,677 of funding to be provided for purposes of future redevelopment in the Project's designated area.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

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

Government-Wide

	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>% Change</u>
Total assets	\$ 50,404,319	\$ 58,530,985	\$ (8,126,666)	-14%
Total liabilities	<u>1,052,642</u>	<u>16,910,136</u>	<u>(15,857,494)</u>	-94%
Total net position	<u>\$ 49,351,677</u>	<u>\$ 41,620,849</u>	<u>\$ 7,730,828</u>	19%
Total revenues	\$ 19,979,875	\$ 18,150,451	\$ 1,829,424	10%
Total expenses	<u>6,662,669</u>	<u>9,182,056</u>	<u>(2,519,387)</u>	-27%
Other financing uses - net	<u>5,586,378</u>	<u>1,243,570</u>	<u>4,342,808</u>	349%
Changes in net position	<u>7,730,828</u>	<u>7,724,825</u>	<u>6,003</u>	-%
Ending net position	<u>\$ 49,351,677</u>	<u>\$ 41,620,849</u>	<u>\$ 7,730,828</u>	19%

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2018

<u>A S S E T S</u>	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
Cash and investments	\$31,849,518	\$ -	\$31,849,518
Property taxes receivable	18,414,316	-	18,414,316
Accrued interest receivable	140,485	-	140,485
Total assets	<u>\$50,404,319</u>	<u>\$ -</u>	<u>\$50,404,319</u>
<u>LIABILITIES AND DEFERRED INFLOWS</u>			
Vouchers payable	\$ 793,117	\$ -	\$ 793,117
Due to other City funds	259,525	-	259,525
Total liabilities	<u>1,052,642</u>	<u>-</u>	<u>1,052,642</u>
Deferred inflows	<u>15,505,555</u>	<u>(15,505,555)</u>	<u>-</u>
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Restricted for future redevelopment project costs	<u>33,846,122</u>	(33,846,122)	-
Total liabilities, deferred inflows and fund balance	<u>\$50,404,319</u>		
Net position:			
Restricted for future redevelopment project costs		<u>49,351,677</u>	<u>49,351,677</u>
Total net position		<u>\$49,351,677</u>	<u>\$49,351,677</u>

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

Total fund balance - governmental funds	\$33,846,122
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>15,505,555</u>
Total net position - governmental activities	<u>\$49,351,677</u>

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



CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Governmental Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Revenues:			
Property tax	\$ 18,834,683	\$ 627,927	\$19,462,610
Interest	517,265	-	517,265
Total revenues	<u>19,351,948</u>	<u>627,927</u>	<u>19,979,875</u>
Expenditures/expenses:			
Economic development projects	6,452,312	-	6,452,312
Debt service:			
Principal retirement	15,115,000	(15,115,000)	-
Interest	692,771	(482,414)	210,357
Total expenditures/expenses	<u>22,260,083</u>	<u>(15,597,414)</u>	<u>6,662,669</u>
Excess of expenditures over revenues	(2,908,135)	(16,225,341)	13,317,206
Other financing sources (uses):			
Operating transfers in (Note 3)	8,500,000	-	8,500,000
Operating transfers out (Note 3)	(14,086,378)	-	(14,086,378)
Total other financing uses - net	<u>(5,586,378)</u>	<u>-</u>	<u>(5,586,378)</u>
Excess of expenditures and other financing uses over revenues and other financing sources	(8,494,513)	8,494,513	-
Change in net position	-	7,730,828	7,730,828
Fund balance/net position:			
Beginning of year	<u>42,340,635</u>	<u>(719,786)</u>	<u>41,620,849</u>
End of year	<u>\$ 33,846,122</u>	<u>\$ 15,505,555</u>	<u>\$49,351,677</u>

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

Net change in fund balance - governmental funds	\$ (8,494,513)
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.	627,927
Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For governmental activities, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.	15,115,000
Premium received on the issuance of long-term debt is not accrued in governmental funds, but rather is amortized over the life of the bonds.	<u>482,414</u>
Change in net position - governmental activities	<u>\$ 7,730,828</u>

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

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT  
NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

(a) *Reporting Entity*

In May 2000, the City of Chicago (City) established the Midwest 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 capital project, debt service and special revenue funds of the City.

The financial statements present only the activities of the Midwest Tax Increment Redevelopment Project and do not purport to present the financial position and the changes in financial position of any other capital project, debt service and special revenue funds of the City of Chicago, Illinois, as of December 31, 2018 and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(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 Government Accounting Standards Board (GASB). GASB Statement No. 72, *Fair Value Measurement and Application* ("GASB 72"), addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes and the related disclosures. This Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. This Statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy and valuation techniques.

GASB Statement No. 77, *Tax Abatement Disclosures* ("GASB 77"), requires governments that enter into tax abatement agreements to disclose: (1) brief descriptive information concerning the agreement; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by government, other than to abate taxes, that are part of the tax abatement agreement, (see Note 4).

(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 funds 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.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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.

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 Position*

*Cash and Investments*

Cash being held by 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 and fair market value adjustments on pooled investments are allocated to participating funds based on their average combined cash and investment balances. Since investment income is derived from pooled investments, the fair value measurement and fair value hierarchy disclosures of the newly adopted GASB 72 will not be separately presented in a note disclosure.

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 recognized at amortized cost.

*Deferred Inflows*

Deferred inflows represent deferred property tax revenue amounts to be recognized as revenue in future years in the governmental funds financial statements.

*Capital Assets*

Capital assets are not capitalized in the governmental funds but, instead, are charged as current expenditures when purchased. The Government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) 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 funds as the City nor Project will retain the right of ownership.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Continued)

Note 1 – Summary of Significant Accounting Policies (Concluded)

(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. Refer to Note 4 for reimbursements paid to the developer.

The semi-annual principal and interest payments are made solely from incremental real property taxes, which are paid in the redevelopment district.

Note 2 – Bonds Payable

In January 2007, the City issued \$28,830,000 of General Obligation Bonds (Modern Schools Across Chicago Program), Series 2007J at a premium. The bonds have interest rates ranging from 3.60 to 5.00 percent and maturity dates ranging from December 1, 2008 to December 1, 2023. Net proceeds of \$28,830,000 will be used to pay for a portion of the costs for construction, renovation, design and acquisition of elementary and high schools that are part of the school system operated by the Board of Education of the City of Chicago (the "Board") and refund certain outstanding obligations of the Board.

As of June 1, 2017, the Modern Schools Across Chicago Program General Obligation Bonds, Series 2007J originally issued at a premium for the Midwest Redevelopment Project were partially redeemed early for the year 2023 (\$970,000 of \$3,340,000 outstanding) because the balance in the principal and interest account held with the trustee was sufficient to cover additional debt service.

Long-term liability activity for the year ended December 31, 2018 was as follows:

Beginning balance	\$ 15,115,000
Additions	-
Reductions	<u>(15,115,000)</u>
Ending balance	<u>\$ -</u>

As of December 1, 2018, the Modern Schools Across Chicago Program General Obligation Bonds, Series 2007J originally issued at a premium for the Midwest Redevelopment Project were fully redeemed (\$12,965,000) early because the balance in the principal and interest account held with the trustee was sufficient to cover the remaining debt service.

CITY OF CHICAGO, ILLINOIS  
MIDWEST REDEVELOPMENT PROJECT

NOTES TO FINANCIAL STATEMENTS  
(Concluded)

Note 3 – Operating Transfers In/Out

During 2018, in accordance with State statutes, the Project received \$4,500,000 from the contiguous Western/Ogden Redevelopment Project to fund the redevelopment agreement with Sinai Health System for the redevelopment of their facilities located at 1500 South California Avenue and 3140 West Ogden Avenue and \$4,000,000 from the contiguous Kinzie Industrial Corridor Redevelopment Project to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007. In addition, the Project transferred \$13,890,000 to the contiguous Madison/Austin Corridor Redevelopment Project to fund debt service for Phase I of the Modern Schools Across Chicago Bonds, Series 2007 and \$196,378 to the contiguous Chicago/Central Park Redevelopment Project to fund debt service for Phase II of the Modern Schools Across Chicago Bonds, Series 2010.

Note 4 – Tax Abatement Payments

Under the terms of the redevelopment agreements, the Project paid the developers \$3,613,316 during the year ended December 31, 2018.

Note 5 – 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, 2018, the Project has entered into contracts for approximately \$6,222,923 for services and construction projects.

SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS  
MIDWEST 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	\$ 296,886
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	90,987
Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures	146,615
Costs of the construction of public works or improvements	2,367,092
Costs of job training and retraining projects	28,404
Costs of financing, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto	15,807,771
Costs of interest incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project	93,165
Costs of construction of new housing units for low income and very low income households	<u>3,429,163</u>
	<u>\$ 22,260,083</u>



INDEPENDENT AUDITOR'S REPORT

The Honorable Lori E. Lightfoot, 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 Midwest Redevelopment Project of the City of Chicago, Illinois, which comprise the statement of net position and governmental funds balance sheet as of December 31, 2018, and the related statement of activities and governmental funds 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 28, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the Project failed to comply with the regulatory provisions in Subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Allocation Redevelopment Act and Subsection (o) of Section 11-74.6-10 of the Illinois Industrial Jobs Recovery Law as they relate to the eligibility for costs incurred incidental to the implementation of the Midwest 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.

*Prado & Renteria*

June 28, 2019