

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

Name of Redevelopment Project Area: TIF #1
Primary Use of Redevelopment Project Area*: Mixed Use
If "Combination/Mixed" List Component Types: Retail, Office, Residential, entertainment
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/> Industrial Jobs Recovery Law <input type="checkbox"/>

	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

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

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

Reporting Year	Cumulative
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Fund Balance at Beginning of Reporting Period \$ (964,239.00)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:

			% of Total
Property Tax Increment	\$ 5,118,587	\$ 39,905,795	72%
State Sales Tax Increment	\$ 282,635	\$ 2,196,254	4%
Local Sales Tax Increment	\$ 272,295	\$ 1,633,062	3%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 18,312	\$ 32,758	0%
Land/Building Sale Proceeds	\$ 462,620		0%
Bond Proceeds			0%
Transfers from Municipal Sources	\$ 3,000,000	\$ 9,704,971	18%
Private Sources	\$ 283,500		0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 53,475	\$ 1,857,408	3%

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 9,491,424

Cumulative Total Revenues/Cash Receipts \$ 55,330,248 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 2,496,002

Distribution of Surplus \$ -

Total Expenditures/Disbursements \$ 2,496,002

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ 6,995,422

FUND BALANCE, END OF REPORTING PERIOD \$ 6,031,183

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

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)		
Professional Services	241,393	
Administrative	-	
		\$ 241,393
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
Marketing	69,418	
		\$ 69,418
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
	-	
	-	
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
Various	80,278	
Vail Streetscape	43,300	
Com Ed utility relocation - Vail garage project	80,618	
Wayfinding Signs	48,861	
Old Train Station Site Improvements	113,795	
		\$ 366,853
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)		
Debt Service	1,759,300	
Operating Transfer Out Garage Fund	59,038	
		\$ 1,818,338
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)		
		\$ -

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

FUND BALANCE, END OF REPORTING PERIOD \$ 6,031,183

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Village Green 1998 B	\$ 4,600,000	\$ -
Capital Projects 1997 A	\$ 7,200,000	\$ -
Refunding of Parking 1986 Bonds - 1995	\$ 3,433,500	\$ -

Total Amount Designated for Obligations \$ 15,233,500 \$ -

2. Description of Project Costs to be Paid		
Infrastructure		\$ 12,103,000
Public buildings fund Transfer out -Municipal Complex		\$ 1,500,000
Operating		\$ 151,700

Total Amount Designated for Project Costs \$ 13,754,700

TOTAL AMOUNT DESIGNATED \$ 13,754,700

SURPLUS*/(DEFICIT) \$ (7,723,517)

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

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.

xx **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 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
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TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 116,000,000	\$ -	
Public Investment Undertaken	\$ 24,364,000	\$ 13,053,120	
Ratio of Private/Public Investment	4 51/67		0

Project 1:			
Arlington Town Square			
Private Investment Undertaken (See Instructions)	\$ 45,000,000		
Public Investment Undertaken	\$ 13,290,000		
Ratio of Private/Public Investment	3 22/57		0

Project 2:			
Village Green			
Private Investment Undertaken (See Instructions)	\$ 50,000,000		
Public Investment Undertaken	\$ 5,750,000		
Ratio of Private/Public Investment	8 16/23		0

Project 3:			
Metropolis			
Private Investment Undertaken (See Instructions)	\$ 21,000,000		
Public Investment Undertaken	\$ 2,350,000	\$ 2,976,120	
Ratio of Private/Public Investment	8 44/47		0

Project 4:			
CBD Park Dunton Campbell			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 419,000		
Ratio of Private/Public Investment	0		0

Project 5:			
CBD Park			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 2,130,000		
Ratio of Private/Public Investment	0		0

Project 6:			
Vail Garage Addition			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 425,000	\$ 8,377,000	
Ratio of Private/Public Investment	0		0

Project 7:			
Municipal Complex			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken		\$ 1,200,000	
Ratio of Private/Public Investment	0		0

Project 8:			
Highland Utilities			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken		\$ 500,000	
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

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

ATTACHMENT A

(TIF I)

I, EDWINA CORSO, Village Clerk, do hereby certify that there were no amendments to the redevelopment project area and plan as it relates to the Tax Increment Financing District Number I, in the Village of Arlington Heights, County of Cook, State of Illinois in fiscal year May 1, 2005 to April 30, 2006.

December 8, 2006


EDWINA CORSO
Village Clerk

Attest:

ATTACHMENT B

(TIF I)

I, Arlene J. Mulder, the duly elected Chief Executive Officer, of the Village of Arlington Heights, County of Cook, State of Illinois, and as such, do hereby certify that the Village of Arlington Heights has complied with all requirements pertaining to the Tax Increment Redevelopment Allocation Act for Tax Increment Financing District Number I, during the current municipal fiscal year, May 1, 2005 to April 30, 2006.

December 8, 2006.



Arlene J. Mulder
President Board of Trustees
Village of Arlington Heights

ATTEST:



EDWINA CORSO
Village Clerk

ATTACHMENT C and L

(TIF I)

I, JACK M. SIEGEL, Village Attorney of the Village of Arlington Heights, County of Cook, State of Illinois, and have been such throughout the fiscal year covered by this report, May 1, 2005 to April 30, 2006, do hereby state as follows:

It is my opinion that the Village of Arlington Heights has in all respects complied with the requirements of the Tax Allocation Redevelopment Act as it relates to Tax Increment Financing District Number I, for the fiscal year, May 1, 2005 to April 30, 2006.

December 8, 2006



JACK M. SIEGEL, P.C.
Village Attorney

ATTEST:



EDWINA CORSO
Village Clerk



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

The Honorable Mayor
Members of the Board of Trustees
Village of Arlington Heights, Illinois

We have examined management's assertion included in its representation letter dated July 28, 2006, that the Village of Arlington Heights, Illinois complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended April 30, 2006. As discussed in that representation letter, management is responsible for the Village of Arlington Heights, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village of Arlington Heights, Illinois' compliance based on our examination.

Our examination was made in accordance with the standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village of Arlington Heights, Illinois' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village of Arlington Heights, Illinois' compliance with statutory requirements.

In our opinion, management's assertion that the Village of Arlington Heights, Illinois complied with the aforementioned requirements for the year ended April 30, 2006 is fairly stated in all material respects.

This report is intended solely for the information and use of the Board of Trustees, management, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Aurora, Illinois
July 28, 2006

ATTACHMENT D

(TIF I)

I, WILLIAM C. DIXON, Village Manager, do hereby certify that the following activities were undertaken in furtherance of the objectives of the redevelopment plan for Tax Increment Financing District Number I, between May 1, 2005 and April 30, 2006.

1. Retained Calder LaTour to assist with the draft Downtown Master Plan.
2. Retained Nicholas and Associates as general contractor for the Vail Avenue garage addition/renovation.
3. Commenced construction of the Vail Avenue garage addition/renovation.
4. Private development commenced for the Metro Lofts development.
5. Community activities such as parades, art fairs, farmers market were encouraged in the CBD.
6. The Village assisted a number of businesses with professional services for business and marketing plans.

December 8, 2006



WILLIAM C. DIXON
Village Manager

ATTEST:



EDWINA CORSO, Village Clerk

ATTACHMENT E

(TIF 1)

I, WILLIAM C. DIXON, Village Manager of the Village of Arlington Heights, do hereby state that the Village of Arlington Heights did not purchase property within Tax Increment Financing District Number 1, in the fiscal year, May 1, 2005 to April 30, 2006.

December 8, 2006



WILLIAM C. DIXON
Village Manager

ATTEST:



EDWINA CORSO
Village Clerk

ATTACHMENT F and K

(TIF I)

SEE ATTACHED

Village of Arlington Heights
 Analysis of T.I.F. I Fund
 For the Fiscal Year Ended April 30, 2006

Beginning Balance May 1, 2005 (964,239)

Deposits:

Property Taxes	5,118,587	
State Sales Tax	282,635	
Local Sales Tax	272,295	
Transfer Assets From TIFII District	3,000,000	
Land Sales	462,620	
Parking Lot Permit Payment	283,500	
Reduced Real Estate Tax Payment for FY05 Metropolis Purchase	43,677	
Interest	18,312	
Miscellaneous	9,798	

Total 9,491,424

Balance plus Deposits \$8,527,185

Expenditures:

Redevelopment	677,664	
Debt Service	1,759,300	
Operating Transfer Out	59,038	

Total 2,496,002

Ending Balance April 30, 2006 \$6,031,183

Ending Balance by Source:

Transfer Assets From TIFII District	912,596	
Property Tax	<u>5,118,587</u>	
	<u><u>\$6,031,183</u></u>	

Fund Balance by Source and by Year for Determining Surplus Allocations
 Village of Arlington Heights -- T.I.F. I

SOURCE YEAR	REPORT YEAR (ENDING YR)				
	BALANCE 2006	BALANCE 2007	BALANCE 2008	BALANCE 2009	BALANCE 2010
2005-2006					
PROPERTY	5,118,587				
LOCAL SALES	0				
STATE SALES	0				
INTEREST	0				
TRANSFER ASSETS FROM TIFII DISTRICT	912,596				
BOND PROCEED	0				
OTHER	0				
TOTAL	6,031,183				
2006-2007					
PROPERTY		0			
LOCAL SALES		0	0		
STATE SALES		0	0		
INTEREST		0	0		
BOND PROCEED		0	0		
OTHER		0	0		
TOTAL		0	0		
2007-2008					
PROPERTY		0	0		
LOCAL SALES		0	0	0	
STATE SALES		0	0	0	
INTEREST		0	0	0	
BOND PROCEED		0	0	0	
OTHER		0	0	0	
TOTAL		0	0	0	
2008-2009					
PROPERTY			0	0	0
LOCAL SALES			0	0	0
STATE SALES			0	0	0
INTEREST			0	0	0
BOND PROCEED			0	0	0
OTHER			0	0	0
TOTAL			0	0	0
2009-2010					
PROPERTY				-	0
LOCAL SALES				0	0
STATE SALES				0	0
INTEREST				0	0
BOND PROCEED				0	0
OTHER				0	0
TOTAL				0	0
2010-2011					
PROPERTY					0
LOCAL SALES					0
STATE SALES					0
INTEREST					0
BOND PROCEED					0
OTHER					0
TOTAL					0
ENDING BALANCE	6,031,183	0	0	0	0

TIF I

<u>2004</u>	<u>Rate</u>	<u>2003</u>	<u>2004</u>	<u>Variance</u>
0.654	Cook Cty	473,801	429,177	(44,624)
0.347	MSD	236,901	227,713	(9,188)
1.128	Mun	771,732	740,232	(31,500)
5.234	Schools	3,901,314	3,434,731	(466,583)
0.465	Park	338,617	305,149	(33,468)
0.072	Other	52,499	47,249	(5,250)
<u>7.900</u>		<u>5,774,864</u>	<u>5,184,252</u>	<u>(590,612)</u>

74,411,910 - 2004 EAV

(8,788,467) - Base

65,623,443 - Increase from Base

Village of Arlington Heights
 Additional T.I.F. I Information
 Fiscal 2006 Annual Report

Initial Equalized Assessed Valuation	\$8,788,467
Current Equalized Assessed Valuation (2004)	\$74,411,910
Incremental revenues generated from 2004 EAV	\$5,184,252
Incremental revenues generated from previous year EAV	<u>5,774,864</u>
Annual change	(\$590,612) =====

Breakdown of change by taxing district:

Cook County & Forest Preserve	(\$44,624)
Metropolitan Reclamation District of Greater Chicago	(9,188)
Municipality	(31,500)
School District(s)	(466,583)
Park District(s)	(33,468)
Other	<u>(5,250)</u>
Total	(\$590,612) =====

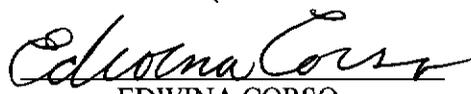
**The base EAV (frozen valuation) of TIFI was amended on 4/28/97,
 Ordinance 97-19 from \$8,503,395 to \$8,788,467.**

ATTACHMENT I

(TIF I)

I, EDWINA CORSO, Village Clerk, do hereby certify that the Village of Arlington Heights, County of Cook, State of Illinois, did not issue any obligations between May 1, 2005 and April 30, 2006, in Tax Increment Financing District Number I.

December 8, 2006


EDWINA CORSO
Village Clerk