

*CITY OF EVANSTON*  
*HOWARD AND HARTREY*  
*REDEVELOPMENT PLAN AND PROJECT*

*Jointly Prepared By:*

*City of Evanston, Illinois*

*and*

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## TABLE OF CONTENTS

<b><u>Subject</u></b>	<b><u>Page</u></b>
I. Introduction	1
II. Redevelopment Project Area Legal Description	7
III. Redevelopment Plan Goals and Objectives	8
IV. Blighted Area Conditions Existing in the Redevelopment Project Area	9
V. Redevelopment Project	10
A. Redevelopment Plan and Project Objectives	10
B. Redevelopment Activities	11
C. General Land Use Plan	13
D. Additional Controls and Design Criteria	14
E. Estimated Redevelopment Project Costs	15
F. Sources of Funds to Pay Redevelopment Project Costs	19
G. Nature and Term of Obligations to be Issued	20
H. Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area	20
I. Anticipated Equalized Assessed Valuation	21
VI. Scheduling of Redevelopment Project	
A. Redevelopment Project	22
B. Commitment to Fair Employment Practices and Affirmative Action	23
C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs	24
VII. Provisions for Amending the Redevelopment Plan	25

## **LISTS OF TABLES AND EXHIBITS**

### **Maps**

- Map 1 - Vicinity Map
- Map 2 - Boundary Map
- Map 3 - Existing Land Use Map
- Map 4 - Intended Land Use Map

### **Appendices**

- Appendix A - Legal Description
- Appendix B - Qualification Report - Summary of Blighting Factors

## **I. INTRODUCTION**

### **General Background - City of Evanston**

The City of Evanston, Illinois is a community of approximately 72,000 (as of the 1990 Census) and is bordered on the east by Lake Michigan, on the south by the City of Chicago, on the west by the Village of Skokie and on the north by the Village of Wilmette. The City lies in Cook County and is located approximately twelve (12) miles north of Chicago's Loop. Incorporated in 1863, the City today is one of the largest, oldest and most diverse suburbs of Chicago, with many amenities such as an established business environment, quality housing stock, a vast public transportation system, and excellent public schools. The City of Evanston is the home of Northwestern University as well as three (3) other institutions of higher education.

The City has grown through the years primarily due to annexation (the Villages of North Evanston and South Evanston were annexed prior to 1892) and the increased enrollment and employment at Northwestern University (the City's largest employer). The extension of the Chicago rapid transit system to Evanston and north to Wilmette added to the population growth throughout the early and mid-1900's.

In 1921, the Evanston City Council adopted its first zoning ordinance which was the first in the State to prevent over-crowding of land and to include provisions to separate business and industrial areas from residential neighborhoods. Today, Evanston has retained its residential character, yet it has grown with respect to its commercial and industrial base. Once the key retail center for the North Shore, north Chicago and the northwest suburbs, much retail space has since been converted to office and residential space, which contributes to a more service-oriented environment in the City's downtown. Today, downtown Evanston is considered viable and well-maintained, having escaped much of the deterioration and abandonment that has impacted other older urban communities.

## Decline of Industrial Area - Southwest Area of the City

An area of the City that has been considered for potential redevelopment is generally known as the City's southwest industrial corridor (SWIC). This portion of the City's industrial base had gradually begun to deteriorate by the early 1980's. Its decline has primarily been due to a number of factors including the periodic and recurring vacancies by various industrial and retail/commercial enterprises adjacent to the industrial uses and the establishment of incompatible uses within and surrounding the industrial area. Overall, many developments find that the ability to expand operations is hampered due to the barriers of the Metropolitan Water Reclamation District (MWRD) canal, existing rights-of-way and the neighboring residential area. The 1985 abandonment of the Mayfair Railroad rail line running through the area also contributed to irregular parcel shapes and layouts. Overall, the lack of meaningful plans and investment by both the public and private sectors in maintaining the area has hampered the ability to create a safe, pleasant, integrated and functional business environment.

The entire area suffers from uncoordinated, sporadic development. Existing development has been primarily limited to some retail, outdoor storage, heavy and light industrial, and automotive uses. Many of the uses have been low density, lower value uses such as storage yards or junkyards. A Redevelopment Project Area (RPA) has been adopted for a portion of the property within the SWIC corridor (approximately 12 acres) and redevelopment proposals have been submitted for review.

The larger area under consideration for redevelopment also includes the site of the former Rust-Oleum Corporation facility, which has been demolished, and the partially vacant Bell & Howell facility located at Howard Street and Hartrey Avenue. These facilities are examples of buildings that have become outmoded, underutilized, or left vacant as corporations have consolidated operations, changed technologies, or downsized business operations.

The absence of a significant development within the overall SWIC Corridor will likely prevent the City from achieving a 'highest and best use' of the land, as well as from realizing increased potential real estate tax receipts from any incremental increases in assessed valuations within the area. Incremental sales tax receipts may also be foregone if a development plan is not initiated. The lack of such a plan will likely lead to the continued overall blight existing in the area with a high likelihood that such conditions will worsen.

The City, with its large numbers of residents desirous of eliminating blighted conditions and preserving existing employment as well as the creation of new local job opportunities, is determined to address these concerns.

### **The Howard and Hartrey Redevelopment Project Area (RPA)**

The proposed Howard and Hartrey RPA is located south of the larger southwest industrial area studied by the City and its consultants in a 1988 Tax Increment Finance (TIF) eligibility analysis. In terms of the RPA property's uses and physical configuration, the property is affected by many of the same problems identified in the prior eligibility analysis. The presence of the sanitary canal nearby, site access and egress considerations, and an older industrial structure all detract from the RPA's redevelopment potential. However, the RPA's location near major arterials and the commercial/retail frontage availability serve to distinguish this property from other study area property. Market interest and potential reuse would appear to favor retail and/or commercial use, given the frontage availability along an arterial road. While the balance of area property, including the Southwest TIF district, may favor industrial use or redevelopment, the proposed RPA offers an opportunity for modern, retail redevelopment.

The structure within the proposed RPA was constructed in 1946 for the Hibbard Spencer Bartlett & Co., a wholesale distributor of hardware and other supplies. Prior to the construction of the facility, greenhouses and a nursery occupied the site (which was annexed to the City in 1913). Hibbard Spencer Bartlett & Co. received goods by truck and rail service, then distributed products nationally to its customers. Reshipment of goods was also made by rail and truck. The property was sold to Bell & Howell in 1984. The building has, since its construction, been under single ownership.

As a result, the property's reuse options and marketability have been limited. Bell & Howell at one time operated at full capacity within the building, but consolidations and divestitures have resulted in an increasing amount of vacant space. Bell & Howell continues to lease space to tenants within the building; most of these tenants have been divisions of Bell & Howell or are currently part of the corporation. The vacancy rate for the structure is expected to increase as certain key tenancies expire, while the past several years have witnessed partial occupancy of the building.

The area to be designated as a TIF District has been found to qualify for RPA designation, as evidenced in the Qualification Report included as part of this Redevelopment Plan and Project. The Report concludes that the area as a whole qualifies for such blighted designation by consideration of all relevant evidence within the meaning of the TIF Statute. A general description of the RPA follows:

Beginning at City's western border at the northern Bell & Howell property line, then easterly to the western edge of Hartrey Avenue, then northerly to the Skokie Swift right-of-way, then southerly approximately 20 feet, then easterly to the eastern edge of the Hartrey Avenue right-of-way, then southerly to the center line of Howard Street (the City's southern boundary), then westerly to the City's western border, then northerly to the point of beginning.

The proposed RPA includes an area which encompasses approximately 23.65 acres of land and one approximately 740,000 sq. ft. structure. (See Map 1 and Appendix A for a legal description, attached hereto and made a part of this Plan).

The majority of the improvements in the proposed RPA have become obsolete and demonstrate conditions of depreciation or lack of physical maintenance. There is evidence of deleterious land use/layout in the area's development, inadequate utilities, obsolescence, excessive vacancies and an absence of effective community planning for the area. Taken in total, these specific factors contribute to the overall blighting of the area. (A more detailed examination of qualification factors is found in Appendix B).

The City is desirous of attracting significant private market redevelopment of this area primarily due to the location of the proposed RPA to nearby residential neighborhoods. It is also important to the economic goals of the City to attract and retain enterprises which strengthen Evanston's overall economic base, as well as to expand the City's manufacturing and retail bases.

The Redevelopment Plan would serve to address, on an area wide basis:

- the obsolescence of industrial improvements and property;
- coordinated access and circulation patterns;
- coordinated planning processes and area wide review relating to uses;
- area appearance; and
- provision of necessary public improvements and services.

It is expected that the distribution of TIF benefits would be area wide and would serve to stem conditions of blight and underutilization.

In summary, the proposed Howard and Hartrey RPA on the whole has not been subject to significant growth and development. The area would not reasonably be anticipated to be developed without the adoption of a Redevelopment Plan. The City has prepared this Plan to use tax increment financing in order to address its needs and meet its redevelopment goals and objectives.

### **The Redevelopment Plan**

The City of Evanston and its Economic Development Committee have carefully reviewed the potentials and constraints associated with the proposed RPA property. The City has determined that well planned retail/commercial uses fronting Howard Street would serve to maximize the RPA property's economic potential and would provide retail services to City residents. The attraction of top quality retail users and the encouragement of a modern, efficient retail property are key to the City. The location of the property and its size have presented unique opportunities for an attractive, well designed redevelopment effort. The effort would utilize both public and private resources in order to stabilize and enhance area property values (e.g., properties located within or proximate to the RPA), create new jobs, and to provide for a market reuse of currently underutilized property. The proposed redevelopment of the RPA property would serve to encourage interest in the surrounding industrial area's property.

Private and public investment would act as a positive signal, generating renewed interest in surrounding property opportunities. The RPA designation addresses the necessary public assistance/improvements required to induce the intensive redevelopment of the property.

The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the "Act"). The qualification of the entire area as blighted makes possible future developments not now anticipated, carrying on the intention of the Act. Such blighting factors, together and in combination, have restrained or prevented successful development from occurring within the area. Other public resources may have to be made available to attract the very needed private investment to develop the proposed area. The public resources would be required to address blight factors. Property and local sales tax incremental revenue generated by the development may play a decisive role in encouraging the private development of the RPA.



Conditions of obsolescence and underutilization that have precluded and/or retarded intensive private investment in the past will be addressed. Through this proposed Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. In this regard, the City will serve as a catalyst for coordinating a successful redevelopment of the area. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which encompass the RPA in the form of a significantly expanded tax base.

On November 11, 1991, the Evanston City Council adopted a Resolution (Resolution No. 88-R-91) indicating its intent to use Tax Increment Financing (TIF) for the redevelopment of the area described herein. Redevelopment of the RPA is tenable only if a portion of the improvements are funded by tax increment financing.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become an improved, more viable environment that will attract private investment and diversify the City's tax base.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefitted by the redevelopment project. Also pursuant to the Act, and which can be evidenced above, the RPA is not less in the aggregate than 1 1/2 acres.

## **II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

The Redevelopment Project Area is legally described in Appendix A.

### **III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES**

The goals of the City for the RPA (as expressed in this Plan), conform to the Evanston Comprehensive General Plan, adopted in April, 1986. (Note: elements of the City zoning ordinance are in the process of being revised, and the RPA's proposed uses are to be conformant with the revisions). A broadened, diversified tax base is necessary to maintain essential public services to the City and strengthen its economy. The Redevelopment Plan will also provide for expanded retail opportunities and developments to be undertaken within the City.

#### **General Goals**

- 1) Strengthen Evanston's economic position, thus improving the quality of life provided through services and personal prosperity of residents.
- 2) Provide and maintain an attractive community that creates a positive public image and encourages individuals, families and businesses to locate and remain within the community.

#### **Specific Objectives**

- 1) Attract and retain enterprises which strengthen Evanston's economic base.
- 2) Establish and maintain a safe, pleasant, and functional environment in the City's commercial and retail areas while encouraging new economic development.
- 3) Create additional local job opportunities.
- 4) Provide quality retail services to Evanston residents and capture additional sales tax revenues to the City.
- 5) Identify, maintain and enhance the positive physical elements of Evanston which create Evanston's visual character.
- 6) Strengthen the positive image of the community by emphasizing attention to design in development.

#### **IV. BLIGHTED AREA CONDITIONS EXISTING IN THE AMENDED REDEVELOPMENT PROJECT AREA**

##### **Findings**

The Redevelopment Project Area was studied to determine its qualifications as a "blighted area" with respect to the improved portions of the area as such terms are defined in the Tax Increment Allocation Redevelopment Act (the "Act"), Illinois Revised Statutes, Section 11-74.4-3. Refer to Appendix B for a Qualification Report which includes a summary of blighting factors, findings for this RPA, and a list of existing qualification factors for the area. Such findings include the age factor, obsolescence, excessive vacancies, lack of ventilation, light, or sanitary facilities, deleterious land use or layout, inadequate utilities, depreciation of physical maintenance, and lack of community planning.

##### **Eligibility Survey**

The entire designated Redevelopment Project Area was evaluated in June, 1991 - November, 1991 by representatives from the City of Evanston, Kane, McKenna and Associates, Inc. and a professional planning consultant, Chicago Associates, Planners and Architects. In such evaluation, only information was recorded which would directly aid in the determination of eligibility for a tax increment finance district.

## **V. REDEVELOPMENT PROJECT**

### **A. Redevelopment Plan and Project Objectives**

The City of Evanston proposes to realize its goals and objectives of encouraging the development of the RPA and encouraging private investment in commercial/retail redevelopment projects through public finance techniques including, but not limited, to Tax Increment Financing. The following represents the general project goals for tax increment financing districts as defined by the Act and represent the general objectives for the City. These components are all inclusive and may exceed the City's specific actions as planned for this time.

- (1) By implementing a plan that addresses the redevelopment costs of land acquisition and assembly, street vacation, site preparation, demolition/removals, and provision of infrastructure improvements or rehabilitation of existing facilities that may be necessary for adaptation to a market oriented reuse of sites in the RPA, improving the City's tax base and diversifying the local economy.
- (2) By improving public facilities that may include, but not be limited to:
  - i. Street improvements
  - ii. Utility improvements (including water, storm water management and sanitary sewer improvements, detention/retention ponds, if necessary)
  - iii. Landscaping and/or streetscaping
  - iv. Parking improvements (which may include structures/public facilities)
  - v. Signalization, traffic control and lighting
- (3) By entering into redevelopment agreements with developers for qualified redevelopment projects.
- (4) By improving existing structures or site improvements.
- (5) By utilizing interest cost write down pursuant to provisions of the Act.

- (6) By considering the payment of interest costs of a redeveloper related to the construction, renovation or rehabilitation of the redevelopment project.
- (7) By exercising other powers set forth in the Act as the City deems necessary.

## **B. Redevelopment Activities**

Pursuant to the foregoing objectives, the City of Evanston will implement a coordinated program of actions, including, but not limited to, land acquisition, site assembly/preparation, demolition/removals, infrastructure improvements and upgrading, and provision of public improvements such as landscaping or buffering and parking, where required. Land acquisition may be undertaken based upon specific redevelopment proposals. The City may directly undertake the activities described below, or when appropriate, cause such activities to be undertaken in a manner conformant with this Plan.

### Public Improvements

In accordance with its estimates of tax increment and other available resources, the City of Evanston will provide public improvements in the proposed RPA to enhance the immediate area as a whole, to support the Redevelopment Project and Plan, and to serve the needs of Evanston residents. Appropriate public improvements may include, but are not limited to:

- vacation, removal, resurfacing, paving, widening, construction, turn islands, construction or reconstruction of curbs and gutters, traffic signals, and other improvements to streets, alleys, pedestrianways, and pathways: including the acquisition of rights-of-ways for construction, reconstruction and/or extension of street, alleys and pedestrian ways;
- site preparation costs (including addressing any environmental concerns);
- reconfiguration of existing rights-of-way and/or creation of new rights-of-way;
- demolition of any obsolete structure or structures;
- improvements of public utilities including construction or reconstruction of water mains, as well as sanitary sewer and storm sewer, detention ponds, and streetlighting;
- beautification, landscaping, lighting, buffering, parking improvements and signage of public properties;

Recommended public improvements are found in Section E. The City may determine at a later date that certain improvements are no longer needed or appropriate, or may add new improvements to the list. The type of public improvement and cost for each item is subject to City Council approval and to the execution of a redevelopment agreement for the proposed project, in a form acceptable to the City Council.

#### Acquisition and Clearance

The City may determine that to meet redevelopment objectives it may be necessary to participate in property acquisition in the Redevelopment Project Area or use other means to induce transfer of such property to a private developer.

Clearance and grading of existing properties to be acquired will, to the greatest extent possible, be scheduled to coincide with redevelopment activities so that parcels do not remain vacant for extended periods of time and so that the adverse effects of clearance activities may be minimized.

Property which has been acquired may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as they are needed for planned development. Such revenues, if any, could accrue to the proposed Redevelopment Project Area.

#### Land Assembly and Disposition

Certain properties to be acquired by the City, and certain properties presently owned by the City (e.g., street rights-of-way and public facilities) may be assembled into appropriate redevelopment sites and/or rights-of-way. Property assembly activities may include use of the City's eminent domain power. These properties may be sold or leased by the City to a private developer in whole or in part, for redevelopment subject to invitation for proposal requirements of the Illinois tax increment law.

#### Relocation

Any businesses occupying properties to be acquired may be considered for relocation, advisory and financial assistance in accordance with provisions set forth and adopted by the City and other governmental regulations, if any.

Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in this proposed Redevelopment Plan or in other municipal codes and ordinances governing the use of land.

### Demolition and Site Preparation

Certain buildings located within the proposed RPA may have to be reconfigured to accommodate new users. Partial demolition or total demolition may be necessary as well as removal of debris. Additionally, the Redevelopment Plan contemplates site preparation or other requirements necessary to prepare the site for new uses. All of the above will serve to enhance the site for the desired redevelopment.

### Interest Cost Write-Down

Pursuant to the Act, the City may allocate a portion of incremental tax revenues to reduce the interest cost incurred in connection with redevelopment activities, enhancing the redevelopment potential of the proposed RPA.

### Job Training

Pursuant to the Act, the City and/or other training providers, may develop training programs in conjunction with the redevelopment efforts.

### Redevelopment Agreements

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

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

## **C. General Land Use Plan**

Existing land uses in the proposed RPA are primarily industrial land, as shown in Map 3. Map 4 designates the intended general land uses identified for the Redevelopment Project Area, which includes retail uses. The overall coordination and area wide emphasis provided by this plan shall serve to address blighted conditions present within the RPA.

The Redevelopment Project shall be subject to the provisions of the City of Evanston Zoning Ordinance as such may be amended from time to time.



## **D. Additional Controls and Design Criteria**

Design guidelines shall be consistent with City standards, and if feasible, may be expanded to include local concerns.

### **1. Pedestrian Access**

Where appropriate, design layout shall facilitate internal pedestrian circulation and movement between major traffic generators and parking facilities.

### **2. Streetscapes/Building Facades**

The Redevelopment Project Area will be designed consistent with contemporary retail/commercial facilities. Design importance will be stressed in the treatment of streetscapes, and the relationships of building facades.

### **3. Parking and Buffering**

Development should provide for an adequate supply of appropriately located short-term and long-term parking spaces. Buffering, screening, or landscaping should be used to make parking facilities as attractive as possible.

### **4. Signs**

The design and use of signs shall be in keeping with the area's overall architectural character and shall be coordinated in type, size and location with those in nearby developments, all in accordance with the City's sign ordinance.

### **5. Utilities**

Wherever possible, all utility lines should be located underground.

Additional planning and design controls may be included in each land disposition and/or redevelopment agreements with developers.

## **E. Estimated Redevelopment Project Costs**

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the TIF statute, and any such costs incidental to this Redevelopment Plan and Project. Private investments which supplement "Redevelopment Project Costs" are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project to be considered by the City may be:

1. Costs of studies and 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, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected.
2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act 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;
7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be in furtherance of the objectives of the redevelopment plan and project, to the extent the City by written agreement accepts and approves such costs;

8. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
9. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.
10. If deemed prudent by the City Council of the City for the redevelopment project, interest costs incurred by the redeveloper related to the construction, renovation or rehabilitation of the redevelopment project provided that:
  - (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
  - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
  - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and

- (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

11. Payments in lieu of taxes.

In the event the City of Evanston issues debt pursuant to its general obligations under the Act or pursuant to its home rule powers, the proceeds of which are used to pay redevelopment project costs:

- (a) In any year during which said obligations are outstanding and funds in the special tax allocation fund are insufficient to pay principal and interest when due, the City shall cover such shortfall in payment in accordance with the terms of the obligations, and any such payments made by the City shall be repaid in full to the City from the special tax allocation fund from subsequent available tax increment revenues from improved taxable lots or parcels of real property prior to the creation of any surplus funds.
- (b) In any year during which said obligations are outstanding and funds in the special tax allocation fund are sufficient to pay the next due principal and interest, but it is anticipated that in subsequent years funds may be inadequate to make the current payments of principal and interest, then the City may create such reserves from the funds as it may deem appropriate to enable it to make future payments of principal and interest under said obligations. Amounts in any such reserve shall not be deemed to be surplus funds. Real estate tax increment revenues which constitute funds in the special tax allocation fund for the purpose of this paragraph include only tax increment revenues from improved taxable lots or parcels of real property.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan. **The costs represent estimated amounts and do not represent actual City commitments or expenditures. Rather, they are a ceiling on possible expenditures of TIF funds in the redevelopment project area.**

**REDEVELOPMENT PROJECT - ESTIMATED PROJECT COSTS ELIGIBLE UNDER ILLINOIS TIF STATUTE. THESE ARE POTENTIAL COSTS TO BE EXPENDED OVER A PERIOD OF 23 YEARS BUT TO BE SOLELY DETERMINED BY THE CITY TO FUND AS NEEDED. (Note: This summary does not include private redevelopment costs, and each cost item is based upon standard amounts for other similar type projects.)**

<u>Program Action/Improvement</u>	<u>Estimated Costs(A)</u>
1. Land Acquisition and Assembly Costs including Demolition and Clearance/ Site Preparation	\$7,000,000
2. Construction of Public Facilities and Buildings, Rehabilitation, and related public improvements including the relocation of existing utilities and the provision of utility service	100,000
3. Utility Improvements including, but not limited to, water, storm, sanitary sewer, and the service of public facilities	250,000
4. Construction and Reconfiguration of Parking Rights-of-Way and Street Improvements/ Construction, Signalization, Traffic Control, and Lighting, Landscaping, Buffering and Streetscaping	500,000
5. Interest Costs Pursuant to the Act	100,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	250,000
7. Relocation	100,000
8. Job Training	100,000
9. Miscellaneous/Contingencies	<u>100,000</u>
<b>TOTAL ESTIMATED COSTS</b>	<b>\$8,500,000</b>

(A) All project cost estimates are in 1992 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

Adjustments to these cost items may be made without amendment to the Redevelopment Plan as long as the total project expenditures remain unchanged.

**F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute**

Funds necessary to pay for public improvements and other project costs eligible under the TIF statute are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

"Redevelopment Project Costs" specifically contemplate those eligible public costs set forth in the Illinois statute and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used only to lever and commit private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the tax increment obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the proposed RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 1990 tax year.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales taxes, special service area taxes, the proceeds of property sales, unlimited property taxes if the obligations are general obligations of the City, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City of Evanston may from time to time deem appropriate.

The proposed Redevelopment Project Area would not reasonably be expected to be developed without the use of the incremental revenues provided by the Act.

## **G. Nature and Term of Obligations to be Issued**

The City may issue obligations secured by the tax increment special tax allocation fund established for the Redevelopment Project Area pursuant to the Act or such other funds or security as are available to the City by virtue of its powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions.

## **H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area**

The equalized assessed valuation of the property within the RPA is approximately \$7,034,353, which is the 1990 equalized assessed valuation, the most recent EAV available. The Boundary Map, Map 2, shows the location of the proposed RPA.

## **I. Anticipated Equalized Assessed Valuation**

Upon completion of the anticipated private development of the Redevelopment Project Area by the year 1995, it is estimated that the equalized assessed valuation of the property within the Redevelopment Project Area will be increased by approximately \$5,700,000. The estimate assumes a constant Cook County equalization factor (multiplier) of 1.9133 and 1992 dollars.



## **VI. SCHEDULING OF REDEVELOPMENT PROJECT**

### **A. Redevelopment Project**

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. Such strategy will contribute to a realistic approach in funding the Project while assuring the City the ability to fund the Projects it deems to have the highest priority.

The Redevelopment Project will require an estimated four (4) years to complete.

The Redevelopment Project will begin as soon as the development entity (or entities) have identified market uses for the sites and such uses are conformant with City zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included:

Land Assembly and Disposition: Certain properties in the RPA may be acquired by the City and may be assembled into an appropriate redevelopment site. These properties may be acquired by the City or the City may cause such property acquisition, subject to City Council approval, and subsequently sold or leased by the City to the developer for redevelopment of the site.

Demolition and Site Preparation: The existing structures located within the RPA may have to be reconfigured or prepared to accommodate new uses. Partial or total demolition may be necessary as well as removal of debris. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for the desired redevelopment.

Landscaping/Buffering/Streetscaping/Parking: The City may undertake, or cause to be undertaken, certain landscaping and parking which serve to beautify and improve access to public properties or rights-of-way and provide buffering between land uses.

#### Water, Sanitary Sewer, Storm Sewer and Other Utility

Improvements: The City may extend or re-route certain utilities (or cause such extension) to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken or cause to be undertaken by the City.

Roadway/Street/Parking Improvements: Widening of existing roads and/or vacation of roads may be undertaken or cause to be undertaken by the City. Certain secondary streets/roads may also be improved. Related curb, gutter, and paving improvements could also be constructed as needed. Sidewalk and parking improvements ancillary to the above may also be carried out.

Traffic Control/Signalization: The City may construct or cause to be constructed necessary traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment.

Public Safety Related Infrastructure: The City may construct or cause to be constructed certain public safety improvements including, but not limited to, public signage, public facilities, and street lights.

Relocation: The City may pay for certain relocation costs, conformant with City policies and regulations.

Interest Cost Coverage: The City may pay for certain interest costs incurred by the redeveloper for construction, renovation or rehabilitation of the redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The City may use tax increment financing to pay necessary planning, legal, engineering, administrative and financing costs during project implementation. Eligible costs undertaken on behalf of the City may also be paid by the City.

## **B. Commitment to Fair Employment Practices and Affirmative Action**

As part of any Redevelopment Agreement entered into by the City and the private developer, both will agree to establish and implement an affirmative action program that serves appropriate sectors of the City of Evanston.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will countenance discrimination against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and educational opportunities.

Anyone involved with employment or contracting activities for this Project will be responsible for conformance with this policy and the compliance requirements of applicable state and federal regulations.

The City and the private developers involved with this Project will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level for the project initiated within the RPA. Additionally: (a) any public/private partnership established for the development project in the RPA will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work; (b) it shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such working environment, with specific attention to minority and/or female individuals; and (c) the partnership will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner.

Underlying this policy is the recognition by the partnership that successful affirmative action programs are important to the continued growth and vitality of the City of Evanston.

**C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs**

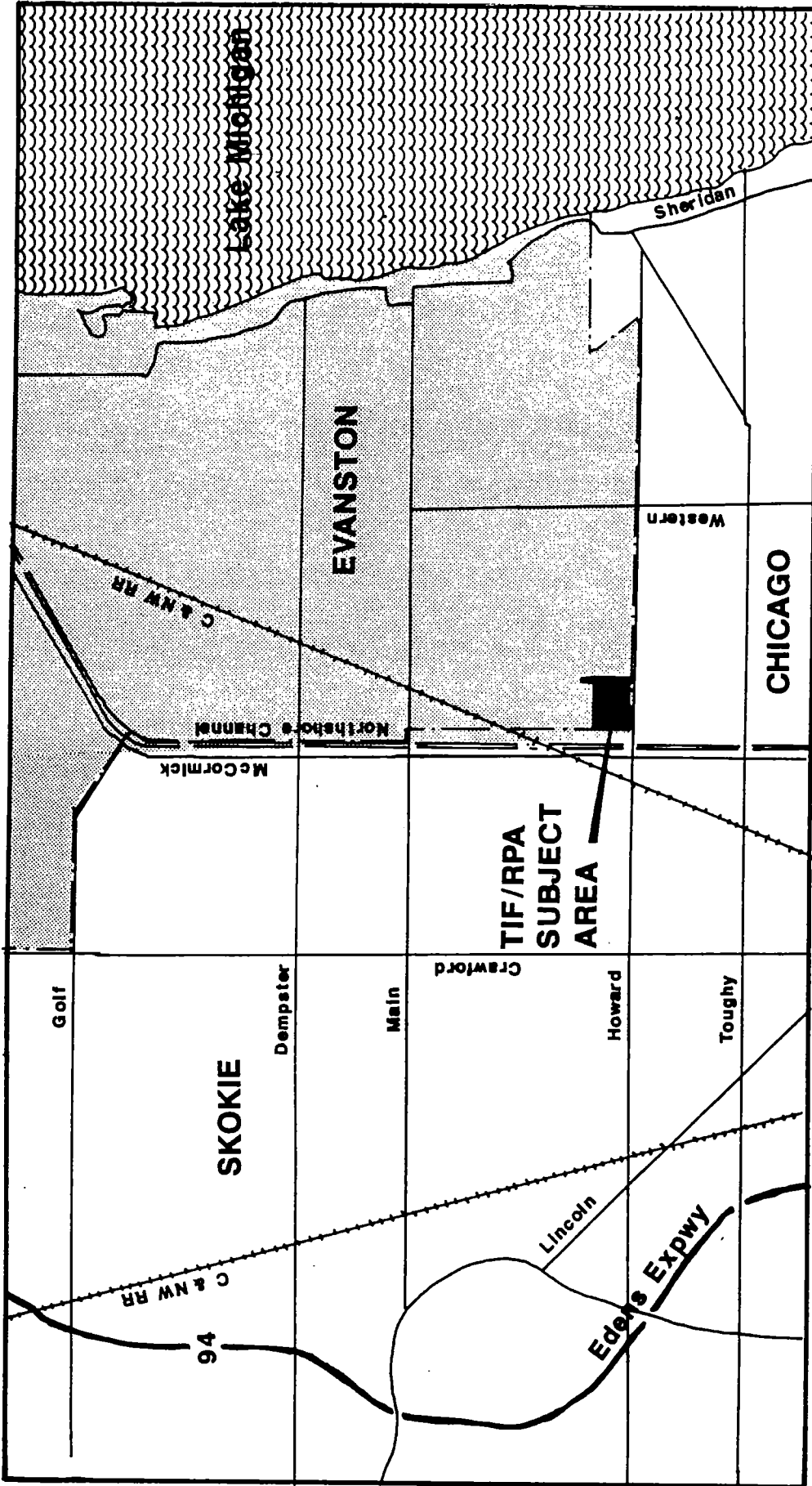
This Redevelopment Project will be completed on or before a date 23 years from the adoption of the ordinance designating the Redevelopment Project Area. Actual construction activities are anticipated to be completed within four (4) years.

**VII. PROVISIONS FOR AMENDING THE TAX INCREMENT  
REDEVELOPMENT PLAN AND PROJECT**

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

**MAP 1**

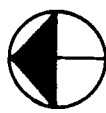
**VICINITY MAP**



**KANE MCKENNA & ASSOC.**  
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 Chicago, Il. 60606  
 312.444.1702

**CHICAGO ASSOCIATES  
 PLANNERS & ARCHITECTS**  
 1807 West Sunnyside Ave.  
 Chicago, Il. 60640  
 312.275.1807

**EVANSTON/ HOWARD TIF/RPA VICINITY MAP**



**NORTH**

November 11, 1991



**MAP 2**  
**BOUNDARY MAP**

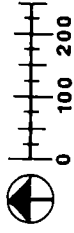
**HOWARD STREET**  
 EVANSTON  
 Redevelopment  
 Project Area  
 (RPA/TIF)

TITLE

**PROPOSED  
 BOUNDARY MAP**

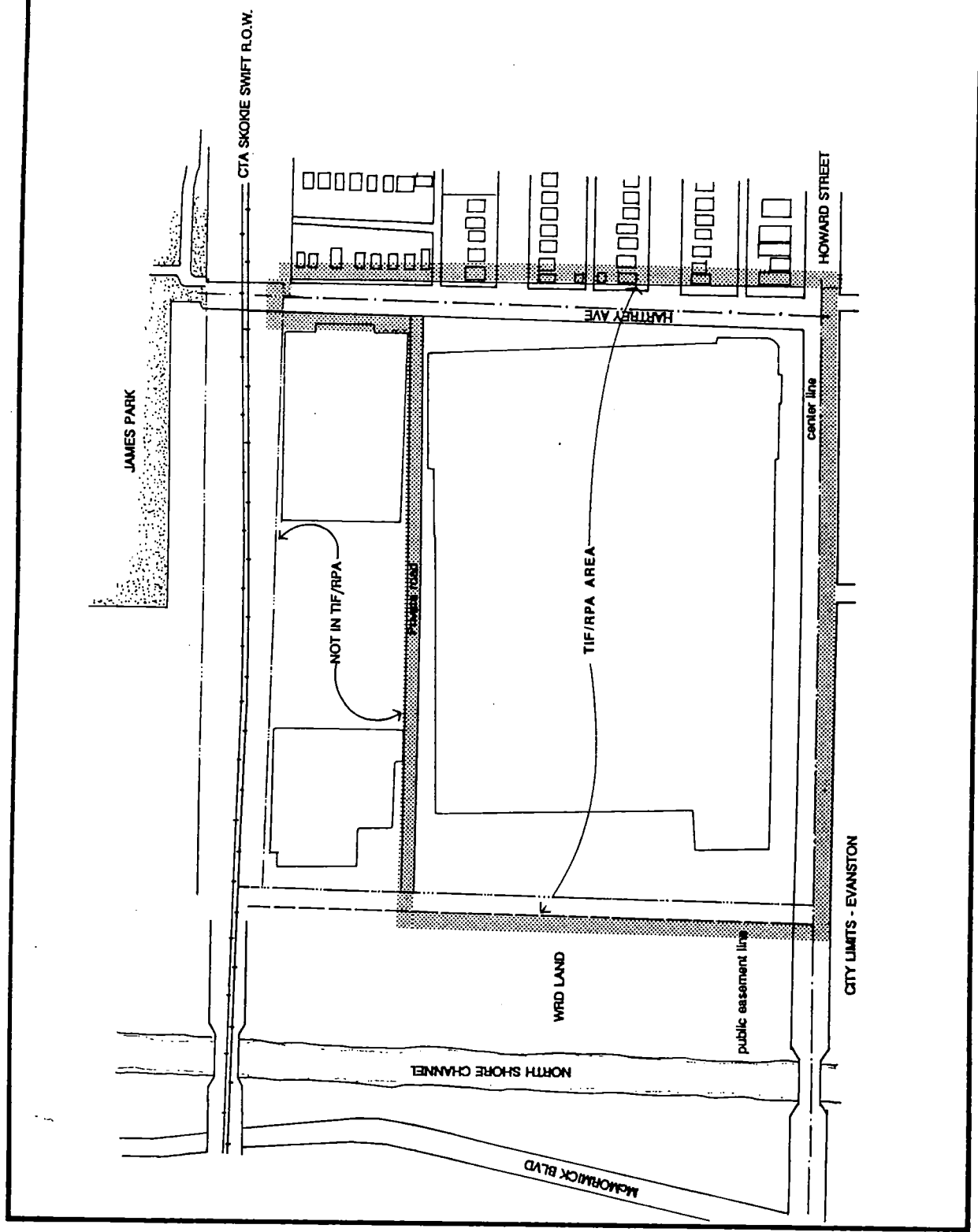
DATE 25 OCTOBER 1991

NORTH SCALE



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**MAP 3**

**EXISTING LAND USE MAP**

**HOWARD STREET**  
EVANSTON  
Redevelopment  
Project Area  
(RPA/TIF)

**M-1**  
Manufacturing

TITLE

**Existing  
Zoning  
Land Use**

November 11, 1991  
October 28, 1991

DATE

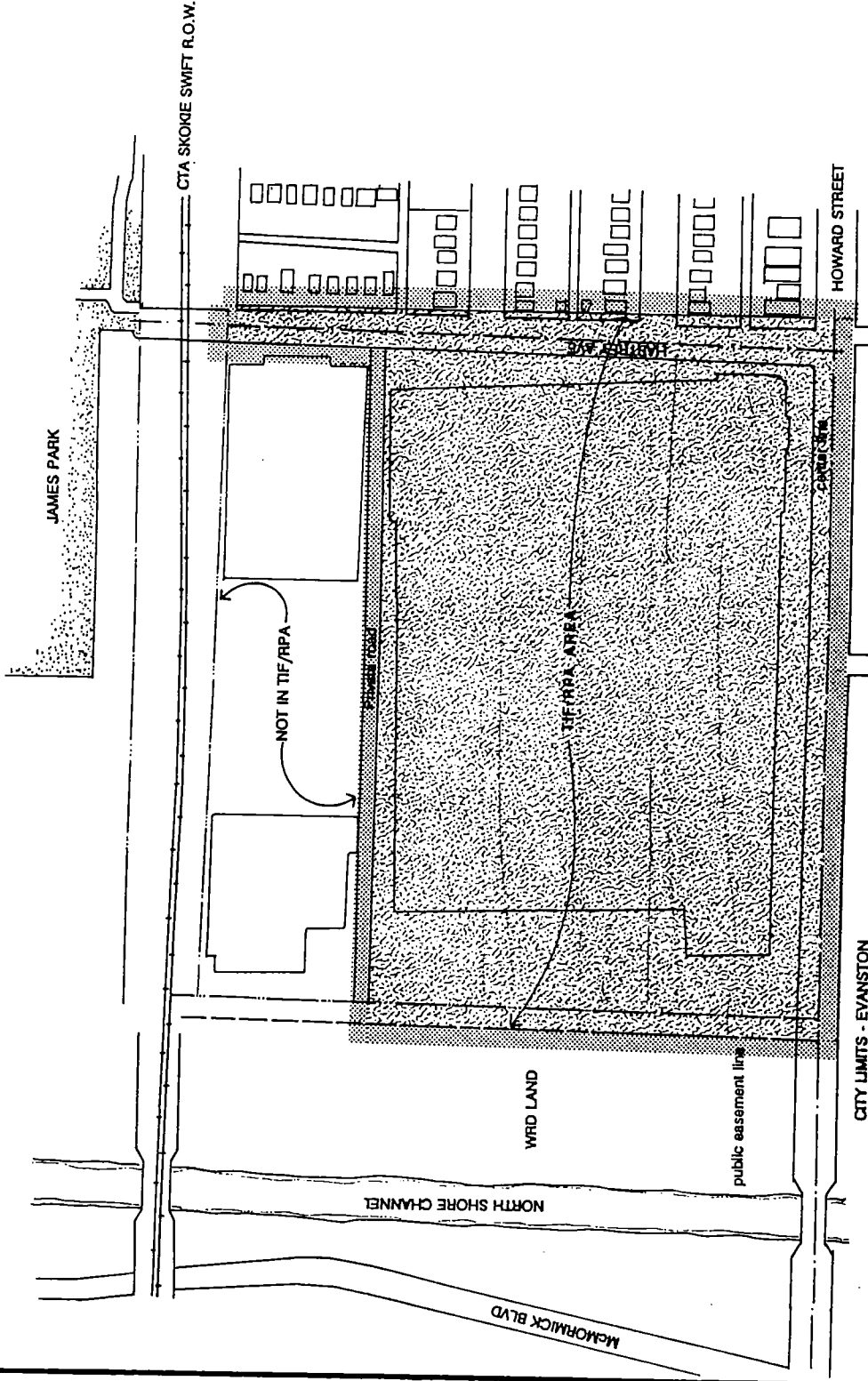
NORTH SCALE



0 100 200

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**MAP 4**

**INTENDED LAND USE MAP**


**HOWARD STREET**  
 EVANSTON  
 Redevelopment  
 Project Area  
 (RPA/TIF)

 **COMMERCIAL/  
BUSINESS**

 **INDUSTRIAL**

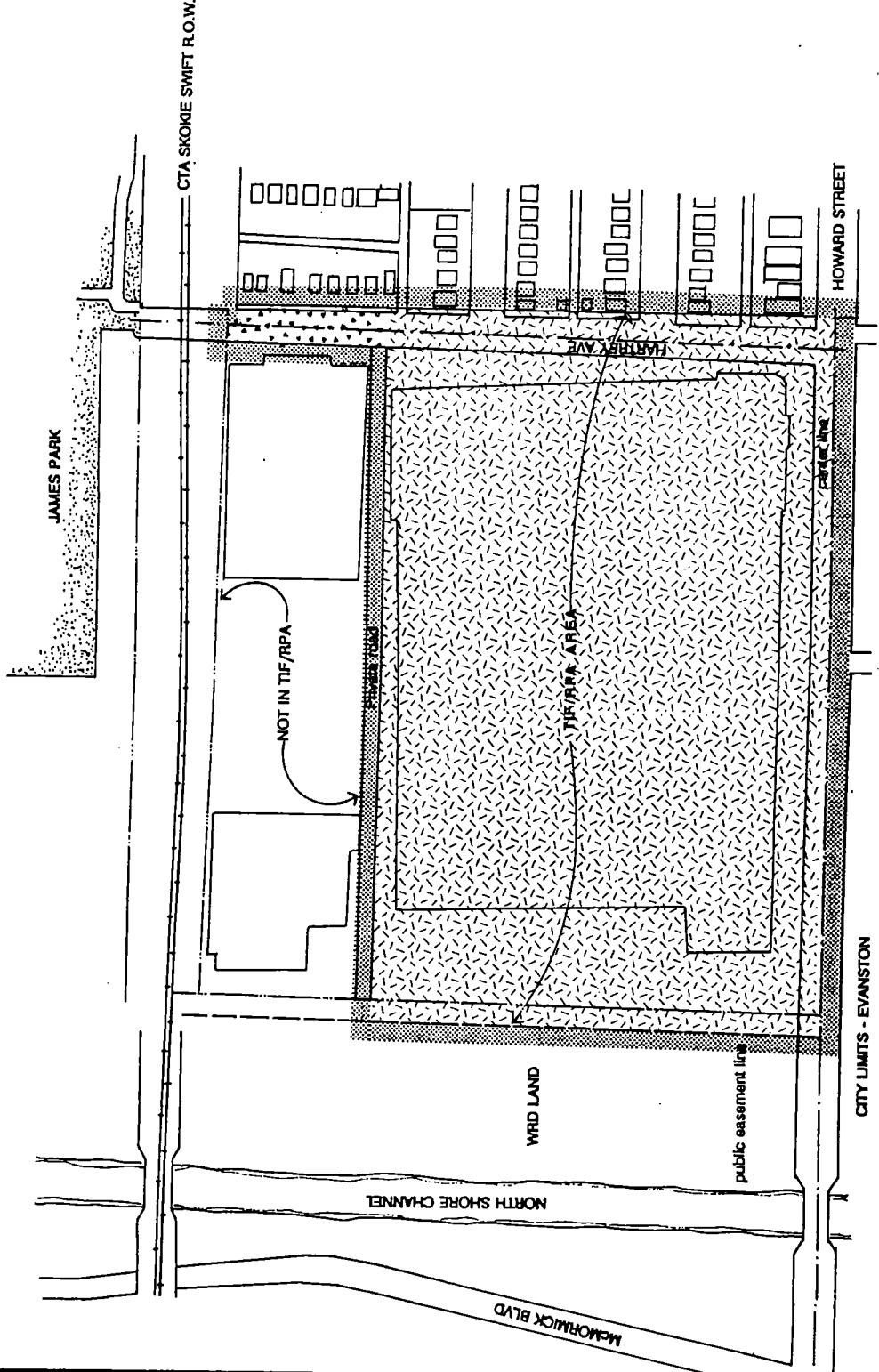
**TITLE**  
**PROPOSED  
LAND USE**

**NOVEMBER 11, 1991**  
**DATE**

**NORTH SCALE**  
  
 0 100 200

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**APPENDIX A**

**Legal Description**

LEGAL DESCRIPTION

The Southwest Quarter of the Northwest Quarter of Section 25, Township 41 North, Range 13, East of the Third Principal Meridian (except the North 150 feet lying West of the East 33 feet thereof) and the West 33 feet of the Southeast Quarter of the Northwest Quarter of said Section 25, (except the North 183 feet thereof) all in Cook County, Illinois.

**APPENDIX B**

**Qualification Report - Summary of Blighting Factors**

**March 18, 1992**

**CITY OF EVANSTON**

**TIF QUALIFICATION REPORT**

**PROPOSED HOWARD & HARTREY  
REDEVELOPMENT PROJECT AREA**

**PREPARED FOR:**

**CITY OF EVANSTON  
MARCH, 1992**

**PREPARED BY:**

**KANE, McKENNA AND ASSOCIATES, INC.  
IN CONJUNCTION WITH  
CHICAGO ASSOCIATES PLANNERS AND ARCHITECTS**



City of Evanston

TIF Designation Report  
Howard & Hartrey Redevelopment Project Area

Table of Contents

<u>Description</u>	<u>Page</u>
I. INTRODUCTION AND BACKGROUND	1
II. QUALIFICATION CRITERIA USED	5
III. THE STUDY AREA	6
IV. METHODOLOGY OF EVALUATION	7
V. QUALIFICATION OF AREA/FINDINGS OF ELIGIBILITY	9
VI. OVERALL ASSESSMENT OF QUALIFICATION	17

Exhibits

EXHIBIT 1 - Boundary Map

EXHIBIT 2 - Legal Description

## **I. INTRODUCTION AND BACKGROUND**

### **Introduction**

The purpose of this report is to document in a comprehensive manner the extent to which the factors of "blighted" for an area with structures (therefore, "improved") may be found in the area in southwestern Evanston, generally located at the northwestern corner of Howard Street and Hartrey Avenue and to determine the eligibility of this area for such status pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Revised Statute, Section 11-74.4-3 (the "Act").

The Act addresses the elimination or reduction of blighted area factors within Illinois communities through the implementation of redevelopment measures. The Act authorizes the use of tax increment revenues derived from the tax rates of various taxing districts in a Redevelopment Project Area (the "RPA") for the payment of costs related to the undertaking of redevelopment projects. In order to qualify for redevelopment eligibility under this legislation, an RPA must contain conditions which warrant its designation as a "blighted area". The following sections of this report will describe conditions of blight which exist in the proposed RPA conformant to the provisions of the Act.

The RPA as a whole is approximately bounded by the following:

Beginning at the southwest corner of the City limits, at the center line of Howard Street, then northerly along the City limits to the northern boundary of the Bell & Howell property line, then easterly to the western edge of Hartrey Avenue, then northerly to the southern edge of the Skokie Swift embankment, then easterly to the eastern edge of Hartrey Avenue, then southerly to the center line of Howard Street (the City's southern boundary), then westerly to the point of beginning.

The survey was undertaken during August-November, 1991 and also includes the findings of previous studies, plans and inventories conducted by various firms and City agencies which were available and are pertinent to the evaluation of this area. Said studies, plans, etc., are not, however viewed as a basis for the findings made herein.

### **Area Background**

The proposed RPA was annexed into Evanston in 1913, at which time the land use was farming with a greenhouse structure.

The existing Bell & Howell structure was originally constructed in 1946 by the Hibbard Spencer and Bartlett Company, a producer and distributor of hardware. Bell & Howell began to lease the building in 1975 and then purchased the facility in 1984, at which time the company occupied the entire building for its own use.

As Bell & Howell began to divest itself of some of its divisions, Bell & Howell leased an increasing amount of space to subsidiaries or outside firms. Due in part to the structure's obsolescence, the total building area utilized/leased over time has decreased and the vacancy rate for the building is currently at 45%. Within the next two (2) years, a major tenant will be vacating its space, leaving the building 64% vacant.

As discussed in detail in a subsequent section, industrial use of the property is no longer economically viable. The potential costs associated with land acquisition and demolition of existing structures are important determinants of the price charged to new users of the site, effectively limiting the possible redevelopment uses. For example, if single family dwellings were constructed, the proportional site costs that would be charged to individual lots would drive up the price of the new houses far beyond the market for comparable housing. Higher residential density could be an alternative use, but the density would be considerable in order to generate the revenue flow necessary for needed redevelopment costs.

The property has been marketed for industrial or commercial reuse for several years, with a reduction in sale price over this time. Site costs have precluded redevelopment, even though these higher intensity uses can typically bear higher costs than residential. A current commercial redevelopment proposal is only feasible with public assistance to defray the costs of acquiring and preparing the site.

Even with City assistance, the practicable reuses of the site are limited and often not feasible. To make a TIF work, a development must have a higher value for property taxes than the previous use, since only taxes from new value are captured. Within the RPA, the current valuation is relatively high, at nearly 40% of market value. The value of single family homes would not generate the same level of taxes to support (and justify) public assistance.

In fact, costs of redevelopment described herein are so high that TIF alone is inadequate to support the public contribution required by the proposed commercial redevelopment. Local sales taxes, which are only generated by retail uses, are also needed to spur the redevelopment of the site, and to supplement TIF property taxes.

In summary, the proposed redevelopment uses (commercial) present certain advantages related to the characteristics of the site and existing market conditions:

- Lower density (residential) uses and lower tax assessment (16% vs. 38%) limit property tax increment available to offset redevelopment costs.
- Industrial reuse or sale of the building/site has met with no viable market acceptance in recent years. The building is functionally obsolete.
- Costs attributable to land acquisition and site preparation (including demolition) prohibit low density use of the site.
- A commercial retail redevelopment presents a higher tax revenue option.
- Incremental local sales taxes are necessary to finance a portion of public assistance.

The RPA designation is being pursued to address blighted conditions and permit the reuse of the property. Without public intervention and a change in the land use, the area's obsolescence and underutilization due to the blighting conditions would not be resolved.

Timely redevelopment would prevent a loss of the City's real property tax base, and commercial reuse would create new jobs, provide new shopping opportunities for community residents, as well as prevent retail dollars from being generated in neighboring communities (as opposed to within Evanston), thus expanding the City's sales tax base.

## **II. QUALIFICATION CRITERIA USED**

With the assistance of City of Evanston staff, and an independent planning consultant, Chicago Associates Planners and Architects (CAPA), Kane, McKenna and Associates, Inc. (KMA) examined the proposed redevelopment project area (RPA) to determine the presence or absence of appropriate qualifying factors listed in the Illinois "Real Property Tax Increment Allocation Act" (hereinafter referred to as "the Act"), as amended. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area. By definition, a "redevelopment project area" is:

"an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted area and conservation areas."

The Act defines a "blighted" area with improvements as follows:

"any improved ... area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning; is detrimental to the public safety, health, morals or welfare."

The presence of factors must be reasonably distributed throughout the RPA and be present to a meaningful extent. The analysis herein indicates that the factors are present to a meaningful extent.

### **III. STUDY AREA**

The proposed RPA consists of an approximately 740,000 square foot industrial structure at 2201 Howard Street owned free and clear and operated by Bell & Howell. The building is located on an approximately 24 acre site comprised of two (2) parcels. The building was constructed in 1946 and has had rehabilitation improvements made to it over the years, most notably in the period between 1982-1988. Since the Bell & Howell building covers greater than 90% of the area, its character and condition dominates the area.

Public rights-of-way surrounding the Bell & Howell building are included in the RPA. These include the northern half of Howard Street, and all of Hartrey Avenue including easements on the eastern side of the street. The streets are an integral component of the site and impact the patterns of use of the site significantly.

#### **IV. METHODOLOGY OF EVALUATION**

In evaluating the proposed RPA's qualification, the following methodology was utilized:

- 1) Site surveys of the proposed RPA were undertaken by representatives from Kane, McKenna and Associates, Inc. and Chicago Associates Planners and Architects primarily from August through November of 1991. The interior of most areas of the Bell & Howell building were inspected, including tenant spaces.
- 2) The entire proposed RPA was examined to determine the applicability of the fourteen (14) different criteria for qualification as improved land for TIF under the Act. The following findings are presented to the best of our current knowledge according to the available information.
- 3) The entire area was studied in relation to review of available planning reports pertaining to the City, water and sewer atlases, City ordinances, 1990 tax levy year information from the Cook County Clerk's Office, Sidwell tax plat maps, discussions with City officials regarding local history, City building permits, architectural plans, environmental reports, and an evaluation of area-wide factors that affected the area's decline (e.g., deleterious land use or layout, obsolescence, etc.). KMA reviewed the area in its entirety. City redevelopment goals and objectives for the entire area were also reviewed.
- 4) Evaluation was made by reviewing the information collected and determining how each parcel and the structure measured as to the prevalence of each factor.

#### **Summary of Area Findings**

The following is a summary of relevant qualification findings:

- 1) The entire RPA comprises approximately 26 acres. The area is contiguous and is greater than 1-1/2 acres in size, as required by the Act.



- 2) The Study Area can be categorized as a "blighted improved area" (a discussion of the basis for qualification of the RPA follows in the next section). Factors necessary to make these findings are present to a meaningful extent and reasonably distributed throughout the area as a whole.
- 3) All property in the RPA would benefit by the proposed redevelopment project improvements.
- 4) The sound growth of the tax base for taxing districts that are applicable to the area, including the City, had been impaired by the blighting factors found present in the area and as outlined in the Act.
- 5) For approximately the past two (2) years, the Bell & Howell building has been actively marketed for sale by commercial brokerage firms. Several potential redevelopers have expressed interest in the property. However, after undertaking careful study of the feasibility of industrial or commercial redevelopment, the City has concluded that the private sector economics were not viable for industrial reuse. It is thus concluded that the area would not be subject to redevelopment without the investment of public funds, including property tax increments.

## **VI. QUALIFICATION OF AREA FINDINGS OF ELIGIBILITY**

### **Age**

The existing Bell & Howell structure was originally constructed in 1946 according to City building permits and appraiser's estimates by the Hibbard Spencer and Bartlett Company. The building is 45 years old.

### **Obsolescence**

The RPA as a whole suffers from economic and functional obsolescence. The Bell & Howell building, since its original construction, has been a single ownership structure. The market for large single use industrial property has narrowed. Mixed use (retail, office, service) or multi-tenant developments have been increasingly utilized in recent years in order to allow for the redevelopment of large sites.

Development plans and concepts for larger, single user industrial facilities/complexes have shifted over the years. There is a limited demand for single-use structures over 300,000 square feet and extremely limited demand for those buildings approaching 1.0 million square feet. As many industries have downsized operations or consolidated operations, the market for large complexes has narrowed. As a result, many complexes have been considered for mixed use or multi-use developments. Redevelopment often entails partial/total demolition of existing facilities or adaptive re-use of existing facilities, as in this case.

Over the last decade, the economy of the Chicago metropolitan region has experienced structural changes which has caused the loss of manufacturing and industrial users. For example, Evanston and other northern suburbs have lost many larger industrial users including the recent departures of Mark Controls, Rust-Oleum, Tinkertoys, and AT&T.

Adaptive industrial/commercial reuse of large, single user facilities has worked best in buildings that roughly range from 150,000 to 300,000 square feet, according to local

industrial brokers. Many larger facilities have had to be razed in order to sustain redevelopment.

The Bell & Howell building remains obsolete even though its conversion to a multi-tenant building has been relatively recent. The owner has had to deal with the building's obsolescence but not in a very successful manner. The economic incentives and developer pro forma standards have not had to meet the test of the market place because Bell & Howell has rented areas in the structure to related entities. Lower standards of improvements have therefore been more acceptable to the building's occupants. Bell & Howell had made decisions over the years to utilize the building for its various divisions, companies or subsidiaries. The cost (or appropriateness) of improvements that were undertaken were not dictated by market factors. Rather the building was being transformed into a variety of different types of uses and configurations without regard to market/development guidelines or standards, as ownership located corporate divisions into the building.

According to real estate brokers interviewed, the building suffers from many conditions that contribute to its obsolete character. Problematic for current development standards, this building was designed for larger, more industrial-type users (including a single user). The Owner is also losing money on the building, is desirous of a different location in which to operate, and the building is outdated for Bell & Howell's current operations.

Problems encountered during the last five (5) years of trying to lease or sell the building include:

- 1) The building has a very large footprint that has made it difficult to subdivide to accommodate the more plentiful smaller users desirous of adequate natural light and easy access to truck docks;

- 2) Low ceiling heights (14.5' clear) existing throughout the majority of the building are problematic for modern warehouse-type users since many prefer to stack products higher as opposed to horizontally, which takes up more space and takes longer to move the product;
- 3) The heating system, though recently upgraded, is so designed that tenants are required to pro-rate the costs, which is not always perceived as an equitable distribution by tenants/users;
- 4) The majority of the flooring within the building is apparently undesirable (asphalt over concrete floors) for smaller use tenants, according to leasing brokers;
- 5) The interior parking garage has elicited a mixed reaction on the part of existing and potential users, since it occupies a large amount of space and has natural lighting/good access which some users would prefer to have as part of their own facilities -- this location may prevent a natural flow throughout the building from front to back and side to side;
- 6) The western truck docks have been converted from railway docks (since railway is no longer available), and other pre-existing truck docks throughout the building (except for the northeast corner) were designed for smaller vehicles. Further, such docks do not all have capabilities to accommodate the "18-wheelers", which current industrial users would require;
- 7) Today's smaller, mid-size and larger tenants require trucking access, while the building's location (away from major transportation arteries) does not help distribution-oriented tenants; and
- 8) Today's tenants also are desirous of office exterior facades which have been uplifted and updated -- the subject building cannot accommodate most of these requirements (due in part to the high costs associated with such improvements).

Areas within the Bell & Howell building that have received substantial investment and upgrading are nonetheless functionally obsolete. The improvements made in both the DeVry space (about 190,000 s.f.) and Bell & Howell's own ISD Data Center (40,000 s.f.) are geared to the needs of the specific individual tenants. According to real estate brokers, more investment would be needed in order to make these spaces marketable to other potential tenants in the current marketplace environment.

The building itself suffers from an outdated facade and is considered "unattractive" within the marketplace. Brokers felt that the building did not conform to a potential user's idea of a modern image, particularly those users looking for a distribution/office location.

The platting is obsolete in that it reflects the arbitrary separation (subdivision) of the vacant Hibbard Spencer and Bartlett land (now Bell & Howell property) from the improved building portion. Because of this, the streets and alleys are not fully improved or under public ownership to provide for equal egress and access to the individual users in the area as an industrial/commercial subdivision.

The character of the improvements is not conducive to the variety of types and sizes of uses. For example, Hartrey Street (to the east) services as a collector street for other residential and industrial traffic, yet it is improved to a residential character. It also is a dead end street due to the closure of the viaduct at the Skokie Swift Embankment. Brummel Street to the north of property is a private street so that users of the facility must access the rear of the building through a parking lot. No public street access exists at the western or northern edge of the proposed TIF/RPA.

### **Excessive Vacancies**

According to Bell & Howell, the vacancy rate for this structure, calculated on the basis of rentable area (739,118 s.f.) over the past five (5) years, has ranged from 33% to 52% and is currently at 45%. The existing owner's policy toward this building has contributed to its vacancy rate by being inconsistent regarding whether they should sell

or rent, build out or leave the various spaces undeveloped. This perception of the market and policy of the owner has caused better than 30% of the building to be vacant at any one time over the last years.

All but one of the current tenants (Cloud being the exception) were divisions of Bell & Howell or are currently affiliated with the company. According to Bell & Howell officials, if these leasing arrangements had not been made, the vacancy rate would very likely have been much higher, for Bell & Howell would have been competing for tenants in a general market that has experienced high vacancy rates.

The largest tenant in terms of both income and space utilization (accounting for 19% of total square footage) is DeVry, which has announced its intention to relocate when its lease expires in 1994. This situation will leave Bell & Howell with only one small income producing tenant (Eiki) and the income will be minimal compared to operating expenses. The net result of the current leasing program leaves a large, poorly configured space for multiple tenants to be released in a very competitive market. Given the unsuccessful marketing history, demolishing the property and redeveloping the site is the only alternative to prevent any future decline of the tax base.

#### **Lack of Ventilation, Light or Sanitary Facilities**

Due to the depth and window arrangement of the building, several areas have a significant lack of natural light and ventilation.

The building is approximately 974 feet wide and 704 feet deep without any interior courtyards or skylights. There are six (6) ventilator locations running along the center of the building, approximately 3 feet by 3 feet each. Under the 1987 BOCA building code utilized by the City of Evanston, not less than 8% of the floor area is to be devoted to exterior glazing (windows) and a minimum of 4% of the floor area is to be operable (i.e., must be able to be opened). This means 54,856 square feet of exterior glazing and 27,420 square feet of operable area is required. The actual exterior glazing is

approximately 9,282 square feet, 2,475 square feet of which is operable, falling far short of standards adopted by the City.

### **Inadequate Utilities**

#### **Water Supply System**

The City of Evanston Water Department has provided evidence to the existence of three (3) water mains serving the RPA. One is a 6" main in Hartrey installed in 1926; another is an 8" main in Brummel 864 feet west of Hartrey, installed in 1950; and another is a 16" main installed in 1960, running south from Oakton through James Park to a point near the above mentioned 8" line. There are City plans to extend this line to the south to complete the loop with a main in Howard Street.

The inadequate condition that is present is one of an adjacent service system of an old undersized 6" main, an incomplete unlooped larger 16" main and a long dead-end stubbed 8" main.

All of these factors contribute to the water supply to the RPA being deemed inadequate.

#### **Street System**

The standard for streets used for industrial and commercial purposes is a Portland Cement Institute (PCI) rating of 70.

Howard Street's average rating adjacent to the property is PCI 66 and the rating of the stations adjacent to the intersection of Hartrey and Howard are 45, 61 and 51 – well below the standard followed by the City.

#### **Sewer System**

The following factors indicate the inadequacy of the sewer system:

- 1) There exists a combined 10" to 21" diameter sanitary/storm sewer in Hartrey. The City policy is to separate storm from sanitary.
- 2) The area to the east of the RPA has experienced basement flooding.

- 3) The area (described as S13) is scheduled for improvements of the sewers to include a new relief sewer system, with a 54" storm main in Hartrey leading to a 72" trunk line parallel to the Skokie Swift, dumping into the canal.
- 4) Also, a sewer line is scheduled for installation along Brummel Street (PRT).

The October 1990 City Sewer Study report confirms the condition and describes the remedy for the RPA and the adjacent (S13) area.

#### **Deleterious Land Use or Layout**

The use of Hartrey as an individual access street has caused the alley access of the adjacent residential use to be controlled by traffic signage. Also, because Brummel is a private street serving Shure, Inc., all tenants on the north side of the Bell & Howell building have no public street access or exposure. There are only two (2) public access entrances on the 740,000 square foot four sided building, which is not considered adequate for today's marketplace. The existing tenants also have building entry and delivery through the parking lots. Vehicles have to travel at least 700 feet through parking lots to reach these entries.

#### **Depreciation of Physical Maintenance**

The site improvements on the Bell & Howell property show evidence of depreciation. There are cracked and broken sidewalks, driveways, paving and curbing in all the various perimeter parking areas and areas with vegetation growing in them. On the east side of the building, the sidewalk has separated from the wall leaving a broken and exposed joint.

On the building, metal window mullions and overhead loading dock doors show evidence of paint deterioration, rusting and peeling. The masonry wall is also bowing out at the line where the second story ceiling posts would be.



Additionally, the closed off Hartrey viaduct and Skokie Swift embankment are visually unpleasant. There is also evidence of gang graffiti and construction debris contributing to the depreciation of the viaduct embankment area.

Depreciation and deferred maintenance is found with the sprinkler system. The existing sprinkler main shows evidence of breaks during required testing in the last six years. In addition, there has been a fire hydrant replacement.

### **Lack of Community Planning**

Evanston did not have a formal plan for the area at the time the RPA developed. Therefore, issues of incompatible land use relationships, inadequate street layout, or improper subdivisions were not adequately resolved, especially in relation to contemporary development standards.

**VI. OVERALL ASSESSMENT OF AREA QUALIFICATIONS**

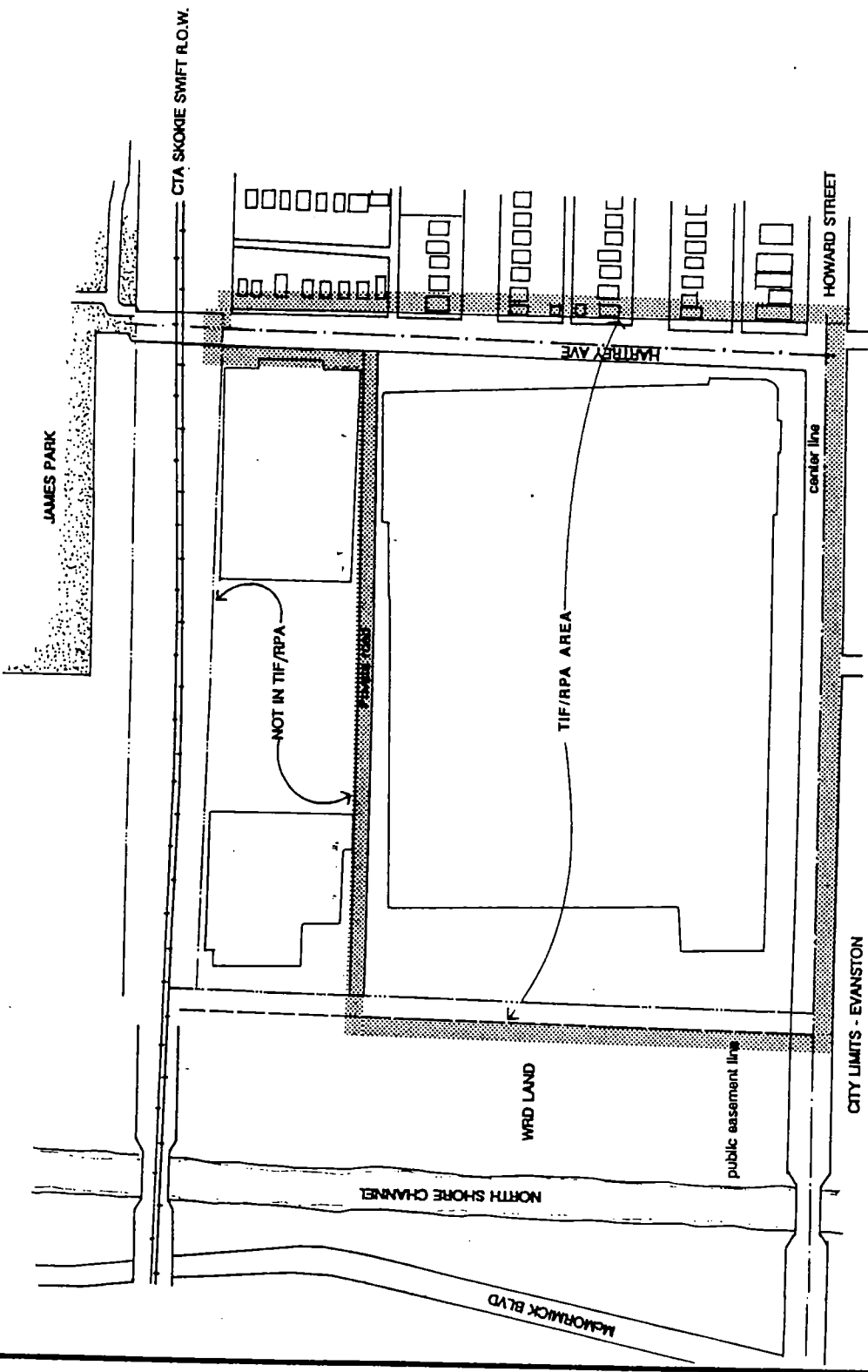
The primary cause of the RPA's stagnation relates to the interplay of a number of blighting factors found to be present. The Bell & Howell property and adjacent streets are characterized by age, obsolescence, excessive vacancies, deleterious land use or layout, depreciation of physical maintenance and lack of community planning, all of which inhibit redevelopment.

The presence of the factors herein impairs the value of existing and any proposed new private investments thereby threatening the sound growth of the tax base of taxing districts in the area. The City's contemplated TIF designation for the area is consistent with the intent of the TIF legislation.

ttevanst.kmg

**EXHIBIT 1**  
**BOUNDARY MAP**

**HOWARD STREET**  
 EVANSTON  
 Redevelopment  
 Project Area  
 (RPA/TIF)



TITLE

**PROPOSED  
 BOUNDARY MAP**

DATE 25 OCTOBER 1991

NORTH SCALE



0 100 200

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**EXHIBIT 2**  
**LEGAL DESCRIPTION**

LEGAL DESCRIPTION

The Southwest Quarter of the Northwest Quarter of Section 25, Township 41 North, Range 13, East of the Third Principal Meridian (except the North 150 feet lying West of the East 33 feet thereof) and the West 33 feet of the Southeast Quarter of the Northwest Quarter of said Section 25, (except the North 183 feet thereof) all in Cook County, Illinois.