
**CITY OF EVANSTON
FIVE-FIFTHS TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT PLAN AND PROJECT**

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and

The City of Evanston, Illinois

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I. INTRODUCTION

The City of Evanston (the “City”) is a mature community located in Cook County, Illinois, situated along the North Shore and surrounded by the City of Chicago to the south, the Village of Skokie to the west, the Village of Wilmette to the north, and Lake Michigan to the east.

The City was incorporated in 1863. The municipality has a population of 74,486 according to the 2010 Census. The City is in close proximity to the City of Chicago, Lake Michigan, O’Hare International Airport and extensive transportation networks. The City has vehicular access to Chicago and its greater metropolitan area via I-90, I-94, and US Highway 41. The City is also served by the Chicago Transit Authority purple line with seven (7) stops in Evanston and Metra rail service (Union Pacific North commuter line) with three (3) train stations located within the City.

The City contains a diverse mix of industrial, commercial and residential uses. The City is essentially landlocked by bordering municipalities. Given limited opportunities for redevelopment, the City is focusing attention on areas that can improve the local tax base and provide non-residential revenues (including sales taxes) to the community. These conditions highlight the City’s desire to address redevelopment needs through appropriate planning processes.

Evanston’s Fifth Ward, the area of focus of this study, has been home to Evanston’s Black business and residential community since the late 1800s. The area is characterized by several commercial corridors including Church Street, Emerson Street, Simpson Street, and Green Bay Road. The residential neighborhoods are composed of single-family homes, two flats, and apartment buildings occupied by lower and middle-income householders.

The City currently utilizes its Comprehensive Plan adopted in May 2000 (“the Comprehensive Plan”) to coordinate economic development within the City. The Comprehensive Plan provides for an ongoing evaluation of City planning efforts as market conditions and land-use plan trends have changed over the years.

The Comprehensive Plan states: “Evanston must allow growth to occur while enhancing the community’s special character, and “Evanston’s distinct character is derived from its physical and cultural strengths” “Development within low- and moderate-income neighborhoods especially Evanston’s west side, should be a priority for private and public investment to enhance the investments of current residents. The Comprehensive Plans’ vision includes important public capital improvements that will make Evanston a more efficient and attractive place. “Public buildings should be modernized, cost efficient, and easily accessible places.” “Additions to the housing stock should continue to offer a broad range of styles and prices. Shopping centers and business districts-should be places of convenience to residents as well as destinations for shoppers from outside the community. Existing businesses should be retained and new firms established through the implementation of an effective economic development strategy. That strategy should recognize Evanston’s relative desirability as a location for companies working in the fast growing high-technology sector. It should promote locally-based businesses as well as regional and national business.”

Source: Comprehensive Plan

The City intends to redevelop and encourage residential use, retail, commercial and institutional uses to locate, upgrade, expand and/or modernize their facilities within the City as part of its ongoing economic development planning. A necessary strategy for the City in pursuing these uses will be to eliminate certain existing adverse conditions within some portions of the community, and to find new means to strengthen and further diversify the City's tax base, provide for residential and commercial redevelopments, and to create and retain jobs.

The area discussed in this Redevelopment Plan and Project (the "Plan" or the "Redevelopment Plan and Project") is the proposed Five-Fifths Redevelopment Project Area (the "Study Area", the "RPA" or "TIF District"). The proposed RPA is located in the north central portion of Evanston and is comprised primarily of commercial, residential, institutional, and recreational properties. The majority of the parcels in the proposed redevelopment project area are situated to the east and west of Green Bay Road, to Ridge Avenue to the east, to Darrow Avenue to the west, and to Leonard Place to the north and Emerson Street to the south (the "Study Area" or "TIF District" or "RPA").

The TIF District includes approximately 284 tax parcels and approximately 226 structures buildings (excluding detached garages associated with residential structures).

The RPA consists primarily of residential, commercial, industrial and institutional uses. Approximately eighty four percent (84%) of the structures within the RPA are in excess of thirty-five (35) years in age. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Exhibit B.

The advanced ages associated with many of these structures and related site improvements, including changing market conditions and surrounding competition, has contributed to certain conditions as defined by the Tax Increment Allocation Redevelopment Act of Chapter 65 ILCS Section 5/11-74.4 et seq., as amended (the "TIF Act" or the "Act") such as lack of community planning, inadequate utilities, deterioration, excessive land coverage and obsolescence.

Conditions that impact redevelopment are lack of community planning such as the presence of numerous dead-end streets and alleyways, irregular lot configurations and sizes, inefficient ingress/egress at certain locations, incompatible land uses, and land coverages in excess of contemporary zoning standards, among others which are evidenced throughout the area and have been documented pursuant to site visits by Kane, McKenna and Associates, Inc. (KMA), as well as the City. The Study Area, in aggregate, exhibits signs of deterioration, obsolescence, excessive land coverage, inadequate utilities, lack of community planning, and stagnant or declining Equalized Assessed Values (EAV). The equalized assessed value (EAV) for the RPA has lagged behind the rest of the City in three (3) of the last five (5) tax years.

Overall, the combination of these factors may limit opportunities for private reinvestment within and around the RPA. Such factors potentially suppress the value of future development and impact the potential for redevelopment opportunities and sites, limiting employment and contributing to the lack of future investment in the area.

If there is coordination of development efforts by the City, using the TIF Act, the RPA would become better positioned for development. Accordingly, under this Redevelopment Plan and Project and as part of its comprehensive economic development planning, the City intends to attract and encourage retail, commercial, and mixed residential uses to locate, upgrade, expand and/or modernize their facilities within the City. Through the establishment of the TIF, the City would implement a coordinated program to continue development the Five-Fifths Area; and in so doing, it would help stabilize the area, extend benefits to the community, and assist affected taxing districts over the long term.

A. The Redevelopment Plan

The City recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA and to stimulate and enhance new commercial, retail and residential uses. Historically the center of Black commerce and the home of Evanston's African American residents, the RPA has often been overlooked by market driven new development.

The ability to respond to market and community demands is a key component of the strategy to promote private development within strategically critical areas of the City. The needed private investment in the RPA may only be possible if tax increment financing (TIF) is adopted pursuant to the TIF Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Existing conditions, such as those associated with properties located within the RPA, that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts, which encompass the area in the form of a significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the City to address area deficiencies including (but not limited to):

- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement residential and institutional or transitional land uses;
- Encourage and assist in the development of community residential, commercial and institutional uses;
- Site preparation and land assembly may be necessary in order to reconfigure parcels and improvements for more modern uses and various other commercial/retail/residential mixed uses and institutional and recreational use;
- Provision of roadway and traffic improvements within the area, including a comprehensive review of ingress and egress requirements that satisfy area circulation, parking and connections to major arterials, as well as pedestrian circulation and safety;
- Entering into redevelopment agreements in order to further the redevelopment of underutilized properties;
- Coordinating and providing adequate parking and separation of loading/unloading areas for all redevelopments;
- Improving area appearance through rehabilitation of structures, environmental remediation, landscape, streetscape and signage programs with a focus on retaining independent minority-owned business;

- Providing infrastructure that is adequate in relation to redevelopment plans including water, sewer, electric, and fiber;
- Incentivizing development of new affordable housing to mitigate impacts of potential gentrification;
- Funding workforce development initiatives to reduce the unemployment rate that is chronically higher in the RPA than it is in the rest of the community; and
- Designing improvements in a high-quality manner with an effort toward recognizing the area's Black history.

The area on the whole would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of the Redevelopment Plan and Project. The City, with the assistance of KMA, has prepared this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet City and community redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to the retention, expansion and attraction of commercial, retail and mixed residential use development into the City in general and the RPA in particular.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the development project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the City will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. 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 stabilized and expanded tax base, the retention of existing businesses, the creation of new redevelopment sites and the creation of new employment opportunities within the City as a result of induced private sector investment within the area.

B. Summary

The City through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;

- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base by the development or redevelopment of the RPA;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the City's Comprehensive Plan (including any amendments thereto);
- That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and development would not reasonably be expected to be achieved; and
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

Additionally, the City finds that it may be useful, desirable, and necessary for the City to assemble land into parcels of sufficient size to encourage development consistent with current standards.

It is further found and certified the City has certified that it will not displace ten (10) or more inhabited residential units, thus a housing impact study is not required to be completed. If at a later date, the City does decide to dislocate more than ten (10), then the City must complete a housing impact study and amend this plan.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit B.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's Comprehensive Plan, which is considered the City's comprehensive planning process (including any amendments thereto).

The RPA shall encourage development and redevelopment of land to create opportunities for interesting additions to the neighborhood and the City overall. Retaining the RPA's cultural character, as the center of Evanston's Black community, is an important consideration. The City can replace deteriorating buildings or incompatible land uses with ones more sensitive to the needs of adjacent residential neighborhoods. Furthermore, targeting the rehabilitation of properties that have fallen into disrepair will help guarantee the future strength of the housing market.

The City shall attempt to retain and attract businesses in order to strengthen Evanston's economic base and recognize and support the role of neighborhood businesses. The City shall attempt to retain and enhance its diversity of business, commercial and industrial areas as desirable locations of economic activity and promote the growth and redevelopment of those businesses.

The Comprehensive Plan "recognizes the importance of the continued vitality and neighborhood business districts for both the future of individual neighborhoods and the City as a whole. Future development and redevelopment in any neighborhood business district should maintain and enhance the existing streetscape at the same time that it promotes vibrant spaces and improve the quality of existing spaces where needed "In addition the City priorities shall include retention of and enhancement of the business, commercial and manufacturing employment base. There shall also be an effort to help strengthen communities and remediate poor housing conditions.

The RPA will achieve a healthy balance of market rate and affordable residential growth and commercial redevelopment and will become an asset for its residents, a focal point for the community, and a destination for the wider market area.

After the Plan is adopted, the City will actively respond to community input and comments gathered during the designation process, in order to achieve the goals and objectives of the Plan.

Lacking specific direction and a clear vision, development in the RPA is currently uncoordinated. The RPA will provide better direction for future development and improve coordination between the City, developers, investors, community members and business owners.

A. General Goals of the City

- 1) Encourage a complimentary and market driven series of developments that are organized to provide a variety of housing options and goods and services throughout the community, while striving to maintain the cultural character of the community.

- 2) Encourage aesthetically pleasing and functionally well--designed retail and commercial shopping area environments.
- 3) Expand and maintain a strong employment base in the City which expands the overall standard of living.
- 4) Strengthen residential inventory and housing options for the RPA.
- 5) Improve the City 's ability to attract and retain high quality employers.
- 6) Increase tax revenues (property and sales tax revenues) for the City through the expansion of the tax base rather than through raising current tax rates.
- 7) Maintain the City 's high quality of infrastructure to support existing businesses and residential uses and encourage reinvestment.
- 8) Evaluate City Properties for renovation or potential reuse.
- 9) Maintain and determine adequate parking facilities to serve land uses throughout the City.

B. Specific Objectives for the RPA

- 1) Encourage the redevelopment of obsolete and/or underutilized buildings or sites.
- 2) Expand and improve existing roadways and infrastructure, where necessary, to serve parcels located within the RPA.
- 3) Provide for land assembly, site preparation, grading, and excavation, where necessary, of property located within the RPA.
- 4) Provide for 50% of the cost of new affordable housing and the use of redevelopment funding pursuant to the TIF Act.
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- 5) Provide for the cost of infrastructure reconstruction or replacement.
- 6) The City will provide for the re-use of public buildings whenever possible, and encourage new private uses consistent with, and this Plan.
- 7) Provide for the cost of renovating community assets such as Fleetwood Jourdain, and Foster Parks, as well as the Foster School Building.
- 8) Ensure that City financial resources are leveraged to maximize economic benefits for the RPA.

- 9) Ensure that new development is financially responsible for the proportionate share of City funded services and other public investments that are required as a result of the development.
- 10) Coordinate development activities within the RPA in a manner that conforms to the fiscal and economic development policies of the City and its common interests with overlapping tax districts.
- 11) Provide for business district improvements along Simpson (Green Bay Road west to Darrow), Asbury and Emerson, as well as Emerson Avenue;
- 12) Provide for improvements to the commercial corridor along Green Bay (Ashland to Emerson);
- 13) Provide for potential workforce development programs within the RPA;
- 14) Identify viable market opportunities for existing structures and for parcels within the RPA through reuse, rehabilitation, and environmental remediation (where necessary).
- 15) Pursue opportunities for the reconfiguration of off-street parking lots, structures and the establishment of shared parking agreements to meet parking demands within neighborhood commercial areas in a coordinated and efficient manner.
- 16) Require adequate buffering and screening between residential areas and adjacent commercial, or institutional uses, including parking facilities and loading areas.

C. Redevelopment Objectives

The purpose of the RPA designation will allow the City to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to recent City planning efforts;
- 2) Provide for the re-use of public and private buildings, and the attraction of new private investment, including the relocation of existing public uses if warranted by the marketplace;
- 3) Address factors that impede redevelopment activities;
- 4) Accomplish redevelopment over a reasonable time period;
- 5) Provide for high quality public improvement projects within the RPA; and
- 6) Provide for job retention and creation.

The implementation of the Redevelopment Plan and Project would serve to improve the overall quality of life within the RPA and contribute to the economic development of the City as a whole.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth Within the RPA

As documented in Exhibit C of this Plan, the RPA would qualify as a conservation area. Properties within the RPA would not likely experience coordinated redevelopment without the designation of the RPA.

The proposed RPA exhibits various conditions which, if not addressed by the City, could continue to impede redevelopment efforts. For example, structures and site improvements reflect obsolescence, deterioration, inadequate utilities; and experienced a lag in the growth of the EAV when compared to the CPI. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on most of the affected taxing districts. In fact, the action taken by the City to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project will have a positive impact on the affected taxing districts by arresting inflation adjusted declines in assessed valuations.

Any surplus Special Tax Allocation Funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the City, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act. The exception to this provision will be to the extent that the City utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the School Districts. In such cases, the City will provide funds to offset the costs incurred as prescribed by the Act.

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

A. Findings

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF District under Illinois law based upon conservation area factors. Refer to the Eligibility Report, (Exhibit C) which is attached as part of this plan.

B. Eligibility Survey

The RPA was evaluated, from time to time, over a period from October, 2020 through the date of this Redevelopment Plan and Project by representatives of KMA. Analysis was aided by certain reports and information obtained from the City of Evanston and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for the proposed RPA.

VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA

Findings

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The City has certified that it will not displace ten (10) units or more inhabited residential units, thus a housing impact study is not required to be completed. If at a later date, the City does decide to dislocate more than ten (10) units, then the City must complete a housing impact study and amend this plan.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Project Objectives

The City proposes to realize its goals and objectives of encouraging the redevelopment of the RPA in a culturally sensitive manner and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the retention and expansion of existing businesses, and the attraction of users to redevelop existing or underutilized properties structures, as well as vacant parcels that are, or may become available, within the RPA.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction and widening of current streets);
 - ii. Utility improvements (including, but not limited to, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
 - iii. Signalization, traffic control and lighting;
 - iv. Off-street and on street parking (structured and/or grade);
 - v. Landscaping, streetscape and beautification; and
 - vi. Improve public facilities and institutional uses.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of certain buildings or sites through necessary rehabilitation and improvement of structures including residential, commercial and institutional uses.
- 6) By exploring and reviewing job training programs in coordination with any City, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions, including, but not limited to, site preparation, clearance, acquisition, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired by purchase. Properties owned or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. It is expected that the City would facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of its acquisition costs. Such land may be held or disposed of by the City on terms appropriate for public or private development, including the acquisition of land needed for construction of public facilities or improvements. Relocation activities may also be undertaken by the City.

Public Improvements

The City may, but is not required to provide, public improvements in the RPA to enhance the immediate area and support the Redevelopment Plan and Project. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as storm water mitigation and sanitary and storm sewer systems;
- Beautification, identification markers, landscaping, lighting, and signage of public rights-of-way; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for new mixed use or retail/commercial uses, including parking facilities.
- They City may fund eligible taxing districts capital improvements and workforce programs

Rehabilitation

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to City code provisions. Improvements may include exterior and facade related work as well as interior related work.

Affordable Housing Initiatives

The City may undertake the funding of affordable housing components as provided for in the Act.

Interest Rate Write-Down

The City may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs;
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School District Tuition Costs

The City will provide for the payment of eligible tuition costs as provided for in the TIF Act.

C. General Land Use Plan

Existing land use generally consists of mixed uses, commercial, residential, and institutional uses. Future land use would include such uses mixed uses consisting of residential, institutional, manufacturing and commercial/retail uses. Existing and future land uses are shown

in Exhibits D and E attached hereto and made a part of this Plan. The proposed land uses will conform to the City 's Comprehensive Plan (including any amendments thereto).

D. Additional Design and Control Standards for Community Development in the City of Evanston

The appropriate design controls, as set forth in the City's Comprehensive Plan, (including any amendments thereto) shall apply to the RPA.

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 Act, 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 include:

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, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
 - 1.1 After July 1,1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects and programs implemented by businesses located within the redevelopment project area;
7. 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;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives

financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

- a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.
- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or

because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

- (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply.

Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax

Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

11. 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;
12. Payment in lieu of taxes;

13. 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 agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
 - e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
 - f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of

the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or

regional median income are determined from time to time by the United States Department of Housing and Urban Development.

16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown on the next page. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

**CITY OF EVANSTON
FIVE-FIFTHS REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs, Relocation	\$ 2,500,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$ 6,200,000
3. Public Improvements and Infrastructure Improvements	\$ 13,000,000
4. Public Facilities/Improvements (including capital costs for City related improvements and taxing districts capital costs)	\$ 24,000,000
5. Construction and Relocation of Public Buildings Pursuant to the Act	\$ 10,000,000
6. Rehabilitation Costs and Affordable Housing Construction Costs	\$ 9,750,000
7. Interest Costs Pursuant to the Act	\$ 3,000,000
8. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 8,800,000
9. Job Training	\$ 2,000,000
10. Statutory School Payments (pursuant to the TIF Act)	<u>\$ 10,000,000</u>
TOTAL ESTIMATED PROJECT COSTS	\$ 89,250,000

(A) All project cost estimates are in year 2021 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated 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 line item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

Pursuant to the Act, the City may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the proposed RPA, and vice versa.

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

Funds necessary to pay for public improvements and other project costs eligible under the Act 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 costs set forth in the Act 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, subject to approval by the City Council, only to leverage and commit private redevelopment activity.

The tax increment revenues, which will be used to pay debt service on the municipal 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 RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2019 or 2020 tax year for the RPA, depending upon the final adoption of TIF ordinances by the City.

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 or utility taxes, special service area taxes, the proceeds of property sales, 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 may from time to time deem appropriate.

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

The City may also direct incremental revenues from the Five-Fifths Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities in conformance with the provisions of the Act and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan.

G. Nature and Term of Obligations to be Issued

The City may issue obligations secured by the Special Tax Allocation Fund established for the Five-Fifths Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its home rule 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 after the year of adoption of the ordinance approving the Five-Fifths 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 amount available in that year or projected to be available in that year, may be payable 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 and Project, 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, as general obligation or revenue bonds, 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, and on such other terms, all as the City may determine.

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

The most recent estimate of equalized assessed valuation (EAV) for tax year 2019 of the property within the RPA is approximately \$34,446,678.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Five-Fifths Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be within a range of approximately \$85,000,000 to \$ 100,000,000.

VIII. DESCRIPTION AND 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. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as private entities have obtained financing approvals for appropriate projects and such uses conform to the City's Comprehensive Plan (including any amendments thereto). Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The City may assist in the rehabilitation of private or public facilities, buildings (including the Civic Center) or site improvements located within the RPA.

Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed 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 by the City Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the City. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking may be constructed that would be available to the general public. Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Job Training: The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to: Federal programs; State of Illinois programs, Applicable local vocational educational programs, including community college sponsored programs; and Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

Affordable Housing Components: The City may contribute to the funding of new construction or renovation of affordable housing units following the City's Affordable Housing Plan.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

Interest Costs Payments: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act including affordable housing components.

Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Tuition Payments to School Districts: The City may fund payments to the school district pursuant to the provisions of the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the City and any private developers, both will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City policies and plans.

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 discriminate 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 education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The City and private developers 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.

Additionally, any public/private entities 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. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities 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 entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment costs

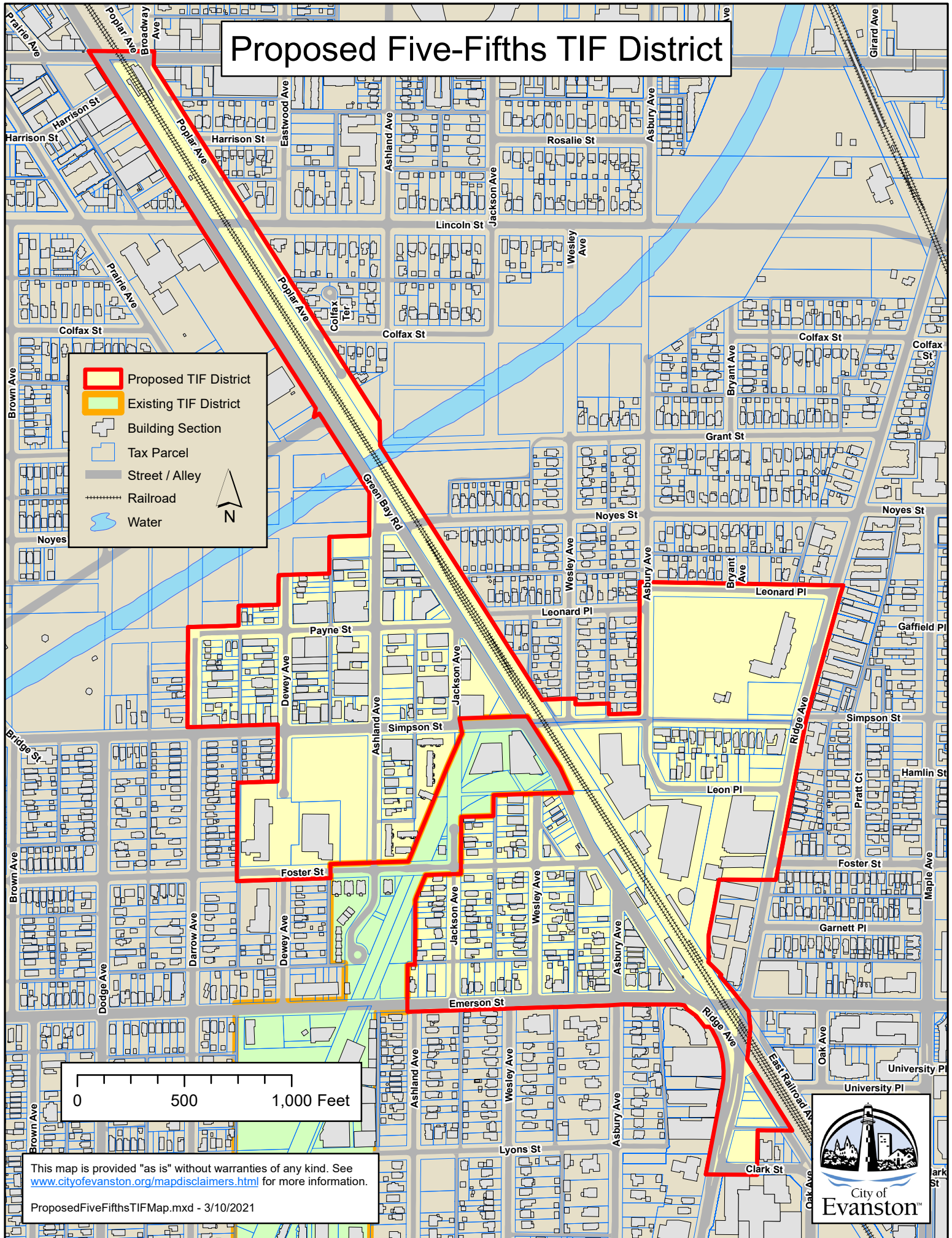
This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the year of adoption of an ordinance designating the RPA. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year of the initial adoption of the ordinance approving the RPA.

IX. 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.

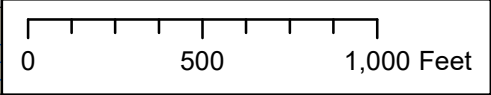
EXHIBIT A
BOUNDARY MAP

Proposed Five-Fifths TIF District



Legend

- Proposed TIF District
- Existing TIF District
- Building Section
- Tax Parcel
- Street / Alley
- Railroad
- Water



This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapdisclaimers.html for more information.
ProposedFiveFifthsTIFMap.mxd - 3/10/2021

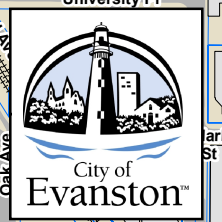


EXHIBIT B
LEGAL DESCRIPTION

That part of the City of Evanston, Illinois described as follows:

Beginning at the intersection of the North line of Central Street and the Southwesterly line of Green Bay Road; thence East, along the North line of Central Street, to the East line of Broadway Avenue; thence South to the intersection of the South line of Central Street and the Northeasterly line of Poplar Avenue; thence Southeasterly, along the Northeasterly line of Poplar Avenue, to the West line of Ashland Avenue; thence South, along the Southerly extension of the West line of Ashland Avenue, to the intersection of the South line of Grant Avenue and the Northeasterly right of way line of Chicago and Northwestern Railway; thence Southeasterly, along the Northeasterly right of way line of Chicago and Northwestern Railway, to the North line and its extension of Lot 15 of Block 3 in Evanston Centre 2nd Addition in the Southeast Quarter of Section 12, Township 41 North, Range 13 East of the Third Principal Meridian; thence East along the North line and its extension of said Lot 15 to the East line of Wesley Avenue; thence South, along the East line of Wesley Avenue, to the Northwest corner of Lot 18 of Block 1 in said Evanston Centre 2nd Addition; thence East, along the North line of said Lot 18 and its extension to the Northwest corner of Lot 1 in said Block 1 in Evanston Centre 2nd Addition; thence South to the Southwest corner of said Lot 1, thence East to the Southeast corner of said Lot 1 being the intersection of the North line of Simpson Street and the West line of Asbury Avenue; thence North, along the West line of Asbury Avenue, to the North line and its extension of Leonard Avenue; thence East, along the North line and its extension of Leonard Avenue, to the Southeasterly right of way of Ridge Avenue; thence Southwesterly, along said Southeasterly right of way, to the North line of Simpson Street; thence Southwest to the intersection of the South line of Simpson Street and the Southeasterly right of way line of Ridge Avenue; thence Southwesterly, along the Southeasterly right of way line of Ridge Avenue, to the North line and its extension of Lot 8 in County Clerk's Division of unsubdivided lands in the Northwest Quarter of Section 18, Township 41 North, Range 14 East of the Third Principal Meridian recorded September 12, 1888 as document 1003465 being also a boundary line of Lot 1 of Northwestern University Consolidation recorded September 11, 1996 as document 96693462; thence West, along the last described line, to the Northwest corner of aforesaid Lot 8 being a corner of lot 1 in said Northwestern University Consolidation; thence Southwest, along the East line of Lot 1 in said consolidation, 256.27 feet to a bend point in the Easterly line of said Lot 1; thence continuing Southerly, along the East line of Lot 1, being a curve concave easterly and having a radius of 395.25 feet, an arc distance of 107.79 feet; thence East, along the boundary of Lot, 2.57 feet to a corner of said Lot 1; thence Southwest, along a boundary of Lot 1 a distance of 18.13 feet, more or less, to Southeasterly corner of said Lot 1 being also the Northwest corner of Lot 12 in County Clerk's Division of unsubdivided lands; thence Southeasterly, along a line drawn to a point on the South line of said Lot 12 being 17.0 feet (as measured on the South line of Lot 12) a distance of 94.0 feet; thence Southwesterly at right angles to the last described line 9.11 feet; thence Southeasterly 82.26 feet, along a line to a point on the South line of aforesaid Lot 12 being 39.06 feet West (as measured on the South line of Lot 12); thence Southeasterly, along a line forming a deflection angle to the left with the prolongation of the last described line, 14.44 feet; thence Southeasterly to the to the intersection of the South line of Emerson Street and the Northeasterly line of East Railroad Avenue; thence Southwesterly to the Northeast corner of vacated West Railroad Avenue by

document 87518006; thence Southeasterly, along the Northeasterly line of vacated West railroad Avenue, to the North line of Lots 8 to 13 of Block 1 in Pratt's Addition to Evanston extended East, being the South line of an alley; thence West, along said South line and its extension, to the East line of Lot 10 in said Block 1 of Pratt's Addition to Evanston; thence South, along the East line and its extension to the South line of Clark Street; thence West along the South line of Clark Street and its extension to the West line of Ridge Avenue; thence Northeasterly, along the West line of Ridge Avenue/Green Bay Road to the South line of Emerson Street; thence West along the South line of Emerson Street to the West line and its extension of the East 30 feet of Lot 19 of Block 4 in Grant and Jackson's Addition to Evanston in the Northeast Quarter of Section 13, Township 41 North, Range 13 and the Northwest Quarter of Section 18, Township 41 North, Range 14 East of the Third Principal Meridian; thence North, along the last described line, to the North line of the East-West alley in said Block 4; thence east, along the North line of said alley, to the East line of the North-South alley in said Block 4; thence North, along said east line, to a bend point in Lot 3 in said Block 4; thence Northeasterly, along the Westerly line of Lots 1, 2 and 3 in said Block 4 to the South line of Foster Street; thence East, along the South line of Foster Street, to the East line of Jackson Avenue; thence North, along the East line of Jackson Avenue to the South line of the East-West alley and its extension in Block 2 in said Grant and Jackson's Addition to Evanston to the Southwesterly right of way of the Chicago and Northwestern Railway right of way being also the Northeasterly right of way of Green Bay Road; thence Northwesterly, along said right of way line, to the North line of Simpson Street; thence West, along the North line of Simpson Street, to the East line of Jackson Avenue being the Southwest corner of the Resubdivision of Block 10 in Evanston Centre Addition; thence Southeasterly to the Northwest corner of Block 13 in aforesaid Evanston Centre Addition; thence Southwesterly, along the former Northwesterly right of way line of Chicago and Northwestern Mayfair to Evanston line (now abandoned), to the north line of Foster Street; thence West, along the North line of Foster Street, to the East line and its extension of a North-South alley in Block 6 of McNiell's Addition to Evanston in the Northwest Quarter of the Northeast Quarter of Section 13, Township 41 North, Range 13 East of the Third Principal Meridian; thence South, along the East line and its extension of said alley to the South line of Foster Street; thence West, along the South line of Foster Street to the West line and its extension, to the West line and its extension of a North-South alley in Block 2 of said McNiell's Addition to Evanston being also the West line of Foster Field Resubdivision; thence North, along the West line of Lot 2 of said Foster Field Resubdivision, to the North line of said Lot 2 being also the South line of Lot 4 in Block 2 of aforesaid McNiell's Addition to Evanston; thence East, along the last described line, to the Southeast corner of said Lot 4 being on the West line of Dewey Avenue; thence North, along the West line of Dewey Avenue, to the North line of Simpson Street; thence West, along the North line of Simpson Street, to the West line of Darrow Avenue; thence North, along the West line of Darrow Avenue, to the North line of Payne Street; thence East, along the North line of Payne Street, to the Southeast corner of Lot 5 in Craven's Resubdivision of Lots 9, 10 and the South Half of Lot 11 of Block 5 of Payne's Addition to Evanston in the Southwest Quarter of the Southeast Quarter of Section 12, Township 41 North, Range 13 East of the Third Principal Meridian; thence North, along the East line of said Lot 5 to the South line and its extension of Lot 6 in in Block 5 of the aforesaid Payne's Addition to Evanston; thence East, along the South line and its extension of Lot 6, to

the Southeast corner of Lot 6 being on the West line of Dewey Avenue; thence North, along the West line of Dewey Avenue, to the South line and its extension of Lot 14 in Block 6 of said Payne's Addition to Evanston; thence East, along the South line and its extension of Lot 14 to the Southeast corner of Lot 14 being on the West line of a North-South public alley; thence North, along the West line of said alley to the Northeast corner of Lot 16 in said Block 6 being on the South line of Noyes Street; thence East, along the South line of Noyes Street to the Northeast corner of Lot 1 in Owner's Resubdivision of Lots 1 and 2 of Block 6 in said Payne's Addition to Evanston being on the West line of Ashland Avenue; thence North, along the West line of Ashland Avenue, to its intersection with the Southwesterly line of Green Bay Road; thence Northwesterly, along the Southwesterly line of Green Bay Road to the Northeast corner of Lot 1 in Owner's resubdivision of Lot 21 of Block 11 in North Evanston recorded as document 3426469; thence Southwesterly, along the Northwesterly line of said Lot 1 a distance of 30.0 feet; thence Northeasterly to a point on the Southwesterly line of Green Bay Road being 30.0 feet Northwesterly of the Northeast corner of the aforesaid Lot 1 of Owner's Resubdivision of Lot 21; thence Northwesterly, along the Southwesterly line of Green Bay Road to the point of beginning, all in Cook County, Illinois.

EXHIBIT C
TIF QUALIFICATION REPORT

**CITY OF EVANSTON
FIVE-FIFTHS TIF DISTRICT
REDEVELOPMENT PROJECT AREA
QUALIFICATION REPORT**

A study to determine whether all or a portion of an area located in the City of Evanston qualifies as a “Conservation Area” as set forth in the definition in the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-3, et seq. of the Illinois Compiled Statutes, as amended.

Prepared For: City of Evanston, Illinois

Prepared By: Kane, McKenna and Associates, Inc.

APRIL 28, 2021

**CITY OF EVANSTON
FIVE-FIFTHS TIF DISTRICT
REDEVELOPMENT PROJECT AREA
QUALIFICATION REPORT**

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MAP

Boundary Map

I. INTRODUCTION AND BACKGROUND

As part of its examination of the designation of the Five-Fifths TIF Redevelopment Project Area, the City of Evanston (the “City”) has authorized the study of the area to determine whether it qualifies for consideration as a Redevelopment Project Area (RPA) pursuant to Illinois “Real Property Tax Increment Allocation Act” (hereinafter referred to as “the Act”) Ch. 65 ILCS Section 5/11-74.4-1 et. seq. of the Illinois Compiled Statutes, as amended. Kane, McKenna and Associates, Inc. (“KMA”) has agreed to undertake the study of the area.

The proposed RPA is located in the north central portion of Evanston and is comprised primarily of commercial, residential, institutional, and recreational properties. The *majority* of the parcels in the proposed redevelopment project area are situated east and west of Green Bay Road, to Ridge Avenue to the east, to Darrow Avenue to the west, and to Leonard Place to the north and Emerson Street to the south (the “Study Area” or “TIF District” or “RPA”). The TIF District includes approximately 284 tax parcels and approximately 226 buildings.

The qualification factors discussed within this Report qualify the Area as a “conservation area”, as that term is hereinafter defined pursuant to 65 ILCS 5/11-74.4-3 et. seq., as amended. Approximately eighty-four percent (84%) of the buildings in the Study Area are over thirty-five (35) years old. In addition, the Study Area, in aggregate, exhibits signs of deterioration, obsolescence, excessive land coverage, inadequate utilities, lack of community planning, and stagnant or declining Equalized Assessed Values (EAV). Many structures are deteriorated or functionally obsolete simply due to their significantly advanced ages, as well as current market conditions. Excessive lot coverage can be seen primarily in inadequate off-street parking and loading and storage at commercial properties. Sewer and water mains within the Study Area are in need of replacement/upgrades. Evidence of a lack of community planning was observed in numerous dead-end streets and alleyways, irregular lot configurations and sizes, inefficient ingress/egress at certain locations, incompatible land uses adjacent to one another without adequate buffering, and lot coverages in excess of contemporary zoning standards, among others. The total EAV of the Study Area has been increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available.

The City believes that redevelopment in the Study Area can occur if the conditions discussed above can be mitigated or addressed in a comprehensive manner. The City also believes that the use of TIF can address these challenges to redevelopment and contribute to the overall rejuvenation of the proposed Five-Fifths TIF District. In order for redevelopment to occur, a coordinated and enhanced effort from the City is needed. Site preparation and land assembly may be necessary in order to reconfigure parcels and improvements for more modern uses and various other commercial/retail/residential mixed uses, and institutional and recreational uses. The use of TIF resources, as part of the City’s housing and commercial redevelopment initiatives, would be meaningful in its redevelopment planning efforts. It is important for the City to preserve the tax base, maintain and increase sales tax revenues, provide supportive amenities for the development within the Study Area, including the retention and creation of jobs.

Objectives

One of the City's goals under its 2000 Comprehensive Plan is to enhance the assets of the City's existing neighborhoods, recognizing that each neighborhood contributes to the overall social and economic quality of Evanston. The designation of the Study Area as a TIF District would reinforce the City's efforts in accomplishing this objective, as the City perceives significant potential for redevelopment within the proposed TIF District. The City has reviewed the Study Area for possible redevelopment efforts, including conducting reviews of possible land uses for the area. The City has also identified a number of redevelopment objectives for the Study Area, primarily focusing on redevelopment and rehabilitation of private properties, housing development and redevelopment initiatives, infrastructure improvements, recreational and institutional improvements, and improved neighborhood perception. The City wishes to promote and manage any new commercial, residential, institutional, or recreational development within the proposed TIF District to ensure that development occurs within the guidelines of the City's Comprehensive Plan.

Another key goal of the City is to promote the development of underutilized sites and to encourage the redevelopment or renovation of the existing improved sites in order to improve the area's tax base. It has been determined that in order to encourage redevelopment in the area, the City must encourage and coordinate redevelopment efforts. To achieve this goal, the City proposes the following guidelines:

- Encourage compatible, well designed development in the proposed RPA with an emphasis on quality site design and building orientation, and site improvements as outlined by City guidelines;
- Encourage job growth within the proposed RPA;
- Coordinate redevelopment in and around the proposed RPA and the adjacent neighborhood; and
- Redevelop properties within the proposed RPA as part of a coordinated effort to revitalize and enhance mixed-use, residential, and commercial properties.

Given the City's goals under its 2000 Comprehensive Plan and the existing adverse conditions of the Study Area's properties briefly described above, the City has determined that redevelopment of the Study Area should occur through the benefit and guidance of comprehensive economic planning, as the City believes adverse conditions would continue without a formal implementation plan for redevelopment. The City has also determined that effective comprehensive redevelopment within the proposed TIF District may only be feasible with public finance assistance. Accordingly, the City has determined that it would be highly beneficial to promote redevelopment of the Study Area through the creation of the Five-Fifths TIF District. Thus, the City intends to create and implement a redevelopment plan for the proposed Five-Fifths TIF District under the TIF Act. In doing so, the City expects to reduce or

eliminate the barriers inherent with current market conditions which impede economic growth under existing market standards in order to stabilize, restore, and increase the community's tax base. The use of TIF relies upon induced private redevelopment in the RPA improving real estate values that would otherwise decline or stagnate without such investment, leading to additional City revenues compared to previous land-uses (or lack of uses). In this way the existing tax base for all tax districts is protected, and a portion of future increased taxes are pledged to attract the needed private investment.

The City's creation and utilization of a redevelopment plan pursuant to the Act is intended to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the area ("TIF"). The proposed TIF District would serve to help reverse the decline of certain properties that are located in this important corridor of the City, and provide for revitalization of retail, commercial, residential, institutional and recreational uses. The conditions of existing structures and infrastructure improvements are just some of the concerns that the City wants to address, among others.

II. QUALIFICATION CRITERIA USED

With the assistance of City staff, Kane, McKenna and Associates, Inc. examined the proposed TIF District from October, 2020 to the date of this report, and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Act. 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 ½ 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 area.”

CONSERVATION AREA

The City proposes to qualify the Study Area as a “conservation area”.

The Act defines a “conservation area” as follows:

“Conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors may be considered as a “conservation area”:

(A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration: With respect to buildings, defects including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas show evidence of deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, state, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies: The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(K) Environmental Clean-Up: The Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(L) Lack of Community Planning: The Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(M) Decline of Equalized Assessed Value: The total equalized assessed value of the Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

If vacant, the sound growth of the Redevelopment Project Area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-way for streets or alleys, or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way, or that omitted easements for public utilities.

(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by state or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(F) The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

If vacant, the sound growth of the Redevelopment Project Area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused railyards, rail tracks, or railroad rights-of-way.

(C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

(E) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the Redevelopment Project Area), and the area meets at least one of the factors itemized in paragraph (1) of

this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

(F) The area qualified as a “blighted area” immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

III. THE STUDY AREA

The Study Area is generally bounded by Ridge Avenue to the east, Darrow Avenue to the west, Leonard Place to the north and Emerson Street to the south (refer to map of the Study Area in Exhibit A). The Study Area consists of single and multi-family residential, commercial, light industrial, institutional and recreational uses.

IV. METHODOLOGY OF EVALUATION

In evaluating the Study Area's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the properties were undertaken by representatives from KMA. Site surveys were completed for each tract of land (based upon Sidwell blocks), within the area.
- 2) KMA completed the exterior evaluation of structures. Additionally, 2014 through 2020 tax information from the Cook County Clerk's Office, parcel tax maps, site data, local history (discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning) have been reviewed. As part of its review, KMA reviewed the area in its entirety. City redevelopment goals and objectives for the area were also reviewed with City staff. A photographic analysis of the area was conducted and was used to aid this evaluation.
- 3) Existing structures and site conditions were initially surveyed to the best and most reasonable extent possible, and only in the context of investigating TIF Act criteria factors of specific structures and site conditions on the parcels.
- 4) The proposed TIF District was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was examined to determine the applicability of the different blighted area factors for qualification for TIF designation under the TIF Act.
- 5) Conservation area findings include improved area factors as such factors are described in TIF Act and summarized above.

V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY

As a result of KMA’s evaluation and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the Study Area as a “conservation area”.

The Study Area is found to qualify as a “conservation area” under the statutory criteria set forth in the TIF Act. KMA performed a two-step assessment, first finding that 50% or more of structures within the Study Area were over 35 years of age or older. Based upon Cook County Assessor and site survey data, approximately 84% are of the buildings in the Study Area are over 35 years in age or older. As a second step, KMA reviewed the criteria needed to qualify the Study Area as a “conservation area,” finding that six factors were present:

Conservation Improved Area

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present
13	3	6 <ul style="list-style-type: none"> • Deterioration • Obsolescence • Excessive Lot Coverage • Inadequate Utilities • Lack of Community Planning • Stagnant or Declining EAV

1. Deterioration of Site Improvements and Structures:

Deterioration can be evidenced in major and secondary building defects. For example, such defects include, but are not limited to, defects in building components such as windows, porches, gutters, brick, mortar, and stucco. The building and site improvements have exhibited various degrees of deterioration which required repairs, upgrades and replacement.

Based on KMA’s field observations, and consistent with the advanced ages of the majority of the structures, KMA estimates that approximately forty-five percent (45%) observed building exteriors and site improvements, among all use types, suffer from some sort of deterioration. Most of the deterioration observed at building exteriors consists of, but is not limited to, deteriorated windows and doors and/or window and door frames, deteriorated or damaged overhead garage doors, masonry in need of tuckpointing, damaged exterior wood, vinyl, or metal siding, faded or peeling paint, damaged stair or stair rail systems, deteriorated roofs, damaged gutters or downspout, and deteriorated

building signage or awnings. Some structures were found to be vacant with windows and doors boarded up.

Deteriorated conditions also related to site improvements that were observed and include, but are not limited to, broken or damaged wood and metal fencing; cracked, crumbling or loose pavement at asphalt-paved parking lots, driveways or driveway aprons, alleys, and streets; settlement or potholes in pavement at parking lots, driveways or driveway aprons, alleys and streets; unpaved alleyways, weed/vegetation growth in cracked pavement and/or loose pavement; faded and cracked parking space striping and other traffic control paint at off-street parking surfaces and curbs, and deteriorated or crumbling private and public curbs and gutters.

2. Obsolescence

Under the Act, obsolescence is defined as the condition or process of falling into disuse. Structures have become ill suited for their original use. The Study Area potentially includes both functional and economic obsolescence.

As indicated previously, pursuant to KMA's analysis of Cook County data, it is estimated that approximately eighty-four (84%) of the estimated 204 structures within the Study Area are over thirty-five (35) years old. In addition, it appears that approximately eighty-two percent (80%) of the approximate 204 structures are over fifty (50) years old, and approximately sixty-eight percent (66%) of the estimated 204 structures are over seventy-five (75) years old. In fact, Cook County data suggests that over fifty percent (50%), or approximately fifty-five (55%) of the estimated 204 structures, are over one-hundred (100) years old. This abundance of advanced ages of structures is a significant contributor to obsolescence on an area-wide basis. Vintage development configurations associated with these advanced building ages, as compared to contemporary development standards and market conditions, contribute to their functional and economical obsolescence. Such obsolescence associated with the predominance of advanced building ages within the Study Area was seen in building uses that are not consistent with their original intended uses such as formerly single-family structures now used as multi-family structures or as commercial or other non-residential operations.

The presence of incompatible land uses adjacent to one another without adequate buffering, insufficient off-street parking and loading areas contribute to area-side obsolescence as to both re-use potential and expansion opportunities for existing structures. The advanced age of structures would require additional costs for re-use or rehabilitation in comparison to newer market alternatives.

The City of Evanston Civic Center, at 2100 Ridge Avenue, represents one example of structures ill-suited for their original use. The Civic Center, consisting of seven (7) acres, has been used for decades as the City's administrative offices. It was built in 1927 and was originally designed for use as a high school. The building's

original configuration as a high school encumbers and restricts the effective use of the space as the City's administrative offices. For example, double-loaded corridors with classrooms on each side are spatially inefficient for the building's current use, and closely spaced columns within the corridor walls severely limit modification for more efficient use of the space. Other deficiencies contributing to the building's obsolescence, among others, include the absence of a freight elevator, numerous inoperable windows, and a preponderance of narrow office suites. An independent study of the Civic Center, prepared by Jones Lang LaSalle in 2019 suggests that the significant capital improvements that will be required in the coming years may not be worthwhile due to the building's age and limited ability and physical constraints that limit the ability to improve the efficiency of the space.

The presence of underutilized or vacant residential structures also indicates conditions of falling into disuse within the Study Area. The configuration of irregular shaped parcels due to existing and former railroad rights-of-ways also poses challenges for internal circulation and access/egress for the residential and commercial uses.

3. Excessive Land Coverage and Overcrowding of Structures and Community Facilities

The Act states that excessive land coverage and overcrowding of structures and community facilities consist of over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading service.

Excessive land coverage and overcrowding of structures exists throughout the Study Area, primarily as inadequate off-street parking at commercial and residential properties. Many structures have greater land coverage than would be suitable or acceptable for today's development standards. In addition, the amount of space at many of the loading areas of the older commercial uses in the Study Area are inadequate by contemporary standards, and often rely on streets or off-street parking and alleyway parking for some part of loading operation. The existence of alleyways throughout all of the blocks within the Study Area have facilitated what appears to be excessive land coverage at residential parcels, compared to today's standards, by encouraging development of detached garages on the rear lots of their residential structures.

One example of excessive lot coverage as inadequate parking and loading at commercial properties can be seen at Allfresh Foods, situated on several tax parcels which comprise a triangular configuration where the front building elevations are up against the public walks. Some of the commercial buildings on the block between the east side of Ashland and the west side of Green Bay Road extend from the public sidewalk at Ashland all the way to the public walk at Green Bay Road with no off-street loading areas. Another example of this is the Suds Car Wash where car wash customer vehicles are stacked in the middle of the street while they wait for a wash, and where they exit onto Ashland directly from the car wash tunnel. Storage of materials was seen in the front yard set-back of a roofing contractor's garage facility, which garage facility is located on a separate parcel across the alley from the main building because the main building does not offer enough space for materials inventory. Almost all of the residential properties within the Study Area rely on alleyways for access to detached garage or open off-street parking, with all other options for parking at these properties being limited to on-street parking. It should be noted that the City's planning objectives and the proposed TIF Redevelopment Plan do not contemplate removal of any specific uses associated with excessive lot coverage.

Overcrowding of structures on parcels too small for multiple buildings and uses compromises and discourages efforts at expansion to create on-site parking for more efficient business operation due to the costs of acquisition and/or demolition that make redevelopment economically infeasible for the private sector alone. This factor compounds the problem of obsolescence found throughout the area. The general lack of land area reduces the viability of economic re-use of those sites with virtually no room for additional on-site facilities or parking.

4, Lack of Community Planning

The Act states that the Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

Much of the Study Area (almost 81% of the tax parcels), was developed well before the City's adoption of its first comprehensive plan in 1972. A significant proportion of the area, approximately 56%, appears to have been developed at least fifty (50) years prior to adoption of the City's first comprehensive plan, well before contemporary market conditions and development standards. The age and layout of these older structures have contributed to the presence of land use relationships that establish a lack of community planning in the Study Area.

Current conditions that result from a lack of community planning consist of poor traffic circulation generated by numerous dead-end streets and alleyways, irregular lot configurations and sizes, inefficient ingress/egress at certain locations, parcel layouts that do not meet modern development standards, insufficient off-street parking and loading zones, incompatible land uses adjacent to one another without adequate buffering, and lot coverages in excess of contemporary zoning standards.

Examples of poor traffic circulation include the multiple locations where north-south streets intersect with east-west streets, and with Green Bay Road, a main thoroughfare that runs on an angle from northwest to southeast. Another example of poor traffic circulation can be seen where many of the north-south streets within the Study Area feature dead-ends, including Darrow Avenue, Dewey Avenue, and Jackson Avenue. The existence of alley ways on every block, and their reliance for access to detached parking garages and off-street parking is further evidence of poor traffic circulation.

Irregular lot configurations include, among others, flag-lots and numerous triangular-shaped lots with only three side yards that generate inefficient ingress/egress at certain locations. One example, among others, of irregular lot configurations that do not meet modern development standards and that generate inefficient egress/ingress and parcel layouts is an apartment complex, partially situated on two triangular parcels, consisting of five separate buildings, three of which have vehicular and pedestrian access only by an alleyway. Insufficient off-street parking and load zones were found throughout the Study Area at both residential and commercial uses. Inadequate residential off-street parking is ubiquitous among two- and three-unit multi-family parcels that have no off-street parking except for detached garages in the rear yards that are accessed from alleyways. This condition was also found among some single-family residences and even among multi-family residential uses containing more than three units. Many commercial properties also lack adequate off-street parking and loading areas. For example, some of the commercial buildings on the block between the east side of Ashland and the west side of Green Bay Road extend from the public walk on Ashland to the public walk on green Bay Road. Another example is the storage of tires and garbage dumpsters adjacent to the public walk at another commercial property. A car wash operation was observed to be stacking multiple vehicles in the middle of the street along most of the block as its que for waiting car wash customers, interfering with traffic and in violation of local traffic regulations.

Incompatible land uses without adequate buffering consist primarily of residential uses either adjacent to, across the street from, or backing up to commercial and even light industrial uses. Residential uses were found to be adjacent to such properties as building construction materials/contractors, garden center, brewery, and food processing. The 2100 block of Dewey, 2100 and 2200 block of Ashland, 1600 and 1700 block of Simpson, 2100 block of Jackson, 2100 and 2200 block of Green Bay Road, 1900 block of Asbury, are locations where incompatible land uses were observed, among others.

Incompatible land uses without adequate buffering also exist where multi-family properties are situated among single-family properties. These incompatible land uses were observed on the 2100 block of Dewey, 2000 block of Jackson, 2000 block of Wesley, 2000 block of Ashland, 1900 and 2000 block of Jackson, 1900 and 2000 block of Wesley, among others.

5. Inadequate Utilities

Under the Act, inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

City Department of Public Works staff estimates that there are 12,655 lineal feet of water main within the Study Area, between 6” and 18” in diameter, that is more than eighty (80) years old and in need of replacement. According to City staff, this represents 44% of all of the water main within the Study Area that needs to be replaced. City Department of Public Works staff also estimates that there are 15,698 lineal feet of combined sanitary/storm sewer main within the Study Area, between 8” and 48” in diameter, that needs to be re-lined. This represents approximately 37% of all of the sanitary/storm combined sewer main in the TIF area.

In addition, according to City Department of Public Works staff, and its “deficient streets” map, as of the end of 2020, 3,972 lineal feet of the Study Area’s 25,102 total feet of roadway fall below that industry’s standard of “60 Street Surface Rating” and are in need of resurfacing. This represents 16% of the total roadway paving within the Study Area. Also, according to the City’s Department of Public Works staff and its “deficient streets” map, over the next five (5) years, road and alley surface conditions will deteriorate further and additional repairs will be necessary on the blocks that have dropped below the industry “60 Street Surface Rating” within that time frame.

City Department of Public Works staff also report that deterioration of existing sidewalks is also a chronic problem throughout the Study Area (and the rest of the city).

6. “Stagnant” or Declining EAV

The total equalized assessed value (“EAV”) of the redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available, or increasing at an annual rate that is less than the Consumer Price Index (CPI) for All Urban Consumers published by the United States Department of Labor or successor agency for five (5) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

The table below suggests that the total EAV of the Study Area has been increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available.

	2019	2018	2017	2016	2015	2014
Total EAV for Area	\$ 34,446,678	\$ 26,826,743	\$ 26,280,894	\$ 25,716,350	\$ 23,237,658	\$ 23,879,273
Annual Change	28.40 %	2.08 %	2.20 %	10.67 %	-2.69 %	
Balance of City EAV	\$ 3,397,701,869	\$ 2,693,754,171	\$ 2,713,779,226	\$ 2,664,695,419	\$ 2,172,783,867	\$2,220,690,702
Annual Change	26.13 %	-0.74 %	2.61 %	21.72 %	-2.16 %	
CPI	1.70 %	2.40 %	2.10 %	1.30 %	0,10 %	

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to consideration of the Study Area by the City as a TIF District.

1. The tax parcels within the Study Area are contiguous and greater than 1½ acres in size.
2. As described herein the Study Area will qualify as a “conservation area”. Further, the conservation factors present throughout the Study Area as documented herein, are present to a meaningful extent and are distributed throughout the Study Area. A more detailed analysis of the qualification findings is outlined in this report.
3. All property in the Study Area would substantially benefit by the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area.
5. The Study Area would not be subject to redevelopment without the investment of public funds, including property tax increment.


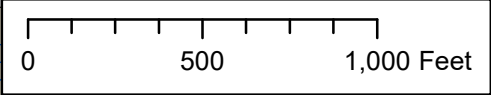
These findings, in the judgment of KMA, provide the City with sufficient justification to consider the proposed Five-Fifths TIF District for designation as a TIF district. There is a need to focus redevelopment efforts relating to residential rehabilitation, business attraction and expansion, mixed-use development, and institutional and recreational enhancements in order to improve and preserve the existing tax base and to contribute to the vibrancy of the wider area.

TIF BOUNDARY MAP

Proposed Five-Fifths TIF Redevelopment Project Area

Legend

- Proposed TIF District
- Existing TIF District
- Building Section
- Tax Parcel
- Street / Alley
- Railroad
- Water

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 ProposedFiveFifthsTIFMap.mxd - 3/10/2021

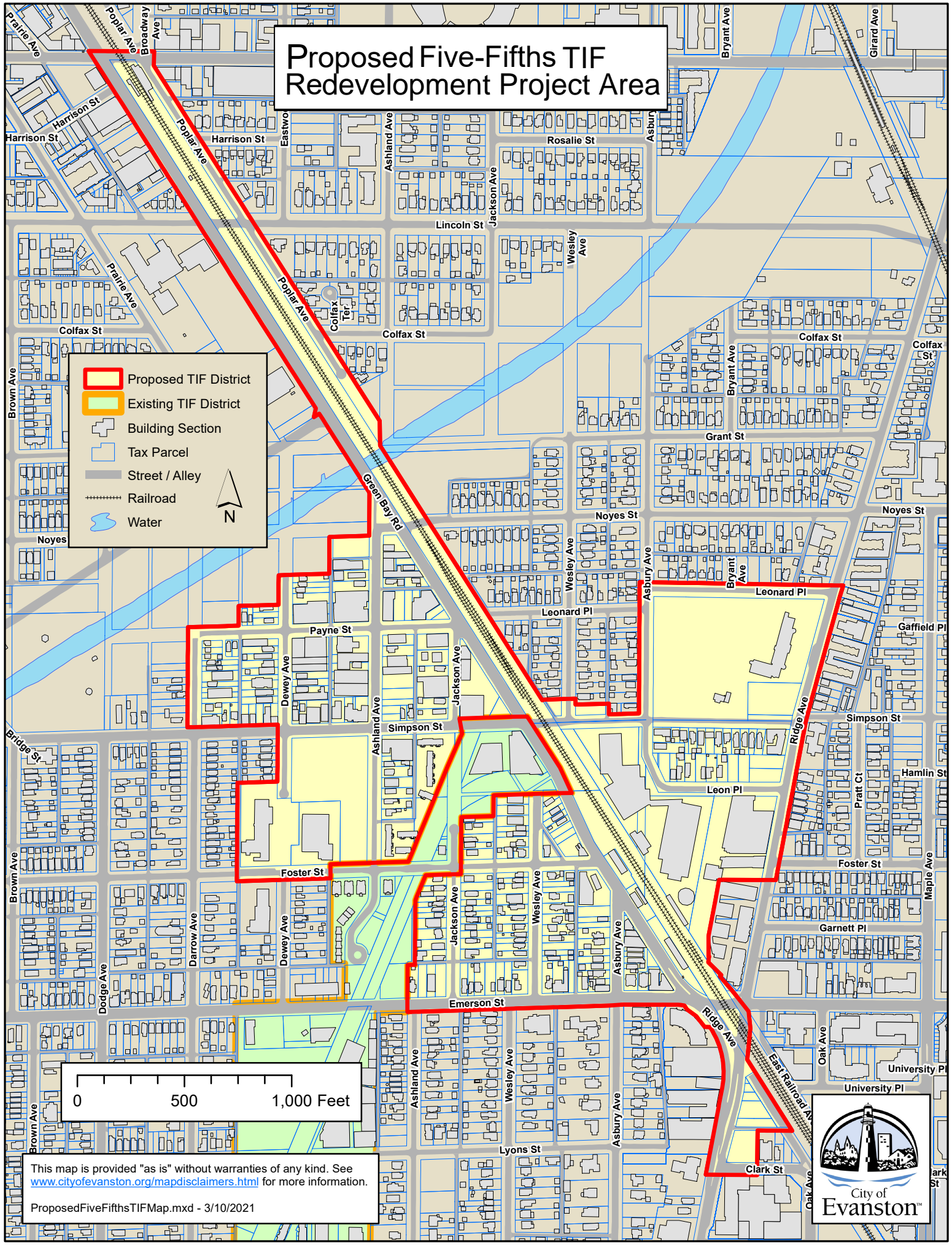
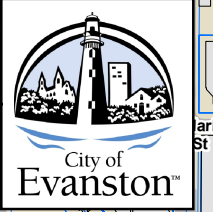
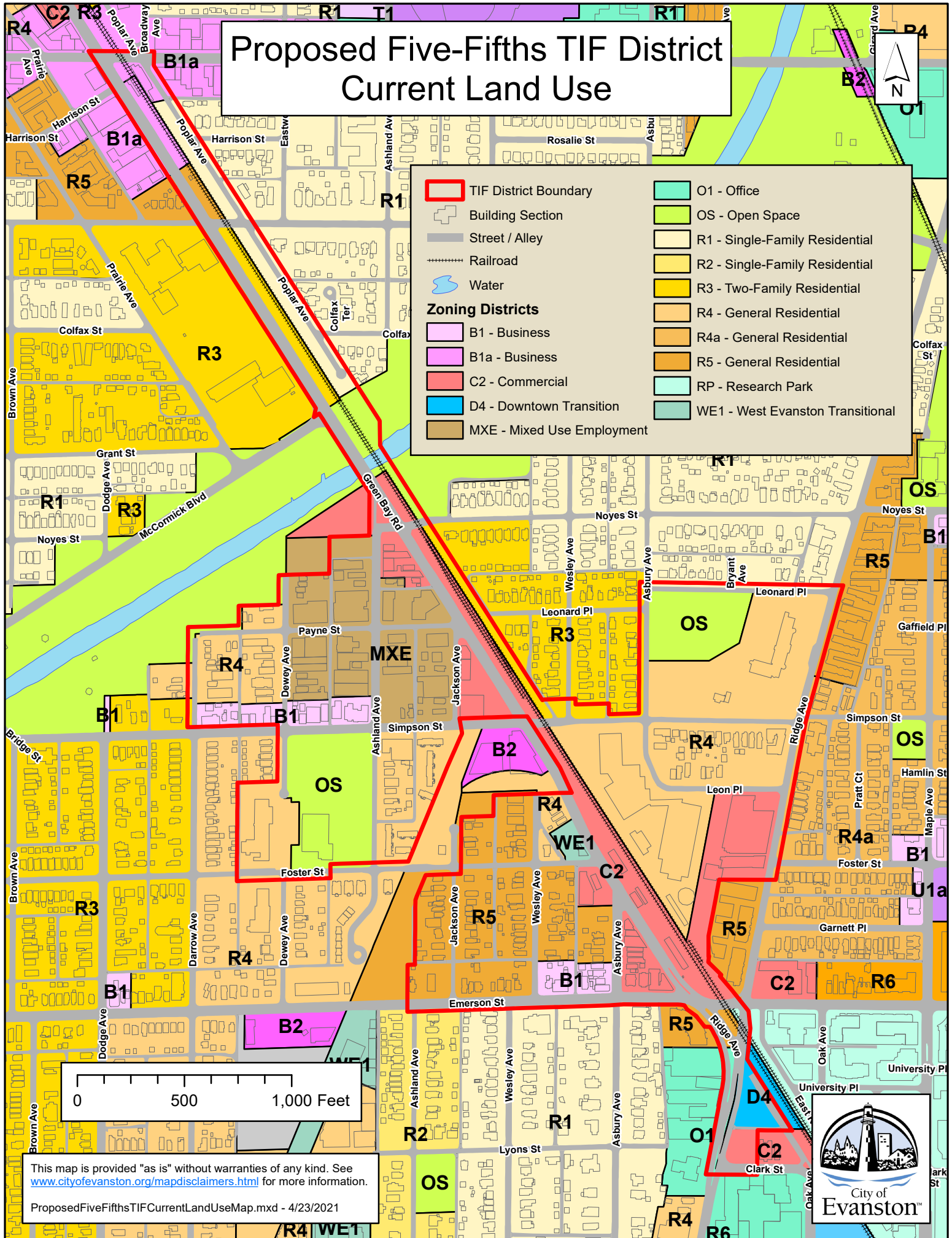


EXHIBIT D
EXISTING LAND USE MAP

Proposed Five-Fifths TIF District Current Land Use

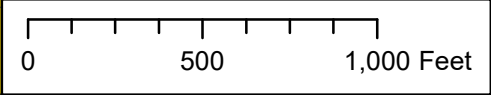
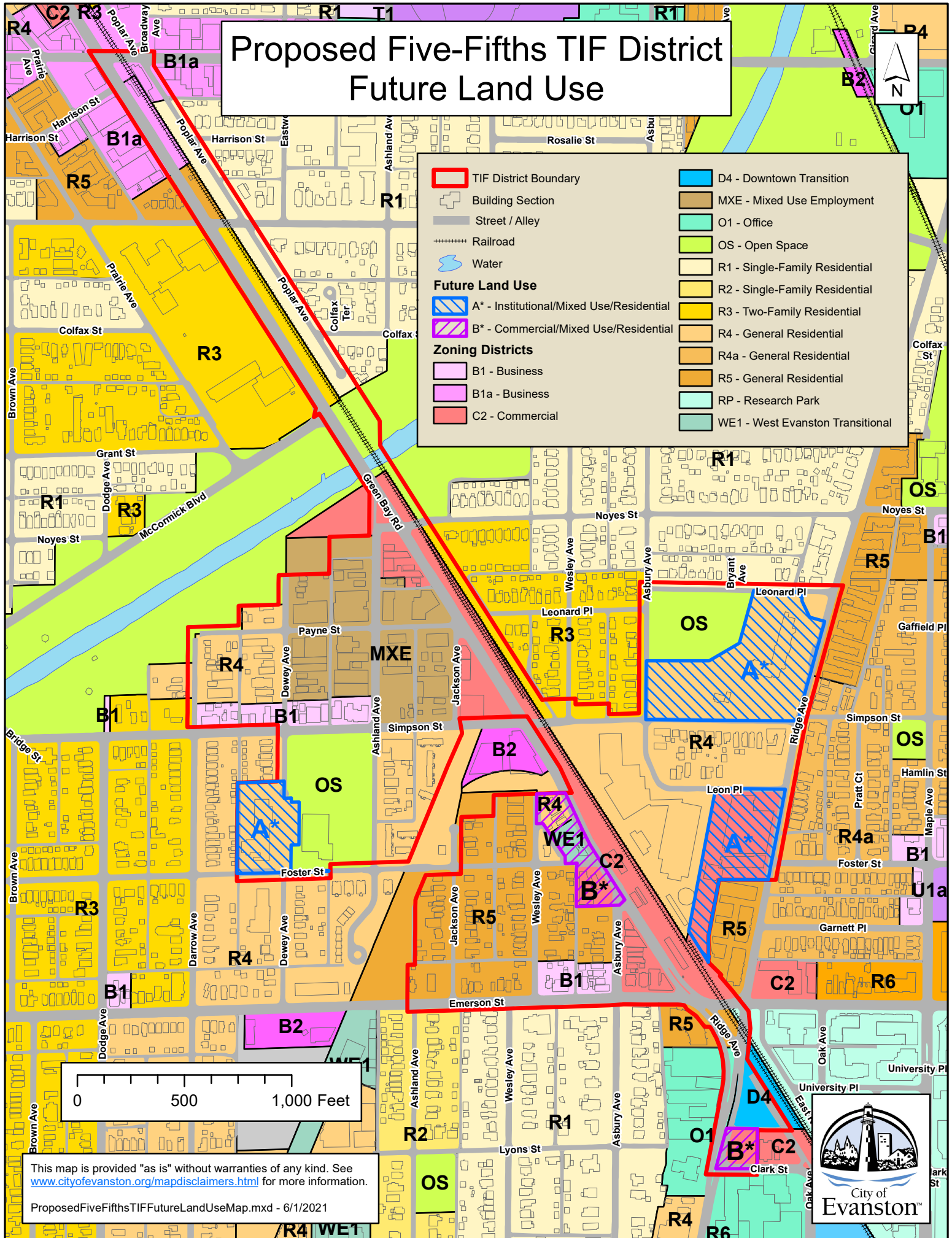


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ProposedFiveFifthsTIFCurrentLandUseMap.mxd - 4/23/2021

EXHIBIT E
FUTURE LAND

Proposed Five-Fifths TIF District Future Land Use

TIF District Boundary	D4 - Downtown Transition
Building Section	MXE - Mixed Use Employment
Street / Alley	O1 - Office
Railroad	OS - Open Space
Water	R1 - Single-Family Residential
Future Land Use	
A* - Institutional/Mixed Use/Residential	R2 - Single-Family Residential
B* - Commercial/Mixed Use/Residential	R3 - Two-Family Residential
Zoning Districts	
B1 - Business	R4 - General Residential
B1a - Business	R4a - General Residential
C2 - Commercial	R5 - General Residential
	RP - Research Park
	WE1 - West Evanston Transitional



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ProposedFiveFifthsTIFFutureLandUseMap.mxd - 6/1/2021

