

Certificate as Keeper of
Records, Files and Seals

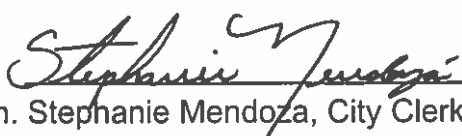
STATE OF ILLINOIS)
)§
COUNTY OF COOK)

I, Stephanie Mendoza, City Clerk of the City of Evanston in the County of Cook and State aforesaid, United States of America and Keeper of the Records, Files and Seal of said City, do hereby certify that attached hereto is a true and correct copy of **Ordinance 65-O-21 Approving a Tax Increment Redevelopment Plan and Project for the Five-Fifths Project Area (TIF#9)**

All of which appear from the records and files presented in my office

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of Evanston this

28th day of October, 2021


Hon. Stephanie Mendoza, City Clerk





7/12/2021

65-O-21

**APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND
PROJECT
FOR THE FIVE-FIFTHS PROJECT AREA**

NOW BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF
EVANSTON, COOK COUNTY, ILLINOIS:

WHEREAS, the City of Evanston ("City") is a home rule municipality
organized under the laws of the State of Illinois; and

WHEREAS, the General Assembly of the State of Illinois has provided by
law the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et*
seq. ("Act"), to assist in the financing of certain improvements in areas in the City which
meet the requirements therein; and

WHEREAS, it is desirable and in the best interest of the citizens of the
City of Evanston, Cook County, Illinois (the "City"), for the City to implement tax
increment allocation financing pursuant to the Tax Increment Allocation Redevelopment
Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for
a proposed redevelopment and redevelopment project area (the "Area") being legally
described in EXHIBIT A attached hereto; and

WHEREAS, pursuant to the Act on March 22, 2021, the City Council adopted a resolution setting a public meeting for April 15, 2021, notices for which public meeting were sent to all taxpayers of record and residential addresses within the TIF by regular mail, and to the taxing districts, Department of Commerce and Economic Opportunity of the State of Illinois (IDECO), and any registered Interested Parties by certified mail on March 23, 2021; and

WHEREAS, on May 10, 2021, City Council adopted by resolution setting the Joint Review Board (JRB) meeting for June 3, 2021. Notice of the JRB meeting was sent to taxing districts and IDECO by certified mail on May 11, 2021.

WHEREAS, Notice of Availability of Interested Parties registry and public hearing was mailed to residents within seven hundred fifty (750) feet outside of the TIF borders on May 11, 2021 by regular mail.

WHEREAS, the City has heretofore convened a Joint Review Board as required by, and in all respects in compliance with, the provisions of the Act; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Mayor and City Council of the City (the "Corporate Authorities") called for a public hearing to be held on July 12, 2021 relative to the Redevelopment Project Area and Redevelopment Plan and Project under the Act; and

WHEREAS, due notice with respect to such public hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and

to IDECO by certified mail on May 11, 2021, by publication on June 17, 2021, and June 24, 2021, and by certified mail to taxpayers within the Area on June 28, 2021; and

WHEREAS, the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Redevelopment Project Area that could cause the Redevelopment Project Area to be confirmed as a "conservation area" as defined in the Act; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Redevelopment Project Area to determine whether private development would take place in the proposed Redevelopment Project Area as a whole without the adoption of the proposed Redevelopment Plan and Project; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Redevelopment Project Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Redevelopment Project Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, the Corporate Authorities have reviewed the proposed Redevelopment Plan and Project and also the existing 2000 Comprehensive Plan for development of the City as a whole to determine whether the proposed Redevelopment Plan and Project conform to the 2000 Comprehensive Plan of the City.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Evanston, Cook County, Illinois, as follows:

SECTION 1. Findings. That the Corporate Authorities of the City of Evanston hereby make the following findings:

- a. The Redevelopment Area is legally described in EXHIBIT A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Redevelopment Area is described in EXHIBIT B attached hereto and incorporated herein as if set out in full by this reference. The map of the Redevelopment Area is depicted on EXHIBIT C attached hereto and incorporated herein as if set out in full by this reference.
- b. There exist conditions that cause the Redevelopment Area to be subject to designation as a redevelopment project area under the Act and to be confirmed as a "conservation area" as defined in Section 11-74.4-3(b) of the Act.
- c. The proposed Area, on the whole, has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and Project.
- d. The Redevelopment Plan and Project conforms to the 2000 Comprehensive Plan for the development of the City as a whole, as reflected in the City's zoning map.

- e. As set forth in the Redevelopment Plan and Project, it is anticipated that all obligations incurred to finance redevelopment project costs, if any, as defined in the Redevelopment Plan and Project, shall be retired within twenty-three (23) years after the Area is designated.
- f. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.

SECTION 2. Plan and Project Approved. That the Redevelopment Plan and Project, which were the subject matter of the public hearing held on July 12, 2021, are hereby adopted and approved. A copy of the Redevelopment Plan and Project is set forth in EXHIBIT D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law. The following attachments are incorporated herein by reference.

AYES 5

NAYS 4

ABSENT 0

Introduced: July 12, 2021

Adopted: October 25, 2021

Approved:

10/26, 2021

Daniel Biss

Daniel Biss, Mayor

Attest:

Stephanie Mendoza

Stephanie Mendoza, City Clerk

Approved as to form:

Nicholas E. Cummings

Nicholas E. Cummings, Corporation Counsel

EXHIBIT A

REDEVELOPMENT PROJECT AREA

LEGAL DESCRIPTION

LEGAL DESCRIPTION FOR THE FIVE-FIFTHS TAX INCREMENT PROJECT AREA, EVANSTON, IL

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 B

GENERAL STREET LOCATION OF PROJECT AREA

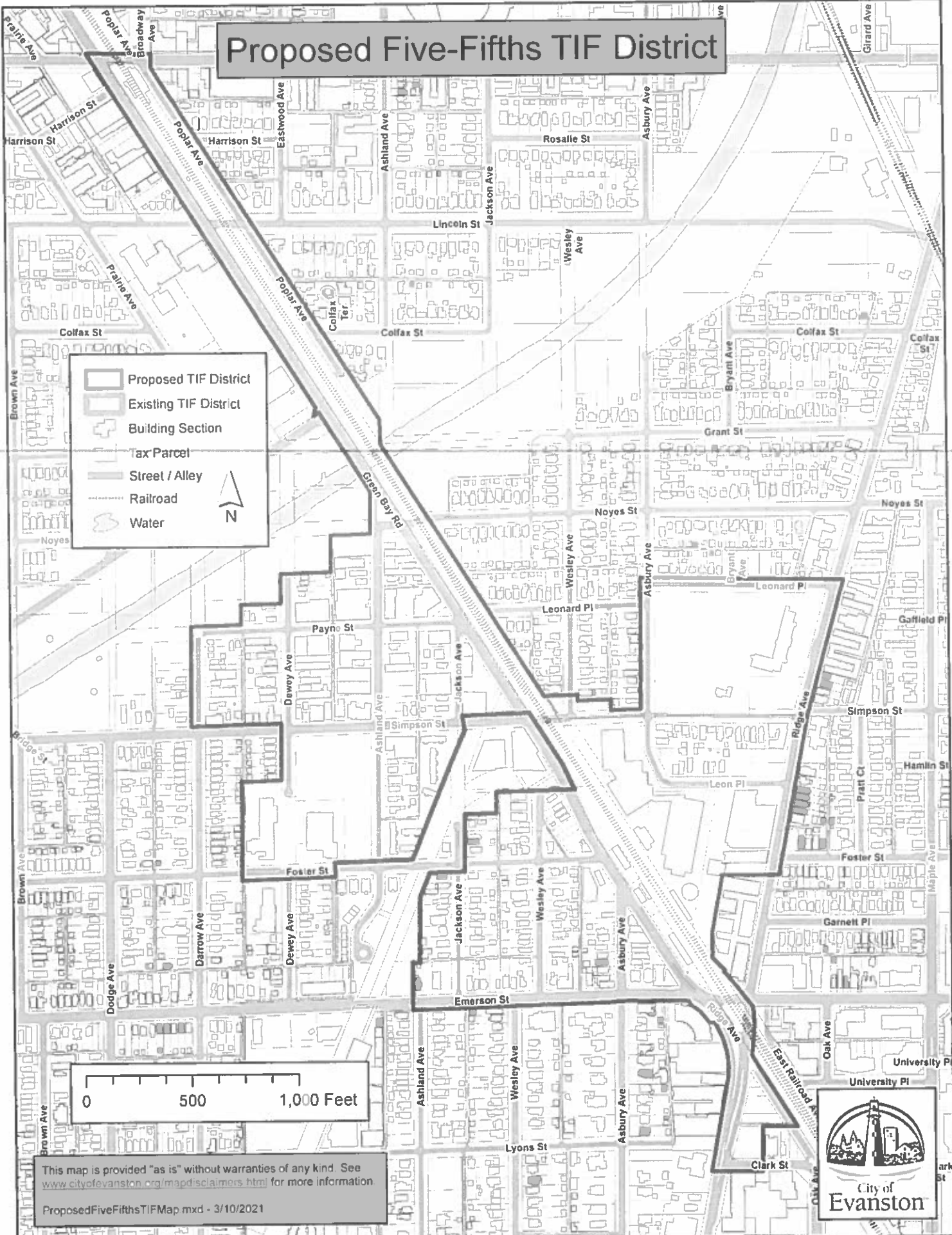
FIVE FIFTHS TIF GENERAL STREET LOCATION OF PROJECT AREA

"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"

EXHIBIT C

MAP OF REDEVELOPMENT PLAN AND PROJECT

Proposed Five-Fifths TIF District



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

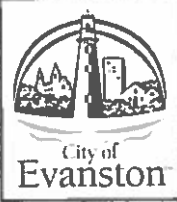


EXHIBIT D
REDEVELOPMENT PLAN AND PROJECT

DRAFT DATED 04/22/2021

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

Prepared By:

Kane, McKenna and Associates, Inc.

and

The City of Evanston, Illinois

April, 2021

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LIST OF EXHIBITS

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| Exhibit A | - | Boundary Map |
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| Exhibit C | - | TIF Qualification Report |
| Exhibit D | - | Existing Land Use Map |
| Exhibit E | - | Future Land Use Map |

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

- I) 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.
- 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 G) 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 or the exercise of eminent domain. 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 |
| <hr/> | |
| 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.

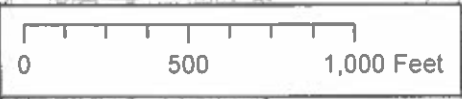
IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

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

EXHIBIT A
BOUNDARY MAP

Proposed Five-Fifths TIF Redevelopment Project Area

- 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

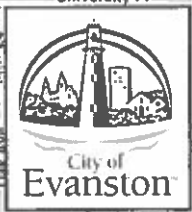


EXHIBIT B
LEGAL DESCRIPTION

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

document87518006; 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

DRAFT Dated 04.13.21

**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 under-utilized 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.


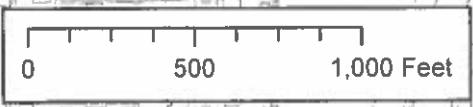
These findings, in the judgment of KMA, provide the City with sufficient justification to consider the proposed Five-Fifths TIF District for designation as a TIF district. There is a need to focus redevelopment efforts relating to residential rehabilitation, business attraction and expansion, mixed-use 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

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

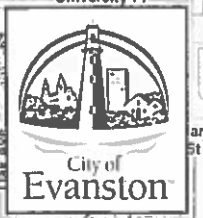
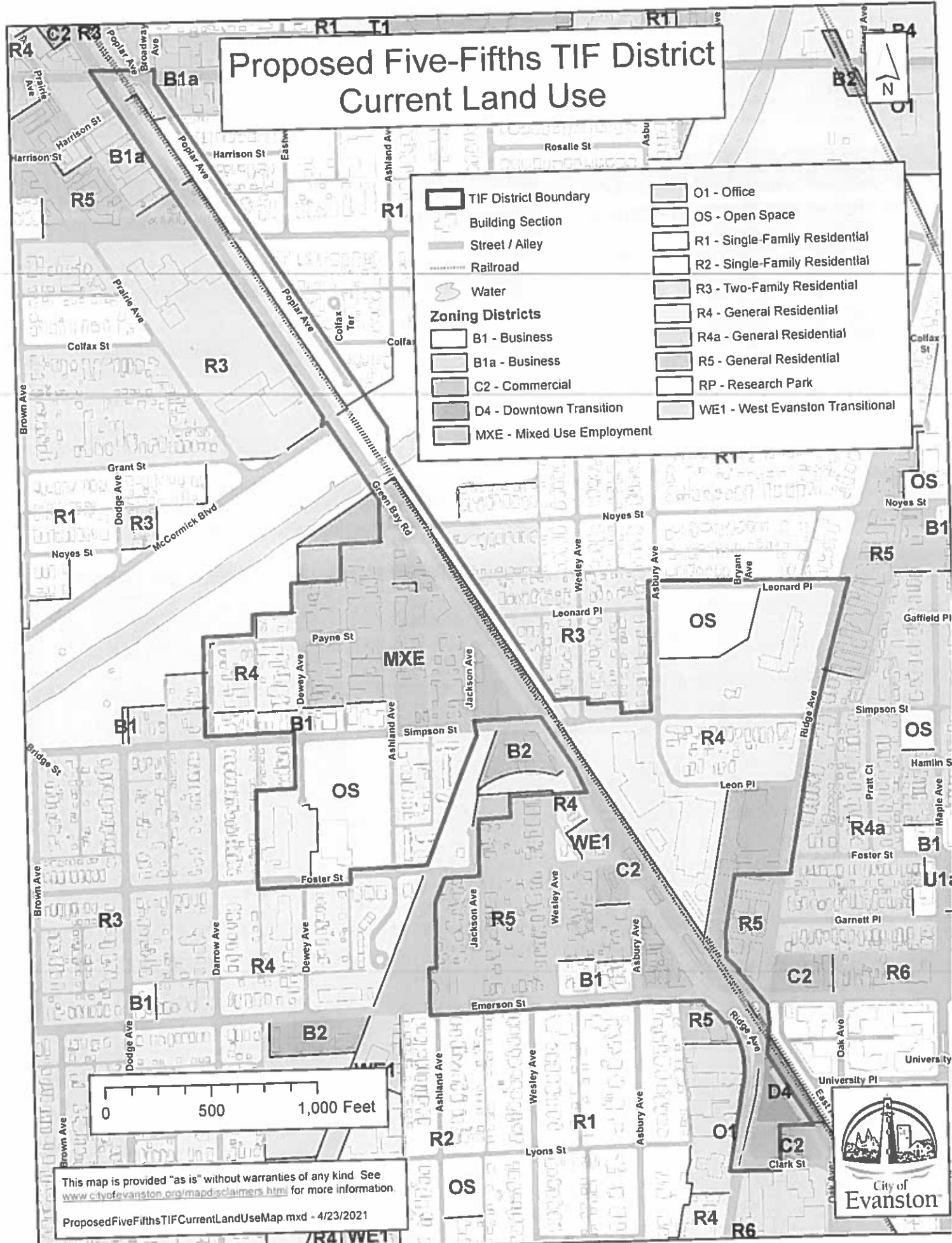


EXHIBIT D
EXISTING LAND USE MAP

Proposed Five-Fifths TIF District Current Land Use



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 ProposedFiveFifthsTIFCurrentLandUseMap.mxd - 4/23/2021

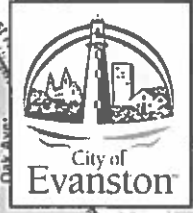
EXHIBIT E
FUTURE LAND

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 |



This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapdisclaimers.html for more information.
ProposedFiveFifthsTIFFutureLandUseMap.mxd - 6/1/2021



CITY OF EVANSTON - TIF PUBLIC HEARING QUESTIONS AND RESPONSES - July 26, 2021

1. I appreciate that Council Member Burns has taken the lead on setting up the next TIF meeting. I requested last night and repeat today that a series of City Wide Q&A Town Hall type meetings be scheduled. I don't think Council Member Burns should be saddled with this responsibility. Please let me know when the next TIF meeting is scheduled.

The city is meeting all of the statutory requirements. The city has also exceeded them by presenting in public ward meetings as requested and furthermore through discussion / debate at city council and economic development committee meetings when first proposing the TIF. There are opportunities to exceed meeting requirements in coming weeks if so desired/directed.

2. Who are the individuals who make up the JRB Taxing Districts group, and how were they selected to judge the qualifications of the proposed TIF?

The individuals are selected by the respective organizations. The most recent JRB included members of impacted taxing bodies including:

- District 202 - Mary Rodino, CFO
- District 65- Raphael Obafemi, CFO
- Cook County - Mohammed Elahi, Deputy Director Planning/Economic Development
- Oakton Community College - Jeffrey Gossrow, Budget and Analysis Manager
- City of Evanston - Paul Zalmezak, Economic Development Manager (although finance director often participates in this meeting)
- 5th Ward Resident - Linnea Latimer

The Joint Review Board is defined in the state statutes as the taxing bodies (65 ILCS 5/11-74.4-5) (from Ch. 24, par. 11-74.4-5) Sec. 11-74.4-5.(b) Public hearing; joint review board.

<https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=006500050K11-74.4-5>

"Prior to holding a public hearing to approve or amend a redevelopment plan or to designate or add additional parcels of property to a redevelopment project area, the municipality shall convene a joint review board. The board shall consist of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district, and county that will have the authority to directly levy taxes on the property within the proposed redevelopment project area at the time that the proposed redevelopment project area is approved, a representative selected by the municipality and a public member. The public member shall first be selected and then the board's chairperson shall be selected by a majority of the board members present and voting. For redevelopment project areas with redevelopment

plans or proposed redevelopment plans that would result in the displacement of residents from 10 or more inhabited residential units or that include 75 or more inhabited residential units, the public member shall be a person who resides in the redevelopment project area."

3. How can the Metra track embankment be considered part of the TIF? Evanston does not own the track embankment.

Ownership of the property is irrelevant to the TIF map making process. The proposed TIF district is composed of contiguous parcels. The Metra property is included because the parcel is required to make a contiguous and functioning TIF project area. It is not legal to split a parcel (PIN) when creating a taxing district.



4. Why is the Civic Center property in the TIF? The civic center is not in a blighted neighborhood. To say so will bring down property values of all of the surrounding adjacent neighbors residential properties.

Evanston has had numerous city hall properties during its history. It is good planning to consider that there is a likelihood that over the next 23 years (the life of a TIF district) that all or a portion of the Civic Center property could be reused for private purposes, and therefore property tax generating. The 23 year life cycle of a TIF represents six city council terms.

The most recent City Council has recently agreed to at a minimum study the possibility. The building represents our biggest asset and requires significant investment. No decisions have been made nor has there been a public process. Placing the property in the proposed TIF does not represent fait accompli. It's simply planning.

If the sale of the property were to occur, the increment generated from the Civic Center property would be invested in the heart of the Fifth Ward. The area east of the railroad tracks has always had higher property values and is majority white as a result of red lining efforts years ago. There are few significant opportunities in the area to generate funding for meaningful improvements.

Secondly, neither city staff or the consultant are claiming the area is blighted, because it is not. It doesn't meet state of Illinois TIF standards for blight, nor does it pass common sense definition of blight.

The City's consultant Kane McKenna & Associates has determined that the proposed TIF boundary as a whole meets the State of Illinois standards for a Conservation Area TIF. The State of Illinois defines a "conservation area" as having 50% or more of structures in area with an age of 35 years or more AND has a combination of three or more of the following conditions: 1) Dilapidation, 2) Obsolescence, 3) Deterioration, 4) Presence of Structures below minimum code standards, 5) Illegal uses, 6) Excessive vacancies, 7) lack of ventilation, light, sanitary, 8) inadequate utilities, 9) excessive land coverage or overcrowding, 10) Deleterious land use, 11) lack of community planning, 12) Environmental remediation requirements, 13) Equalized assessed value lagging compared to balance of the community.

Kane McKenna determined that the proposed TIF district meets as many as six qualification factors: 1) Obsolescence, 2) Deterioration, 3) Inadequate Utilities, 4) Excessive Lot Coverage, 5) Lack of Community Planning, and 6) Lagging EAV. The consultant may update this list to remove lagging EAV depending on the updated assessed value information due from Cook County.

- 5. Neither the City Council nor Evanston residents have discussed selling the Civic Center but many behind the scenes actions are taking place to be prepared to do so. An RFP was issued for planning the relocation of the Civic Center and Main Police Station functions. Why is this planning taking place and why is the Civic Center in the proposed TIF, IF not for the City Manager's intention to sell these properties? This is what I and others find so misleading.**

We have had numerous public conversations about the evaluation of city owned properties and their potential disposition. Regardless of the status of those conversations, it represents good long range planning to include a property like the Civic Center in the proposed district because as mentioned above, TIFs last 23 years. The future is unknown. And perhaps one of the six city councils to represent future Evanston residents can use the financial tool to improve the community.

6. There is a typo in the slides of the presentation it states ..750" (inches) of the proposed TIF District, whereas you meant 750'.

Noted. Thank you.

7. The presentation packet states that on May 11, a notice of public hearing was sent out (only) to residential addresses within 750" of the proposed TIF District. This means very few people in the city received notice. THE 6TH WARD HAD NO NOTICE. No wards should be excluded.

The notice of public hearing met all State of Illinois requirements for a new TIF district proposal. Notices were posted in the Evanston Review (Chicago Tribune) where all city public/legal notices are posted. The next requirement of the State of Illinois is to submit ordinances for City Council consideration. City Council meetings are posted and provide for public comment. Furthermore, the City of Evanston requires a meeting for introduction and a second meeting for approval. In addition to the upcoming city council public meetings, there will be additional opportunities in meetings to be determined by Councilmember Burns.

8. Apparently again on June 28, a notice of public hearing was sent to taxpayers of record and residential addresses within the TIF. THE 6TH WARD HAD NO NOTICE. No wards should be excluded.

The TIF notices meet all statutory requirements. Neither the State nor the City of Evanston require noticing of individual wards.

9. How many people signed up for the Public Zoom Meeting on April 15th? This apparently was the only city wide public meeting on this very important subject and held during the height of the pandemic. Who attended this meeting and who from the city & consultants were present? Where would I find the presentation documents from this meeting? Was the meeting recorded? If not recorded, were meeting minutes issued?

The April 15, 2021 meeting was the state statute required public meeting. Participation in zoom meetings has proven to be quite convenient for some in the community who are unable to attend meetings in person. In fact, we are seeing increased engagement in recent hybrid meetings as well. April 15, 2021 was not the height of the pandemic, in fact, the State of Illinois announced the June 11th phase 5 reopening on Thursday May 6th.

Alderman Rue Simmons was in attendance as was the Economic Development staff (Paul Zalmezak and Katie Boden), in addition to city consultants Kane McKenna. The meeting was held via Zoom. The link for the zoom meeting is:

https://zoom.us/rec/share/zHXXCBwArTtPJnU-Ml3izFqqziKo0fL1PSad6UHDRtgnFY8ezczLbk0a2keWr9GJ.FORhOo0EGBV_v2Ok

10. Whose properties are going to be taken by the city for purposes of implementing the TIF?

The City will not be taking property to implement the TIF. If the City Council approves the implementation of the TIF district, the resulting funding would be used for staff recommended improvements, which will require city council approval including: 1. Infrastructure 2. Workforce Development 3. Business District Improvements 4. Affordable Housing 5. Housing Repairs/Improvements. Staff recommends the city council restrict the use of TIF funding for these purposes and focus the investment west of the railroad right of way in the heart of the 5th Ward.

11. How exactly are individual residential homeowner's properties benefiting from this TIF?

If the City Council approves staff recommendations, 5th ward residents could benefit from the improved infrastructure, ~~funding for home repairs, job training, improved neighborhood~~ business districts, and affordable housing funding.

12. How will the TIF impact home property values?

As with all city policy, it is the hope that property values increase property values. This would occur by improving the quality of infrastructure, assisting with the cost of home repairs, reducing vacancies, increasing population on vacant property, and improving neighborhood amenities.

13. How will the TIF impact people who rent their homes/apartments?

The City has not studied how the TIF will impact individuals who rent their homes. It is possible that rental properties with deferred maintenance will be improved and therefore improve the lives of tenants. Possible that renters, like owners, will enjoy living near stable business districts with more amenities.

14. Is there a TIF TAX on those properties within the TIF? Is there a TIF TAX on those outside of the TIF?

There is not a "TIF Tax." The question may be implying that TIF districts result in higher taxes overall because the increment that would have been going for city wide services is now captured in the proposed TIF district. However, one might argue that the district is relatively small as a percentage of city-wide EAV and won't have much impact. And if in fact were true, perhaps wealthier / higher EAV property owners would be willing to make this sacrifice to assist with the proposed 5th Ward improvements.

15. I have heard that there are businesses already seeking 10's of millions of dollars from the TIF funds to build their buildings. I cannot personally substantiate this. But if true, why is it the business of Evanston to fund private for-profit buildings and businesses?

Staff is not aware of any businesses / developers seeking funding from this proposed TIF. It is likely that staff would recommend programs such as facade improvement or storefront modernization to assist small business owners as has been the case throughout the community. Or, at a minimum, level the playing field for small businesses in our business districts along Emerson, Simpson, and Church. Projects that were reviewed prior to the implementation of the TIF and/or are in the works now would not qualify for TIF as they have failed the "but for" test - a requirement that "but for" the use of TIF, the project wouldn't happen.

16. Page 34 of 97 of the TIF packet: The City may issue obligations secured by a Special Tax Allocation Fund. Or other funds as are available to the city (home rule no debt limit). What is a "Special Tax Allocation Fund"?

It is the term the State of Illinois gives to the TIF funds the City of Evanston manages once increment is generated and collected. The funds are deposited into an individual fund separate from the general fund and audited annually.

State of Illinois Statute (20 ILCS 620/7) (from Ch. 67 1/2, par. 1007) defines the "special tax allocation fund."

(2) That portion, if any, of those taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the economic development project area, over and above the initial equalized assessed value of each property existing at the time tax increment allocation financing was adopted, shall be allocated to and when collected shall be paid to the municipal treasurer, who shall deposit those taxes into a special fund called the special tax allocation fund of the municipality for the purpose of paying economic development project costs and obligations incurred in the payment thereof.

17. "ONE OR MORE SERIES OF OBLIGATIONS MAY BE ISSUED FROM TIME TO TIME IN ORDER TO IMPLEMENT THIS PLAN. TOTAL PRINCIPAL AND INTEREST PAYABLE IN ANY YEAR ON ALL OBLIGATIONS SHALL .. MAY BE PAYABLE FROM TAX INCREMENT REVENUES, FROM BOND SINKING FUNDS.." This sounds a lot like more Debt and more Taxes but it's not clearly spelled out in laymen's terms. During the discussion council members had with staff, it was more clearly stated that yes, Evanston residents will be left holding the bill for GO Bonds related to the TIF. Please make this absolutely clear in your response.

Bonds / debt is not a requirement of TIF. The TIF plan provides for this as an option to the city. It is not uncommon for city infrastructure projects within a TIF to be funded with debt and repaid from future increment. Typically city's only issue debt in TIF districts for public infrastructure projects, not private development. In the unlikely event that the TIF would be unable to generate the increment to cover the debt, the City would be required to pay the debt from other sources. There are no examples of this happening in Evanston in its 40 years of using TIF.

- 18. The TIF was said last night to be a "Financing Tool" yet the document is called a redevelopment tool. This is misleading. The document needs to be corrected.**

The State of Illinois Tax Allocation Act language can be confusing. They refer to it as a redevelopment plan. All of Evanston's TIFs have approved "Redevelopment Plans". The State defines the requirements of implementing Tax Increment Financing in a Redevelopment Area or a TIF district - both are the same.

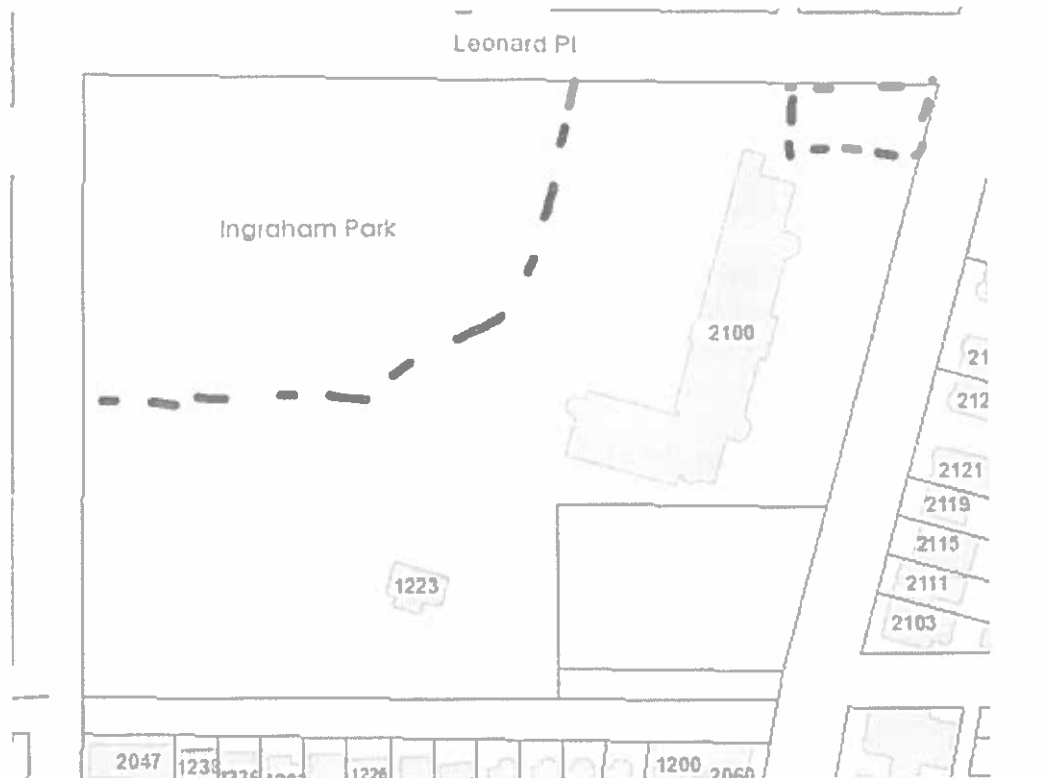
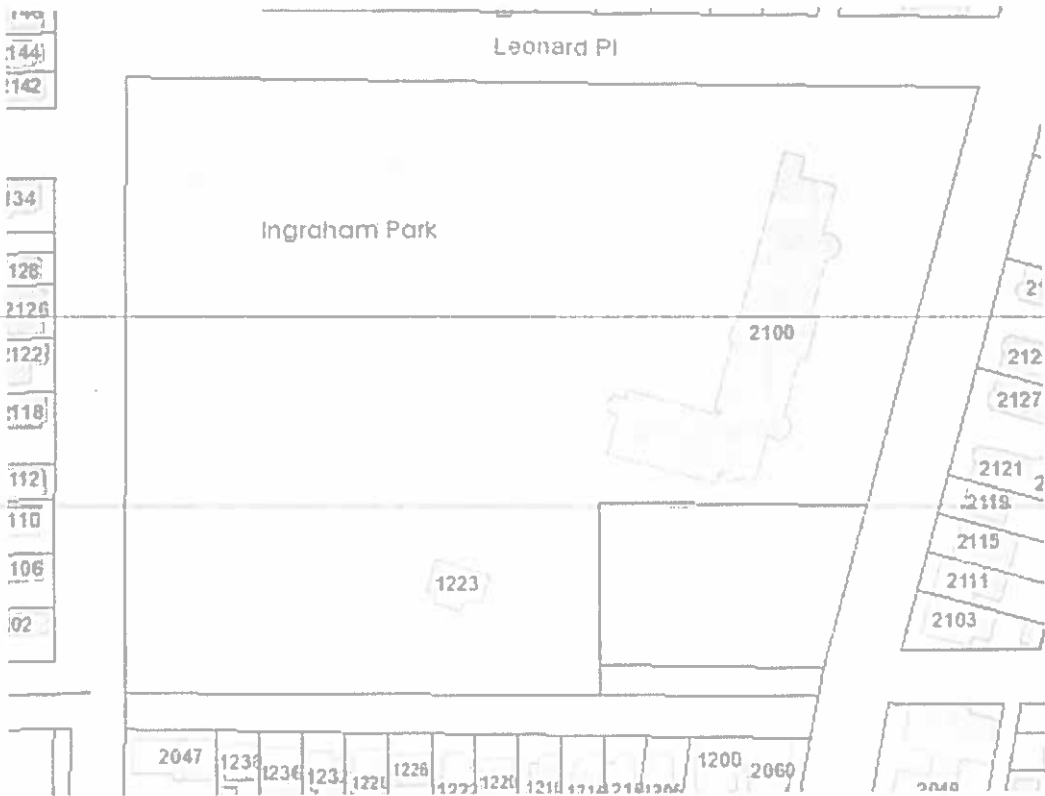
-
- 19. The TIF map in the document includes parks (and the civic center), and yet you said don't worry, "staff would never sell the park". This is misleading. The document needs to be corrected.**

If directed by City Council, staff will pursue dividing the Civic Center PIN to separate Ingraham Park from the Civic Center building. This could be helpful in the long run if this or future City Councils ultimately decide to sell the Civic Center. In the meantime, it is one PIN, and therefore will appear on maps until a change is ultimately made. We have updated the future land use map to the best of our ability to show that future land use is OS (open space).

It is understandable why the community would think it was a possibility because it appears in the proposed TIF district. In fact, TIF funding can be used to improve parks. Staff recommends keeping Ingraham Park in the proposed TIF to benefit from potential future TIF infrastructure funding / improvements if the TIF were to be approved.

In the final TIF ordinance, staff will recommend the City Council expressly prohibit redevelopment or sale of Ingraham Park.

For reference, you can see below that the civic center property is divided into three parcels today. 11-07-118-001-0000, 11-07-118-002-0000, and 11-07-118-004-0000. Staff could recommend splitting the larger 11-07-118-001-0000 parcel into two or three parcels by taking out the areas defined by the red dashed lines.



20. Why is the civic center part of the TIF?

Answered in #4 above. It has potential to drive significant incremental revenue for the proposed focus areas of the tif - affordable housing, 5th ward business district improvements, workforce training, home improvements, and city infrastructure. Staff recommends directing this increment west of Green Bay Road/Tracks to the areas of the fifth ward that need it most. This is a significant increment generator. Without it, potential funding would be reduced.

21. What are the project income and revenues for the next 5 years?

Projections are derived from potential tax revenue generated by a variety of projects that could potentially occur in the area subject to community/city council review and approval. Kane McKenna estimates the following ranges of TIF revenues over the first five years of the TIF

| Estimated TIF Revenues - First Five Years | |
|---|------------------------|
| Year 1 (2022) | \$0 to \$120,000 |
| Year 2 (2023) | \$120,000 to \$130,000 |
| Year 3 (2024) | \$490,000 to \$500,000 |
| Year 4 (2025) | \$850,000 to \$900,000 |
| Year 5 (2026) | \$1.8 to \$2 million |
| Note: These are projections based on early assumptions and will need to be updated once projects are determined and assessed valuations are certified by the assessor | |

22. How much public land is east of the tracks?

East of the tracks is the Civic Center parcel and fleet services. Civic Center property, excluding Ingraham is 293,000 sq ft or 6.5 acres. Fleet services is 265,000 sq ft or approximately 6 acres.

23. Can we create a plan funded by the sale of public land?

The proposed TIF boundary includes the Civic center which has a likelihood of selling over the next 23 years. The proceeds would then be used to fund 5th ward projects. However, if it doesn't sell, there is less available to fund, but yes, the TIF plan still is functional, but just less funding. Other public land within the TIF includes the city's fleet services property which would likely not redevelop privately as there is little land available in Evanston for this type of use. Other public property within the proposed TIF includes streets, alleys and other parks - all potential beneficiaries of TIF funding.

24. Can we allocate ARPA funding to the 5th ward?

Yes, to address COVID recovery challenges. ARPA economic development focused funding will likely yield \$5 to \$6 million for the entire city. Over 23 years, TIF is anticipated to generate approximately \$80 million for 5th ward projects.

25. What is the idea? What is city council thinking?

Staff is recommending the TIF district to create a dedicated funding source for affordable housing, home repairs, business district improvements, infrastructure, and workforce development programs. Climate resiliency, energy efficiency, and racial equity will be baseline requirements for every TIF funded project.

The Civic Center, if it were ultimately sold to a private property owner would generate incremental revenue to be used in the fifth ward. If not, there is just less funding to be used for these types of projects.

26. Is this a backdoor way to sell the civic center?

The Civic Center itself is a valuable property in an excellent location. It does not require TIF to sell or improve the prospects of selling. If the City Council or if one of the five subsequent city councils believe it is the right thing to do, the civic center sold for private development will generate tax increment to be used for projects west of Green Bay Road. If it doesn't sell, there will be less funding for projects.

27. Have the school boards approved the TIF?

School boards do not approve / consider implementation of TIF districts. The JRB is served by District 65 and 202 staff and they recommended the TIF plan to the city council at the JRB meeting. TIF intergovernmental agreements can be negotiated. And the State of Illinois requires payments to school districts from TIFs based on a formula determined by population impacts of TIFs.

28. Shouldn't we have communitywide townhalls to discuss this TIF if it includes the Civic Center, Fleet Services, and Fleetwood Jourdain?

There are no plans to use TIF to sell or change these buildings. If the TIF were to be approved, any TIF expenditures proposed would require city council approval. Staff is not recommending TIF funding be used to improve the Civic Center or Fleet Services center or to use TIF to incentivize the sale of the property. Those are legal uses of TIF, but the City Council is not required to use TIF for that purpose. The Civic Center is included as a means to create a source of investment for fifth ward projects west of Green Bay.

The philosophy here is not using TIF to develop the Civic Center. The focus is taking a 6 acre property that is generating \$0 in property tax and thinking about how a future development would generate something greater than \$0 to invest in a targeted fashion in the 5th ward. How this is done will require an ongoing planning process and public input now and throughout the life of the TIF if it were to be approved.

29. **What would the estimate tax dollar for all the public land be if it were it on the tax rolls and can TIFs be written in such a way as to split up %s to the city, school district and TIF if public land is sold so that the tax baseline amount is contributing to the general fund?**

The land sale is subject to the market and the end use. The end uses are not known at this time. Any determination of value and sharing with taxing districts is subject to the public process. The frozen or base value of the land within the TIF is always funding all taxing bodies within the TIF. It's the increment from the taxing bodies that is separated into the TIF district. Since the base value of public property is \$0, it is hard to determine at this point what the "baseline amount" would be. An alternative would be to negotiate with the taxing bodies an annual payment to share the increment generated. Remember, however, the TIF is proposed as a means of transferring funding from higher valued real estate east of Green Bay Road to target underinvested areas west of Green Bay Road.

30. **Can we expand the current west side TIF to include parts of the new proposed TIF instead of creating a new TIF**
-

Technically, yes. We expanded the Howard Ridge TIF district two years ago to extend further west along Howard Street. The existing West Evanston TIF has underperformed due to market conditions, having been launched at the very beginning of the "great recession" in 2006. Arguably, there are few economic engines in that TIF resulting in years of poor performance. And, the West Evanston TIF expires in 2029, giving us only 8 years of increment to work with if granted an expansion. The expansion does not reset the 23 year TIF term limit.

31. **How were the boundaries configured, what was the criteria?**

The TIF boundary was created by analyzing property conditions, development patterns, and local market conditions. This was done using staff experience, expertise, and feedback from elected officials. Our consultant studied the proposed boundary and tested it against the State of Illinois TIF statute to determine if it met the qualification standards (see above) as a TIF conservation district. The findings were presented to the JRB and to the public via the Public Hearing.

32. **What is the timeline for public meetings, and vote to approve, alter or deny, that the city staff is looking at?**

The City is required to consider the ordinances within 90 days of the public hearing. The last opportunity to do that would be October 10, 2021. September 27th is the last full council meeting prior to October 10th. There are committees meeting October 4, 2021. Additional public meetings outside of city council meetings will be planned.

33. **What are the projected increments revenues to the proposed TIF funds for the next 5 years?**

Please refer to Question 21

34. How much public land is east of the tracks?

Answered above. Approximately 12.5 acres between civic center and fleet services

35. Can't we create a plan which is fed by the tax revenue from the developed land if the community decided to sell public land?

We could create a plan to use the proceeds from the sale of public land to assist with the ideas outlined in the TIF plan if so desired. That would be up to the public and the City Council.

36. The 5th Ward needs money to implement a well thought out plan. Why don't we get the idea of projects and their cost, and designate a percentage of all tax revenue from the x amount of the parcel allocated to the plan?

There are numerous plans in the community that are guiding staff's recommendations. The work of community planning never ends. And it certainly is only beginning with this proposed TIF district. In some ways, what is proposed in this question is what the TIF actually is. The area in which we propose the TIF will provide future revenues generated by these parcels for the projects and to help offset their cost. Only a percentage of those private costs are covered by TIF. Traditionally, 25%. Only public infrastructure projects are covered 100% by TIF. The City already has the funding to support a "well thought out plan." There is debate in the community about the need for additional plans. We have heard the 2006 plan is sufficient. Others have suggested planning done earlier is sufficient. Staff is recommending we continue to plan as community values change, technology changes, market conditions change, etc.

37. Can we allocate a percentage of the \$5 million Federal Government American Rescue Plan to specific needs of the 5th Ward?

Yes. We can for COVID impact related matters. The total allocated for

38. What about the City stop wasting money for unneeded grandiose projects, and invest that money in services and projects essential to places like the 5th Ward?

It's always the city's intentions to use taxpayer dollars for services and projects essential for all residents.

39. It seems to me that there are several ways for the City to help a Ward rather than establishing a TIF.

TIF is one tool to help assist with the cost of improving Evanston's neighborhoods. Community members are always welcome to make suggestions about other ways to help. TIF is one component to be used with other City of government resources.

Additional FAQ's can be found here:

<https://www.cityofevanston.org/home/showpublisheddocument/65106/637617301741070000>

Additional City of Evanston TIF information, including information about the proposed TIF and existing TIFs can be found here:

<https://www.cityofevanston.org/business/tif-districts>

Five Fifths TIF FAQ

What is Tax Increment Financing (TIF)

TIF is a financial tool to improve infrastructure and encourage private development. Our local taxing bodies (City, District 65, District 202, Cook County, Oakton Community College) agree to make a joint investment in an identified district for a period of 23 years, during which new tax revenue generated in this district is reinvested in the designated area. Without the TIF, the development would not have occurred or would have occurred at a slower pace.

Why is it called the Five-Fifths TIF?

The name was derived from the idea that the new TIF could help make Evanston's Black community whole and a recognition of the Constitution 3/5th compromise. It's an aspiration. It's not a suggestion that it will heal or fix structural racism. But if focused on the six activities discussed below, it can help begin the repair. It also represents its focus on the historic Fifth Ward.

What is city staff recommending the TIF be used for?

Staff recommends the council focus TIF investment on the six activities listed below. At upcoming public hearings and City Council meetings, Evanston community members can provide input and propose alternative strategies. The TIF funding is meant to leverage other sources of investment and support initiatives underway in the area.

1. Invest in 50% of the cost of construction of new affordable housing
2. Assist with cost of repairs to existing residential property
3. Create workforce development (job training) programs
4. Assist small businesses in Fifth Ward business districts including Emerson Church/Dodge, and Simpson
5. Upgrade city infrastructure including parks, water, sewer, electric, alleys, streets, and sidewalks
6. Renovate / expand public community centers and education facilities

Is TIF a tax?

No, TIF is not a new tax. Property tax payers continue to pay what they otherwise would have paid prior to being included in a TIF district.

How are TIFs funded then?

The year the TIF is established is called the "Base Year." The base year property tax revenues are collected by the local taxing bodies as if the TIF did not exist. Any increased tax revenue generated exceeding the "Base Year" or "Frozen Value" is held in the TIF account for investment in that specific TIF district. The increase in tax revenues, called "increment", is the result of either inflation, increased property values of properties within the TIF district, the conversion of a property from vacant to an active use, or the conversion of a property from a non-profit or government use to a private use.

What is "Increment"?

Increment is the term used for the property tax collected as the result of increased property values. This difference from this incremental value over the original value on the date the TIF was created, also known as "base value" or "frozen value," is placed into a TIF account separate from the general collections of the City. Eligible projects within a TIF district can be funded with the increment.

Aren't TIFs used for blighted areas?

Not in this case. The Fifth Ward is a solid middle class community with a strong history and great potential. The enabling TIF legislation provides for two means of qualifying an area for TIF. One is called a blighted area and the other is called a conservation area. The TIF consultants identified six factors that qualify the proposed area as a conservation area, as shown in bold below.

What is a Conservation Area TIF then?

The statute states specifically "a '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 three or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:" (1) Dilapidation; (2) **Obsolescence**; (3) **Deterioration**; (4) Presence of Structures below minimum code; (5) Illegal use of individual structures; (6) Excessive vacancies; (7) Lack of ventilation, light or sanitary facilities; (8) **Inadequate utilities**; (9) **Excessive land coverage** and overcrowding of structures and community facilities; (10) Deleterious land use or layout; (11) **Lack of community planning**; (12) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection remediation costs; and (13) **Lagging EAV** / The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years.

The Illinois statute 65 ILCS 5/11-74.4-3(a) et seq. can be read in detail at the following link: <https://www.ilga.gov/legislation/ilcs/fulltext.asp?DocName=006500050K11-74.4-3>

Why is the Civic Center included in the proposed Five-Fifths TIF?

Staff recommends including the Civic Center building and parking lot, along with the north frontage of Simpson Street. Why? If we imagine there is a possibility that over the next 23 years the city administrative offices are relocated, we recommend including it in the district. The property has potential for adaptive reuse as housing, and new housing could be built along Simpson or on the existing parking lot. Today the Civic Center generates \$0 in property tax revenue for city services. If it were to be sold for private use, it goes on the tax rolls and would generate TIF increment that can be used to fund reinvestment in the Fifth Ward.

Is Ingraham Park in the Five-Fifths TIF?

No! Ingraham Park will not be in the TIF district. Staff does not recommend redeveloping the park. An earlier draft of the future land use plan for the TIF showed the park as an institutional/residential use. That was just a function of the fact that the park and the Civic Center building are on the same tax parcel. Staff adjusted the map to remove the park from the

proposed district. The garden at the southwest corner of Leonard Place and Ridge will also not be included.

Doesn't TIF rob the school districts of important revenue?

The City of Evanston has a history of sharing revenue with District 65 and 202, especially if the redevelopment in the TIF will contribute to student-growth. City staff has already begun conversations with the school district leadership about this matter and representatives have shared their concerns publicly.

I heard that the City will use TIF to gentrify the area

There is often the perception that city policy is to gentrify or use TIF to acquire and redevelop housing. This is not true. Staff is recommending the TIF funding be used in the following ways:

1. Invest in 50% of the cost of construction of new affordable housing
2. Assist with cost of repairs to residential property
3. Create workforce development (job training) programs
4. Assist small businesses in Fifth Ward business districts including Emerson Church/Dodge, and Simpson
5. Upgrade city infrastructure including parks, water, sewer, electric, alleys, streets, and sidewalks
6. Renovate / expand public community centers and education facilities

The City Council is responsible for reviewing and approving every TIF expenditure. Nothing will be approved without having received public input through ward and/or community meetings and City Council meetings.

Will the City use Eminent Domain to redevelop my neighborhood?

No. The State of Illinois Tax Allocation Act has specific requirements for establishing a new TIF district that results in a locally produced plan called the "TIF Plan and Redevelopment Project." While the name suggests that a redevelopment plan is in the works and the act does provide provisions for eminent domain, the Evanston City Council has never used TIF to fund eminent domain and has no intentions to. There are safeguards in the plan for residential displacement requiring additional studies and City Council approval. Staff is not recommending the use of eminent domain for any properties in the proposed Five-Fifths TIF district. In fact, staff is recommending the creation of this TIF district to assist with the cost of repairing existing housing, building new affordable housing on vacant sites, completing Emerson Square, and enhancing the existing historic business districts.

Are TIFs inherently racist?

TIFs are a financial tool. Urban planners recommend the financial tool to achieve redevelopment means and City Councils approve their proposed uses. It is possible that some decision makers have used TIF in a way that is influenced by structural racism. The Five-Fifths TIF is intended to have a limited focus that includes funding home repairs and the creation of affordable housing, improving infrastructure, business district improvements, and workforce development. Considering this funding will directly support a majority and historically Black

community, it is hard to suggest it is racist. The community should hold current and future staff and elected officials accountable. The intentions of this proposed TIF are clearly stated.

How has Evanston used TIF in the past?

Evanston is recognized for using TIF in a transparent and responsible way. Much of the downtown infrastructure was partially funded with TIF. The movie theater development at Church and Maple received TIF funding. Whole Foods and the Park Evanston apartment building were built with a TIF contribution. TIF was one of many funding sources for the Emerson Square affordable housing development. Valli Produce improved and re-energized the Evanston Plaza shopping center with a TIF contribution from the city.

TIFs seem to be controversial, why is that?

TIFs are not easy to explain. TIF reports, intended to be transparent, are not easy to read and lead to distrust. And frankly, media coverage of TIF usage in Chicago has tainted this important economic development tool here in Evanston. Chicago's policies and liberal use of TIF for financing development do not translate in the Evanston context. We can use the lessons learned in Chicago to guard against the reported abuse and negative consequences. But Evanston's use of TIF does not mirror our southern neighbor's practices.

Why use public money to help with private development?

TIF is only used when a clear case is made that but for the use of TIF investment, a desirable private investment will not occur. City staff examines potential future tax revenue generation and public benefits including job creation or affordable housing development

How can I learn more about Evanston's use of TIF?

The City is required to provide annual reports of all TIF expenditures and post the reports on the City's website at <https://www.cityofevanston.org/business/tif-districts>

Due to the age of the reports, some are stored in the archive:

https://www.cityofevanston.org/business/tif-districts/tif-districts_archived-annual-reports

Paul Zalmezak serves as the City's Economic Development Manager and can be contacted at: pzalmezak@cityofevanston.org or 847.448.8013

State of Illinois Tax Increment Allocation Redevelopment Act

(65 ILCS 5/Art. 11 Div. 74.4 heading) DIVISION 74.4. TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

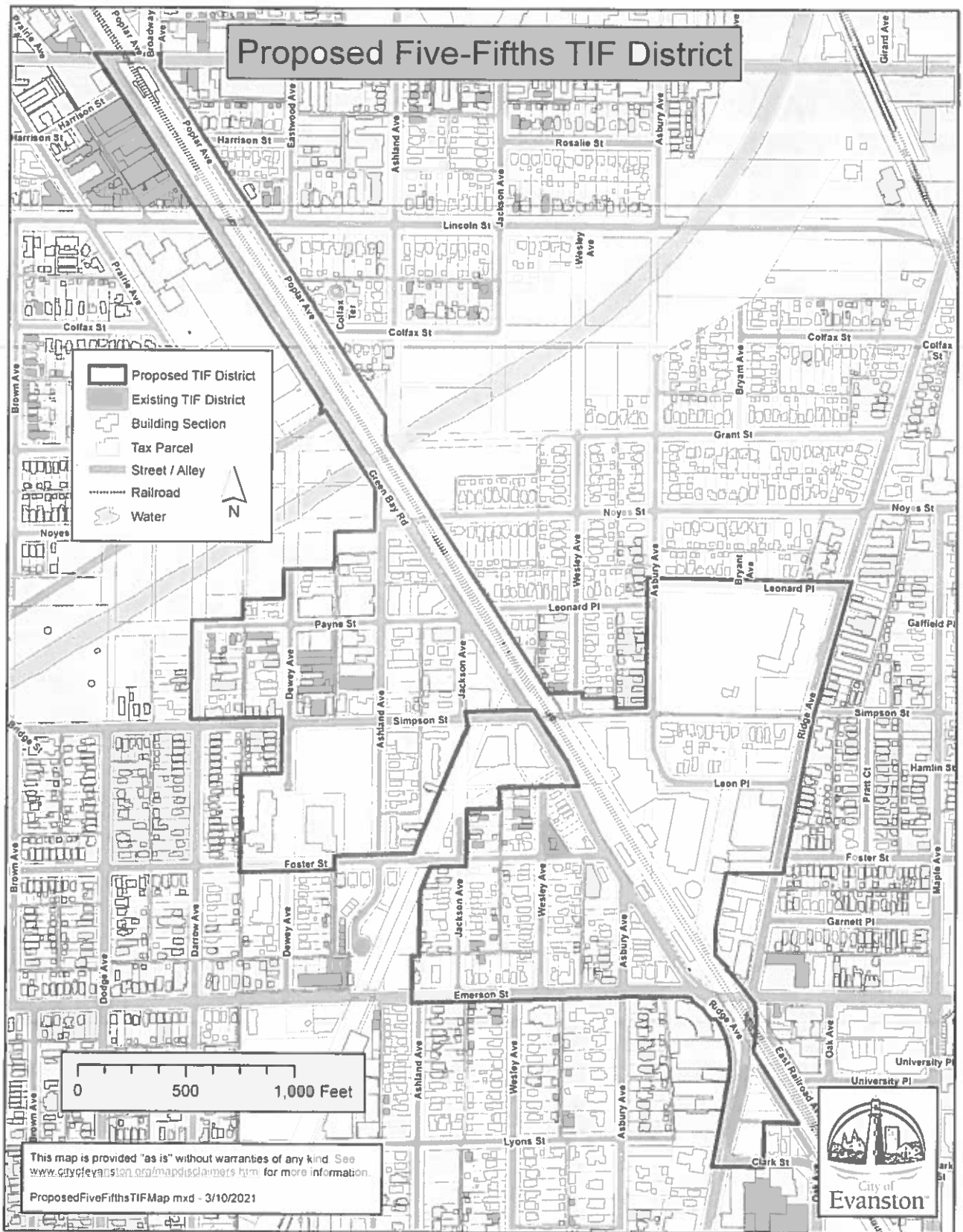
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Illinois Tax Increment Association

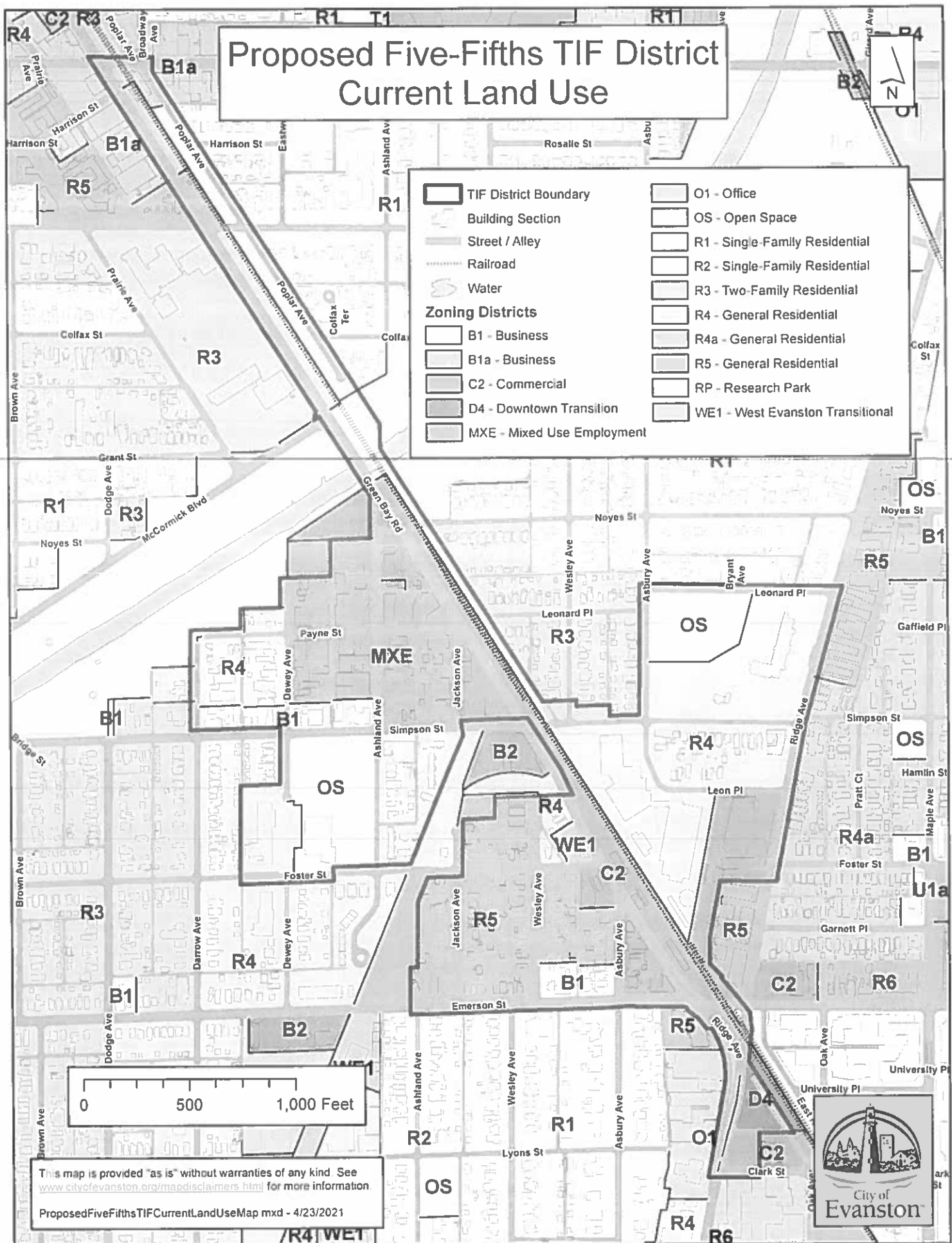
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TIF Illinois

<https://www.tifillinois.com/tif-basics.html>

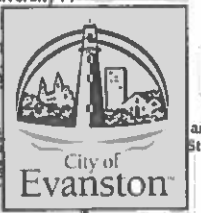


Proposed Five-Fifths TIF District Current Land Use



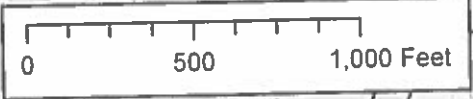
This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapdisclaimers.html for more information.

ProposedFiveFifthsTIFCurrentLandUseMap.mxd - 4/23/2021

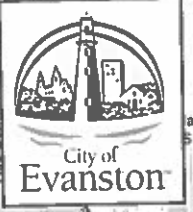


Proposed Five-Fifths TIF District Future Land Use

| | |
|--|----------------------------------|
| 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 |



This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapsdisclosures.html for more information.
ProposedFiveFifthsTIFFutureLandUseMap.mxd - 6/1/2021



8/31/2021

9/15/2021

88-R-21

**A RESOLUTION
CITY OF EVANSTON COMMITMENTS CONCERNING THE PROPOSED FIVE-
FIFTHS TIF DISTRICT**

WHEREAS, the City intends to redevelop and encourage residential use, retail, commercial and institutional uses to upgrade, expand and modernize facilities within the City as part of its ongoing economic development planning; and

WHEREAS, the City has proposed a ~~Five-Fifths Redevelopment Project Area~~ (the "TIF District") located in the north central portion of Evanston; and

WHEREAS, the proposed TIF District includes approximately two hundred eighty-four (284) tax parcels located 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. A map of the proposed TIF District is attached hereto as Exhibit A; and

WHEREAS, City staff and officials have engaged extensively in multiple meetings with members of the community regarding the proposed Five-Fifths TIF District; and

WHEREAS, several members of the community have expressed concerns with the proposed TIF District, including potential displacement and gentrification in the community, and with the potential benefits it will provide the community; and

WHEREAS, the City believes that the proposed Five-Fifths TIF District will provide numerous benefits to the community.

WHEREAS, the City believes that equity forms the foundation for this proposed TIF plan, and the intended investments and the restrictions recommended by Staff provide assurance that TIF funding should be devoted to those most in need.

NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS, THAT:

SECTION 1: The foregoing recitals are hereby found as fact and incorporated herein by reference.

SECTION 2: The City commits to support using TIF funds for residential repairs and improvements to encourage home ownership retention and to improve and maintain existing rental housing as desired by existing homeowners and allow aging in place. This may be accomplished by:

- A. The use of TIF funds for structural repairs, such as roofing, chimney, and window repairs.
- B. The use of TIF funds for systems improvements, such as HVAC, electrical, and plumbing systems.
- C. The use of TIF funds to encourage climate resiliency measures, such as energy efficiency upgrades and the use of solar panels.
- D. The use of TIF funds to prioritize senior citizens, members of the disabled community, long-time homeowners, and low-income residents.

SECTION 3: The City commits to support using TIF funds for Affordable Housing measures to help retain existing homeowners and renters and to support current small and mid-sized landlords. This may be accomplished by:

- A. The use of TIF funds to fund up to fifty percent (50%) of the cost of each affordable housing unit.
- B. The use of TIF funds with a preference for larger family units.
- C. The use of TIF funds to assist small and mid-sized landlords with repairs and renovation to existing "naturally occurring" affordable rental housing units.
- D. The use of TIF funds to expand the number of accessory dwelling units (ADU's).
- E. The use of TIF funds to expand homeowner community land trust programming

F. The use of TIF funds to offer homeowners, especially the elderly, licensed real estate and financial services.

SECTION 4: The City commits to support using TIF funds for workforce development by assisting small businesses with programs to train employees for current and future jobs and focusing that training on residents of the proposed TIF District. This may be accomplished by:

- A. The use of TIF funds to train residents of the proposed TIF District.
- B. The use of TIF funds to support creation of job training programs for businesses located within the TIF District.

C. The use of TIF funds to focus on training for new infrastructure jobs and top workforce opportunities as defined by large local employers within the TIF District.

D. The use of TIF funds for childcare space expansion and support.

SECTION 5: The City commits to support using TIF funds for infrastructure by funding new infrastructure and maintaining existing infrastructure, some of which has suffered from deferred maintenance. This may be accomplished by focusing on: water, sewer, street, sidewalk, bike path, walking path, and wayfinding projects.

SECTION 6: The City commits to support using TIF funds for public spaces, including community centers and recreational spaces, to a high quality standard that is equal or exceeds the quality of facilities in other areas of the City.

SECTION 7: The City commits to support using TIF funds for Business District improvement by supporting small businesses directly and the districts in which they are located including Simpson/Ashland, Emerson/Asbury, and Green Bay Road. This may be accomplished by:

- A. The use of TIF funds for façade improvement programs, including awnings, tuckpointing, storefront glass, doors, and signage.

B. The use of TIF funds for Storefront Modernization programs focused on interior renovations and leasehold improvements affixed to the property including HVAC, plumbing, and electrical systems.

C. The use of TIF funds for improving business capacity.

D. The use of TIF funds for streetscape improvements.

E. The use of TIF funds for Business District identity, signage, and lighting improvements.

SECTION 8: The City commits to not supporting the use of TIF funds for eminent domain, neighborhood clearance, funding for a new Civic Center, or funding for luxury housing/microunits.

SECTION 9: Upon adoption of the Five-Fifths TIF, the Mayor will appoint a seven (7) member TIF Advisory Committee. The TIF Advisory Committee shall consist of seven (7) voting members including: one (1) City Councilmember (Fifth Ward); one (1) member who does not own or occupy real property within or adjacent to the district; three (3) property owners or occupants of real property within or adjacent to the district; one (1) member of the Hill Arts Merchants Association, and one (1) member of the Central Evanston Business Association (CEBA). The City Economic Development Manager shall be an ex officio, nonvoting member of the TIF Advisory Committee. The Housing and Grants Manager shall also be an ex officio, nonvoting member of the Advisory Board. The Committee will review and provide recommendations on TIF expenditures for private affordable housing development and create TIF approval guidelines for the home improvement and small business grants. The Committee will also review public infrastructure projects planned to be funded with TIF funds. Staff memos to the City Council will include the Committee's recommendations. The Committee will also advise the City Council on other matters pertaining to the TIF as appropriate.

SECTION 10: The City Manager, or her authorized designee, is authorized and directed to negotiate the terms of an Intergovernmental Agreement concerning the TIF with School District 65 that it is deemed to be in the best interests of the City.

SECTION 11: This Resolution 88-R-21 will be in full force and effect after the date of its passage and approval in the manner provided by law.

Daniel Biss, Mayor

Attest:

Approved as to form:

Stephanie Mendoza, City Clerk

Nicholas E. Cummings, Corporation Counsel

Adopted: _____, 2021

EXHIBIT A



Memorandum

To: Councilmember Bobby Burns
From: Paul Zalmezak, Economic Development Manager
Subject: Five Fifths TIF Supplemental Information
Date: August 20, 2021

Summary:

This memo provides answers to a number of questions you have asked staff and consultant Kane McKenna Associates since the Five-Fifths TIF public hearing held July 12, 2021.

1. Eminent Domain relationship to TIF

The Illinois Compiled Statutes 735 ILCS 30 - Eminent Domain Act defines the conditions in which a governmental body can use eminent domain to acquire private property. The establishment of a Tax Increment Financing district is not required in order for a municipality to use its eminent domain authority, nor does the TIF act supersede the act. The Five Fifths TIF will not be used to fund any Eminent Domain acquisition of properties within the proposed TIF boundaries. Staff will recommend that language precluding the use of TIF funds for eminent domain for property acquisition within the TIF boundaries be included in the TIF adoption ordinances.

2. Annual TIF Reports

Economic Development and Finance staff reviewed an annual report with you. We agreed to create on the City's website a new "TIF dashboard" report that is easier to read and more easily accessible at a date to be determined.

3. Summary of Evanston TIF Past Performance

Consultant Kane McKenna analyzed the performance of the City's four completed/terminated TIFs by comparing each TIF's total EAV growth over the term of each TIF, with the growth rate in the CPI over the same period. As seen below, the EAV growth rate over the term of these four TIFs exceeded growth in CPI over the respective periods.

| TIF | Years | EAV Growth Rate | Average CPI Growth Rate |
|------------------------------|--------------|-----------------|-------------------------|
| TIF #1 (Downtown) | 1985 to 2009 | 19.69% | 2.95% |
| TIF #2 (Southwest) | 1990 to 2014 | 8.56% | 2.63% |
| TIF #3 (Howard Hartrey) | 1992 to 2016 | 3.73% | 2.95% |
| TIF #4 (Washington National) | 1994 to 2018 | 5.36% | 2.24% |

4. Please provide photos of examples of qualifying factors

Attached are examples of Kane McKenna's photographs of qualifying factors.

5. Some community members have expressed concern about gentrification resulting from TIF and generally in the Fifth Ward.

Staff suggests there has been limited new development in the central area of the Fifth Ward during the last expansion period, (*define "expansion period"*) with the exception of the non-profit donor-financed Y.O.U. headquarters, TIF financed 1817 Church Street building, and the City-financed renovation of Gibbs Morrison. Private investment in the proposed TIF area has been minimal, having occurred primarily along the periphery and in the Hill Arts District. Most recently, the Double Clutch Brewery on Jackson and the Soul and Smoke / Feast & Imbibe property acquisition and expansion occurred in Hill Arts District portion of the proposed TIF. In addition, in recent years, development was proposed on both sides of Emerson at Jackson and Ashland but has not moved forward. The only significant housing constructed in the area in the last 10 years is Emerson Square. Finally, the West Evanston TIF, immediately south of the proposed Five-Fifths TIF has experienced EAV growth of less than 1%.

6. The TIF ordinances and staff report accompanying them should incorporate the following six target activities:

1. TIF will be invested to offset the cost of home repairs

To assist long-time homeowners, senior homeowners, and disadvantaged homeowners, staff recommends that TIF funds be used for home repairs, such as including HVAC, plumbing, electrical, roofing, doors, windows, fire protection, chimneys, etc., along with energy efficient / climate resilient retrofitting of residential building components.

2. TIF will assist in the cost of delivering Workforce Development/Job Training for residents and businesses within the TIF district.

The TIF act allows for "job training and retraining projects." Staff recommends that TIF funds be used to train residents for, among other things, the construction of infrastructure improvements that are undertaken within the TIF pursuant to the TIF Plan, including water, sewer, sidewalks, alleys, lighting, electric vehicle charging, etc. This would help create a "built here by us" mindset that could enhance opportunities for Evanston community members.

3. TIF will fund public infrastructure planning and construction.

As a public financing tool, TIF is commonly used to plan and construct public infrastructure improvements projects including water, sewer, electric, alleys, streets, streetscape, etc. Staff recommends that Five-Fifths TIF funds be used for delayed infrastructure projects or infrastructure suffering from deferred maintenance. Additional infrastructure improvements can include parking and new pedestrian paths and/or bike trails, including at the vacated Mayfair rail right of way, and other mobility systems. .

4. Business District Improvements will benefit from TIF investment

Staff recommends that TIF be invested in small businesses within the Five-Fifths TIF for such improvements as exterior facade improvements, and interior building components, such as HVAC, plumbing, electrical, flooring, etc. Staff also recommends that Five-Fifths TIF funds be used to beautify the public improvements in the commercial areas of the TIF, including such things as benches, sidewalk improvements, bicycle racks, planters and other similar improvements.

5. Fleetwood Jourdain Center Improvements could be funded with TIF

Since community members have asked for improvements to the Fleetwood Jourdain Center, staff recommends that Five-Fifths TIF funds be used for improvements to the Fleetwood Jourdain Center. This will to modernize the facility and provide expanded opportunities for neighborhood recreation and community gatherings. Specific improvements to the Fleetwood Jourdain Center could include improvements for roller skating, a pool, basketball court improvements, and workout facility/gym. TIF could be one of several sources of funds for improvements.

6. TIF to be used to fund the rehabilitation and creation of affordable housing units with a focus on larger family units.

The TIF statute allows for the rehabilitation, reconstruction or repair or remodeling of existing public or private buildings. Therefore, staff recommends that Five-Fifths TIF funding be used to assist with the cost of renovating existing residential single-family or multi-family residential housing units, including existing apartment buildings and two- and three-flats.

The act also states that 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 act defines "low-income" as a single person, family or unrelated persons living together whose adjusted income is more than 50% but less than 80% of the median area income adjusted for family size. "Very low-income" households are defined as those earning no more than 50% of the area median income.

Staff will research the viability of engaging community land trusts and other means of maintaining affordability for the long term.

7. TIF Budgeting by Categories

Pursuant to the TIF Act, the total TIF budget cannot be exceeded without City Council approval; however, individual budget line items *within* the budget can be adjusted, as long as the total budget is not increased. For example, if we learn in later years that more funding is needed for job training and less needed for infrastructure than what is shown in the budget, funds can be "moved" from infrastructure to job training.

8. What are the projected revenues for the next 5 years?

PKane, McKenna's tax revenue projections are derived from a set of assumed projects provided by City staff that could potentially occur in the area subject to community/city council review and approval. Based on these specific project assumptions, Kane McKenna estimates the following

ranges of TIF revenues over the first five years of the TIF. To the extent that actual future projects deviate from these assumptions, the projections will change, as well.

| Estimated TIF Revenues - First Five Years | |
|---|------------------------|
| Year 1 (2022) | \$0 to \$120,000 |
| Year 2 (2023) | \$120,000 to \$130,000 |
| Year 3 (2024) | \$490,000 to \$500,000 |
| Year 4 (2025) | \$850,000 to \$900,000 |
| Year 5 (2026) | \$1.8 to \$2 million |
| Note: These are projections based on early assumptions and will need to be updated once projects are determined and assessed valuations are certified by the assessor | |

10. What would property tax revenues be without the TIF

It is assumed that without establishment of the Five-Fifths TIF, tax revenue growth would be primarily limited to that associated only with organic growth, that is, growth related only to inflation, with little growth related to any significant improvements in the area. It is anticipated that with the establishment of the TIF, tax revenues would grow a greater rate, due to improvements resulting from the TIF. Kane, McKenna estimated tax revenue growth in the absence of establishment of the the Five Fifths TIF (see attached)

11. Provide the language from the comprehensive plan referenced in the TIF Redevelopment Plan document.

- The Comprehensive Plan adopted in May 2000 ("the Comprehensive Plan") states: *"Evanston must allow growth to occur while enhancing the community's special character,*
- *"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."*
- *"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."*

12. Explain why TIFs are better than issuing GO bonds

TIF revenue bonds and GO bonds are not mutually exclusive tools. Their use depends on the circumstances of their application.. The City does not, as a practice, borrow money to lend to private developers for development projects. . Interest is paid on both GO bonds and TIF revenue bonds; however, GO bonds require the City's pledge (guarantee) if TIF revenues are not available for pledge, thus impacting the City's credit rating. TIF revenue bonds are appropriate for private redevelopment projects because they are performance based and shift risk of repayment of the bonds to the TIF and developer, rather than the City's general tax pledge

Photographs of Qualifying Factors

