

Certificate as Keeper of
Records, Files and Seals

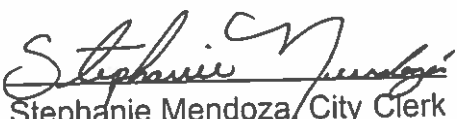
STATE OF ILLINOIS)
)§
COUNTY OF COOK)

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 67-O-21 Adopting Tax Increment Allocation Financing for the Five-Fifths Redevelopment Project Area**

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

67-O-21

AN ORDINANCE

**ADOPTING TAX INCREMENT
ALLOCATION FINANCING FOR THE FIVE-FIFTHS
REDEVELOPMENT PROJECT AREA**

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

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"); and

WHEREAS, the City has heretofore approved a redevelopment plan and project (the "Redevelopment Plan and Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Redevelopment Project Area") as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act,

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

SECTION 1. Tax Increment Financing Adopted. That tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Redevelopment Plan and Project within the Area as 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 Project Area is described in EXHIBIT B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted in EXHIBIT C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of Ad Valorem Taxes. That pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Redevelopment Project Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(C) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

a. That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property that is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the Redevelopment Project Area shall be allocated to, and when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

b. That portion, if any, of such taxes that is attributable to the increase in the current equalized assessed valuation of each lot, block, tract, or parcel of real property in the Redevelopment Project Area shall be allocated to, and when collected, shall be paid to the municipal treasurer, who shall deposit said taxes into a special fund, hereby created, and designated the "Five-Fifths Redevelopment Project Area Special Tax Allocation Fund" of the City and such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

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. That 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 effective immediately upon its passage by the Corporate Authorities and approval as provided by law.

AYES 5

NAYS 4

ABSENT 0

67-O-21

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
LEGAL DESCRIPTION
REDEVELOPMENT PROJECT AREA

**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.

67-O-21

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"

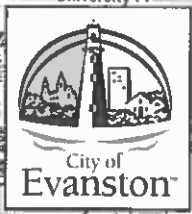
EXHIBIT C
MAP OF REDEVELOPMENT PROJECT AREA

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



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/zHXXCBwArTtPjNjU-MI3izFqqzjKo0fL1PSad6UHDRtgnFY8ezczLbk0a2keWr9GJ.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 seperated 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

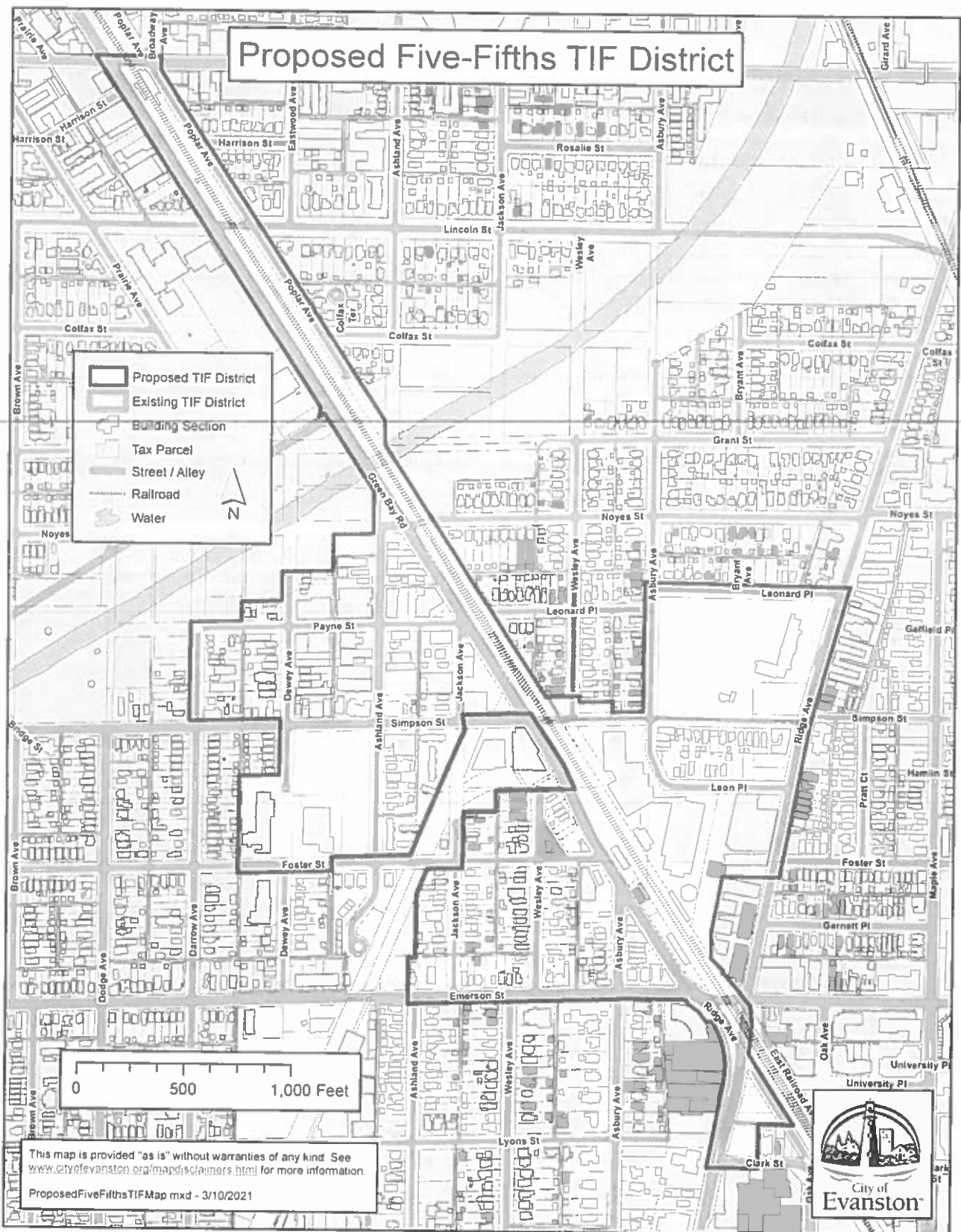
<https://www.ilga.gov/legislation/ilcs/ilcs4.asp?DocName=006500050HArt%2E+11+Div%2E+74%2E4&ActID=802&ChapterID=14&SeqStart=213100000&SeqEnd=215400000>

Illinois Tax Increment Association

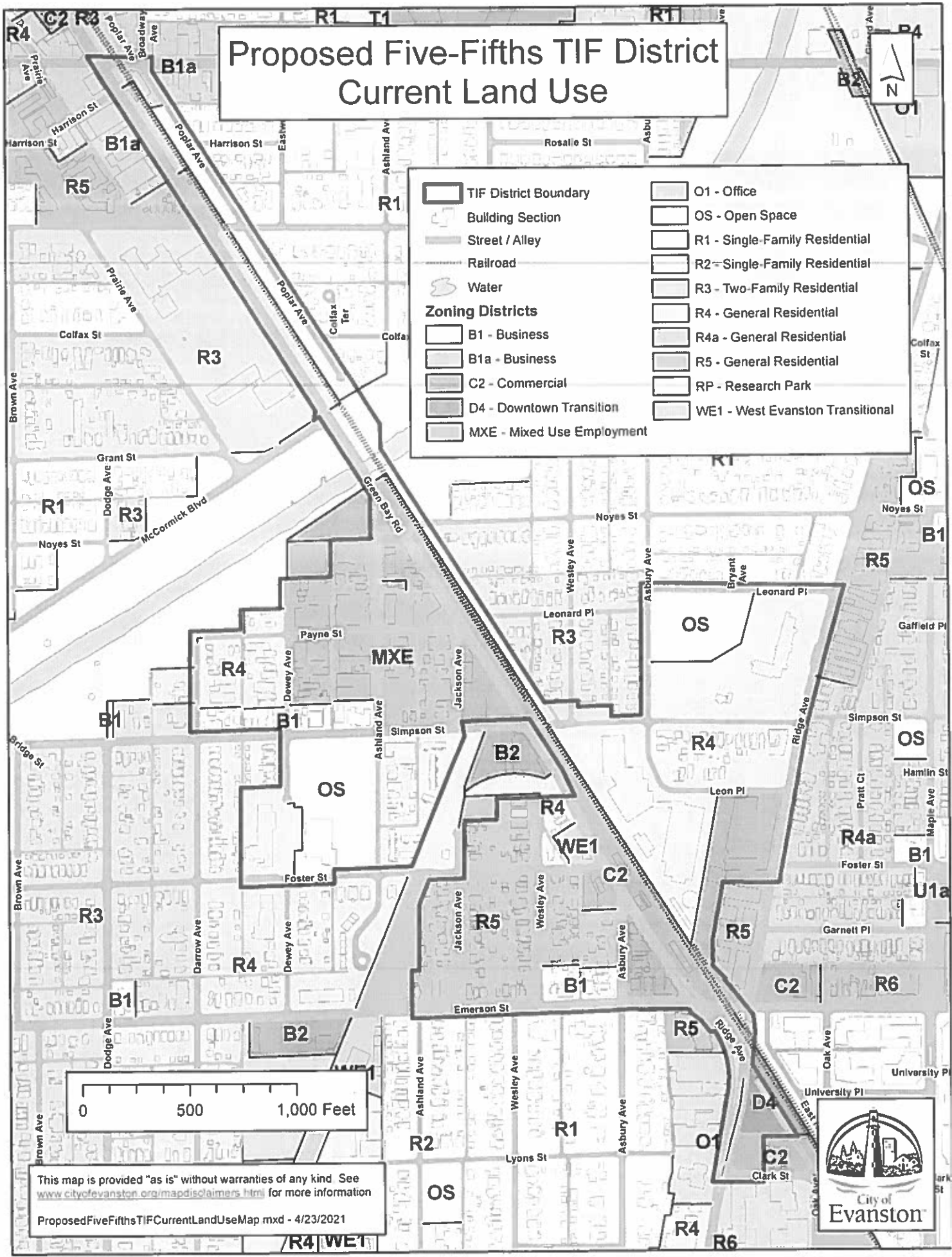
<https://illinois-tif.com/about-tif/>

TIF Illinois

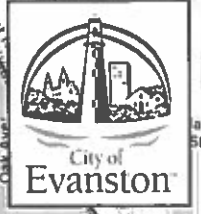
<https://www.tifillinois.com/tif-basics.html>



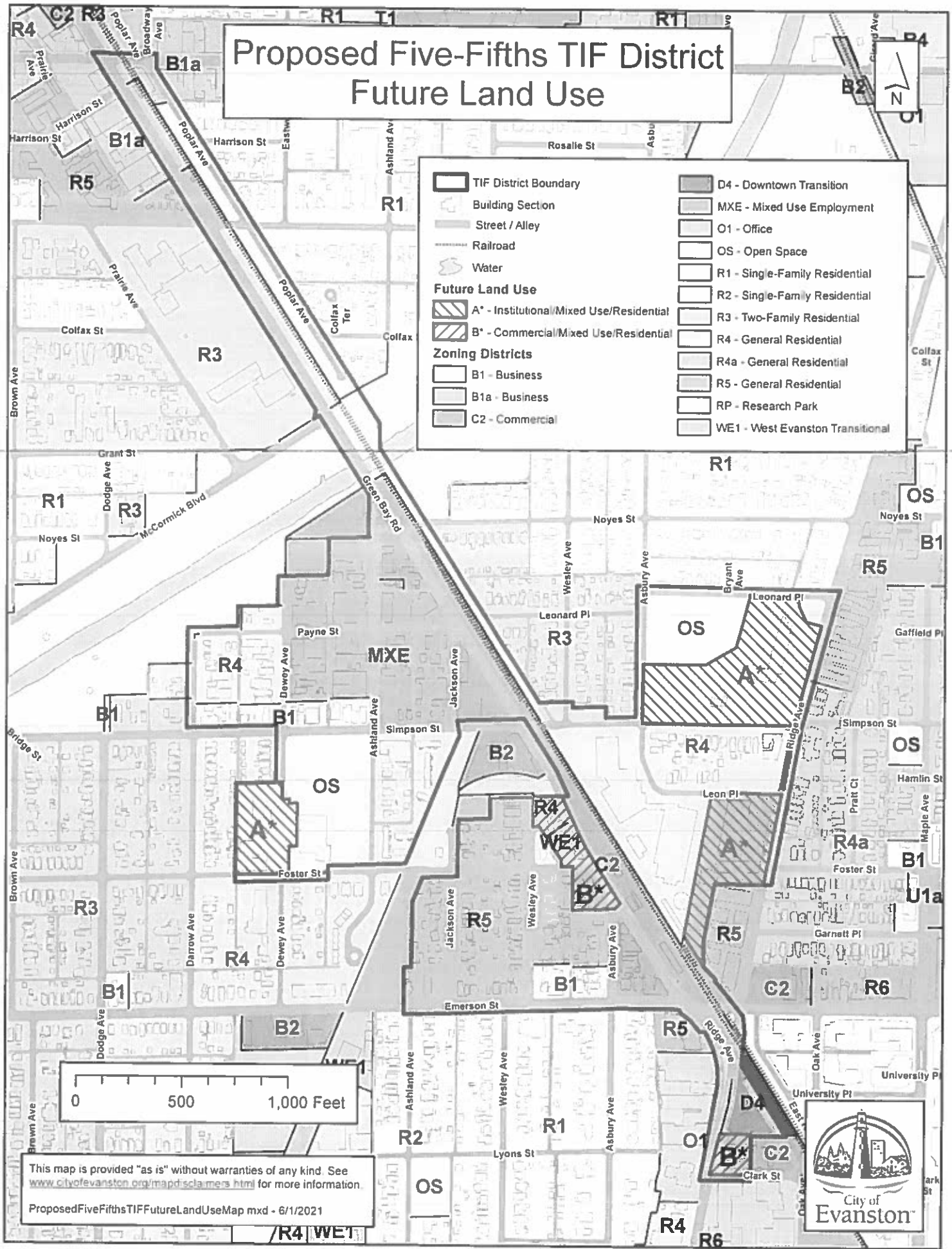
Proposed Five-Fifths TIF District Current Land Use



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

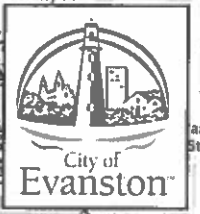


Proposed Five-Fifths TIF District Future Land Use



	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			R2 - Single-Family Residential
	A* - Institutional/Mixed Use/Residential		R3 - Two-Family Residential
	B* - Commercial/Mixed Use/Residential		R4 - General Residential
Zoning Districts			R4a - General Residential
	B1 - Business		R5 - General Residential
	B1a - Business		RP - Research Park
	C2 - Commercial		WE1 - West Evanston Transitional

This map is provided "as is" without warranties of any kind. See www.cityofevanston.org/mapsdisclaimers.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

88-R-21

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 provide 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

