

130-0-99

AN ORDINANCE

**AN ORDINANCE APPROVING AND ADOPTING THE FIRST AMENDED
WASHINGTON NATIONAL TAX INCREMENT REDEVELOPMENT PROJECT
AREA**

WHEREAS, the City Council of the City of Evanston, Cook County, Illinois has heretofore by ordinance designated an area of real property located in the City as the First Amended Washington National Tax Increment Redevelopment Project Area; and

WHEREAS, the City Council has heretofore determined that it is in the best interests of the City has caused compliance with the procedures set forth in the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1, et. seq.) (the "Act") pertaining to the consideration of such a change which requires compliance with the requirements for the initial designation of a redevelopment project area; and

WHEREAS, the City Council of the City of Evanston, Cook County, Illinois, by Ordinance No. 129-0-99 adopted and approved the First Amended Washington National Tax Increment Redevelopment Plan and Redevelopment Project with respect to which a public hearing was held and it is now necessary and desirable to designate the area referred to in said Plan as the First Amended Washington National Redevelopment Project Area.

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

SECTION 1: The area legally described in Exhibit A attached hereto and made a part hereof is hereby designated as the First Amended Washington National Tax Increment Redevelopment Project Area pursuant to Section 11-74.4-4 of the Act.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: This Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

Introduced November 8, 1999

Adopted November 22, 1999

Approved: November 23, 1999

Barbara H. Proctor
Mayor

ATTEST:
Mary D. Morris
City Clerk

Approved as to form:
[Signature]
Corporation Counsel

EXHIBIT A

LEGAL DESCRIPTION

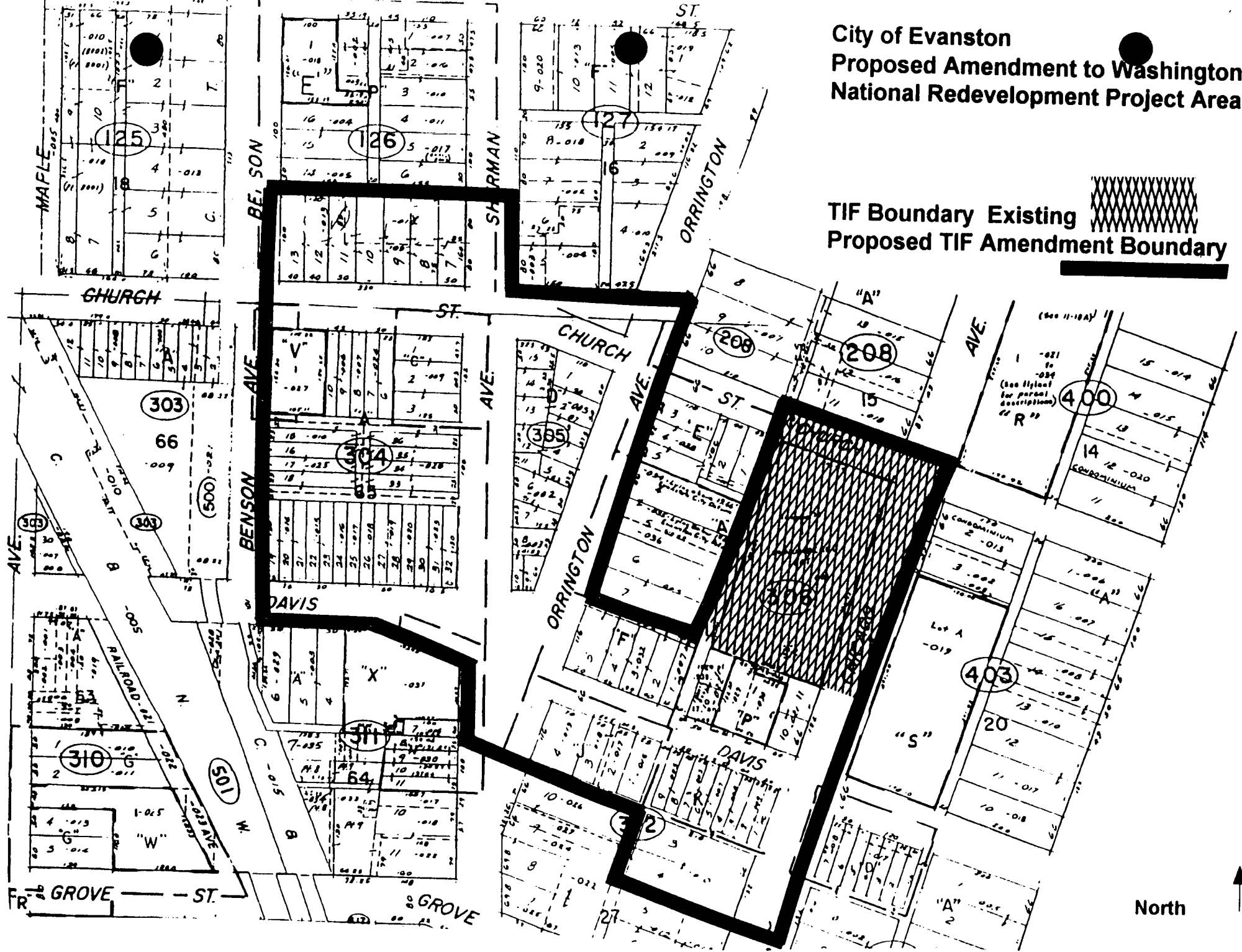
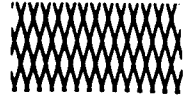
**Amendment to Washington National TIF District
(amended area only)**

That part of the East $\frac{1}{2}$ of the West $\frac{1}{2}$ and the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 18, Township 41 North, Range 14 East of the Third Principal Meridian described as follows: beginning at the point of intersection of the East line, extended South, of Benson Avenue and the center line of Church Street (said point of intersection being a point in the South line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Section 18); thence North along said extended East line; the East line and said East line extended North of said Benson Avenue to the North line of the First east and west 20 ft. public alley North of said Church Street; thence East along said North line and said North line extended across a 20 ft. north and south alley and across Sherman Avenue to the East line of said Sherman Avenue; thence South along said East line to the North line of Church Street; thence East along said North line and said North line extended across a 20 ft. north and south alley and across Orrington Avenue to the Easterly line of said Orrington Avenue; thence Southerly along said Easterly line and said Easterly line extended across Church Street to the Southerly line of Lot 7 in Block 19 in the Village of Evanston in Section 13, Township 41 North, Range 13 East of the Third Principal Meridian and Section 7, 18 and 19, Township 41 North, Range 14 East of the Third Principal Meridian; thence Easterly along said Southerly line and said Southerly extended across a 20 ft. northerly and southerly alley and across Chicago Avenue to the Easterly line of said Chicago Avenue; thence Southerly along said Easterly line and said Easterly line extended across Davis Street and across a Easterly & Westerly 20 ft. alley to the Southerly line, extended Southeasterly, of Lot 4 in Block 27 in the Village of Evanston aforesaid; thence Northwesterly along said extended Southerly line the southerly line and the said Southerly line extended across a 20 ft. northerly and southerly alley

Westerly of said Lot 4 to the Westerly line of said alley; thence Northerly along the said Westerly line of alley to the Northerly line of Lot 10 in Block 27 in the Village of Evanston aforesaid; thence Northwesterly along said Northerly line and said Northerly line extended to the West line of Sherman Avenue; thence North along said West line to the Southerly line of Davis Street; thence Northwesterly and Westerly along said Southerly line to the East line, extended South, of Benson Avenue; thence North along said extended East line, the East line and said East line extended across two east and west alleys of said Benson Avenue to the South line of Church Street; thence continuing North across the Southerly part of said Church Street to the point of beginning, Cook County, Illinois.

City of Evanston Proposed Amendment to Washington National Redevelopment Project Area

TIF Boundary Existing
Proposed TIF Amendment Boundary



North

EXHIBIT B

DRAFT dated July 31, 1999

**FIRST AMENDMENT
JULY, 1999**

**City of Evanston, Illinois
Washington National Redevelopment Plan and Project**

**AMENDMENT TO THE
REDEVELOPMENT PLAN**

**WASHINGTON NATIONAL CHURCH/CHICAGO
REDEVELOPMENT PLAN AND PROJECT**

JULY, 1999

Jointly Prepared By: The City of Evanston

and

Kane, McKenna and Associates, Inc.

**FIRST AMENDMENT
TO THE REDEVELOPMENT PLAN
WASHINGTON NATIONAL CHURCH/CHICAGO
REDEVELOPMENT PLAN AND PROJECT**

The City of Evanston (the "City") Washington National Redevelopment Plan, and Redevelopment Project, adopted September, 1994 (the "Plan") is amended as follows:

- I. **INTRODUCTION** is amended to include the following additional statements after the second paragraph on page 6.

As part of ongoing redevelopment efforts within the City's Downtown (Research Park) TIF District and the Washington National TIF District (located less than two blocks east of the Downtown TIF District), the City's engineers reported that serious structural problems were evident in the Sherman Avenue parking structure/facility. The parking structure is located on the block bounded by Church Street to the north, Benson Avenue to the west, Sherman Avenue to the east, and Davis Street to the south. The garage includes parking for approximately 667 cars and was constructed in 1969. Based upon the severity, as well as the extent of the repairs required, the City was faced with alternatives relating to major rehabilitation of the facility or the replacement of structure.

The parking garage serves an important function with the City's downtown and serves retail, commercial, and commuter users. Given the existing land uses and space availability within the immediate area, there are few locations for parking alternatives.

Proposed redevelopment plans for a mixed use retail/residential project located at the current site of the Sherman Garage offer the City the ability to:

- undertake the replacement of the important parking structure;
- provide additional parking to the downtown;

- assist in the redevelopment of additional and complimentary retail within the downtown;
- assist in the redevelopment of residential uses within the downtown;
- conserve and maintain existing retail and commercial uses within the adjacent areas;
- address long standing vacancies (the former Varsity Theater and the Ameritech building); and
- continue the momentum generated by the recent Church Street Plaza redevelopment project and the Washington National redevelopment.

Proposed Amendment to the Existing RPA

In order to accomplish the redevelopment objectives described above, the City is proposing to amend the existing Washington National RPA (the "Existing RPA") by adding the area generally described below (the "Amendment to the RPA").

The area's general boundaries are - Benson Avenue to the West; Davis Street and the south of the block of 600 Davis to the South (except at Chicago Avenue where the boundary extends south to include the Ameritech building); the alley to the north of the former Marshall Field's building and the Varsity theater, Church Street, and the alley north of the block of 600 Davis to the North; and Chicago Avenue to the East.

An amended RPA map included in Exhibit A. Based upon review by the City and its Economic Development Committee, the City has determined that the downtown area would benefit from the replacement of the existing Sherman Garage. Further, the garage replacement would coincide with mixed use redevelopment activities, as well as area conservation efforts.

The Amendment to the RPA addresses the necessary public assistance and improvements required to assist in the redevelopment of the area. The amendment to the RPA will assist the City to attract additional private investment to the downtown. Incremental property taxes generated by new redevelopment are critical to the City's efforts.

II. **REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION** is amended to include the area described in Exhibit B attached.

III. **REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES** are amended to add:

Specific Objectives (page 8)

- 6) Provide convenient and available parking to retailers, restaurants, commercial/office uses, commuters, shoppers, and other uses of the facilities located within the downtown.
- 7) Continue and build upon the momentum generated by adjacent redevelopment projects in order to provide additional retailing opportunities, residential opportunities, and linkages to all areas of the downtown.
- 8) The City may, pursuant to the Act, utilize incremental property taxes between the adjacent Downtown RPA and the Washington National RPA (as amended) in order to accomplish redevelopment goals and objectives.

IV. **BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA** is amended to read:

IV. **“BLIGHTED AREA AND CONSERVATION AREA CONDITIONS EXISTING IN THE AMENDED REDEVELOPMENT PROJECT AREA”**

The Findings subsection is amended to include a new paragraph:

The Amendment to the RPA was studied to determine its qualification as “conservation area” pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 et. seq., as amended (the “Act”). Exhibit C attached hereto includes a summary of the findings relating to the designation of the amended area as a “conservation area” pursuant to the Act.

The Eligibility Survey subsection is amended to include a new paragraph:

The Amendment to the RPA was evaluated from July to August, 1999 by representatives from Kane, McKenna and Associates, Inc. and the City. In such evaluation only information was recorded which would directly aid in the determination of eligibility for a tax increment finance district.

The following two subsections are added after Eligibility Survey.

Evidence of the Lack of Development and Growth Within the RPA

As described in the TIF Qualification Report attached as an exhibit to the amended Plan, the RPA demonstrates conformance to the qualification criteria that are identified within the Act. Furthermore, new economic growth is unlikely to occur without coordination by the City.

The growth of the Amendment to the RPA is evidenced by the declining level of equalized assessed valuation for the RPA over recent years. During the period 1993 to 1997, the EAV of the Amendment to the RPA increased by 1.9%, cumulatively (which is near or lower than the inflation rate) and less than the City’s overall growth rate of 10% over the same period. Further, 89% of the structures are over 35 years old.

Assessment of Fiscal Impact on Affected Taxing Districts

The fiscal impact on affected taxing districts which overlap within the RPA is expected to be positive. Proposed uses are expected to be commercial/office, retail or mixed uses. Residential uses are expected to be senior housing and direct impacts to the schools with respect to increased enrollment are not expected.

Negative fiscal impact on the taxing districts is not to be expected. If additional services are required, such services are expected to be provided by the City in the form of additional public safety, public works, or general administrative services. Thus, new service capacity will not be required for any of the taxing districts serving the RPA and, as a result, no fiscal impact to those taxing districts serving the RPA is anticipated.

- V. **REDEVELOPMENT PROJECT, B. REDEVELOPMENT ACTIVITIES** is amended to include an additional item to "Public Improvements" on page 11.

- "construction and/or reconstruction of parking structures."

The following redevelopment activity is added to page 13, part of B. Redevelopment Activities:

Rehabilitation of Structures

The City may assist owners or tenants in the rehabilitation of structures located within the RPA.

V.C. General Land Use Plan is amended as follows:

Existing land uses in the Amendment to the RPA are primarily commercial, retail, mixed use, and include a City owned parking structure. An amended Existing Land Use Plan is included as Exhibit D. Proposed land uses would also include mixed use/residential and such uses are identified in the map attached as Exhibit E.

V.E. Estimated Redevelopment Project Costs is amended pursuant to Table 1, attached.

TABLE 1

SUMMARY OF REDEVELOPMENT PROJECT COSTS
WASHINGTON NATIONAL REDEVELOPMENT PLAN AND PROJECT

<u>PROGRAM ACTION/ IMPROVEMENTS</u>	<u>ESTIMATED COSTS 1994 PLAN ⁽¹⁾</u>	<u>AMENDMENT TO THE 1999 PLAN ⁽²⁾</u>	<u>TOTAL COSTS</u>
1. Land Acquisition and Assembly Costs including Site Preparation	\$3,500,000	\$1,500,000	\$ 5,000,000
2. Rehabilitation and related Construction of Public Improvements	1,250,000	\$1,000,000	\$ 2,250,000
3. Utility Improvements	500,000	500,000	\$ 1,000,000
4. Construction and Reconfiguration of Parking right-of-ways and Street Improvements/Construction	500,000	500,000	\$ 1,000,000
5. Interest Costs Pursuant to the Act	1,000,000	500,000	\$ 1,500,000
6. Rehabilitation of Structures	-	750,000	\$ 750,000
7. Public Facilities/Parking Garage Construction/Reconstruction	-	25,000,000	\$25,000,000
8. Planning, Legal, Admin.. and Other	500,000	1,250,000	\$ 1,750,000
9. Contingencies	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total Estimated Costs	\$7,500,000	\$31,000,000	\$38,500,000

Footnotes:

- (1) All project cost estimates are in 1994 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line items costs are expected.
- (2) All project cost estimates are in 1999 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line items costs are expected.

V.F. Sources of Funds to Pay Redevelopment Projects Eligible Under Illinois TIF Act

Two new paragraphs are added to last paragraph on page 20.

The tax increment revenues which will be used to pay debt service in the tax increment obligations, if any and to directly pay redevelopment project costs in the Amendment to the RPA shall be the incremental increase in property taxes attributable to the increase in the equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Amendment to the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the Amendment to the RPA in 1998/1999 tax years. The 1994 RPA's initial equalized assessed value will remain unchanged as a result of the amendment.

The City may, pursuant to the Act, utilize incremental property taxes between the adjacent Downtown RPA and the Washington National RPA (as amended) in order to accomplish redevelopment goals and objectives.

V.H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area is amended to add an additional paragraph on page 22.

The equalized assessed valuation of the property within the Amendment to the RPA is approximately \$21,472,765 (1997 EAV). At the time of the Amendment to the RPA's preparation, the 1998 Assessed Valuation is approximately \$10,011,810; but the State multiplier has not been finalized. The 1998 EAV will be updated once the State multiplier is certified. The initial equalized assessed valuation for the 1994 RPA is \$3,350,355.

V.I. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated private redevelopment of the Amendment to the RPA, it is estimated that the EAV within this area would increase by approximately \$20,000,000. This estimate assumes 1999 dollars.

VI. SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

- the second paragraph on page 22 is replaced with:

“The Redevelopment Project will require an estimated ten (10) to twelve (12) years to complete”

The following redevelopment project activities are to be included to page 23 (as part of Section VI.A)

Rehabilitation of Structures: The City may undertake or cause to undertake the rehabilitation of structures in order to further the RPA's redevelopment.

Public Facilities/Parking Improvements: The City may construct, reconstruct or cause to constructed necessary parking improvements (including parking structures) necessary for the redevelopment of the RPA.

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

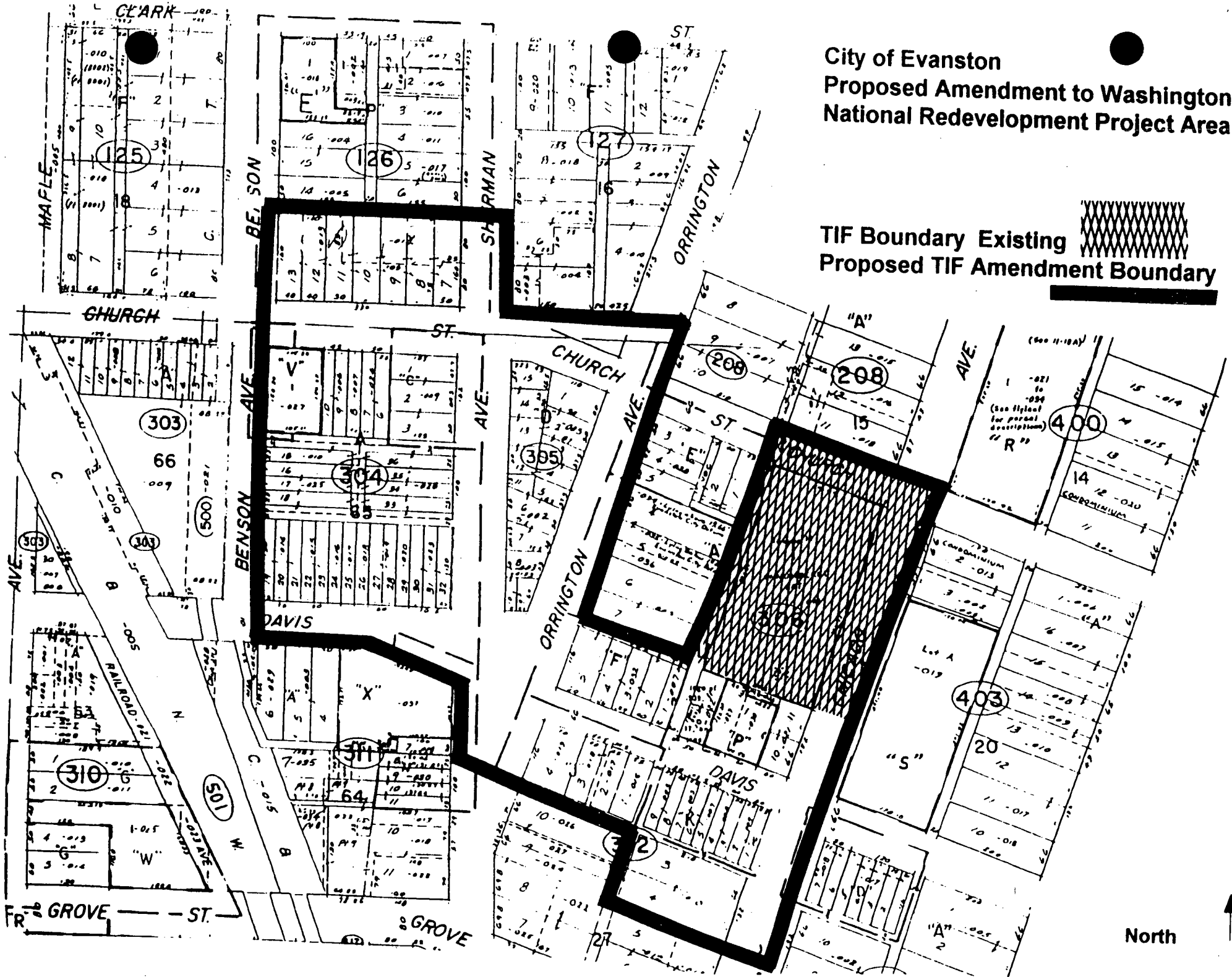
The existing paragraph is to be replaced with:

“The Redevelopment Project will be completed on or before a date twenty three (23) years from the adoption of the ordinance designating the initial Redevelopment Project Area, (September, 1994). Actual construction activities are anticipated to be completed within ten (10) to twelve (12) years from the aforesaid date.”

Exhibit A
Amended RPA Boundary Map

City of Evanston
Proposed Amendment to Washington
National Redevelopment Project Area

TIF Boundary Existing 
Proposed TIF Amendment Boundary 



North 

Exhibit B

Amendment RPA Legal Description

LEGAL DESCRIPTION

Washington National TIF District

A parcel of land in the South 1/2 of Section 18, Township 41 North, Range 14 East of Third Principal Meridian comprising Lot 1 and Lots 12 to 16, both inclusive in Block 19 in The Village of Evanston in Section 13, Township 41 North, Range 13 East of Third Principal Meridian and Sections 7, 18 and 19, Township 41 North, Range 13 East of Third Principal Meridian, the 20 feet Northerly and Southerly public alley lying Westerly of and adjoining the Westerly line of said lots, the Westerly 1/2 of Chicago Avenue lying Easterly of adjoining the Easterly line said Lots and the Southerly 1/2 of Church Street lying Northerly the Northerly line, and the Northerly line extend Westerly 20 feet, of said Lot 1 and more particularly described as follows: commencing at the point of intersection of the center lines of Church Street and Chicago Avenue; thence Southwesterly along the said center line of Chicago Avenue to its intersection with the extension Southeasterly of the Southerly line of said Lot 12; thence Northwesterly along said extended line, the Southerly line of said Lot 12 and the said Southerly line extended Northwesterly to the Westerly line of aforesaid 20 feet Northerly and Southerly public alley; thence Northeasterly along said Westerly line and said Westerly line extended Northerly of said 20 feet Northerly and Southerly public alley to its intersection with the said center line of Church Street; thence Southeasterly along said center line of Church Street to the point of beginning, Cook County, Illinois.

AND

LEGAL DESCRIPTION

Amendment to Washington National TIF District (amended area only)

That part of the East $\frac{1}{2}$ of the West $\frac{1}{2}$ and the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 18, Township 41 North, Range 14 East of the Third Principal Meridian described as follows: beginning at the point of intersection of the East line, extended South, of Benson Avenue and the center line of Church Street (said point of intersection being a point in the South line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Section 18); thence North along said extended East line; the East line and said East line extended North of said Benson Avenue to the North line of the First east and west 20 ft. public alley North of said Church Street; thence East along said North line and said North line extended across a 20 ft. north and south alley and across Sherman Avenue to the East line of said Sherman Avenue; thence South along said East line to the North line of Church Street; thence East along said North line and said North line extended across a 20 ft. north and south alley and across Orrington Avenue to the Easterly line of said Orrington Avenue; thence Southerly along said Easterly line and said Easterly line extended across Church Street to the Southerly line of Lot 7 in Block 19 in the Village of Evanston in Section 13, Township 41 North, Range 13 East of the Third Principal Meridian and Section 7, 18 and 19, Township 41 North, Range 14 East of the Third Principal Meridian; thence Easterly along said Southerly line and said Southerly extended across a 20 ft. northerly and southerly alley and across Chicago Avenue to the Easterly line of said Chicago Avenue; thence Southerly along said Easterly line and said Easterly line extended across Davis Street and across a Easterly & Westerly 20 ft. alley to the Southerly line, extended Southeasterly, of Lot 4 in Block 27 in the Village of Evanston aforesaid; thence Northwesterly along said extended Southerly line the Southerly line and the said Southerly line extended across a 20 ft. northerly and southerly alley

Westerly of said Lot 4 to the Westerly line of said alley; thence Northerly along the said Westerly line of alley to the Northerly line of Lot 10 in Block 27 in the Village of Evanston aforesaid; thence Northwesterly along said Northerly line and said Northerly line extended to the West line of Sherman Avenue; thence North along said West line to the Southerly line of Davis Street; thence Northwesterly and Westerly along said Southerly line to the East line, extended South, of Benson Avenue; thence North along said extended East line, the East line and said East line extended across two east and west alleys of said Benson Avenue to the South line of Church Street; thence continuing North across the Southerly part of said Church Street to the point of beginning, Cook County, Illinois.

Exhibit C
Amended RPA TIF Qualification Report

CITY OF EVANSTON
PRELIMINARY TIF QUALIFICATION REPORT
PROPOSED WASHINGTON NATIONAL
(Church/Chicago/Davis)
AMENDMENTS TO EXISTING
REDEVELOPMENT PROJECT AREA

PREPARED FOR:
THE CITY OF EVANSTON

PREPARED BY:
KANE, McKENNA AND ASSOCIATES, INC.

JULY, 1999

City of Evanston

**TIF Designation Report Proposed Amendments to
Washington National Redevelopment Project Area**

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Exhibits

Exhibit 1 - Boundary Map

Exhibit 2 - Legal Description

Exhibit 3 - Parcel Identification Numbers

I. INTRODUCTION AND BACKGROUND

Introduction

This eligibility report focuses on 39 tax parcels and 29 structures located adjacent to the existing Washington National TIF District (the “Existing RPA”), in the City of Evanston, Cook County, Illinois. The Study Area, located entirely in the City’s downtown Central Business District, consists primarily of older buildings bounded generally by Benson Avenue to the west, Davis Street and the alley south of the block of 600 Davis to the south; the alley to the north of the former Marshall Field’s building and the Varsity theater, Church Street, and the alley north of the block of 600 Davis to the north; and Chicago Avenue to the east (the “Proposed Amendment to the Existing RPA” or the “Study Area”).

The purpose of this report is to document in a comprehensive manner the extent to which the factors relating to the designation of a “conservation area” exist for this area and to determine the eligibility of this area for such status pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 et. seq., as amended (the “Act”).

The Act addresses the elimination or reduction of conservation area factors within Illinois communities through the implementation of redevelopment measures. The Act authorizes the use of tax increment revenues derived from the tax rates of various taxing districts in a Redevelopment Project Area (the “RPA”) for the payment of costs related to the undertaking of redevelopment projects. In order to qualify for redevelopment eligibility under this legislation, an RPA must

contain conditions which warrant its designation as a "conservation area". The following sections of this report will describe conditions which exist in the Proposed Amendment to the Existing RPA conformant to the provisions of the Act.

The survey was undertaken during June and July, 1999 and also includes the findings of previous studies, plans and inventories conducted by various firms and City agencies which were available and are pertinent to the evaluation of this area. Said studies and plans are not, however, viewed as the sole basis for the findings made herein.

Area Background

The existing RPA and the proposed amended area are located in the City's Central Business District which was established during the early 1900's. The primary land uses at that time consisted of mostly 2-3 story brick buildings generally located along Church and Davis Streets. The founders of Washington National Insurance Company (Kendall and Preston) chose Evanston as the location for the construction of the 616 Church Street Building in 1921 to house its insurance company. As the company grew over the years, it subsequently implemented 15 additions or newly constructed areas, which over time incorporated a significant portion of the entire City block on which it stood. At its peak, the company employed 2,000 individuals. When the company began to experience a downturn, and an accordant reduction in staff and operation occurred beginning in 1983, it was obvious to firm officials that a decision had to be made with respect to the building due to its diminishing use and advancing age.

The City of Evanston designated the site of the former Washington National facilities as a TIF district in 1994.

The RPA amendment is being pursued to conserve and enhance Central Business District functions and to allow for the continued redevelopment of the core area, including expanded provisions for public parking. Without public intervention, the area's future growth could be impaired.

Appropriate redevelopment of the area would provide for an increase in the real property tax base. The proposed residential and commercial uses would create new housing and pedestrian activity for downtown businesses, thus expanding the City's and other taxing districts' tax base.

II. QUALIFICATION CRITERIA USED

With the assistance of City of Evanston staff, Kane, McKenna and Associates, Inc. (KMA) examined the Proposed Amendment to the Existing RPA in order to determine the presence or absence of appropriate qualifying factors listed in the Illinois "Real Property Tax Increment Allocation Act" (hereinafter referred to as "the Act"), as amended. The relevant sections of the Act are found below.

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

"an area designated by the municipality, which is not less in the aggregate than 1½ 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."

The Act defines a "blighted" area and "conservation" area as follows:

"Any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where, if improved, industrial, commercial and residential buildings or improvements, because of a combination of 5 or more of the following factors: age; dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning, is detrimental to the public safety, health, morals or welfare, or if vacant, the sound growth of the taxing districts is impaired by 1) a combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or 2) the area immediately prior to becoming vacant qualified as a blighted improved area, or 3) the area consists of an unused quarry or unused quarries, or 4) the area consists of unused railyards, rail tracks or railroad rights-of-way, or 5) the area, prior to its designation, is subject to chronic flooding

which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area which improvements have been in existence for at least 5 years, or 6) the area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites.”

“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: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

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

III. THE STUDY AREA

The Study Area consists of an approximately 39 tax parcels and 29 primary structures.

Based on available Sanborn and City permit data, 89% of the structures are over 35 years.

Public rights-of-way surrounding the Study Area are included in the proposed amendment to the RPA. These include the Chicago Avenue, Church Street, Davis Street, Orrington Avenue, and Benson Avenue.

IV. METHODOLOGY OF EVALUATION

In evaluating the Proposed Amendment to the Existing RPA's qualification, the following methodology was utilized:

- (1) Exterior site surveys of the site improvements within the proposed amendment to the RPA were undertaken by representatives from Kane, McKenna and Associates, Inc. KMA completed an evaluation of all structures, noting obsolescence, deleterious layout, depreciation and deterioration, as well as possible code violations. A photograph analysis of the area was conducted and used to aid this evaluation.
- (2) The entire area was studied in relation to review of zoning and site maps; City ordinances; historic and current tax levy year information from the Cook County Clerk's Office; Sidwell tax plat maps; discussions with City staff regarding local history; photographs; and an evaluation of area-wide factors that have affected the area (e.g., deleterious land use or layout, obsolescence, etc.). KMA reviewed the area in its entirety. City redevelopment goals and objectives for the entire area were also reviewed.
- (3) Discussions were undertaken with the City staff. Discussions included certain impediments to the area which could be overcome by certain improvements or incentives.

The Study Area was examined to determine the applicability of the different factors for qualification for TIF designation under the Act.

- (4) Evaluation was made by reviewing the information collected and determining how each parcel and the structure measured as to the prevalence of each factor.

Summary of Area Findings

The following is a summary of relevant qualification findings:

- (1) The area consisting of the existing RPA and the amended RPA is contiguous and is greater than 1½ acres in size, as required by the Act.
- (2) The proposed amendment to the RPA can be categorized as a “conservation area” (a discussion of the basis for qualification of the RPA follows in the next section). Factors necessary to make these findings are present to a meaningful extent and reasonably distributed throughout the area as a whole.
- (3) All property in the RPA (existing and amended) would benefit by the proposed redevelopment project improvements.
- (4) The sound growth of the tax base for taxing districts that are applicable to the area, including the City, had been impaired by the blighting factors found present in the area and as outlined in the Act.

Since 1993, the Study Area Equalized Assessed Valuation (EAV) has increased by 1.9% cumulatively, which is near or lower than above the inflation rate and lower than the City's overall growth rate of 10% over the same period.

V. QUALIFICATION OF AREA/FINDINGS OF ELIGIBILITY

Based upon an evaluation of the Proposed Amendment to the Existing RPA and an analysis of each of the eligibility factors summarized in Section IV, the following factors are presented to support qualification as a “conservation area”.

1) Age

Of the 29 primary structures/improvements in the area, 26 or 89% are over 35 years old. The Study Area meets the initial threshold factor for qualification as a conservation area.

2) Obsolescence

The Proposed Amendment to the Existing RPA as a whole exhibits elements of economic and functional obsolescence. As stated above, 89% of the structures are 35 years or older. Almost all of these structures were constructed before or during the late 1940's.

In relation to market levels, the vacancy levels are not extraordinary. However, due to older building conditions, there will be a continual requirements for upgraded mechanical, HVAC, and electrical systems in order to continue to be competitive in the marketplace. Structural components such as windows and window treatments require upgrades in many cases. In addition, facade treatments and exterior finishes require cleaning and repairs. As buildings increase in age, it is important to maintain market rentals in order to continue to upgrade and/or maintain building inventory.

Tenant and/or shopper satisfaction is related to area-wide conditions which include available and convenient parking, overall area appearance (including facades, signage, and streetscape), and the mix of retailers/service providers. Older building inventory and area layouts (including parking availability), such as the Study Area, exhibit conditions that may command lower rentals (or comparatively lower rentals) in relation to newer or modern facilities. As a result, continual attention to property upkeep, available parking and area appearances are important in order to maintain market rental levels and the area's marketplace niche. If such levels decline due to the lack of area amenities or decline in consumer use, the ability of properties to continue to maintain quality tenants decreases. The condition of the Sherman Avenue garage clearly impacts the wider area and its parking requirements. Maintenance of the parking facility is an important component of the Study Area. The parking garage exhibits conditions of deterioration which have impacted the useful life of the structure and result in the economic obsolescence. Unless these conditions are addressed, property values could continue to be stagnant or may negatively be impacted.

Reference to the Cook County Equalized Assessed Valuation (EAV) data indicates that values have modestly tracked inflation over the period 1993 to 1997 and the Study Area growth is less than the City's overall growth. Almost all of the positive growth over this period can be attributed to value increases associated with two parcels (the Citibank and the former Marshall Field's parcels), while eight parcels recorded declines (20% of the parcels). The majority of the parcels recorded minimal growth.

The Study Area exhibits suffers from area-wide obsolescence connected in part to the factor of deleterious layout discussed below and the advanced age of the primary structures.

The size and layout of the existing structures, as they were originally constructed in many cases, does not represent a design that accommodates the need of modern businesses and their customers. The dominant structures represented tend to utilize the entire parcels that they each occupy, and provide minimized building setbacks and landscaping. Additionally, these structures were not developed with the concept of heavy automobile use in mind, and the desire of shoppers to park automobiles on the site they wish to frequent. This condition extends to most of the tax blocks that are included within the Study Area. Such blocks suffer from minimum setbacks, and lack enough depth to provide space for adequate customer parking. Existing conditions on these blocks hinder the type of convenience and accessibility demanded by today's retail market place, which in large measure, renders them functionally obsolete for modern commercial/retail use; unless coordinated and available parking is integrated into the area's uses.

As described above, the presence of older structures also presents significant costs in rehabilitation relating to replacement and/or repair of building electrical, plumbing, and HVAC systems. Conformance to ADA requirements, window upgrades/replacements, facade replacement, and elevator repair/replacement also could provide additional burdens to owners and/or tenants.

3) Deleterious Land Use or Layout

The area is categorized by parcels of various sizes and shapes. Alleyways are generally narrow with respect to truck traffic and loading/unloading requirements.

Commercial properties exhibit different lot depths and sizes. Provisions for adequate buffering, loading and parking also require coordination, as well as coordinated ingress and egress for common retail/commercial parking.

The central retail/commercial uses are primarily early 1900's vintage and are categorized by layouts that do not include convenient parking (building layout may cover the entire lot) or provisions for loading. Many structures exhibit narrow, long depths.

Many parcels, due to smaller size and their relationship to adjacent parcels, would be difficult to develop without central coordination. Requirements for the coordination of convenient parking need to be included in planning efforts for the Proposed Amendment to the Existing RPA.

There is insufficient public off street parking to service retail and service businesses within the Study Area as a whole, much of the existing parking is either on street (along major traffic arterial streets) with some off-street parking, designated for private use associated with specific businesses. As is common in older central business districts, most retail and service businesses within the Study Area must rely on supplements to the existing on street parking in order to meet customer needs through common parking lots or parking structures. The key reason this problem exists is that the Study Area is dominated by older multi-storied, store front structures which were

constructed in an era prior to automotive society which exists today. Such structures were designed for mixed retail (or service) and prior residential uses (on the upper floors).

Compounding the problem is the existence of narrow alleyways behind most of the parcels within the RPA. The widths of the alleyways behind most of the parcels within the RPA. The widths of the alleyways do not enhance rear access to most structures, especially as it relates to access by commercial related vehicles.

In the era these structures were constructed, direct access via car traffic to service and retail establishments was not as important as today with the tremendous growth in automobile usage over the last 40 to 50 years. In general, people lived (often right above businesses) and shopped in the same neighborhood. This meant there was not a great demand for parking and, therefore no need or concern to require the kind of off-street parking dictated by modern development standards. Yet, these structures, and the businesses they house remain a vital part of the City. Their long-term viability for commercial use will to a large extent depend on the ability of the City to continually adapt the RPA up to moderns standards, inclusive of creation of public off-street parking, that will allow the majority of the existing structures to remain accessible to business customers.

As noted in the Shopping Center Development Handbook Urban Land Institute, "parking in a shopping district must be (or perceived as) simple, trouble-free, and safe." In short, people want to park directly in front of where they want to shop or secure a service. Traditional central

City shopping areas typically cannot offer this as readily as today's modern retail and service malls
this tends to contribute to the problem of deleterious layout and land use.

The lack of building setbacks and land coverage for building site greatly limits the potential for private off-street parking for individual businesses within the RPA. Additionally, the lack of land in relation to building coverage throughout the RPA severely limits the potential for existing or new property owners to enlarge sites for business expansion opportunities for the RPA.

4) **Depreciation of Physical Maintenance**

Eighty four (84%) of the structures and the site improvements within the RPA exhibited conditions of depreciation and deferred maintenance.

These conditions include:

- o Potholes and cracked pavement in alleyways/lots and street right of ways
- o Peeling paint and/or unpainted surfaces
- o Rusted HVAC components and metal framing
- o Missing mortar/need for repairs on exterior surfaces
- o Need for tuckpointing (walls/openings)
- o Damaged window frames/door frames
- o Window/door frames that require sealing/caulking

5) **Deterioration**

The Sherman Street parking garage which occupies 1/3 of a City block, evidences conditions of structural deterioration relating to its waterproof membrane and the post-tensioning components. City engineering evaluations indicate that the structural integrity of the garage will require certain immediate repairs, but a long term solution will need to address replacing all of the

deteriorated slab post-tensioning cables. The scope of the replacement is significant, and replacement of the structure may ultimately be more cost effective.

The building that housed the former Varsity theater also evidences deterioration, including the rear part of the structure where the stage is located. The floor is rotted out in places, and interior inspection by the City in early 1999, revealed extensive rat infestation on the ground level and the basement. Building structural components including system components are also in need of replacement according to City inspections.

6. **Excessive Vacancies**

The former Varsity theater structure has been vacant for 13 years, except for frontage uses which comprise less than 75% of the area. The Ameritech facility located at the southeast part of the Study Area has been vacant for 13 years as well. (Existing uses are limited to a switching station, office/ancillary space has remained vacant).

VI. OVERALL ASSESSMENT OF AMENDED TIF AREA QUALIFICATIONS

● The Proposed Amendment to the Existing RPA is considered to be an eligible TIF District with respect to conservation area conditions. Conservation area conditions exist throughout the area, which when considered as a whole, will qualify the Study Area under Section 11-74.4-3 of the Tax Increment Allocation Redevelopment Act of the State of Illinois.

As set forth in the narrative and map attached herein, the Proposed Amendment to the Existing RPA meets the "conservation area": requirements of the Act. The following characteristics are distributed throughout the proposed RPA: (1) Age, (2) Obsolescence, (3) Deleterious Land Use and/or Layout, (4) Depreciation of Physical Maintenance, (5) Deterioration, and (6) Excessive Vacancies.

● The combination of these factors impede the most efficient redevelopment of the properties. The combined age, obsolescence and deleterious layout of the area, coupled with the depreciation will require a coordinated redevelopment approach in order to improve this core area of the downtown, and coordinate efforts with existing and proposed redevelopments.

City intervention and the Proposed Amendment to the Existing RPA is expected to maintain and improve property valuations, and serve as a conduit for the leveraging of substantial private investment and development.

Exhibit 1
Boundary Map

City of Evanston Proposed Amendment to Washington National Redevelopment Project Area

TIF Boundary Existing
Proposed TIF-Amendment Boundary

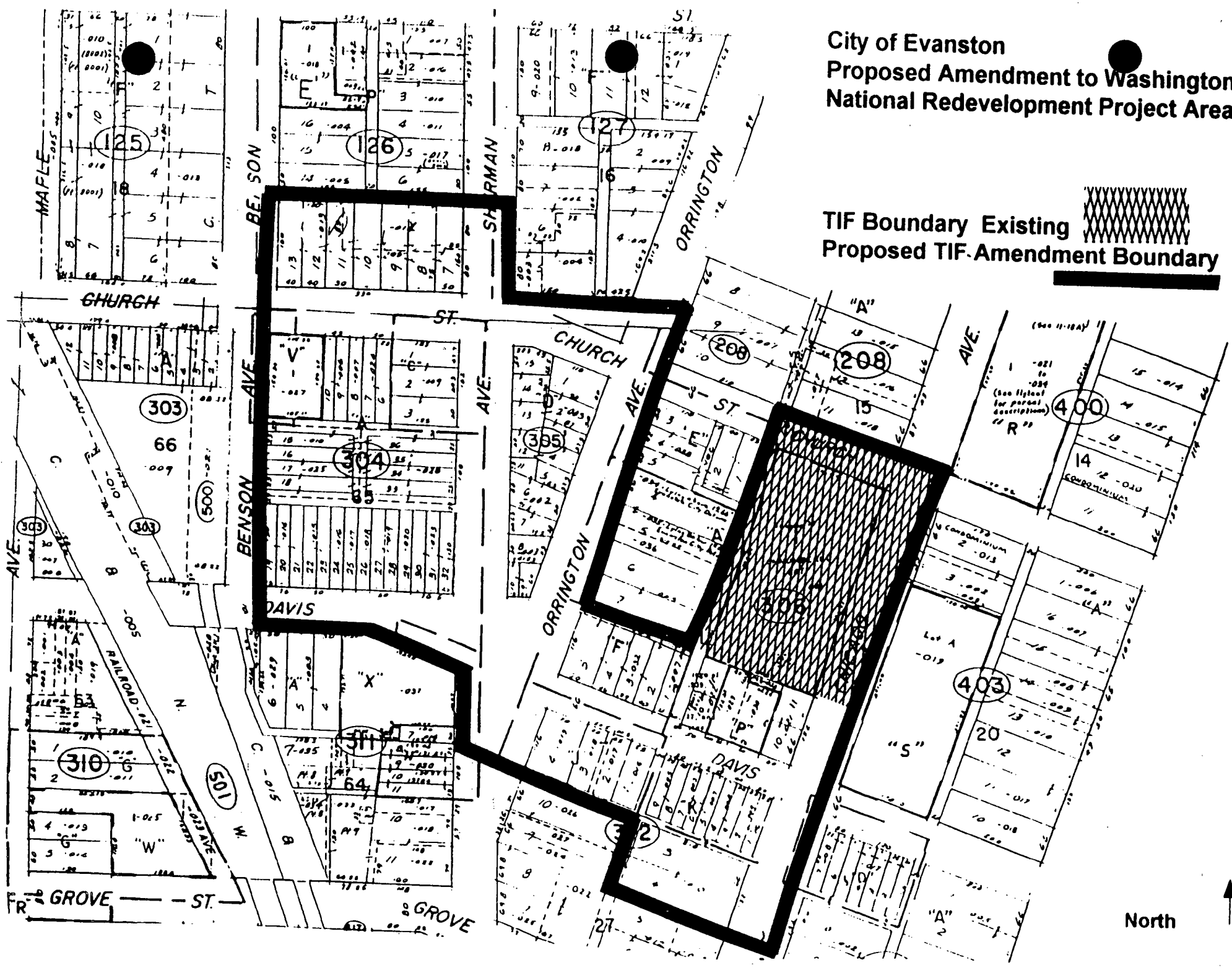
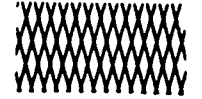


Exhibit 2
Legal Description

LEGAL DESCRIPTION

Amendment to Washington National TIF District (amended area only)

That part of the East $\frac{1}{2}$ of the West $\frac{1}{2}$ and the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 18, Township 41 North, Range 14 East of the Third Principal Meridian described as follows: beginning at the point of intersection of the East line, extended South, of Benson Avenue and the center line of Church Street (said point of intersection being a point in the South line of the East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of said Section 18); thence North along said extended East line; the East line and said East line extended North of said Benson Avenue to the North line of the First east and west 20 ft. public alley North of said Church Street; thence East along said North line and said North line extended across a 20 ft. north and south alley and across Sherman Avenue to the East line of said Sherman Avenue; thence South along said East line to the North line of Church Street; thence East along said North line and said North line extended across a 20 ft. north and south alley and across Orrington Avenue to the Easterly line of said Orrington Avenue; thence Southerly along said Easterly line and said Easterly line extended across Church Street to the Southerly line of Lot 7 in Block 19 in the Village of Evanston in Section 13, Township 41 North, Range 13 East of the Third Principal Meridian and Section 7, 18 and 19, Township 41 North, Range 14 East of the Third Principal Meridian; thence Easterly along said Southerly line and said Southerly extended across a 20 ft. northerly and southerly alley and across Chicago Avenue to the Easterly line of said Chicago Avenue; thence Southerly along said Easterly line and said Easterly line extended across Davis Street and across a Easterly & Westerly 20 ft. alley to the Southerly line, extended Southeasterly, of Lot 4 in Block 27 in the Village of Evanston aforesaid; thence Northwesterly along said extended Southerly line the Southerly line and the said Southerly line extended across a 20 ft. northerly and southerly alley

Westerly of said Lot 4 to the Westerly line of said alley; thence Northerly along the said Westerly line of alley to the Northerly line of Lot 10 in Block 27 in the Village of Evanston aforesaid; thence Northwesterly along said Northerly line and said Northerly line extended to the West line of Sherman Avenue; thence North along said West line to the Southerly line of Davis Street; thence Northwesterly and Westerly along said Southerly line to the East line, extended South. of Benson Avenue; thence North along said extended East line, the East line and said East line extended across two east and west alleys of said Benson Avenue to the South line of Church Street; thence continuing North across the Southerly part of said Church Street to the point of beginning. Cook County, Illinois.

Exhibit 3

Parcel Identification Numbers

PRELIMINARY
Evanston Washington National TIF
Proposed TIF Amendment

PIN	TAX CODE (1)	1998 AV	1997 EAV(2)	1996 EAV (2)	1995 EAV (2)	1994 EAV (2)	1993 EAV (2)
Existing TIF							
11-18-306-033	17025	Div. Parcel	4,728,371	1,185,092	New Parcel	0	0
Initial Study Area							
Area 1							
11-18-304-006	17024	217,899	468,243	468,853	462,883	396,898	450,756
11-18-304-007	17024	52,063	111,878	112,024	110,597	90,881	108,786
11-18-304-009	17024	378,109	812,518	813,577	803,217	736,567	746,047
11-18-304-010	17016	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
11-18-304-014	17024	220,000	472,758	473,374	467,346	429,220	434,744
11-18-304-015	17024	136,562	293,458	212,891	249,714	296,858	300,678
11-18-304-016	17024	41,271	88,867	88,803	87,672	87,032	88,152
11-18-304-017	17024	41,271	88,867	88,803	87,672	87,032	88,152
11-18-304-018	17024	41,271	88,867	88,803	87,672	87,032	88,152
11-18-304-019	17024	82,122	176,472	176,702	174,452	173,254	175,484
11-18-304-020	17024	117,762	253,059	253,388	250,162	235,288	238,316
11-18-304-023	17024	932,525	2,003,903	2,006,514	1,980,965	1,752,603	1,775,158
11-18-304-024	17024	200,358	388,396	388,903	383,950	339,806	344,180
11-18-304-025	17016	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
11-18-304-026	17016	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
11-18-304-027	17024	516,635	1,110,197	1,111,644	1,066,611	908,630	920,323
11-18-306-021	17024	160,233	344,325	344,773	340,383	318,452	322,550
11-18-306-022-8001	17024	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
11-18-306-022-8002	17024	35,878	77,098	77,199	76,216	2	76,804
11-18-306-029	17024	82,700	177,714	177,946	175,680	75,661	234,396
11-18-306-030	17024	50,107	107,675	107,815	106,442	105,901	107,264
11-18-306-026	17016	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
11-18-306-032	17024	623,228	1,339,255	1,438,272	1,350,394	1,662,693	1,684,091
11-18-306-007	17024	77,421	166,370	180,816	167,112	198,181	200,731

PRELIMINARY
Evanston Washington National TIF
Proposed TIF Amendment

PIN	TAX CODE (1)	1998 AV	1997 EAV(2)	1996 EAV (2)	1995 EAV (2)	1994 EAV (2)	1993 EAV (2)
11-18-312-005	17024	157,999	339,524	339,966	335,637	270,063	273,539
11-18-312-006	17024	83,029	178,421	178,653	167,015	166,163	168,302
11-18-312-007	17024	84,776	182,175	182,413	183,119	151,191	153,137
11-18-312-008	17024	119,344	256,458	263,848	213,717	140,877	142,690
11-18-312-009	17024	172,040	369,697	370,178	365,465	308,381	312,350
11-18-312-016	17024	150,753	323,953	324,375	320,245	304,841	308,764
11-18-312-017	17024	52,190	112,151	111,774	113,076	112,502	113,949
11-18-312-018	17024	79,434	170,696	227,465	265,574	212,474	215,209
11-18-312-019	17024	125,196	269,034	269,389	265,699	380,665	385,564
11-18-312-010	17024	1,196,122	2,570,347	2,573,696	2,179,532	2,528,004	3,237,060
11-18-305-003	17024	781,383	1,679,114	952,532	1,002,831	1,472,811	1,491,766
11-18-305-005	17024	802,357	1,724,185	1,726,432	1,530,518	1,633,125	1,654,142
11-18-305-002	17024	420,099	902,751	903,927	892,416	883,443	894,813
ADD Field's/Varsity							
11-18-126-013	17024	1,389,391	2,985,662	2,989,553	2,951,483	2,602,925	2,636,424
11-18-126-014	17024	390,282	838,677	839,770	829,076	679,655	688,402
Cumulative Pct. Change	Total	10,011,810	21,472,765	20,865,071	20,044,543	19,829,111	21,060,875
1.96%	Pct. Change		2.91%	4.09%	1.09%	-5.85%	

**PRELIMINARY
Evanston Washington National TIF
Proposed TIF Amendment
Other Factors:**

PIN	Threshold Factor:		Other Factors:				Area Wide Factors:	
	Age (3)	35 yrs + then "1"	Deprec.	If Depr. then "1"	Deterioration	Excessive Vacancy	Deleterious Layout	Obsolesc.
Existing TIF								
11-18-306-033	1995	0	No	0				
Initial Study Area								
11-18-304-006	1923	1	Yes	1			Yes	Yes
11-18-304-007	1918	1	Yes	1			Yes	Yes
11-18-304-009	1948	1	No	0			Yes	Yes
11-18-304-010	Garage		Yes	1	Yes		Yes	Yes
11-18-304-014	1936	1	Yes	1			Yes	Yes
11-18-304-015	1929	1	Yes	1			Yes	Yes
11-18-304-016	1929	1	No	0			Yes	Yes
11-18-304-017	Pt.-016		Yes	1			Yes	Yes
11-18-304-018	Lot		No	0			Yes	Yes
11-18-304-019	1894	1	No	0			Yes	Yes
11-18-304-020	1947	1	Yes	1			Yes	Yes
11-18-304-023	1947	1	Yes	1			Yes	Yes
11-18-304-024	1921	1	Yes	1			Yes	Yes
11-18-304-025	1969	0	Yes	1	Yes		Yes	Yes
11-18-304-026	Pt. -025		Yes	1	Yes		Yes	Yes
11-18-304-027	1940	1	Yes	1			Yes	Yes
11-18-306-021	1906	1	Yes	1			Yes	Yes
11-18-306-022-8001	Lot		Yes	1			Yes	Yes
11-18-306-022-8002	Lot		Yes	1			Yes	Yes
11-18-306-029	Lot		Yes	1			Yes	Yes
11-18-306-030	Lot		Yes	1			Yes	Yes
11-18-306-026	Alley		Yes	1			Yes	Yes
11-18-306-032	Plz. Dr. Thr.	0	No	0			Yes	Yes
11-18-306-007	Lot		No	0			Yes	Yes

PRELIMINARY
 Evanston Washington National TIF
 Proposed TIF Amendment
 Other Factors:

PIN	Threshold Factor:		Other Factors:			Area Wide Factors:		
	Age (3)	35 yrs + then "1"	Deprec.	If Depr. then "1"	Deterioration	Excessive Vacancy	Deleterious Layout	Obsolesc.
11-18-312-005	1903	1	Yes	1			Yes	Yes
11-18-312-006	1898	1	Yes	1			Yes	Yes
11-18-312-007	1909	1	Yes	1			Yes	Yes
11-18-312-008	1950	1	Yes	1			Yes	Yes
11-18-312-009	1911	1	Yes	1			Yes	Yes
11-18-312-016	1929	1	Yes	1			Yes	Yes
11-18-312-017	1929	1	Yes	1			Yes	Yes
11-18-312-018	1929	1	Yes	1			Yes	Yes
11-18-312-019	1947	1	Yes	1			Yes	Yes
11-18-312-010	1955	1	Yes	1		Yes	Yes	Yes
11-18-305-003	No	0	Yes	1			Yes	Yes
11-18-305-005	1920	1	Yes	1			Yes	Yes
11-18-305-002	1927	1	Yes	1			Yes	Yes
ADD Field's/Varsity							Yes	Yes
11-18-126-013	1929	1	Yes	1			Yes	Yes
11-18-126-014	1926	1	Yes	1	Yes	Yes	Yes	Yes
Cumulative Pct. Change	Total	26		33			Yes	Yes
	1.96% Pct./Total	89.66%		84.62%				

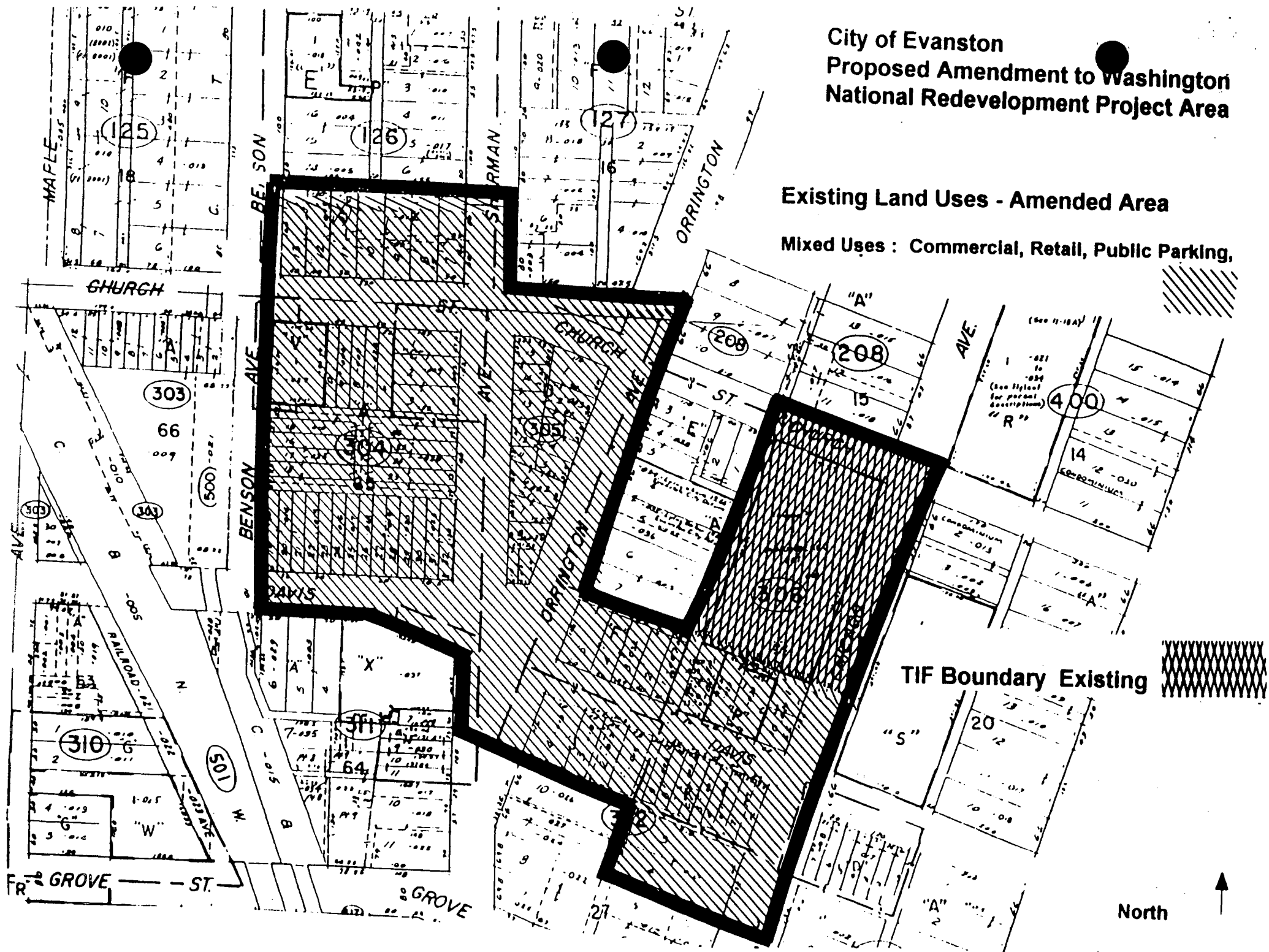
Exhibit D

Existing Land Use Map

City of Evanston
Proposed Amendment to Washington
National Redevelopment Project Area

Existing Land Uses - Amended Area

Mixed Uses : Commercial, Retail, Public Parking,



TIF Boundary Existing

North

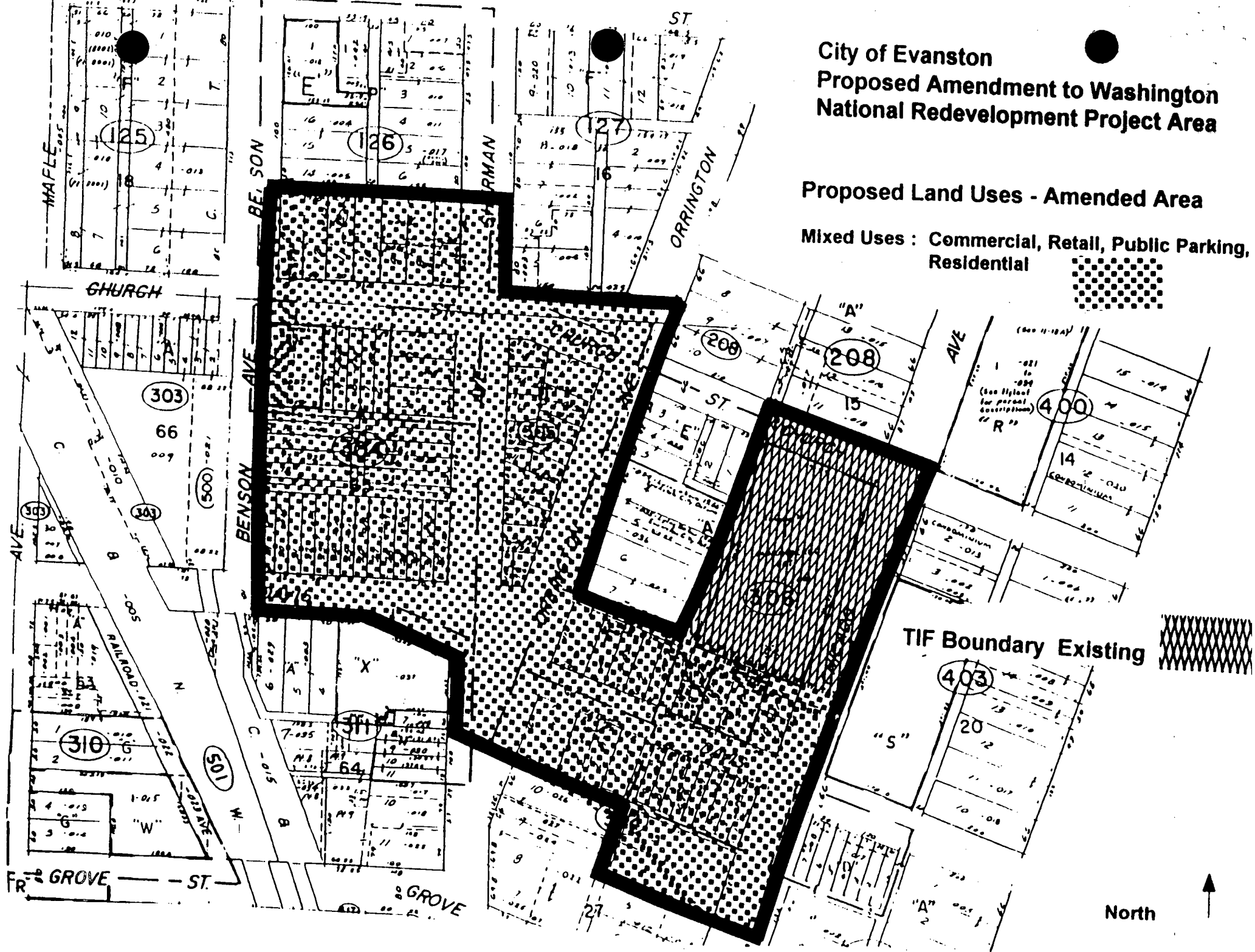
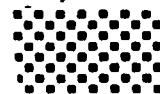
Exhibit E

Proposed Land Use Map

City of Evanston
Proposed Amendment to Washington
National Redevelopment Project Area

Proposed Land Uses - Amended Area

Mixed Uses : Commercial, Retail, Public Parking,
Residential



North

