

CITY OF EVANSTON
TAX INCREMENT FINANCING DISTRICT NO. 4
WASHINGTON NATIONAL TIF DISTRICT
ANNUAL REPORT FOR THE FISCAL YEAR
BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2016

***CITY OF EVANSTON WASHINGTON NATIONAL TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR
BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2016***

City of Evanston

**Tax Increment Financing District No. 4
Washington National TIF District
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Section 1. Name of Redevelopment Project Area and Contact Information

Refer to chart attached.

FY 2016
ANNUAL TAX INCREMENT FINANCE
REPORT



STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality: Evanston Reporting Fiscal Year: 2016
County: Cook Fiscal Year End: 12/31/2016
Unit Code: 016/175/30

TIF Administrator Contact Information

First Name: Martin Last Name: Lyons
Address: 2100 Ridge Avenue Title: Asst. City Manager/CFO
Telephone: 847/448-4311 City: Evanston Zip: 60201-2796
E-mail-
required mlyons@cityofevanston.org
Mobile _____
Mobile Best way to x Email x Phone
Provider contact Mobile Mail

I attest to the best of my knowledge, this report of the redevelopment project areas in: City/Village of Evanston is complete and accurate at the end of this reporting Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Martin Lyons 8/24/17
Written signature of TIF Administrator Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONE FOR EACH TIF DISTRICT		
Name of Redevelopment Project Area	Date Designated	Date Terminated
Downtown II TIF District (Research Park)-TIF1	1/28/1985	10/12/2009
Southwest TIF District- TIF 2	6/25/1990	10/27/2014
Howard Hartrey TIF District - TIF 3	4/27/1992	10/24/2016
✓ Washington National TIF District - TIF 4	9/1/1994	✓
Howard and Ridge TIF District - TIF 5	1/26/2004	
West Evanston - TIF 6	9/1/2005	
Dempster Dodge TF District No. 7	6/25/2012	
Chicago Main TIF District No. 8	1/28/2013	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]
FY 2016

Name of Redevelopment Project Area:	Washington Nat'l TIF No. 4
Primary Use of Redevelopment Project Area*:	Central Business Dist.
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits from any source equal or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2)] If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

Attachment A **Amendments to the Redevelopment Plan, the Redevelopment Project
and/or the Area Boundary**

There were no amendments to the Redevelopment Plan or to the Redevelopment Project Area within the reporting Period.

Attachment B Certification of the Mayor of the municipality that the municipality has complied with all of the requirements of the Act during the reporting Period.

Re: Washington National TIF District

I, Stephen H. Hagerty, the Mayor of the City of Evanston, County of Cook, State of Illinois, do hereby certify that to the best of my knowledge, the City of Evanston complied with the requirements pertaining to the Illinois Tax Increment Redevelopment Allocation Act during the Fiscal Year beginning January 1, 2016 and ending December 31, 2016.


MAYOR


DATE

***CITY OF EVANSTON WASHINGTON NATIONAL TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR
BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2016***

Attachment C **Opinion of legal counsel that the municipality has complied with the Act.**

RE: Attorney Review City of Evanston Washington National TIF District

To Whom It May Concern:

This will confirm that I am the City Attorney for the City of Evanston, Illinois. I have reviewed all information provided to me by the City staff and consultants, and I find that the City of Evanston has conformed to all applicable requirements of the Illinois Tax Increment Redevelopment Allocation Act set forth thereunder for the Fiscal Year Period beginning January 1, 2016 and ending December 31, 2016 to the best of my knowledge and belief.

Sincerely,



Corporation Counsel

Attachment D Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the reporting Period; and
- B. A description of the redevelopment activities undertaken.

The City continued to review studies and/or projects related to area redevelopment including:

Marketing and professional fees
Various capital/public improvements
Performance of past projects

Attachment E Description of Agreements Regarding Property Disposition or Redevelopment

No new agreements were approved by the City in the reporting fiscal year.

Attachment F Additional Information on Uses of Funds Related to Achieving Objectives of the Redevelopment Plan

The City continued to apply incremental taxes to outstanding obligations and capital improvements.

Attachment G Information Regarding Contracts with TIF Consultants.

The City utilized Kane, McKenna and Associates, Inc. in order to prepare annual TIF reports. Fees were based upon hourly rates for services rendered and did not include contingent payments.

Kane McKenna did not enter into contracts with any entities that were party to City redevelopment agreements.

Attachment H Reports Submitted by Joint Review Board.

No reports were submitted by the Joint Review Board. The Board met on November 17, 2016. Minutes of the meeting are attached as Exhibit A.

Attachment I Summary of any obligations issued by the municipality and official statements

No new obligations were issued by the City in the reporting Period.

Attachment J Financial Analysis: TIF Obligations

The City continued to monitor the payment of existing obligations and reviewed the tax flows associated with new and proposed projects in order to determine coverage for proposed bond financings. Outstanding principal amounts, as well as future interest payments, associated with existing debt are summarized in Section 3.3 below.

Attachment K and L

For special tax allocation funds that have experienced cumulative deposits of incremental tax revenues of \$100,000 or more, a certified audit report reviewing compliance with the Act performed by an independent public accountant certified and licensed by the authority of the State of Illinois. The audit report shall contain a letter from the independent certified public accountant indicating compliance or noncompliance with the requirements of subsection (q) of Section 11-74.4-3.

Relevant portions of the City's audit and the compliance letter are attached as Exhibit B.

Attachment M Intergovernmental Agreements

Not applicable.

Section 3.1 Analysis of Special Tax Allocation Fund

Refer to table attached.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY 2016

TIF NAME: Washington National TIF No. 4

Fund Balance at Beginning of Reporting Period \$ 6,442,430

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 4,729,649	\$ 51,319,227	44%
State Sales Tax Increment			0%
Local Sales Tax Increment		\$ 158,121	0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 14,012	\$ 2,795,762	2%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 52,061,429	45%
Transfers from Municipal Sources		\$ 9,173,856	8%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)		\$ 5,347	0%

*must be completed where current or prior year(s) have reported funds

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ 4,743,661

Cumulative Total Revenues/Cash Receipts \$ 115,513,742 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 4,561,415

Distribution of Surplus \$ 1,000,000

Total Expenditures/Disbursements \$ 5,561,415

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (817,754)

FUND BALANCE, END OF REPORTING PERIOD* \$ 5,624,676

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SURPLUS*/(DEFICIT)(Carried forward from Section 3.3) \$ (7,533,663)

Section 3.2 Itemized List of Expenditures from Special Tax Allocation Fund

Refer to tables attached.

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY 2016

TIF NAME: Washington National TIF No. 4

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
TIF administration and reimbursements	350,000	
		\$ 350,000
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly: property acquisition, building demolition, site preparation and environmental site improvement costs. Subsections (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings. Subsection (q)(3) and (o)(4)		
Public Improvements	105,900	
		\$ 105,900
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 3

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 4,581,415

Section 3.3 Special Tax Allocation Fund Balance (end of reporting period).

Refer to table attached.

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FY 2016

TIF NAME: Washington National TIF No. 4

FUND BALANCE, END OF REPORTING PERIOD

\$ 5,624,676

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Bonds Series 2008 B	\$ 27,755,000	\$ 4,506,600
Note: Series 2002A Bonds refunded in 2008		
Bonds Series 2008D	\$ 2,628,099	
Note: Series 1997 refunded in 2008		
portion allocated to TIF included above		
Series 2013B Bonds (refunded Series 2005 Bonds)	\$ 28,875,000	\$ 2,651,739

Total Amount Designated for Obligations

\$ 59,258,099 \$ 7,158,339

2. Description of Project Costs to be Paid

Redevelopment Project Cost Reimbursements		\$ 6,000,000

Total Amount Designated for Project Costs

\$ 6,000,000

TOTAL AMOUNT DESIGNATED

\$ 13,158,339

SURPLUS*/(DEFICIT)

\$ (7,533,663)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

Section 4.0 A description of all property purchased by the municipality within the Redevelopment Project Area including:

- A. Street Address
- B. Approximate size or description of property
- C. Purchase Price
- D. Seller of property

Refer to table attached.

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2016

TIF NAME: Washington National TIF No. 4

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Section 5.0 Review of Public and Private Investment.

Refer to table attached.

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2016

TIF NAME: Washington National TIF No. 4

*Page 1 is to be included with TIF Report. Pages 2-3 are to be Included ONLY if projects are listed.

Box below must be filled in with either a check or number of projects, not both

Check if NO projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
ENTER total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			2
	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 661,975	\$ -	\$ 661,975
Public Investment Undertaken	\$ 166,975	\$ -	\$ 166,975
Ratio of Private/Public Investment	3 27/28		3 27/28

Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE

Music Institute			
Private Investment Undertaken (See Instructions)	\$ 660,000		\$ 660,000
Public Investment Undertaken	\$ 165,000		\$ 165,000
Ratio of Private/Public Investment	4		4

Project 2:

KOI façade improvements			
Private Investment Undertaken (See Instructions)	\$ 1,975		\$ 1,975
Public Investment Undertaken	\$ 1,975		\$ 1,975
Ratio of Private/Public Investment	1		1

Project 3:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

EXHIBIT A



JOINT REVIEW BOARD MEETING
Thursday, November 17, 2016 – 9:00 am
Lorraine Morton Civic Center, 2100 Ridge Avenue, Room G300

Members Present: Ald. Tendam, John Szostek, Laura Brown, Carl Ginsberg, Kathy Zalewski, Mohammed Elahi

Staff Present: Martin Lyons, Johanna Leonard, Janella Hardin

Others Present: Ald. Rainey, Bob Rychlicki, Cicely Fleming

Presiding Member: Alderman Tendam

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM BY ALD. MARK TENDAM, CHAIR
With a quorum present, Alderman Tendam called the meeting to order at 9:14am.

2. APPROVAL OF JOINT REVIEW BOARD MEETING MINUTES OF November 12, 2015
John Szostek moved approval of the Minutes of November 12, 2015, seconded by Laura Brown. A voice vote was taken and the meeting minutes of November 12, 2015 were unanimously approved.

4. REVIEW OF ANNUAL REPORTS FOR FISCAL YEAR January 1, 2015 through December 31, 2015

Assistant City Manager Martin Lyons introduced himself, Economic Development Division Manager Johanna Leonard and Kane McKenna representative Robert Rychlicki to the Board. He provided an introduction to TIF finances and economics for each district.

A. SOUTHWEST T.I.F. DISTRICT 2

Assistant City Manager Martin Lyons discussed the closure of the TIF on October 27, 2014. All taxing bodies were notified of the closure and approximately \$893,665 was sent to the County for surplus distribution in 2015. The distribution of funds was the only activity in 2015.

Assistant City Manager Lyons noted that this TIF opened in 1990 with an approximately \$1 million assessed value and ended the reporting period with a \$7.2 million assessed value.

B. HOWARD HARTREY T.I.F. DISTRICT 3

Assistant City Manager Lyons noted that this TIF will close by December 31, 2016 with an estimated \$500,000 to be distributed to the taxing bodies. The fund balance on January 1, 2015 was \$2,353,848. There were cash disbursements of \$2,322,950 and

deposits of \$1,250,217 resulting in an ending fund balance of \$1,281,115 as of December 31, 2015. The EAV has increased from \$8.5 to \$20.5 million.

This TIF district houses Target and Autobarn. There are \$2.5 million in projected commitments for this TIF including the Howard Street signal improvement and Autobarn development project.

Assistant City Manager Lyons noted that the traffic signal improvement is in conjunction with the City of Chicago. The Autobarn development will house the repair shop, general maintenance and storage of vehicles. The grand opening is scheduled next month. The City provided \$2.5 million in assistance to Autobarn and added 40 jobs to the community. The value of this TIF will be reassessed next year or the following year.

Ald. Rainey added that the Autobarn is important and would not be here without this TIF. This is a very successful TIF because of the big box stores as anchors. She noted that there have never been any vacancies in this development.

C. WASHINGTON NATIONAL T.I.F. DISTRICT 4

Assistant City Manager Lyons pointed out that this is the largest of the City's TIFs. It started in 1994. It carries a \$5 million balance reserved for future debt payments for the Sherman parking garage that will end in 2018. There are \$8.6 million in obligations, which includes \$5 million Fountain Square project improvements. There are still two more years of tax increment. The EAV at the start of the TIF was \$25.7 million and is now \$72.7 million and expected to rise.

This TIF supports the Downtown Evanston landscaping program and façade projects for 50/50 match rehab for outside of buildings. Laura Brown of Downtown Evanston provides landscaping, maintenance, event marketing and promotion of businesses in the downtown area. Downtown Evanston also coordinates and markets a number of annual events including the holiday events and tree lightings.

The fund balance on January 1, 2015 was \$5,668,226. There were cash receipts of \$4,925,016 and expenditures of \$4,150,812 resulting in an ending fund balance of \$6,442,430 as of December 31, 2015.

D. HOWARD RIDGE T.I.F. DISTRICT 5

The Howard Ridge TIF is a very successful TIF. In 2016, the City reimbursed 415 Howard 85% of the tax bill and it will continue to step down each year until no reimbursement is owed. Ward Eight purchased their property last month. Peckish Pig signed a lease-to-own agreement. 607-609 Howard is undergoing façade improvements for Sweet Temptations Bake Shop. 707B and C Howard will open a cider house. There is a \$1.4 million proposal to bring a cabaret-style theater to Howard Street.

Ald. Rainey noted that the City is collection approximately \$27 million in real estate transfer tax from this TIF.

The fund balance on January 1, 2015 was \$54,810. There were cash disbursements of \$690,000 and deposits of \$606,569 resulting in an ending fund balance of -\$28,621 as of December 31, 2015.

E. WEST EVANSTON T.I.F. DISTRICT 6

Assistant City Manager Lyons explained that there is no debt in this TIF although there is a \$2 million deficit. The deficit indicates redevelopment project costs and implementation of the West Evanston master plan to reevaluate the TIF. Although a deficit is projected, there is no obligation to the taxpayers.

The City is looking to establish a special service area business district within this TIF.

The fund balance on January 1, 2015 was \$500,370. There were cash disbursements of \$58,364 resulting in an ending fund balance of \$442,263 as of December 31, 2015.

F. DEMPSTER/DODGE T.I.F. DISTRICT 7

Dempster Dodge is a micro TIF with multiple parcels with one owner, Valli Produce. They have completed various improvements to the property and maintained occupancy in the shopping center.

The TIF is projected to end the year with a \$3 million deficit that includes the line of credit and redevelopment costs.

G. CHICAGO MAIN T.I.F. DISTRICT 8

This TIF started in 2013 with a \$2.9 million development agreement for the Chicago Main development.

The fund balance on January 1, 2015 was \$0. There was a \$900,000 draw down from the line of credit and \$587,930 in disbursements resulting in an ending fund balance of \$312,070 as of December 31, 2015.

4. BOARD DISCUSSION

Motion to accept the report made by Ald. Tendam and seconded by John Stoszek. A voice vote was taken and the motion was unanimously approved.

5. ADJOURNMENT

Ald. Tendam motioned to adjourn.

Meeting was adjourned at 10:41 am

Respectfully Submitted,

Janella Hardin, PHR
Administrative Secretary

EXHIBIT B

Capital Projects Funds

Capital Improvement - To account for capital projects not funded through special revenue, tax increment financing, or enterprise funds. Capital projects include, but are not limited to: long-term improvements to public buildings, the paving of city streets, and the improvement and development of recreation facilities. Financing is provided primarily by grants and general obligation bond proceeds.

Special Assessment - To account for capital improvements (primarily alley paving) financed by both special assessments on property owners and City contributions.

Debt Service Funds

Debt Service Funds are used to account for the servicing of general long-term debt.

Special Service Area No. 5 - To account for principal and interest payments on debt issued for this special taxing district.

Chicago Main TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Southwest TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Dempster-Dodge TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Howard Hartrey TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Washington National TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Howard/Ridge TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

West Evanston TIF - To account for principal and interest payments on debt proceeds issued and allocated to this tax increment financing district.

Special Service Area No. 6 Fund - to account for promotion, advertisement, and street maintenance costs of the area located in the City's commercial district surrounding Dempster, Chicago, and Main. Financing is provided by the City through an annual special service area property tax levy.

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2016

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
Assets					
Cash and equivalents	\$ -	\$ 272,027	\$ -	\$ 169,915	\$ 1,020,021
Investments	1,236,977	393,669	648,393	-	364,998
Receivables					
Property tax	-	-	-	-	-
Notes	-	-	-	-	961,657
Special assessments	-	-	-	-	-
Other	-	451,994	-	-	-
Due from other governments	176,701	-	325,472	-	-
Due from component unit	-	484	-	-	-
Due from other funds	-	1,947,920	-	-	21,211
Advances to other funds	-	-	-	-	-
Total Assets	\$ 1,413,678	\$ 3,066,094	\$ 973,865	\$ 169,915	\$ 2,367,887
Liabilities					
Vouchers payable	\$ -	\$ 69,868	\$ 54,086	\$ -	\$ 5,042
Due to other governments	-	-	-	-	-
Due to other funds	-	-	648,393	-	-
Advances from other funds	-	-	108,325	-	-
Uncamed revenue	-	-	-	-	-
Total Liabilities	-	69,868	810,804	-	5,042
Deferred Inflows of Resources					
Long-term notes receivable	-	-	-	-	961,657
Unavailable revenue - property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	961,657
Total Liabilities and Deferred Inflows of Resources	-	69,868	810,804	-	966,699
Fund Balances					
Restricted for					
Highway Maintenance	1,413,678	-	-	-	-
Emergency Telephone System	-	-	163,061	-	-
HUD Approved Projects	-	-	-	-	-
Neighborhood Improvements	-	-	-	169,915	1,401,188
Capital outlay	-	-	-	-	-
Debt Service	-	-	-	-	-
Township	-	-	-	-	-
Committed	-	2,996,226	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances (Deficit)	1,413,678	2,996,226	163,061	169,915	1,401,188
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,413,678	\$ 3,066,094	\$ 973,865	\$ 169,915	\$ 2,367,887

Special Revenue								
HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Good Neighbor	General Assistance	Total Special Revenue	
\$ -	\$ -	\$ 208,504	\$ 99,472	\$ -	\$ 1,000,000	\$ 591,211	\$ 3,361,150	
-	-	-	-	-	-	14,822	2,658,859	
-	-	-	-	329,460	-	900,000	1,229,460	
4,890,677	196,352	1,894,669	-	-	-	-	7,943,355	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	451,994	
20,072	421,403	1,316	-	-	-	-	944,964	
-	-	-	-	-	-	-	484	
1,071	8,741	81,164	-	-	-	-	2,060,107	
-	-	-	39,741	-	-	-	39,741	
\$ 4,911,820	\$ 626,496	\$ 2,185,653	\$ 139,213	\$ 329,460	\$ 1,000,000	\$ 1,506,033	\$ 18,690,114	
\$ 10,025	\$ 120,989	\$ 79,254	\$ -	\$ 80,750	\$ -	\$ 2,710	\$ 422,724	
-	-	-	132,410	-	-	-	132,410	
8,741	245,049	809	6,803	111,526	-	16,935	1,038,256	
-	-	-	-	-	-	-	108,325	
-	-	-	-	-	1,000,000	-	1,000,000	
18,766	366,038	80,063	139,213	192,276	1,000,000	19,645	2,701,715	
4,890,677	196,352	1,894,669	-	-	-	-	7,943,355	
-	-	-	-	329,460	-	900,000	1,229,460	
4,890,677	196,352	1,894,669	-	329,460	-	900,000	9,172,815	
4,909,443	562,390	1,974,732	139,213	521,736	1,000,000	919,645	11,874,530	
-	-	-	-	-	-	-	1,413,678	
2,377	64,106	210,921	-	-	-	-	163,061	
-	-	-	-	-	-	-	277,404	
-	-	-	-	-	-	-	1,571,103	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	586,388	586,388	
-	-	-	-	-	-	-	2,996,226	
-	-	-	-	-	-	-	-	
-	-	-	-	(192,276)	-	-	(192,276)	
2,377	64,106	210,921	-	(192,276)	-	586,388	6,815,584	
\$ 4,911,820	\$ 626,496	\$ 2,185,653	\$ 139,213	\$ 329,460	\$ 1,000,000	\$ 1,506,033	\$ 18,690,114	

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2016

	Debt Service			
	Special Service District No. 5	Chicago Main Tax Increment District	Special Service Area No. 6	Howard Hartrey Tax Increment District
Assets				
Cash and equivalents	\$ -	\$ 135,077	\$ 165,699	\$ -
Investments	-	-	-	726,204
Receivables				
Property tax	-	-	210,000	-
Notes	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	85,305
Due from component unit	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ -	\$ 135,077	\$ 375,699	\$ 811,509
Liabilities				
Vouchers payable	\$ -	\$ -	\$ 87,405	\$ 81,587
Due to other governments	-	-	-	-
Due to other funds	-	-	-	86,249
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	-	-	87,405	167,836
Deferred Inflows of Resources				
Long-term notes receivable	-	-	-	-
Unavailable revenue - property taxes	-	-	210,000	-
Total Deferred Inflows of Resources	-	-	210,000	-
Total Liabilities and Deferred Inflows of Resources	-	-	297,405	167,836
Fund Balances				
Restricted for				
Highway Maintenance	-	-	-	-
Emergency Telephone System	-	-	-	-
HUD Approved Projects	-	-	-	-
Neighborhood Improvements	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	135,077	-	643,673
Township	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	78,294	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	-	135,077	78,294	643,673
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 135,077	\$ 375,699	\$ 811,509

Debt Service					Capital Projects				Total Nonmajor Governmental Funds
Washington National Tax Increment District	Dempster-Dodge Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service	Capital Improvements	Special Assessment Capital Projects	Total Capital Projects		
\$ 1,532,723	\$ -	\$ 65,070	\$ -	\$ 1,898,569	\$ 7,620,462	\$ 2,769,704	\$ 10,390,166	\$ 15,649,885	
4,721,659	-	1,726	510,839	5,960,428	5,382,522	221,523	5,604,045	14,223,332	
-	-	-	-	210,000	-	-	-	1,439,460	
-	-	-	-	-	-	-	-	7,943,355	
-	-	-	-	-	-	236,596	236,596	236,596	
-	-	-	-	-	-	4,281	4,281	456,275	
-	-	-	-	85,305	-	2,874	2,874	1,033,143	
-	-	-	-	-	650,000	-	650,000	650,484	
788,972	-	14,699	1,028	804,699	393,747	1,243	394,990	3,259,796	
-	-	-	-	-	-	-	-	39,741	
\$ 7,043,354	\$ -	\$ 81,495	\$ 511,867	\$ 8,959,001	\$ 14,046,731	\$ 3,236,221	\$ 17,282,952	\$ 44,932,067	
\$ 1,024,931	\$ -	\$ 26,472	\$ -	\$ 1,220,395	\$ 1,660,791	\$ 342	\$ 1,661,133	\$ 3,304,252	
-	-	-	-	-	310,378	-	310,378	442,788	
393,747	29,415	1,028	94,607	605,046	570,398	67	570,465	2,213,767	
-	-	54,079	-	54,079	-	-	-	162,404	
-	-	-	-	-	-	-	-	1,000,000	
1,418,678	29,415	81,579	94,607	1,879,520	2,541,567	409	2,541,976	7,123,211	
-	-	-	-	-	-	236,596	236,596	8,179,951	
-	-	-	-	210,000	-	-	-	1,439,460	
-	-	-	-	210,000	-	236,596	236,596	9,619,411	
1,418,678	29,415	81,579	94,607	2,089,520	2,541,567	237,005	2,778,572	16,742,622	
-	-	-	-	-	-	-	-	1,413,678	
-	-	-	-	-	-	-	-	163,061	
-	-	-	-	-	-	-	-	277,404	
-	-	-	-	-	-	2,999,216	2,999,216	4,570,319	
-	-	-	-	-	3,915,000	-	3,915,000	3,915,000	
5,624,676	-	30,807	417,260	6,851,493	-	-	-	6,851,493	
-	-	-	-	-	-	-	-	586,388	
-	-	-	-	-	-	-	-	2,996,226	
-	-	-	-	78,294	7,590,164	-	7,590,164	7,668,458	
-	(29,415)	(30,891)	-	(60,306)	-	-	-	(252,582)	
5,624,676	(29,415)	(84)	417,260	6,869,481	11,505,164	2,999,216	14,504,380	28,189,445	
\$ 7,043,354	\$ -	\$ 81,495	\$ 511,867	\$ 8,959,001	\$ 14,046,731	\$ 3,236,221	\$ 17,282,952	\$ 44,932,067	

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Fiscal Year Ended December 31, 2016

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
Revenues					
Taxes	\$ -	\$ 2,257,692	\$ 1,038,331	\$ -	\$ 106,780
Special assessments	-	-	-	-	-
Intergovernmental	1,896,461	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	6,613	8,761	2,472	-	1,392
Miscellaneous					
Contributions	-	-	-	-	125,000
Other	-	271,359	-	-	323,343
Total Revenues	1,903,074	2,537,812	1,040,803	-	556,515
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	1,287,253	-	-
Public works	130,789	-	-	-	-
Housing and economic development	-	1,279,750	-	-	149,207
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Total Expenditures	130,789	1,279,750	1,287,253	-	149,207
Excess (Deficiency) of Revenues Over Expenditures	1,772,285	1,258,062	(246,450)	-	407,308
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Issuance of loans	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-
Transfers in	-	47,500	-	-	-
Transfers (out)	(2,189,000)	(865,318)	(142,207)	-	-
Total Other Financing Sources (Uses)	(2,189,000)	(817,818)	(142,207)	-	-
Net Change in Fund Balances	(416,715)	440,244	(388,657)	-	407,308
Fund Balances (Deficit), January 1	1,830,393	2,555,982	551,718	169,915	993,880
Fund Balances (Deficit), December 31	\$ 1,413,678	\$ 2,996,226	\$ 163,061	\$ 169,915	\$ 1,401,188

Special Revenue							
HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Good Neighbor	General Assistance	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ 321,266	\$ -	\$ 827,615	\$ 4,551,684
-	-	-	-	-	-	-	-
178,211	2,016,478	-	91,446	-	-	-	4,182,596
-	-	-	-	-	-	-	-
14	-	4,656	-	2	-	801	24,711
-	-	-	-	-	1,000,000	-	1,125,000
27,259	10,197	208,541	-	-	-	49,590	890,289
205,484	2,026,675	213,197	91,446	321,268	1,000,000	878,006	10,774,280
-	-	-	-	-	-	804,857	804,857
-	-	-	-	-	-	-	1,287,253
-	-	-	-	-	-	-	130,789
207,877	2,018,936	160,641	73,823	323,000	-	-	4,213,234
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
207,877	2,018,936	160,641	73,823	323,000	-	804,857	6,436,133
(2,393)	7,739	52,556	17,623	(1,732)	1,000,000	73,149	4,338,147
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	47,500
-	(3,515)	-	(17,623)	-	(1,000,000)	-	(4,217,663)
-	(3,515)	-	(17,623)	-	(1,000,000)	-	(4,170,163)
(2,393)	4,224	52,556	-	(1,732)	-	73,149	167,984
4,770	59,882	158,365	-	(190,544)	-	513,239	6,647,600
\$ 2,377	\$ 64,106	\$ 210,921	\$ -	\$ (192,276)	\$ -	\$ 586,388	\$ 6,815,584

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Fiscal Year Ended December 31, 2015

	Debt Service				
	Special Service District No. 5	Chicago Main Tax Increment District	Special Service Area No. 6	Howard Hartrey Tax Increment District	Washington National Tax Increment District
Revenues					
Taxes	\$ (180)	\$ -	\$ 223,296	\$ 1,233,675	\$ 4,729,649
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	35	-	2	2,319	14,012
Miscellaneous					
Contributions	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	(145)*	-	223,298	1,235,994	4,743,661
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Housing and economic development	5,653	1,740,437	145,004	131,679	1,105,900
Capital outlay	-	-	-	-	-
Debt service					
Principal	405,000	-	-	-	-
Interest	23,186	16,556	-	-	-
Fiscal agent fees	-	-	-	-	-
Total Expenditures	433,839	1,756,993	145,004	131,679	1,105,900
Excess (Deficiency) of Revenues Over Expenditures	(433,984)	(1,756,993)	78,294	1,104,315	3,637,761
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Issuance of loans	-	1,580,000	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(91,445)	-	-	(1,741,757)	(4,455,515)
Total Other Financing Sources (Uses)	(91,445)	1,580,000	-	(1,741,757)	(4,455,515)
Net Change in Fund Balances	(525,429)	(176,993)	78,294	(637,442)	(817,754)
Fund Balances (Deficit), January 1	525,429	312,070	-	1,281,115	6,442,430
Fund Balances (Deficit), December 31	\$ -	\$ 135,077	\$ 78,294	\$ 643,673	\$ 5,624,676

Dempster-Dodge Tax Increment District	Debt Service			Capital Projects			Total Nonmajor Governmental Funds
	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service	Capital Improvements	Special Assessment Capital Projects	Total Capital Projects	
\$ -	\$ 533,105	\$ -	\$ 6,719,545	\$ -	\$ -	\$ -	\$ 11,271,229
-	-	-	-	-	168,571	168,571	168,571
-	-	-	-	2,177,914	-	2,177,914	6,360,510
-	-	-	-	96,586	-	96,586	96,586
-	374	1,684	18,426	16,690	3,964	20,654	63,791
-	-	-	-	243,000	-	243,000	1,368,000
-	282,307	11,311	293,618	1,305	-	1,305	1,185,212
-	815,786	12,995	7,031,589	2,535,495	172,535	2,708,030	20,513,899
-	-	-	-	183,084	8,751	191,835	996,692
-	-	-	-	26,000	-	26,000	1,313,253
-	-	-	-	104,970	-	104,970	235,759
971	679,056	(521)	3,808,179	-	-	-	8,021,413
-	-	-	-	9,953,056	-	9,953,056	9,953,056
-	-	-	405,000	-	-	-	405,000
28,444	693	8,519	77,398	-	-	-	77,398
-	-	-	-	2,000	-	2,000	2,000
29,415	679,749	7,998	4,290,577	10,269,110	8,751	10,277,861	21,004,571
(29,415)	136,037	4,997	2,741,012	(7,733,615)	163,784	(7,569,831)	(490,672)
-	-	-	-	8,990,000	460,000	9,450,000	9,450,000
-	-	-	1,580,000	-	-	-	1,580,000
-	-	-	-	357,683	53,349	411,032	411,032
-	-	-	-	4,864,055	-	4,864,055	4,911,555
-	(107,500)	(30,000)	(6,426,217)	(490,000)	(360,698)	(850,698)	(11,494,578)
-	(107,500)	(30,000)	(4,846,217)	13,721,738	152,651	13,874,389	4,858,009
(29,415)	28,537	(25,003)	(2,105,205)	5,988,123	316,435	6,304,558	4,367,337
-	(28,621)	442,263	8,974,686	5,517,041	2,682,781	8,199,822	23,822,108
\$ (29,415)	\$ (84)	\$ 417,260	\$ 6,869,481	\$ 11,505,164	\$ 2,999,216	\$ 14,504,380	\$ 28,189,445

(See independent auditor's report.)



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH
STATE OF ILLINOIS PUBLIC ACT 85-1142**

The Honorable Mayor
Members of the City Council
City of Evanston, Illinois

We have examined management's assertion that the City of Evanston, Illinois (the City) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2016. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with statutory requirements.

In our opinion, management's assertion that the City of Evanston, Illinois, complied with the aforementioned requirements for the year ended December 31, 2016, is fairly stated in all material respects.

This report is intended solely for the information and use of the City Council, management, the joint review board, the Illinois State Comptroller, and the Illinois Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
July 20, 2017