

**CITY OF EVANSTON**  
**TAX INCREMENT FINANCING DISTRICT NO. 7**  
**DEMPSTER/DODGE DISTRICT**  
**ANNUAL REPORT FOR THE FISCAL YEAR**  
**BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

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***CITY OF EVANSTON DEMPSTER/DODGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR  
BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015***

**City of Evanston**

**Tax Increment Financing District No. 7  
Dempster/Dodge TIF District  
Table of Contents**

<b><u>SECTION</u></b>	<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
1.0	Name of Redevelopment Project Area and Contact Information	1
2.0	Redevelopment Project Information	3
Attachment A	Amendments to the Redevelopment Plan, the Redevelopment Project and/or Area Boundary	4
Attachment B	Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the TIF Statute (the "Act") during the reporting 10 Month Period.	5
Attachment C	Opinion of legal counsel that the municipality is in compliance with the Act	7
Attachment D	Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan	9
Attachment E	Description of Agreements Regarding Property Disposition or Redevelopment	10
Attachment F	Additional Information on Uses of Funds Related to Achieving Objectives of the Redevelopment Plan	11
Attachment G	Information Regarding Contracts with TIF Consultants	12
Attachment H	Reports Submitted by Joint Review Board	13
Attachment I	Summary of any obligations issued by the municipality and official statements	14
Attachment J	Financial Analysis: TIF Obligations	15

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
Attachments 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	16
Attachment M	Intergovernmental Agreements	17
3.1	Analysis of Special Tax Allocation Fund	18
3.2	Itemized List of Expenditures from Special Tax Allocation Fund	20
3.3	Special Tax Allocation Fund Balance (end of reporting period)	25
4.0	Property purchased by the municipality within the Redevelopment Project Area	27
5.0	Review of Public and Private Investment	29
6.0	Optional Sections	31
Exhibit A	Development Agreement	
Exhibit B	Joint Review Board Minutes	
Exhibit C	Audit	

**Section 1.** Name of Redevelopment Project Area and Contact Information

Refer to chart attached.

FY 2015  
ANNUAL TAX INCREMENT FINANCE  
REPORT

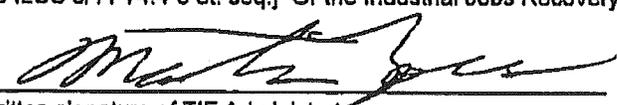


STATE OF ILLINOIS  
COMPTROLLER  
LESLIE GEISSLER MUNGER

Name of Municipality: Evanston Reporting Fiscal Year: 2015  
 County: Cook Fiscal Year End: 12/31/2015  
 Unit Code: 016/175/30

**TIF Administrator Contact Information**

First Name: Martin Last Name: Lyons  
 Address: 2100 Ridge Avenue Title: Assistant City Manager/CFO  
 Telephone: 847/866-2934 City: Evanston Zip: 60201-2796  
 Mobile \_\_\_\_\_ E-mail- required ml Lyons@cityofevanston.org  
 Mobile \_\_\_\_\_ Best way to x Email \_\_\_\_\_ 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.]  
  
 Written signature of TIF Administrator Date 8/19/16

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	
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 2015

Name of Redevelopment Project Area:	Dempster Dodge
Primary Use of Redevelopment Project Area*:	Combination Mixed
If "Combination/Mixed" List Component Types:	Retail Commercial
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <u>  x  </u>	Industrial Jobs Recovery Law <u>      </u>

	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)] <b>If yes, please enclose the amendment labeled Attachment A</b>	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)] <b>Please enclose the CEO Certification labeled Attachment B</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)] <b>Please enclose the Legal Counsel Opinion labeled Attachment C</b>		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)] <b>If yes, please enclose the Activities Statement labeled Attachment D</b>		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)] <b>If yes, please enclose the Agreement(s) labeled Attachment E</b>		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)] <b>If yes, please enclose the Additional Information labeled Attachment F</b>	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)] <b>If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G</b>	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)] <b>If yes, please enclose the Joint Review Board Report labeled Attachment H</b>		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)] <b>If yes, please enclose the Official Statement labeled Attachment I</b>		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)] <b>If yes, please enclose the Analysis labeled Attachment J</b>	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) <b>If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K</b>		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)] <b>If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L</b>	X	
A list of all intergovernmental agreements in effect in FY 2010, 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)] <b>If yes, please enclose list only of the intergovernmental agreements labeled Attachment M</b>	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: Dempster/Dodge TIF District

I, Elizabeth Tisdahl, the duly elected 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, 2015 and ending December 31, 2015.

Elizabeth Tisdahl  
MAYOR

8/24/16  
DATE

**CITY OF EVANSTON DEMPSTER/DODGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR  
BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

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

**RE: Attorney Review City of Evanston Dempster/Dodge 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 beginning January 1, 2015 and ending December 31, 2015, to the best of my knowledge and belief.

Sincerely



Corporation Counsel

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**CITY OF EVANSTON DEMPSTER/DODGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR  
BEGINNING JANUARY 1, 2015 AND ENDING DECEMBER 31, 2015**

**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 implemented the designation of the TIF District in order to address long standing vacancies within the shopping center and to reposition the property to improve both property tax and sales tax generation. Discussions with the new property owners were also initiated in order to review redevelopment plans for the shopping center. Renovation of shopping center space included a new grocery store, and negotiations are ongoing regarding this redevelopment project. The City entered into a Development Agreement with Azzuri of Evanston, Inc for the Redevelopment of a grocery store at 1908-1910 Dempster Street, and 1112-1122 Dodge Ave store titled Valli Produce Grocery Store.

**Attachment E** Description of Agreements Regarding Property Disposition or Redevelopment

The City entered into a Development Agreement with Azzuri of Evanston, Inc for the redevelopment of a grocery store at 1908-1910 Dempster st, and 1112-1122 Dodge Avenue (Valli Produce Grocery Store redevelopment) attached as Exhibit A.

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

Not applicable.

**Attachment G**            Information Regarding Contracts with TIF Consultants.

The City utilized Kane, McKenna and Associates, Inc. in order to prepare the TIF designation materials. 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.

The Joint Review Board met on November 12, 2015 and the minutes are attached as Exhibit B.

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

The City opened a Line of Credit with First Bank and Trust of Evanston for \$2.0 Million . The Letter of Credit will be converted to a long term bond upon completion of the Project and receipt of tax increment revenues.

**Attachment J**      Financial Analysis: TIF Obligations

Not applicable.

**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.

Attached as Exhibit C.

**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 2015**

**TIF NAME: Dempster Dodge TIF No. 7**

Fund Balance at Beginning of Reporting Period

<b>Revenue/Cash Receipts Deposited in Fund During Reporting FY:</b>	<b>Reporting Year</b>	<b>Cumulative*</b>	<b>% of Total</b>
Property Tax Increment			0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source : City Loan; if multiple other sources, attach schedule)	\$ 2,000,000	\$ 2,000,000	100%

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

**Total Amount Deposited in Special Tax Allocation Fund During Reporting Period**

**Cumulative Total Revenues/Cash Receipts**

\$ 2,000,000	100%
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**Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)**

**Distribution of Surplus**

**Total Expenditures/Disbursements**

**NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS**

**FUND BALANCE, END OF REPORTING PERIOD\***

\* 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)**

**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 2015

TIF NAME: Dempster Dodge TIF No. 7

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)		
		\$ -
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)		
Redevelopment project allocation	2,000,000	
		\$ 2,000,000
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		
		\$ -
<b>TOTAL ITEMIZED EXPENDITURES</b>		<b>\$ 2,000,000</b>



**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 2015

TIF NAME: Dempster Dodge TIF No. 7

FUND BALANCE, END OF REPORTING PERIOD \$ -

	Amount of Original Issuance	Amount Designated
--	--------------------------------	-------------------

**1. Description of Debt Obligations**

Line of Credit	\$ 2,000,000	\$ 2,000,000

**Total Amount Designated for Obligations** \$ 2,000,000 \$ 2,000,000

**2. Description of Project Costs to be Paid**

Redevelopment Project Costs		\$ 1,000,000

**Total Amount Designated for Project Costs** \$ 1,000,000

**TOTAL AMOUNT DESIGNATED** \$ 3,000,000

**SURPLUS\*/(DEFICIT)** \$ (3,000,000)

\* 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 2015**

**TIF NAME: Dempster Dodge TIF No. 7**

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)

FY 2015

TIF NAME: Dempster Dodge TIF No. 7

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 MUST BE INCLUDED WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED ONLY IF PROJECTS ARE LISTED ON THESE PAGES

Check here if <b>NO</b> projects were undertaken by the Municipality Within the Redevelopment Project Area: _____			
<b>ENTER</b> total number of projects undertaken by the Municipality Within the Redevelopment Project Area and list them in detail below*.			1
<b>TOTAL:</b>	<b>11/1/99 to Date</b>	<b>Estimated Investment for Subsequent Fiscal Year</b>	<b>Total Estimated to Complete Project</b>
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ 8,000,000
Public Investment Undertaken	\$ -	\$ -	\$ 2,000,000
Ratio of Private/Public Investment	0		4

<b>Project 1: *IF PROJECTS ARE LISTED NUMBER MUST BE ENTERED ABOVE</b>			
Valli Produce			
Private Investment Undertaken (See Instructions)			\$ 8,000,000
Public Investment Undertaken			\$ 2,000,000
Ratio of Private/Public Investment	0		4

<b>Project 2:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			-
Ratio of Private/Public Investment	0		0

<b>Project 3:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 4:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 5:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

<b>Project 6:</b>			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0



**EXHIBIT A**

## REDEVELOPMENT AGREEMENT AND TIF FORGIVABLE CONSTRUCTION LOAN AGREEMENT

This Redevelopment Agreement and TIF Forgivable Construction Loan Agreement (the "**Agreement**"), is entered into by and between THE CITY OF EVANSTON, an Illinois municipal corporation ("**Lender**") and Azzurri of Evanston, Inc., an Illinois corporation ("**Borrower**") and effective as of the last date executed on the signature page:

### RECITALS

WHEREAS, it has been determined by Lender that an economic development and unique opportunity exists which warrants funding to Borrower from the Dempster-Dodge Tax Increment Financing District No. 7 ("**Dempster/Dodge TIF**"); and

WHEREAS, the Borrower requested funding to cover costs of development costs for the commercial property located at 1908-1910 Dempster Street and 1112-1122 Dodge Avenue, Evanston, IL 60202 ("**Subject Property**") in order to modernize and bring the store into compliance with all electrical, plumbing and building Code standards for the use as a grocery store to be called "Valli Produce"; and

WHEREAS, the City seeks to support the renovation of the with TIF funds, and

WHEREAS, the Lender has authorized an expenditure of up to Two Million and no/100 Dollars (\$2,000,000) for a forgivable loan to the Borrower to cover a portion of the expected project budget, under such terms and conditions as may be prescribed by the Lender below, for purposes of project financial assistance to cover some of the Project costs and provide a financial incentive to remain an Evanston business; and

WHEREAS, the City Council has approved Borrower for participation in this Agreement, subject to the terms and conditions of the TIF Guidelines and this Agreement,

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by this reference, and the mutual obligations of the parties as herein expressed, the City and Borrower agree as follows:

### AGREEMENT

#### A. DEFINITIONS

The following terms shall have the following meanings whenever used in this Agreement, except where the context clearly indicates otherwise. Any ambiguity as to the intended meaning or scope of the terms set forth below will be resolved solely by the City through its designated representative.

1. "**Borrower**" means the company, Azzurri of Evanston, Inc., applying for funding for renovations to the Subject Property and determined eligible participate in this Agreement.
2. "**Completion Date**" means the date that the contractor has finished the Project pursuant to the building permit issued by the City, and to the satisfaction of Borrower, as evidenced by final payment to the contractor from Property Owner

and the issuance of a certificate of substantial completion issued by the architect for the Project to the Property Owner.

3. **"Director"** means the City's Assistant City Manager and Director of Administrative Services, Martin Lyons, who is responsible for managing and administering this Agreement on behalf of the City.
4. **"Loan"** means the total amount of the funds from the Dempster/Dodge TIF loaned to Borrower for purposes of funding TIF Eligible Expenses for the Project, which shall not exceed Two Million and no/100 Dollars (\$2,000,000), the amount approved by City Council Resolution 8-R-15.
5. **"Loan Term"** means how long the Loan exists and expiration of the Parties requirements under this Agreement, which is ten (10) years in this Agreement.
6. **"Last Date of Reimbursement"** means the date that the Lender issues the last reimbursement payment to Borrower which is after the Final Certificate of Occupancy is issued for the Building. If the last reimbursement is made by check, it will be the date shown on the check. If reimbursement is made by electronic funds transfer, it will be the date the Loan funds electronically transferred to the Borrower.
7. **"Project"** means the improvements to be completed on the Property as proposed by Borrower.
8. **"Subject Property"** means the real property at 1908-1910 Dempster Street and 1112-1122 Dodge Avenue, Evanston, IL 60202 which is owned by the Property Owner, currently a vacant parcel described herein. The Property is located within the City of Evanston and is legally described on Exhibit "A", which is attached hereto and incorporated herein by reference.
9. **"TIF Guidelines"** means the regulations found in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.* All terms not defined herein shall have the meanings ascribed thereto in the TIF Guidelines.
10. **"TIF Eligible Expenses"** means Project expenses determined to be eligible for reimbursement from TIF funds by the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et seq.*
11. **"Total Allowable Expenses"** means the total actual costs incurred, and documented by Borrower and/or Property Owner and subsequently approved by the Director or his designee for the costs associated with the performance of the work required by the plans and specifications and/or architectural/design renderings for the Project or the acquisition and installation of furniture, fixtures and equipment ("FF&E") in the Project. Such allowable expenses must be TIF eligible activities.
12. **"Total Project Expenditure"** means the total actual Project costs incurred by and paid for by Borrower or Property Owner including the costs of construction, materials, FF&E and supplies. The Total Project Expenditure includes both the

Total Allowable Expenses under TIF and other remaining costs which are not reimbursable under this Agreement.

## B. LOAN

1. **Principal Amount:** Subject to the term and conditions of the Agreement, the Lender hereby agrees to provide Borrower the principal sum of up to Two Million and no/100 Dollars (\$2,000,000.00) (the "**Loan**"), to be amortized and forgivable over a period of ten years (one hundred twenty (120) months) calculated on 365 day calendar and commences on the Last Date of Reimbursement (the "**Loan Term**"), but subject to earlier forgiveness under the circumstances described in Section C(3) below. The Loan Term and reimbursement obligations shall not commence until the City's issuance of debt necessary to fund this project has commenced. The City shall undertake and diligently pursue the issuance of such debt on a timely basis so that the proceeds of such debt shall be available to the City for reimbursement when the other conditions to reimbursement set out in Section D(1) have been satisfied.
2. **Interest Rate:** Interest will accrue from the Last Date of Reimbursement of the Loan funds at the rate of LIBOR per annum on the unpaid balance. As used herein, "LIBOR" shall mean the 30-day LIBOR rate quoted in the most recently published edition of The Wall Street Journal. If a default occurs and not cured, repayment of principal and interest shall commence immediately in accordance with the provisions set forth below. The Loan is not transferable, other than to other entities controlled by or affiliated with Borrower. The interest rate will be calculated on the Last Date of Reimbursement and when the Loan Forgiveness Schedule is ratified. For illustrative purposes in the Loan Forgiveness Schedule, the LIBOR rate is set at 3.00%.
3. **Amortization Schedule for the Loan:** The outstanding principal balance of the Loan is divided by the total number of years (10) in the Loan Term, and the resulting figure will be the "installment". The first anniversary date of the Loan shall be one year after the Last Date of Reimbursement and on said anniversary date, and every year thereafter, the Loan will be forgiven in accordance with the schedule to be attached as Exhibit B (the "**Loan Forgiveness Schedule**"). The forgiveness schedule is for illustration purposes and not the final Loan Forgiveness Schedule, which will be formed after the Last Date of the Reimbursement. Note: Exhibit B not provided.
4. **Guaranty:** To support repayment of the Loan, the Borrower will ensure that a guaranty from all of the Shareholders of Borrower for all principal and interest under the Loan which remains unforgiven over the Loan Term is issued (the "**Guaranty**"), which is attached as **Exhibit C** and incorporated herein as if fully restated.

## C. CONDITIONS OF FORGIVENESS

The Loan is conditioned on the completion and satisfaction of each part of this Section C and confirmed by the Director and/or his designee. If Borrower fails to perform any condition

fully set forth herein, it shall be considered an Event of Default, defined in Section N. The Conditions of Forgiveness are as follows:

**1. Project Completion:**

- a. Borrower shall cause the Property Owner to develop the Subject Property in conformance with building permit drawings that must be approved at a later date by the Building and Inspection Services Division of the City of Evanston for the construction and operation of a grocery store at the Subject Property, which will consist of a fully renovated store with improvements focusing on bringing the Subject Property into Code compliance. Borrower acknowledges that the TIF Funds are conditioned on the Property Owner developing and retaining for the term of this Agreement a grocery store at the Subject Property and any other use will be an immediate default.
  - b. Borrower shall provide documentation that bids for the Project were sought by the Project's general contractor from no less than three subcontractors for each trade, of which one must be an Evanston-based subcontractor. If an Evanston-based subcontractor is not available to seek bids from based on the scope, scale or special requirements of the Project work, this requirement will be waived upon confirmation from City staff that bid solicitation to Evanston based businesses was pursued by the general contractor.
2. Recording Memorandum of TIF Forgivable Loan Agreement: Borrower shall receive authority from the Property Owner permitting the recording of a memorandum summarizing this Agreement against the Subject Property ("**Memorandum of TIF Forgivable Loan Agreement**"), which is attached as Exhibit D.
3. Taxable Uses Only: Borrower warrants that it will not allow the Property Owner to lease to, or otherwise allow any religious, charitable or other entity which is entitled to an exemption from real property taxes to occupy, the commercial portions of the Subject Property until the Dempster/Dodge TIF expires.

**D. PAYMENT OF LOAN FUNDS**

1. Distribution of Loan Funds: The Borrower agrees that the Loan funds will be disbursed on a reimbursement basis in a lump sum payment. The payment shall NOT be paid out until: (a) City Council has approved the Agreement; (b) the Agreement is executed; (c) Project work is complete and a Temporary Certificate of Occupancy is issued; and (d) the City's issuance of debt necessary to fund the project has occurred. The Loan is funded through the Dempster/Dodge TIF District.
2. Borrower hereby agrees to comply with all terms and conditions of this Agreement and only seek reimbursement of acceptable TIF Eligible Expenses.

3. Reimbursement requests to the Director or his designee shall contain the following:
  - a. Cover letter indicating the total cost of TIF Eligible Expenses that it is seeking reimbursement.
  - b. All contractor invoices detailing the specific tasks completed in accordance with approved Project and TIF Eligible Expenses associated therewith.
  - c. Proof of payment of all invoices for all TIF Eligible Expenses for the Project covered by this Loan; and
  - d. Unconditional partial lien releases.
5. Borrower is responsible for all payments to the contractors, materials suppliers, and vendors, and for providing true and correct copies of unconditional lien releases to the City.
6. The Director or his designee will not issue the distribution of Loan funds to the Borrower if there is any violation of any law, ordinance, code, regulation, or Agreement term. Lastly, Borrower must be current with all City of Evanston accounts prior to any reimbursement.
7. The total amount of the Loan will be forgiven in accordance with the schedule attached as Exhibit B ("**Loan Forgiveness Schedule**") but subject to earlier forgiveness under the circumstances described in Exhibit B and Section C(2) above. At the end of the Loan Term, the Loan will be deemed forgiven and the balance will be zero and the Guaranty is released.

#### **E. BORROWER'S RESPONSIBILITIES**

1. The Borrower shall cause the Property Owner to obtain and submit all required certificates of insurance, as set forth herein, to the Director or his designee upon execution of this Agreement and prior to City's execution.
2. The Borrower shall be responsible for causing the Property Owner to hire a licensed general contractor to complete the Project. The Director or his designee may require submission of proof of the State License issued to the selected general contractor.
3. The Borrower is responsible for contacting the appropriate City departments to arrange for obtaining all necessary approvals and/or permits required for construction and completion of the Project.
4. The Borrower is responsible for managing, monitoring, and scheduling the construction of the Project and ensuring its compliance with all applicable federal, State, and local laws and regulations.

5. Borrower shall during the Term, and for a period of 2 years following the expiration of the Term, keep and make available for the inspection, examination and audit by City or City's authorized employees, agents or representatives, at all reasonable time, all records respecting the services and expenses incurred by Borrower or Property Owner, including without limitation, all book, accounts, memoranda, receipts, ledgers, canceled checks, and any other documents indicating, documenting, verifying or substantiating the cost and appropriateness of any and all expenses. If any invoice submitted by Borrower is found to have been overstated, Borrower shall provide City an immediate refund of the overpayment together with interest at the highest rate permitted by applicable law, and shall reimburse all of City's expenses for and in connection with the audit respecting such invoice.
6. The Borrower shall be fully responsible for ensuring that all invoices from the contractors, suppliers, vendors and/or other third parties are paid and shall only seek reimbursement after payment has been disbursed by Borrower or Property Owner, to the applicable party.

**F. PUBLIC BENEFITS TO BE PROVIDED BY BORROWER:**

The Agreement is conditioned on the satisfaction of each public benefit outlined in Section F. Borrower will ensure that each public benefit and assurances made in this Agreement are fulfilled by Borrower or Valli Produce of Evanston, Inc., an Illinois Corporation, the tenant in Unit 1910 Dempster Street, Evanston, Illinois 60202 ("Valli Produce"), depending on the applicable public benefit.

1. **Non-Profit Support:** Borrower will ensure that Valli Produce offers the community support programs it has offered in its other store locations including donating goods and financial support to local schools and charities and promoting local events through weekly fliers, website, in-store signage, and social media.
2. **Dependent Care:** Borrower represents that Valli Produce is willing to assist their full time employees who utilize dependent daycare or eldercare for a dependent child or immediate family member. The amount of monetary support would be determined by the stores' performance and its ability to afford the benefit.
3. **Wellness and Health:** Borrower warrants that Valli is willing to contribute towards a fitness membership for store employees and will investigate the amount of assistance. Proof of usage by the employee would also be required.
4. **Multi-Modal Transportation:** Borrower will provide an outdoor bicycle rack use by patrons of the Subject Property.
5. **Energy Efficiency and Improvements:** Since Valli Produce is completing an entire remodel of the entire former Dominick's Finer Foods, Inc. premises located at Unit 1910 Dempster Street, Evanston, Illinois 60202, efficient systems are being put in place including LED lighting throughout the store and new high efficient mechanicals, refrigeration systems and coolers that include insulated cases, and new food prep equipment that uses less energy. The utility companies

have been notified to partake in an assessment of our new facilities and evaluate these improvements for max efficiency.

6. **Water Efficiency:** The old plumbing fixtures are being replaced with efficient fixtures to reduce water consumption. New food prep appliances will utilize water saving technologies as well. Valli Produce is proposing to add green space to the existing parking islands for greening, water absorption, and heat reduction. An irrigation system does not exist and is not being proposed, therefore, current and proposed landscaping must be urban tolerant.
7. **Recycling & Waste Reduction:** Valli Produce utilizes hydraulic balers to compact recyclable cardboard. Borrower will guarantee that Valli Produce provide recycling containers inside the store for customer use. Lastly, Borrower represents that Valli Produce will adhere to the plastic bag ordinance approved by the City Council on July 28, 2014 by Ordinance 66-O-14.

#### **G. THE CITY'S RESPONSIBILITIES**

1. Within a reasonable time after Borrower submits a request for payment under Section D, the City will review the information provided by Borrower and ensure compliance with all parameters specified in Section D.
2. Director or his designee shall review Borrower's request and accompanying documents for payment. If Borrower meets all its terms, conditions, and obligations under this Agreement and the TIF Guidelines, the Director or his designee shall issue the payment up to the total amount of the Loan in accordance with the Local Government Prompt Payment Act, after City's receipt of the documentation submitted by Borrower in Section D.

#### **H. INSURANCE**

1. During the entire period in which work on the Project is performed until termination of this Agreement, the Borrower shall cause to be obtained and maintained in full force and effect during said period the following insurance policies: Comprehensive General Liability Insurance in a general aggregate amount of not less than \$1,000,000 and \$1,000,000 each occurrence.
2. All deductibles on any policy shall be the responsibility of the primary holder of such policy and shall not be the responsibility of the City of Evanston.
3. Borrower shall provide evidence of required insurance to the Director before execution of this Agreement. Borrower shall cause the Property Owner to name the City as an additional insured for the Loan period.

#### **I. OBLIGATION TO REFRAIN FROM DISCRIMINATION**

1. Borrower covenants and agrees for itself, its successors and its assigns to the Property, or any part thereof, that it will not discriminate against any employee or

applicant for employment because of race, color, religion, sex, sexual orientation, marital status, national origin or ancestry, or age or physical or mental disabilities that do not impair ability to work, and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

2. That, if it hires additional employees in order to perform this contract, or any portion hereof, it will determine the availability of minorities and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.
3. That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, or disability.

#### **J. NO AGENCY CREATED**

The Borrower and any contractor, supplier, vendor or any third party hired by Borrower to complete the Project are not agents or create any employment relationship with the City.

#### **K. INDEMNIFICATION AND HOLD HARMLESS**

Borrower shall defend, indemnify and hold harmless City and its officers, elected and appointed officials, agents, and employees from any and all liability, losses, or damages as a result of claims, demands, suits, actions, or proceedings of any kind or nature, including without limitation costs, and fees, including attorney's fees, judgments or settlements, resulting from or arising out of any negligent or willful act or omission on the part of the Borrower or the Property Owner or their respective employees and agents during the performance of this Agreement. Such indemnification shall not be limited by reason of the enumeration of any insurance coverage herein provided. This provision shall survive completion, expiration, or termination of this Agreement. Nothing contained herein shall be construed as prohibiting City, or its officers, agents, or employees, from defending through the selection and use of their own agents, attorneys, and experts, any claims, actions or suits brought against them. Provided, however, notwithstanding the foregoing to the contrary, Borrower shall not be liable for City's attorneys unless the attorney selected by Borrower are not diligently pursuing the defense of any indemnification claim. Borrower shall be liable for the costs, fees, and expenses incurred in the defense of any such claims, actions or suits, excluding, however, City's attorneys unless Borrower is not diligently pursuing the defense of any such claim, action or suit.. Nothing herein shall be construed as a limitation or waiver of defenses available to City and employees and agents, including without limitation the Illinois Local Governmental and Governmental Employees Tort Immunity Act, 745 ILCS 10/1-101 *et seq.* Borrower must defend all suits brought upon all such Losses, with attorney of Borrower's choice and must pay all costs and expenses incidental to them, but the City has the right, at its option, to participate, at its own cost, in the defense of any suit, without relieving Borrower of any of its obligations under this Agreement. Any settlement of any claim or suit related to activities conducted under this Project by Borrower must be made only with the prior written consent of the City Corporation Counsel, if the settlement requires any action on the part of the City. Except for their gross negligence acts

or omissions, no member, official, agent, legal counsel or employee of the City shall be personally liable to the Borrower or Property Owner, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Borrower or Property Owner, or successor or on any obligation under the terms of this Agreement.

**L. COMPLIANCE WITH LAW**

The Borrower agrees to comply, and shall cause the Property Owner to comply, with all the requirements now in force, or which may hereafter be in force, of all municipal, county, state and federal authorities, pertaining to the development and use of the Property, construction of the Project, ongoing operations conducted on the Property, and use of Loan funds. In addition, pursuant to the Illinois Freedom of Information Act, 5 ILCS 140/7(2), records in the possession of others whom the City has contracted with to perform a governmental function are covered by the Act and subject to disclosure within limited statutory timeframes (five (5) working days with a possible five (5) working day extension). Upon notification from the City that it has received a Freedom of Information Act request that calls for records within the Borrower's or Property Owner's control, the Borrower shall promptly provide all requested records to the City so that the City may comply with the request within the required timeframe. The City and the Borrower shall cooperate to determine what records are subject to such a request and whether or not any exemptions to the disclosure of such records, or part thereof, are applicable. The Borrower shall indemnify and defend the City from and against all claims arising from the City's exceptions to disclosing certain records which the Borrower may designate as proprietary or confidential. Compliance by the City with an opinion or a directive from the Illinois Public Access Counselor or the Attorney General under FOIA, or with a decision or order of Court with jurisdiction over the City, shall not be a violation of this Section.

**M. DEFAULT; REMEDIES; DISPUTE RESOLUTION**

1. Notice of Default: In the event of failure by either party hereto substantially to perform any material term or provision of this Agreement, including but not limited to conditions contained in Sections C and D, the non-defaulting party shall have those rights and remedies provided herein, provided that such non-defaulting party has first provided to the defaulting party a written notice of default in the manner required by Section N hereof identifying with specificity the nature of the alleged default and the manner in which said default may be satisfactorily be cured.
2. Cure of Default: Upon the receipt of the notice of default, the alleged defaulting party shall promptly commence to cure, correct, or remedy such default within a 30-day period, or such extended period of time that is necessary to cure any such default, so long as the defaulting party is diligently pursuing such cure and shall continuously and diligently prosecute such cure, correction or remedy to completion.
3. City Remedies not Exclusive; Repayment of Pro Rata Share of Loan: If an Event of Default occurs, which Borrower has not cured within the timeframe set forth in subparagraph 2 above, the City, at its option, may terminate this Agreement



Attn: W. Grant Farrar, Corporation Counsel  
2100 Ridge Avenue  
Evanston, IL 60201

If to the Borrower: Azzurri of Evanston, Inc.  
c/o Valli Produce of Hoffman Estates, Inc.  
850 N. Roselle Rd.  
Hoffman Estates, IL 60169  
Attn: Carmine Presta

With a copy to: Martin S. Korey  
Stone Pogrud & Korey LLC  
1 East Wacker Drive  
Chicago, IL 60601

Any written notice, demand or communication shall be deemed received immediately if personally delivered or delivered by delivery service to the addresses above, and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail.

**P. APPLICABLE LAW**

The internal laws of the State of Illinois without regard to principles of conflicts of law shall govern the interpretation and enforcement of this Agreement.

**Q. ATTORNEY'S FEES**

In the event that the City commences any action, suit, or other proceeding to remedy, prevent, or obtain relief from a breach of this Agreement by Borrower, or arising out of a breach of this Agreement by Borrower, the City shall recover from the Borrower as part of the judgment against Borrower, its attorneys' fees and costs incurred in each and every such action, suit, or other proceeding, if the City is the prevailing party in any such proceeding.

**R. SURVIVAL OF TERMS, BINDING UPON SUCCESSORS**

The covenants, terms, conditions, representations, warranties, Agreements and undertakings set forth in this Agreement (and specifically including, without limitation, those covenants, terms, conditions, representations, warranties, Agreements and undertakings which survive the termination of this Agreement) shall be binding upon and inure to the benefit of the Parties hereto and their respective successors, assigns and legal representatives.

**S. CONFLICT OF INTEREST**

1. No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he/she is, directly or indirectly, interested.

2. The Borrower warrants that it has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this Agreement.

**T. BINDING EFFECT**

This Agreement, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

**U. AUTHORITY TO SIGN**

Carmine Presta hereby represents that she/he executes this Agreement on behalf of Borrower and has the full authority to do so and to bind Borrower to perform pursuant to the terms and conditions of this Agreement.

**V. COUNTERPARTS**

This Agreement may be executed by each party on a separate signature page, and when the executed signature pages are combined, shall constitute one single instrument.

**W. ENTIRE AGREEMENT AND SEVERABILITY**

1. This Agreement and the Exhibits and references incorporated into this Agreement express all understandings of the parties concerning the matters covered in this Agreement. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. The Agreement may be amended from time to time with the written consent of the Parties hereto.
2. If any provision, condition, covenant or other clause, sentence or phrase of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be deemed to be excised and the invalidity thereof shall not affect any other provision, condition, covenant or other clause, sentence or phrase contained herein. Notwithstanding the foregoing, if any such invalid provision goes to the essence of this Agreement so that the purposes of the Agreement cannot be fulfilled, then this Agreement shall terminate as of the date of such judgment.

**X. NO WAIVER**

No failure of either the City or the Borrower to insist upon the strict performance by the other of any covenant, term or condition of this Agreement, nor any failure to exercise any right or remedy consequent upon a breach of any covenant, term, or condition of this Agreement, shall constitute a waiver of any such breach or of such covenant, term or condition. No waiver of any breach shall affect or alter this Agreement, and each and every covenant, condition, and term hereof shall continue in full force and effect.

**Y. FORCE MAJEURE**

Performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, restrictive governmental laws and regulations, epidemics, quarantine restrictions, freight embargoes, lack of transportation or labor and material shortages. An extension of time for any such cause shall be for the period of the delay, which period shall commence to run from the time of the commencement of the cause, provided that written notice by the party claiming such extension is sent to the other party not more than thirty (30) days after the commencement of the cause or not more than thirty (30) days after the party claiming such extension could have first reasonably recognized the commencement of the cause, whichever is later.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date executed by the City.

**OWNER:**

AZZURRI OF EVANSTON, INC., an Illinois corporation

By:   
Carmine Presta  
Its: President

Dated: March 6, 2015

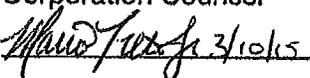
**CITY:**

THE CITY OF EVANSTON, ILLINOIS

By:   
Wally Bobkiewicz  
Its: City Manager

Dated: March 11, 2015

Approved as to form:  
W. Grant Farrar  
Corporation Counsel

By:  3/10/15

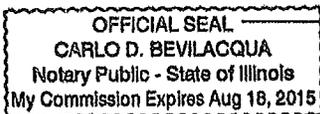
STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Carlo D. Bevilacqua, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Carmine Presta, in his/her capacity as President of Azzurri of Evanston, Inc., an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such president, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6 day of March, 2015.

My Commission Expires:

8-18-2015



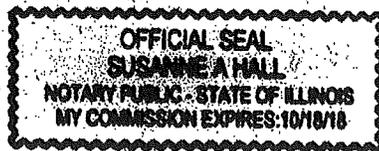
STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Susanne Hall, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Wally Bobkiewicz, as City Manager of the City of Evanston, Illinois, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Wally Bobkiewicz, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said municipality, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10 day of March, 2015.

My Commission Expires:

10/18/18



**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

**PARCEL 1:**

LOT 1 IN BANBURY THIRD CONSOLIDATION, RECORDED MARCH 27, 1987 AS DOCUMENT 87162463 BEING A CONSOLIDATION OF PART OF LOT 1 IN BANBURY SECOND CONSOLIDATION AND PART OF LOT "A" IN CALHOUN NORTON CONSOLIDATION, BOTH IN THE NORTH WEST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

EXCEPTING THEREFROM THAT PART OF BANBURY THIRD CONSOLIDATION, BEING A CONSOLIDATION PLAT RECORDED AS DOCUMENT NUMBER 87162463, LEGALLY DESCRIBED AS FOLLOWS:

THAT PART OF LOTS 8, 9, 10, 11 AND 12 IN BLOCK 2 IN GROVER AND PITNER'S ADDITION TO EVANSTON, A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT 12 AT ITS INTERSECTION WITH A LINE DRAWN 45.00 FEET NORTHWESTERLY OF AND PARALLEL WITH THE CENTER LINE BETWEEN THE TWO MAIN TRACKS (THE NORTHWESTERLY OF TWO MAIN TRACKS HAVING BEEN REMOVED) OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, AS SAID CENTER LINE WAS ORIGINALLY LOCATED AND ESTABLISHED; THENCE NORTHEASTERLY PARALLEL WITH SAID ORIGINAL CENTER LINE A DISTANCE OF 241.64 FEET; THENCE SOUTHEASTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LINE; A DISTANCE OF 5.00 FEET; THENCE SOUTHWESTERLY ALONG A LINE DRAWN 40.00 FEET NORTHWESTERLY OF AND PARALLEL WITH THE AFORESAID ORIGINAL CENTER LINE, A DISTANCE OF 239.38 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF LOT 12 AFORESAID; THENCE WEST, ALONG SAID SOUTH LINE A DISTANCE OF 5.49 FEET TO THE HEREINBEFORE DESCRIBED POINT OF BEGINNING IN COOK COUNTY, ILLINOIS

**PARCEL 2:**

NON EXCLUSIVE PERPETUAL UTILITY EASEMENT FOR THE BENEFIT OF PART OF PARCEL 1 ON, OVER, UNDER, THROUGH AND ACROSS:

THE WESTERLY 15 FEET, AS MEASURED AT RIGHT ANGLES TO THE WEST LINE THEREOF, OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PART OF LOT 1, IN BANBURY CONSOLIDATION IN THE NORTH EAST 1/4 OF THE NORTH WEST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED MARCH 19, 1986 AS DOCUMENT 86107329, DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF SAID LOT 1, THENCE NORTH 87 DEGREES, 29 MINUTES, 24 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 32.93 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING NORTH 87 DEGREES, 29 MINUTES, 24 SECONDS EAST ALONG SAID SOUTH LINE A DISTANCE OF 71.36 FEET TO A CORNER OF LOT 1, BEING ALSO THE SOUTH WEST CORNER OF LOT "A" IN CALHOUN NORTON CONSOLIDATION IN THE NORTH EAST 1/4 OF THE NORTH WEST 1/4 OF SAID SECTION 24, RECORDED MARCH 3, 1965 AS DOCUMENT 19396701; THENCE NORTH 21 DEGREES, 51 MINUTES, 29 SECONDS, EAST ALONG THE SOUTH LINE OF SAID LOT 1, BEING ALSO THE WEST LINE OF SAID LOT "A" IN CALHOUN NORTON CONSOLIDATION, A DISTANCE OF 326.30 FEET TO A CORNER OF LOT 1; THENCE NORTH 87 DEGREES, 29 MINUTES, 24 SECONDS, EAST ALONG THE SOUTH LINE OF SAID LOT 1, BEING ALSO THE WEST LINE OF SAID LOT "A" IN CALHOUN NORTON CONSOLIDATION, A DISTANCE OF 16.47 FEET TO A CORNER OF LOT 1, THENCE NORTH 21 DEGREES, 51 MINUTES, 29 SECONDS, EAST ALONG THE SOUTH LINE OF SAID LOT 1, BEING ALSO THE WEST LINE OF SAID LOT "A" IN CALHOUN NORTON CONSOLIDATION, A DISTANCE OF 34.53 FEET; THENCE SOUTH 87 DEGREES, 29 MINUTES, 24 SECONDS, WEST 87.83 FEET, THENCE SOUTH 21 DEGREES, 51 MINUTES, 29 SECONDS, WEST 360.84 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

AS CONTAINED IN EASEMENT AGREEMENT MADE BY NORTH WEST NATIONAL BANK OF CHICAGO, TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 14, 1979 AND KNOWN AS TRUST NUMBER 5502, NORTHERN TRUST BANK OF PALM BEACH, FLORIDA N. A., NAN P. NORTON DELATUCSH (FORMERLY KNOWN AS NAN P. NORTON) AND MICHAEL C. NORTON AS TRUSTEES UNDER THAT CERTAIN CALHOUN-NORTON MARITAL TRUST CREATED BY A TRUST AGREEMENT DATED DECEMBER 6, 1979 (COLLECTIVELY THE NORTON TRUSTEES), ARENS CONTROLS, INC., CORPORATION OF ILLINOIS, LA SALLE NATIONAL BANK, TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 9, 1986 AND KNOWN AS TRUST NUMBER 111203, (THE LA SALLE TRUST) AND BANBURY/EVANSTON LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, DATED OCTOBER 1, 1986 RECORDED NOVEMBER 16, 1986 AS DOCUMENT 86522197, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1908-1910 DEMPSTER STREET AND 1112-1122  
DODGE AVENUE, EVANSTON, ILLINOIS 60202

PERMANENT TAX INDEX NUMBER PIN: 10-24-108-038-0000

**EXHIBIT B**

**LOAN FORGIVENESS SCHEDULE**

YEAR ENDING	AMOUNT FORGIVEN IN TOTAL
1	\$200,000
2	\$400,000
3	\$600,000
4	\$800,000
5	\$1,000,000
6	\$1,200,000
7	\$1,400,000
8	\$1,600,000
9	\$1,800,000
10	\$2,000,000

## EXHIBIT C

### GUARANTY

Borrower: Azzurri of Evanston, Inc.

Lender: City of Evanston

Guarantor: Carmine Presta, Frank Greco, Domenico Presta, Alfredo Presta, Francesco Chilelli and Luigi Tenuta

Principal Amount: \$2,000,000

Loan Term: 10 years (120 months)

Guaranty Term: 10 Years

**CONTINUING GUARANTEE OF PAYMENT AND PERFORMANCE.** For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Agreement. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction, or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents. Under this Guaranty, Guarantor's liability is limited to Borrower's obligations under the Agreement.

**INDEBTEDNESS.** The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, attorneys' fees, arising from Borrower's obligations under the Agreement.

**CONTINUING GUARANTY.** THIS IS A "CONTINUING GUARANTY" UNDER WHICH GUARANTOR AGREES TO GUARANTEE THE FULL AND PUNCTUAL PAYMENT.

**DURATION OF GUARANTY.** This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until end of the tenth year (120<sup>th</sup> month) of the Loan. If Guarantor elects to revoke this, Guaranty, Guarantor may only do so in writing. Guarantor's written notice of revocation must be mailed to Lender; by certified mail, at Lender's address listed above or such other place as Lender may designate in writing. This Guaranty shall bind Guarantor's estate as to the Indebtedness created both before and after Guarantor's death or incapacity, regardless of Lender's actual notice of Guarantor's death, Subject to the foregoing, Guarantor's, executor or administrator or other legal representative may terminate this Guaranty in the same manner in which Guarantor might have terminated it and with the same effect. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the ability of Guarantor under this guaranty.

**GUARANTOR'S AUTHORIZATION TO LENDER.** Guarantor authorizes Lender, either before or after any revocation hereof upon written notice to Guarantor by Lender, without lessening Guarantor's liability under this Guaranty, from time to time (A) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (B) to determine how, when and what application of payments and credits shall be made on the Indebtedness; and (C) to apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine;

**GUARANTOR'S REPRESENTATIONS AND WARRANTIES.** Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) Guarantor has full power, right and authority to enter into this Guaranty; (C) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (D) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided Lender is and will be, true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (E) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep Lender adequately informed from any relevant facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty.

**GUARANTOR'S WAIVERS.** Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; and (C) to pursue any other remedy within Lender's power;

**SUBORDINATION OF BORROWER DEBTS TO GUARANTOR.** Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon an account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Guaranty:

**Amendments.** This Guaranty together with the Agreement, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty, No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by both parties.

**Caption Headings.** Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

**Governing law.** This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions.

**Integration.** Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

**Interpretation.** In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and anyone or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If anyone or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

**Notices.** Any notice required to be given under this Guaranty shall be given in writing, and, except for revocation notices by Guarantor, shall be effective when actually delivered, when actually received by tele-facsimile (unless, otherwise required by law) when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. All revocation notices by Guarantor shall be in writing and shall be effective upon delivery to

Lender as provided in the section of this Guaranty entitled "DURATION OF GUARANTY." Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address, For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions, Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any Instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Successors and Assigns.** Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

**Borrower.** The word "Borrower" means Azzurri of Evanston, Inc., and its successors and assigns.

**GAAP.** The word "GAAP" means generally accepted accounting principles.

**Guarantor.** The word "Guarantor" means Carmine Presta, Frank Greco, Domenico Presta, Alfredo Presta, Francesco Chilelli and Luigi Tenuta.

**Guaranty.** The word "Guaranty" means this guaranty from Guarantor to Lender.

**Indebtedness.** The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

**Lender.** The word "Lender" means City of Evanston, and its successors and assigns.

**Note.** The word "Note" means and includes without limitation all of Borrower's promissory notes and/or credit agreements evidencing Borrower's loan obligations in favor of Lender, together with all renewals of, extensions of, modifications of, substitutions for promissory notes or credit agreements.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS, IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO THE LENDER UNDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY", NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE, THIS GUARANTY IS DATED March 6, 2015.**

GUARANTOR:

CARMINE PRESTA

Signature: 

FRANK GRECO

Signature: 

DOMENICO PRESTA

Signature: 

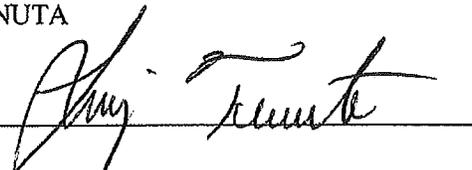
ALFREDO PRESTA

Signature: 

FRANCESCO CHILELLI

Signature: 

LUIGI TENUTA

Signature: 

**EXHIBIT D**

**MEMORANDUM OF TIF FORGIVABLE CONSTRUCTION LOAN AGREEMENT**

This instrument was prepared by  
and upon recording should be returned to:

Michelle L. Masoncup, Deputy City Attorney  
City of Evanston  
2100 Ridge Avenue  
Evanston, IL 60201

**MEMORANDUM OF REDEVELOPMENT AGREEMENT AND TIF  
FORGIVABLE CONSTRUCTION LOAN AGREEMENT**

THIS MEMORANDUM OF REDEVELOPMENT AGREEMENT AND TIF FORGIVABLE CONSTRUCTION LOAN AGREEMENT ("Memorandum"), made as of the 6 day of March, 2015, by and between Azzurri of Evanston, Inc., an Illinois corporation ("Borrower") and THE CITY OF EVANSTON, ILLINOIS ("City").

**W I T N E S S E T H:**

1. By a Redevelopment Agreement and TIF Forgivable Construction Loan Agreement dated of even date herewith between Borrower and the City (the "TIF Construction Loan Agreement") the City has agreed to make a loan to Borrower to support the development of certain improvements on that certain parcel of land legally described on Exhibit A attached hereto and made a part hereof (the "Site") upon the terms, provisions, covenants and conditions set forth in the TIF Construction Loan Agreement. Borrower has also executed and delivered to the City a Guaranty dated of even date herewith guaranteeing the obligations of Borrower under the TIF Construction Loan Agreement (the "Guaranty"). While the Guaranty guarantees the performance and payment obligations of the Borrower under the TIF Construction Loan Agreement, neither the TIF Construction Loan Agreement nor the Guaranty nor any of the other loan documents related thereto encumbers or otherwise creates any security interest in the Site, the improvements to be made thereon or the fixtures or personal property to be installed and located therein, and none of such loan documents shall be binding upon any mortgage lender to Borrower which is secured by a mortgage on the Site and such improvements and a security interest in such fixtures and personal property. However, the Guaranty does impose certain obligations on the Borrower for the benefit of the City which are intended to be binding on all successors and assigns of the Borrower other than such mortgage lenders which are secured by mortgages on the Site.

2. This Memorandum is being executed and recorded in order to give notice of the existence of the TIF Construction Loan Agreement and such rights of the City and obligations of the Guarantor as described above.

3. The TIF Construction Loan Agreement and the Guaranty constitute the full agreement among the parties. The provisions of this Memorandum are subject in all respects to the provisions of the TIF Construction Loan Agreement and Guaranty, to which reference must be made in connection with any matters affecting this Memorandum. All of the terms and conditions of the TIF Construction Loan Agreement and Guaranty are incorporated herein by

reference to the same extent as if set forth herein at length. In the event of any conflict between the provisions of this Memorandum and the provisions of the TIF Construction Loan Agreement and the Guaranty, the provisions of the TIF Construction Loan Agreement and the Guaranty shall control, it being the intent of the parties that this Memorandum shall not alter or vary the terms of the agreement between the parties as set out in the TIF Construction Loan Agreement and the Guaranty.

[REMAINDER OF THE PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties have caused this Memorandum to be executed on the date first above written.

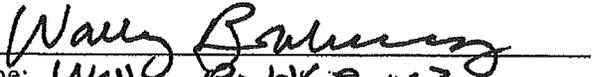
**OWNER:**

AZZURRI OF EVANSTON, INC., an Illinois corporation

By:   
Carmine Presta  
Its: President

**CITY:**

THE CITY OF EVANSTON, ILLINOIS

By:   
Name: Wally Bobkiewicz  
Title: City Manager

Approved as to form:  
W. Grant Farrar  
Corporation Counsel

By:  3/1/15

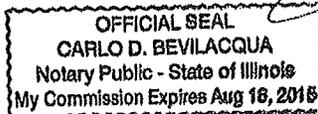
STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Carlo D. Bevilacqua, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Carmine Presta, in his/her capacity as President of Azzurri of Evanston, Inc., an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such president, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6<sup>th</sup> day of March, 2015.

My Commission Expires:

8-18-2015



STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Susanne Hall, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Wally Bobkiewicz, as City Manager of the City of Evanston, Illinois, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Wally Bobkiewicz, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said municipality, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10 day of March, 2015.

My Commission Expires:

10/18/18



EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 1 IN BANBURY THIRD CONSOLIDATION, RECORDED MARCH 27, 1987 AS DOCUMENT 87162463 BEING A CONSOLIDATION OF PART OF LOT 1 IN BANBURY SECOND CONSOLIDATION AND PART OF LOT "A" IN CALHOUN NORTON CONSOLIDATION, BOTH IN THE NORTH WEST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS,

EXCEPTING THEREFROM THAT PART OF BANBURY THIRD CONSOLIDATION, BEING A CONSOLIDATION PLAT RECORDED AS DOCUMENT NUMBER 87162463, LEGALLY DESCRIBED AS FOLLOWS:

THAT PART OF LOTS 8, 9, 10, 11 AND 12 IN BLOCK 2 IN GROVER AND PITNER'S ADDITION TO EVANSTON, A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT 12 AT ITS INTERSECTION WITH A LINE DRAWN 45.00 FEET NORTHWESTERLY OF AND PARALLEL WITH THE CENTER LINE BETWEEN THE TWO MAIN TRACKS (THE NORTHWESTERLY OF TWO MAIN TRACKS HAVING BEEN REMOVED) OF THE CHICAGO AND NORTHWESTERN TRANSPORTATION COMPANY, AS SAID CENTER LINE WAS ORIGINALLY LOCATED AND ESTABLISHED; THENCE NORTHEASTERLY PARALLEL WITH SAID ORIGINAL CENTER LINE A DISTANCE OF 241.64 FEET; THENCE SOUTHEASTERLY AT RIGHT ANGLES TO THE LAST DESCRIBED LINE; A DISTANCE OF 5.00 FEET; THENCE SOUTHWESTERLY ALONG A LINE DRAWN 40.00 FEET NORTHWESTERLY OF AND PARALLEL WITH THE AFORESAID ORIGINAL CENTER LINE, A DISTANCE OF 239.38 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF LOT 12 AFORESAID; THENCE WEST, ALONG SAID SOUTH LINE A DISTANCE OF 5.49 FEET TO THE HEREINBEFORE DESCRIBED POINT OF BEGINNING IN COOK COUNTY, ILLINOIS

PARCEL 2:

NON EXCLUSIVE PERPETUAL UTILITY EASEMENT FOR THE BENEFIT OF PART OF PARCEL 1 ON, OVER, UNDER, THROUGH AND ACROSS:

THE WESTERLY 15 FEET, AS MEASURED AT RIGHT ANGLES TO THE WEST LINE THEREOF, OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PART OF LOT 1, IN BANBURY CONSOLIDATION IN THE NORTH EAST 1/4 OF THE NORTH WEST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED MARCH 19, 1986 AS DOCUMENT 86107329, DESCRIBED AS FOLLOWS:

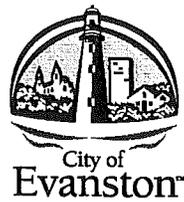
COMMENCING AT THE MOST SOUTHWESTERLY CORNER OF SAID LOT 1, THENCE NORTH 87 DEGREES, 29 MINUTES, 24 SECONDS EAST ALONG THE SOUTH LINE OF SAID LOT 1, A DISTANCE OF 32.93 FEET TO THE POINT OF BEGINNING, THENCE CONTINUING NORTH 87 DEGREES, 29 MINUTES, 24 SECONDS EAST ALONG SAID SOUTH LINE A DISTANCE OF 71.36 FEET TO A CORNER OF LOT 1, BEING ALSO THE SOUTH WEST CORNER OF LOT "A" IN CALHOUN NORTON CONSOLIDATION IN THE NORTH EAST 1/4 OF THE NORTH WEST 1/4 OF SAID SECTION 24, RECORDED MARCH 3, 1965 AS DOCUMENT 19396701; THENCE NORTH 21 DEGREES, 51 MINUTES, 29 SECONDS, EAST ALONG THE SOUTH LINE OF SAID LOT 1, BEING ALSO THE WEST LINE OF SAID LOT "A" IN CALHOUN NORTON CONSOLIDATION, A DISTANCE OF 326.30 FEET TO A CORNER OF LOT 1; THENCE NORTH 87 DEGREES, 29 MINUTES, 24 SECONDS, EAST ALONG THE SOUTH LINE OF SAID LOT 1, BEING ALSO THE WEST LINE OF SAID LOT "A" IN CALHOUN NORTON CONSOLIDATION, A DISTANCE OF 16.47 FEET TO A CORNER OF LOT 1, THENCE NORTH 21 DEGREES, 51 MINUTES, 29 SECONDS, EAST ALONG THE SOUTH LINE OF SAID LOT 1, BEING ALSO THE WEST LINE OF SAID LOT "A" IN CALHOUN NORTON CONSOLIDATION, A DISTANCE OF 34.53 FEET; THENCE SOUTH 87 DEGREES, 29 MINUTES, 24 SECONDS, WEST 87.83 FEET, THENCE SOUTH 21 DEGREES, 51 MINUTES, 29 SECONDS, WEST 360.84 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

AS CONTAINED IN EASEMENT AGREEMENT MADE BY NORTH WEST NATIONAL BANK OF CHICAGO, TRUSTEE UNDER TRUST AGREEMENT DATED AUGUST 14, 1979 AND KNOWN AS TRUST NUMBER 5502, NORTHERN TRUST BANK OF PALM BEACH, FLORIDA N. A., NAN P. NORTON DELATUCSH (FORMERLY KNOWN AS NAN P. NORTON) AND MICHAEL C. NORTON AS TRUSTEES UNDER THAT CERTAIN CALHOUN-NORTON MARITAL TRUST CREATED BY A TRUST AGREEMENT DATED DECEMBER 6, 1979 (COLLECTIVELY THE NORTON TRUSTEES), ARENS CONTROLS, INC., CORPORATION OF ILLINOIS, LA SALLE NATIONAL BANK, TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 9, 1986 AND KNOWN AS TRUST NUMBER 111203, (THE LA SALLE TRUST) AND BANBURY/EVANSTON LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, DATED OCTOBER 1, 1986 RECORDED NOVEMBER 16, 1986 AS DOCUMENT 86522197, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1908-1910 DEMPSTER STREET AND 1112-1122  
DODGE AVENUE, EVANSTON, ILLINOIS 60202

PERMANENT TAX INDEX NUMBER PIN: 10-24-108-038-0000

**EXHIBIT B**



## **JOINT REVIEW BOARD MEETING**

Thursday, November 12, 2015 – 10:00 am

Lorraine Morton Civic Center, 2100 Ridge Avenue, Room 2404

**Members Present:** Ald. Wynne, Mary Brown, Bill Stafford, Karen Epps, Ann Carlson, Carl Ginsberg, John Szostek, Laura Brown

**Staff Present:** Martin Lyons, Johanna Leonard, Janella Hardin

**Others Present:** Ald. Rainey, Ald. Braithwaite, Bob Rychlicki

**Presiding Member:** Alderman Wynne

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### **AGENDA**

#### **1. CALL TO ORDER / DECLARATION OF QUORUM BY ALD. MELISSA WYNNE, CHAIR**

With a quorum present, Alderman Wynne called the meeting to order at 10:08 am.

#### **2. APPROVAL OF JOINT REVIEW BOARD MEETING MINUTES OF OCTOBER 29, 2014**

Bill Stafford moved approval of the Minutes of October 29, 2014, seconded by Carl Ginsberg. A voice vote was taken and the meeting minutes of October 29, 2014 were unanimously approved.

#### **3. APPROVAL OF PUBLIC MEMBERS**

Bill Stafford moved approval of the public members, seconded by Karen Epps. A voice vote was taken and the public members were unanimously approved.

#### **4. REVIEW OF ANNUAL REPORTS FOR FISCAL YEAR January 1, 2014 through December 31, 2014**

Assistant City Manager Martin Lyons introduced himself, Economic Development Division Manager Johanna Leonard and Kane McKenna representative Robert Rychlicki to the Board.

##### **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 \$900,000 was sent to the County for surplus distribution.

The fund balance on January 1, 2014 was \$344,717. There were cash receipts of \$548,948 resulting in an ending fund balance of \$893,665 as of December 31, 2014. Bill Stafford added that the disbursement will add \$175,000 to District 202's tax base and \$350,000 to District 65.

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.

Economic Development Manager Leonard provided a summary of the boundaries and projects within this TIF district, most notably Ward Manufacturing and Sam's Club.

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

Assistant City Manager Lyons noted that this TIF will close by December 31, 2016. This TIF district houses Target and Autobarn. There is a traffic signal and intersection improvement planned in conjunction with the City of Chicago. There was an \$11.5 million increase in tax value during the reporting period.

The boundary of this TIF was expanded to accommodate Autobarn's development for the service departments of Mazda and Fiat. Autobarn was awarded \$2.5 million in rehab assistance and plans to open in the spring of 2016. The 4 outlots are separate and estimated value is \$500-\$600k for each plot.

At Mr. Stafford's inquiry, Bob Rychlicki explained that the assessed value for Autobarn will be reported in the first 3 quarters of the current tax year and the last 3 quarters in the next tax year.

The fund balance on January 1, 2014 was \$3,357,048. There were cash disbursements of \$987,566 resulting in an ending fund balance of \$2,369,482 as of December 31, 2014.

### **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 includes Fountain Square and Sherman Deck bond payments. There is an estimated \$12 million in projects over the rest of its life, however, there are still 3 full years left for tax and surplus distribution.

This TIF supports the Downtown Evanston landscaping program and façade projects for 50/50 match rehab for outside of buildings. Downtown Evanston provides marketing, events and promotion of businesses in the downtown area.

The fund balance on January 1, 2014 was \$5,037,441. There were cash receipts of \$1,149,262 resulting in an ending fund balance of \$6,186,703 as of December 31, 2014.

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

The Howard Ridge TIF has several very successful redevelopment projects located within the TIF boundaries. The City currently pays 100% of the tax bill for the 415 Howard apartment building. In 2016, the City will pay 85% of tax bill and it will step down each year by 15% after that. Ward Eight and Peckish Pig properties were purchased as part of redevelopment activities.

The fund balance on January 1, 2014 was \$388,617. There were cash disbursements of \$93,498 resulting in an ending fund balance of \$295,119 as of December 31, 2014.

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

Assistant City Manager Lyons explained that while no debt has been issued in this TIF, there is currently an approximately a \$2 million deficit in equalized assessed value.

At inquiry from the Board, Assistant City Manager Lyons will send an e-mail follow up to the group regarding the line item of \$62,000 for Other Charges.

Economic Development Manager Leonard discussed the boundaries of this TIF. This TIF houses the City's oldest business, IRMCO, which celebrated its 100 year anniversary last year, Gibbs Morrison Cultural Center, First Slice Café and Y.O.U headquarters.

The fund balance on January 1, 2014 was \$537,639. There were cash disbursements of \$37,269 resulting in an ending fund balance of \$500,370 as of December 31, 2014.

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

Dempster Dodge is a single property TIF. The EAV will be higher next year upon update.

Assistant City Manager Lyons stated that this is considered a micro-TIF. There are multiple parcels with one owner, Valli Produce. There have been numerous improvements completed in this TIF as the shopping center is redeveloped and re-invested in.

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

The Chicago Main TIF is along the railroad right-of-way. The TIF has a \$2.9 million deficit for southeast corner mixed used development, which has a market value of \$42 million (private investment).

The \$2.9 million help to the developer includes approximately 10,000 square feet of office space in the project. Additionally, a Special Service Area was created in this area that includes the business districts along Dempster and Main Streets and along Chicago Avenue.

#### **4. BOARD DISCUSSION**

Motion to accept the report made by Dr. Mary Brown and seconded by Bill Stafford. A voice vote was taken and the motion was unanimously approved.

#### **5. ADJOURNMENT**

Ald. Wynne motioned to adjourn. **Meeting was adjourned at 11:38 am.**

Respectfully Submitted,

Janella Hardin, PHR  
Administrative Secretary

**EXHIBIT C**

## **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.

Southwest 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.

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

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

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet  
 Nonmajor Governmental Funds

December 31, 2015

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
<b>Assets</b>					
Cash and equivalents	\$ 1,745,296	\$ 2,099,511	\$ 392,583	\$ 169,915	\$ 978,743
Receivables					
Property tax	-	-	-	-	-
Notes	-	126,602	-	-	1,636,031
Special assessments	-	-	-	-	-
Other	-	461,289	174,715	-	36,721
Due from other governments	168,107	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,913,403</b>	<b>\$ 2,687,402</b>	<b>\$ 567,298</b>	<b>\$ 169,915</b>	<b>\$ 2,651,495</b>
<b>Liabilities</b>					
Vouchers payable	\$ 83,010	\$ 4,818	\$ 15,580	\$ -	\$ 21,584
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>83,010</b>	<b>4,818</b>	<b>15,580</b>	<b>-</b>	<b>21,584</b>
<b>Deferred Inflows of Resources</b>					
Long-term notes receivable	-	126,602	-	-	1,636,031
Unavailable revenue - property taxes	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>126,602</b>	<b>-</b>	<b>-</b>	<b>1,636,031</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>83,010</b>	<b>131,420</b>	<b>15,580</b>	<b>-</b>	<b>1,657,615</b>
<b>Fund Balances</b>					
Restricted for					
Highway Maintenance	1,830,393	-	-	-	-
Emergency Telephone System	-	-	551,718	-	-
HUD Approved Projects	-	-	-	-	-
Neighborhood Improvements	-	-	-	169,915	993,880
Debt Service	-	-	-	-	-
Township	-	-	-	-	-
Committed	-	2,555,982	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>1,830,393</b>	<b>2,555,982</b>	<b>551,718</b>	<b>169,915</b>	<b>993,880</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,913,403</b>	<b>\$ 2,687,402</b>	<b>\$ 567,298</b>	<b>\$ 169,915</b>	<b>\$ 2,651,495</b>

Special Revenue						
HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	General Assistance	Total Special Revenue
\$ 4,500	\$ 10,218	\$ 243,748	\$ 214,397	\$ -	\$ 521,542	\$ 6,380,453
-	-	-	-	314,374	800,000	1,114,374
4,678,445	196,352	1,925,242	-	-	-	8,562,672
-	-	-	-	-	-	-
-	-	-	-	-	-	672,725
12,866	101,394	-	-	-	-	282,367
-	-	-	-	-	-	-
<u>\$ 4,695,811</u>	<u>\$ 307,964</u>	<u>\$ 2,168,990</u>	<u>\$ 214,397</u>	<u>\$ 314,374</u>	<u>\$ 1,321,542</u>	<u>\$ 17,012,591</u>
\$ 12,482	\$ 29,871	\$ 85,383	\$ -	\$ -	\$ 3,934	\$ 256,662
-	-	-	213,634	-	-	213,634
114	21,859	-	763	190,544	4,369	217,649
-	-	-	-	-	-	-
12,596	51,730	85,383	214,397	190,544	8,303	687,945
4,678,445	196,352	1,925,242	-	-	-	8,562,672
-	-	-	-	314,374	800,000	1,114,374
4,678,445	196,352	1,925,242	-	314,374	800,000	9,677,046
4,691,041	248,082	2,010,625	214,397	504,918	808,303	10,364,991
-	-	-	-	-	-	1,830,393
-	-	-	-	-	-	551,718
4,770	59,882	158,365	-	-	-	223,017
-	-	-	-	-	-	1,163,795
-	-	-	-	-	-	-
-	-	-	-	-	513,239	513,239
-	-	-	-	-	-	2,555,982
-	-	-	-	-	-	-
-	-	-	-	(190,544)	-	(190,544)
4,770	59,882	158,365	-	(190,544)	513,239	6,647,600
<u>\$ 4,695,811</u>	<u>\$ 307,964</u>	<u>\$ 2,168,990</u>	<u>\$ 214,397</u>	<u>\$ 314,374</u>	<u>\$ 1,321,542</u>	<u>\$ 17,012,591</u>

(This schedule is continued on the following pages.)

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet  
 Nonmajor Governmental Funds

December 31, 2015

	Debt Service			
	Special Service District No. 5	Chicago Main Tax Increment District	Southwest Tax Increment District	Howard Hartrey Tax Increment District
<b>Assets</b>				
Cash and equivalents	\$ 525,429	\$ 602,070	\$ -	\$ 1,296,398
Receivables				
Property tax	-	-	-	-
Notes	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
<b>Total Assets</b>	<b>\$ 525,429</b>	<b>\$ 602,070</b>	<b>\$ -</b>	<b>\$ 1,296,398</b>
<b>Liabilities</b>				
Vouchers payable	\$ -	\$ 290,000	\$ -	\$ 2,949
Due to other governments	-	-	-	-
Due to other funds	-	-	-	12,334
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>290,000</b>	<b>-</b>	<b>15,283</b>
<b>Deferred Inflows of Resources</b>				
Long-term notes receivable	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>-</b>	<b>290,000</b>	<b>-</b>	<b>15,283</b>
<b>Fund Balances</b>				
Restricted for				
Highway Maintenance	-	-	-	-
Emergency Telephone System	-	-	-	-
HUD Approved Projects	-	-	-	-
Neighborhood Improvements	-	-	-	-
Debt Service	525,429	312,070	-	1,281,115
Township	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>525,429</b>	<b>312,070</b>	<b>-</b>	<b>1,281,115</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 525,429</b>	<b>\$ 602,070</b>	<b>\$ -</b>	<b>\$ 1,296,398</b>

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		
\$ 6,747,788	\$ -	\$ 150,248	\$ 447,351	\$ 9,769,284	\$ 8,019,809	\$ 2,674,718	\$ 10,694,527	\$ 26,844,264	
-	-	-	-	-	-	-	-	1,114,374	
-	-	-	-	-	-	-	-	8,562,672	
-	-	-	-	-	-	303,578	303,578	303,578	
-	-	-	-	-	136,730	7,155	143,885	816,610	
-	-	-	-	-	-	-	-	282,367	
-	-	-	-	-	-	908	908	908	
\$ 6,747,788	\$ -	\$ 150,248	\$ 447,351	\$ 9,769,284	\$ 8,156,539	\$ 2,986,359	\$ 11,142,898	\$ 37,924,773	
\$ 33,250	\$ -	\$ 16,508	\$ 88	\$ 342,795	\$ 2,303,491	\$ -	\$ 2,303,491	\$ 2,902,948	
-	-	-	-	-	-	-	-	213,634	
272,108	-	162,361	5,000	451,803	336,007	-	336,007	1,005,459	
-	-	-	-	-	-	303,578	303,578	303,578	
305,358	-	178,869	5,088	794,598	2,639,498	303,578	2,943,076	4,425,619	
-	-	-	-	-	-	-	-	8,562,672	
-	-	-	-	-	-	-	-	1,114,374	
-	-	-	-	-	-	-	-	9,677,046	
305,358	-	178,869	5,088	794,598	2,639,498	303,578	2,943,076	14,102,665	
-	-	-	-	-	-	-	-	1,830,393	
-	-	-	-	-	-	-	-	551,718	
-	-	-	-	-	-	-	-	223,017	
-	-	-	-	-	-	2,682,781	2,682,781	3,846,576	
6,442,430	-	2,270	442,263	9,005,577	-	-	-	9,005,577	
-	-	-	-	-	-	-	-	513,239	
-	-	-	-	-	-	-	-	2,555,982	
-	-	-	-	-	5,517,041	-	5,517,041	5,517,041	
-	-	(30,891)	-	(30,891)	-	-	-	(221,435)	
6,442,430	-	(28,621)	442,263	8,974,686	5,517,041	2,682,781	8,199,822	23,822,108	
\$ 6,747,788	\$ -	\$ 150,248	\$ 447,351	\$ 9,769,284	\$ 8,156,539	\$ 2,986,359	\$ 11,142,898	\$ 37,924,773	

(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, 2015

	Special Revenue						
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing	HOME	Community Development Block Grant
<b>Revenues</b>							
Taxes	\$ -	\$ 2,116,843	\$ 977,071	\$ -	\$ 100,000	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	2,465,781	-	-	-	-	465,961	1,502,924
Charges for services	-	-	-	-	-	-	-
Investment income	819	129	190	-	111	19	-
<b>Miscellaneous</b>							
Contributions	-	-	-	-	125,000	-	-
Other	-	1,500	100	-	150	6,402	3,318
<b>Total Revenues</b>	<b>2,466,600</b>	<b>2,118,472</b>	<b>977,361</b>	<b>-</b>	<b>225,261</b>	<b>472,382</b>	<b>1,506,242</b>
<b>Expenditures</b>							
<b>Current</b>							
General management and support	-	-	-	-	-	-	-
Public safety	-	-	1,192,229	-	-	-	-
Public works	1,583,238	-	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	-	-	-	-
Housing and economic development	-	2,535,678	-	-	214,851	490,440	993,131
Capital outlay	-	-	-	-	-	-	-
<b>Debt service</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,583,238</b>	<b>2,535,678</b>	<b>1,192,229</b>	<b>-</b>	<b>214,851</b>	<b>490,440</b>	<b>993,131</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>883,362</b>	<b>(417,206)</b>	<b>(214,868)</b>	<b>-</b>	<b>10,410</b>	<b>(18,058)</b>	<b>513,111</b>
<b>Other Financing Sources (Uses)</b>							
Issuance of bonds	-	-	-	-	-	-	-
Issuance of loans	-	-	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-	-	-
Transfers in	-	47,500	-	-	-	-	-
Transfers (out)	(833,000)	(614,782)	(141,767)	-	-	(26,990)	(453,229)
<b>Total Other Financing Sources (Uses)</b>	<b>(833,000)</b>	<b>(567,282)</b>	<b>(141,767)</b>	<b>-</b>	<b>-</b>	<b>(26,990)</b>	<b>(453,229)</b>
<b>Net Change in Fund Balances</b>	<b>50,362</b>	<b>(984,488)</b>	<b>(356,635)</b>	<b>-</b>	<b>10,410</b>	<b>(45,048)</b>	<b>59,882</b>
<b>Fund Balances (Deficit), January 1</b>	<b>1,780,031</b>	<b>3,540,470</b>	<b>908,353</b>	<b>169,915</b>	<b>2,546,920</b>	<b>4,580,079</b>	<b>184,902</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,563,450)</b>	<b>(4,530,261)</b>	<b>(184,902)</b>
<b>Fund Balances (Deficit), January 1, Restated</b>	<b>1,780,031</b>	<b>3,540,470</b>	<b>908,353</b>	<b>169,915</b>	<b>983,470</b>	<b>49,818</b>	<b>-</b>
<b>Fund Balances (Deficit), December 31</b>	<b>\$ 1,830,393</b>	<b>\$ 2,555,982</b>	<b>\$ 551,718</b>	<b>\$ 169,915</b>	<b>\$ 993,880</b>	<b>\$ 4,770</b>	<b>\$ 59,882</b>

Debt Service								
Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	General Assistance	Total Special Revenue	Special Service District No. 5	Chicago Main Tax Increment District	Southwest Tax Increment District	
\$ -	\$ -	\$ 322,055	\$ 1,313,420	\$ 4,829,389	\$ 422,526	\$ -	\$ -	
-	-	-	-	-	-	-	-	
-	130,126	-	-	4,564,792	-	-	-	
-	-	-	-	-	-	-	-	
375	-	4	61	1,708	5	-	-	
-	-	-	-	125,000	-	-	-	
397,708	-	-	22,742	431,920	-	-	-	
398,083	130,126	322,059	1,336,223	9,952,809	422,531	-	-	
-	-	-	782,701	782,701	-	-	-	
-	-	-	-	1,192,229	-	-	-	
-	-	-	-	1,583,238	-	-	-	
-	-	-	-	-	-	-	-	
282,380	134,148	323,000	-	4,973,628	-	580,000	893,387	
-	-	-	-	-	-	-	-	
-	-	-	-	-	255,000	-	-	
-	-	-	-	-	42,150	7,930	-	
-	-	-	-	-	-	-	-	
282,380	134,148	323,000	782,701	8,531,796	297,150	587,930	893,387	
115,703	(4,022)	(941)	553,522	1,421,013	125,381	(587,930)	(893,387)	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	900,000	-	
-	8,213	-	-	55,713	-	-	-	
-	(4,191)	-	-	(2,073,959)	-	-	-	
-	4,022	-	-	(2,018,246)	-	900,000	-	
115,703	-	(941)	553,522	(597,233)	125,381	312,070	(893,387)	
2,350,661	-	(153,365)	183,099	16,091,065	464,046	-	893,665	
(2,307,999)	-	(36,238)	(223,382)	(8,846,232)	(63,998)	-	(278)	
42,662	-	(189,603)	(40,283)	7,244,833	400,048	-	893,387	
\$ 158,365	\$ -	\$ (190,544)	\$ 513,239	\$ 6,647,600	\$ 525,429	\$ 312,070	\$ -	

(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					Total Debt Service
	Howard Hartrey Tax Increment District	Dempster Dodge Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	
<b>Revenues</b>						
Taxes	\$ 1,248,231	\$ -	\$ 4,921,484	\$ 540,576	\$ -	\$ 7,132,817
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	1,986	-	3,532	1,817	257	7,597
Miscellaneous						
Contributions	-	-	-	-	-	-
Other	-	-	-	64,176	-	64,176
<b>Total Revenues</b>	<b>1,250,217</b>	<b>-</b>	<b>4,925,016</b>	<b>606,569</b>	<b>257</b>	<b>7,204,590</b>
<b>Expenditures</b>						
<b>Current</b>						
General management and support	-	-	-	581,915	(8,821)	573,094
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	-	-	-
Housing and economic development	2,174,940	2,000,000	310,290	-	-	5,958,617
Capital outlay	-	-	-	-	-	-
<b>Debt service</b>						
Principal	-	-	545,000	-	-	800,000
Interest	-	-	29,976	585	7,185	87,826
Fiscal agent fees	-	-	250	-	-	250
<b>Total expenditures</b>	<b>2,174,940</b>	<b>2,000,000</b>	<b>885,516</b>	<b>582,500</b>	<b>(1,636)</b>	<b>7,419,787</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(924,723)</b>	<b>(2,000,000)</b>	<b>4,039,500</b>	<b>24,069</b>	<b>1,893</b>	<b>(215,197)</b>
<b>Other Financing Sources (Uses)</b>						
Issuance of bonds	-	-	-	-	-	-
Issuance of loans	-	2,000,000	-	-	-	2,900,000
Premium (discount) on bonds issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers (out)	(148,010)	-	(3,265,296)	(107,500)	(60,000)	(3,580,806)
<b>Total Other Financing Sources (Uses)</b>	<b>(148,010)</b>	<b>2,000,000</b>	<b>(3,265,296)</b>	<b>(107,500)</b>	<b>(60,000)</b>	<b>(680,806)</b>
<b>Net Change in Fund Balances</b>	<b>(1,072,733)</b>	<b>-</b>	<b>774,204</b>	<b>(83,431)</b>	<b>(58,107)</b>	<b>(896,003)</b>
<b>Fund Balances (Deficit), January 1</b>	<b>2,369,483</b>	<b>-</b>	<b>6,186,704</b>	<b>295,119</b>	<b>500,370</b>	<b>10,709,387</b>
<b>Prior Period Adjustment</b>	<b>(15,635)</b>	<b>-</b>	<b>(518,478)</b>	<b>(240,309)</b>	<b>-</b>	<b>(838,698)</b>
<b>Fund Balances (Deficit), January 1, Restated</b>	<b>2,353,848</b>	<b>-</b>	<b>5,668,226</b>	<b>54,810</b>	<b>500,370</b>	<b>9,870,689</b>
<b>Fund Balances (Deficit), December 31</b>	<b>\$ 1,281,115</b>	<b>\$ -</b>	<b>\$ 6,442,430</b>	<b>\$ (28,621)</b>	<b>\$ 442,263</b>	<b>\$ 8,974,686</b>

Capital Projects			
Capital Improvements	Special Assessment Capital Projects	Total Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 11,962,206
-	147,831	147,831	147,831
270,268	-	270,268	4,835,060
87,391	-	87,391	87,391
3,815	2,219	6,034	15,339
150,000	-	150,000	275,000
-	-	-	496,096
511,474	150,050	661,524	17,818,923
172,067	4,242	176,309	1,532,104
-	-	-	1,192,229
1,365,064	-	1,365,064	2,948,302
7,230	-	7,230	7,230
-	-	-	10,932,245
8,926,479	224,708	9,151,187	9,151,187
-	-	-	800,000
-	-	-	87,826
-	-	-	250
10,470,840	228,950	10,699,790	26,651,373
(9,959,366)	(78,900)	(10,038,266)	(8,832,450)
7,375,000	230,000	7,605,000	7,605,000
-	-	-	2,900,000
420,481	13,113	433,594	433,594
-	-	-	55,713
(490,000)	-	(490,000)	(6,144,765)
7,305,481	243,113	7,548,594	4,849,542
(2,653,885)	164,213	(2,489,672)	(3,982,908)
8,170,926	2,518,568	10,689,494	37,489,946
-	-	-	(9,684,930)
8,170,926	2,518,568	10,689,494	27,805,016
\$ 5,517,041	\$ 2,682,781	\$ 8,199,822	\$ 23,822,108

(See independent auditor's report.)

CITY OF EVANSTON, ILLINOIS

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Special Service District No. 5		Chicago Main Tax Increment District	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Taxes				
Property taxes				
Current year levy, net	\$ 425,000	\$ 418,735	\$ -	\$ -
Prior year levy, net	-	3,791	-	-
Investment income	300	5	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>425,300</u>	<u>422,531</u>	<u>-</u>	<u>-</u>
Expenditures				
General management and support	-	-	-	-
Housing and economic development	-	-	2,900,000	580,000
Debt Service				
Principal	390,000	255,000	-	-
Interest	35,175	42,150	-	7,930
Fiscal agent fees	-	-	-	-
Total Expenditures	<u>425,175</u>	<u>297,150</u>	<u>2,900,000</u>	<u>587,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>125</u>	<u>125,381</u>	<u>(2,900,000)</u>	<u>(587,930)</u>
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Issuance of loans	-	-	2,900,000	900,000
Transfers in (out)				
General	-	-	-	-
IMRF	-	-	-	-
Economic Development	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,900,000</u>	<u>900,000</u>
Net Changes in Fund Balances	<u>\$ 125</u>	<u>125,381</u>	<u>\$ -</u>	<u>312,070</u>
Fund Balances (Deficit)				
Beginning of Year		464,046		-
Prior period adjustment		<u>(63,998)</u>		<u>-</u>
Beginning of Year, Restated		<u>400,048</u>		<u>-</u>
End of Year		<u>\$ 525,429</u>		<u>\$ 312,070</u>

Southwest Tax Increment District		Howard Hartrey Tax Increment District		Washington National Tax Increment District	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ -	\$ -	\$ 1,150,000	\$ 1,248,231	\$ 4,900,000	\$ 4,888,882
-	-	-	-	-	32,602
-	-	4,500	1,986	10,000	3,532
-	-	-	-	-	-
-	-	1,154,500	1,250,217	4,910,000	4,925,016
-	-	-	-	-	-
861,217	893,387	3,500,000	2,174,940	2,300,000	310,290
-	-	-	-	545,000	545,000
-	-	-	-	30,000	29,976
-	-	-	-	-	250
861,217	893,387	3,500,000	2,174,940	2,875,000	885,516
(861,217)	(893,387)	(2,345,500)	(924,723)	2,035,000	4,039,500
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(148,010)	(148,010)	(340,000)	(340,000)
-	-	-	-	(2,925,296)	(2,925,296)
-	-	-	-	-	-
-	-	(148,010)	(148,010)	(3,265,296)	(3,265,296)
<u>\$ (861,217)</u>	<u>(893,387)</u>	<u>\$ (2,493,510)</u>	<u>(1,072,733)</u>	<u>\$ (1,230,296)</u>	<u>774,204</u>
	893,665		2,369,483		6,186,704
	<u>(278)</u>		<u>(15,635)</u>		<u>(518,478)</u>
	<u>893,387</u>		<u>2,353,848</u>		<u>5,668,226</u>
	<u>\$ -</u>		<u>\$ 1,281,115</u>		<u>\$ 6,442,430</u>

(This schedule is continued on the following page.)

CITY OF EVANSTON, ILLINOIS

Debt Service Funds

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended December 31, 2015

	Howard Ridge Tax Increment District		West Evanston Tax Increment District		Totals	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
<b>Revenues</b>						
<b>Taxes</b>						
Property taxes						
Current year levy, net	\$ 545,000	\$ 529,021	\$ -	\$ -	\$ 7,020,000	\$ 7,084,869
Prior year levy, net	-	11,555	-	-	-	47,948
Investment income	500	1,817	100	257	15,400	7,597
Miscellaneous	100,500	64,176	-	-	100,500	64,176
<b>Total Revenues</b>	<b>646,000</b>	<b>606,569</b>	<b>100</b>	<b>257</b>	<b>7,135,900</b>	<b>7,204,590</b>
<b>Expenditures</b>						
General management and support	690,000	581,915	95,000	(8,821)	785,000	573,094
Housing and economic development	-	-	-	-	9,561,217	3,958,617
<b>Debt Service</b>						
Principal	-	-	-	-	935,000	800,000
Interest	600	585	10,000	7,185	75,775	87,826
Fiscal agent fees	-	-	-	-	-	250
<b>Total Expenditures</b>	<b>690,600</b>	<b>582,500</b>	<b>105,000</b>	<b>(1,636)</b>	<b>11,356,992</b>	<b>5,419,787</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(44,600)</b>	<b>24,069</b>	<b>(104,900)</b>	<b>1,893</b>	<b>(4,221,092)</b>	<b>1,784,803</b>
<b>C</b>						
Issuance of bonds	200,000	-	-	-	200,000	-
Issuance of loans	-	-	105,000	-	3,005,000	900,000
<b>Transfers in (out)</b>						
General	(60,000)	(60,000)	(60,000)	(60,000)	(608,010)	(608,010)
IMRF	-	-	-	-	(2,925,296)	(2,925,296)
Economic Development	(47,500)	(47,500)	-	-	(47,500)	(47,500)
<b>Total Other Financing Sources (Uses)</b>	<b>92,500</b>	<b>(107,500)</b>	<b>45,000</b>	<b>(60,000)</b>	<b>(375,806)</b>	<b>(2,680,806)</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 47,900</b>	<b>(83,431)</b>	<b>\$ (59,900)</b>	<b>(58,107)</b>	<b>\$ (4,596,898)</b>	<b>(896,003)</b>
<b>Fund Balances (Deficit)</b>						
Beginning of Year		295,119		500,370		10,709,387
Prior period adjustment		(240,309)		-		(838,698)
Beginning of Year, Restated		54,810		500,370		9,870,689
End of Year		\$ (28,621)		\$ 442,263		\$ 8,974,686

(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, 2015. 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 and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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, 2015, 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.

Naperville, Illinois  
August 5, 2016

A handwritten signature in black ink, appearing to read 'Sikich LLP'.