

CITY OF EVANSTON

**TAX INCREMENT FINANCING DISTRICT NO. 2
SOUTHWEST TIF DISTRICT**

**ANNUAL REPORT FOR THE 10 MONTH PERIOD
BEGINNING MARCH 1, 2011 AND ENDING DECEMBER 31, 2011**

***CITY OF EVANSTON SOUTHWEST TIF DISTRICT ANNUAL REPORT FOR 10 MONTH PERIOD
BEGINNING MARCH 1, 2011 AND ENDING DECEMBER 31, 2011***

City of Evanston

**Tax Increment Financing District No. 2
Southwest TIF District
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Section 1. Name of Redevelopment Project Area and Contact Information

Refer to chart attached.

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

Name of Redevelopment Project Area:	Southwest TIF	
Primary Use of Redevelopment Project Area*:	Combination/Mixed	
if "Combination/Mixed" List Component Types:	Retail, Industrial	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):		
Tax Increment Allocation Redevelopment Act	<input checked="" type="checkbox"/>	Industrial Jobs Recovery Law
	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E		X
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F		X
Did TIF advisors or consultants have enter into contracts with entities or persons receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect 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)] If yes, please enclose a copy of the intergovernmental agreements labeled Attachment M	X	

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

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

There were no amendments to the Redevelopment Plan or to the Redevelopment Project Area within the reporting 10 Month 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 10 Month Period.

Re: Southwest 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 10 Month Period beginning March 1, 2011 and ending December 31, 2011.



MAYOR



DATE

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

RE: Attorney Review City of Evanston Southwest 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 10 Month Period beginning March 1, 2011 and ending December 31, 2011, to the best of my knowledge and belief.

Sincerely,


Corporation Counsel

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

- A. Any project implemented during the reporting 10 Month Period; and
- B. A description of the redevelopment activities undertaken.

The City amended the TIF reimbursement agreement with Ward Manufacturing Company for the redevelopment of property located at 2222 Main Street. The total amount of the TIF incentive would not exceed \$700,000 and is conditioned upon the company undertaking certain improvements per provisions set forth in the agreement (as to types of improvements and the time period for implementation). Ward Manufacturing Company was paid the TIF reimbursement in the reporting Fiscal Year.

Attachment E Description of Agreements Regarding Property Disposition or Redevelopment

No agreements regarding property disposition were entered into by the City in the reporting 10 Month Period. The City amended the TIF reimbursement agreement with Ward Manufacturing Company for the redevelopment of property located at 2222 Main Street. The amendment primarily revised timelines and definition of the project. The total amount of the TIF incentive would not exceed \$700,000 and is conditioned upon the company undertaking certain improvements per provisions set forth in the agreement (as to types of improvements and the time period for implementation). A copy of the amendment to the agreement is attached as Exhibit C.

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

The City continued to apply incremental taxes to eligible TIF costs.

Attachment G Information Regarding Contracts with TIF Consultants.

The City utilized Kane, McKenna and Associates, Inc. in order to prepare the annual report. Fees were based upon hourly rates for services rendered and did not include contingent payments. Kane McKenna did not enter into contracts with any entities that were party to City redevelopment agreements.

Attachment H Reports Submitted by Joint Review Board.

No reports were submitted by the Joint Review Board. The Board met on December 16, 2011. Minutes of the meeting are attached as Exhibit A.

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

No new obligations were issued by the City in the reporting 10 Month Period. A redevelopment agreement was entered into by the City. But the obligation was structured as a reimbursement agreement conditioned upon certain provisions of the agreement.

Attachment J Financial Analysis: TIF Obligations

The City undertook an ongoing review of existing and proposed TIF obligations throughout the reporting 10 Month Period. The City continued to monitor the payment of existing obligations. Outstanding principal amounts, as well as future interest payments, associated with existing debt are summarized in Section 3.3 below.

Attachment K and L

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

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

Attachment M Intergovernmental Agreements

Not applicable.

Section 3.1 Analysis of Special Tax Allocation Fund

Refer to table attached.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period	\$	397,497	
Includes Debt Service Fund			
Revenue/Cash Receipts Deposited in Fund During Reporting FY:			
			% of Total
Property Tax Increment	\$	212,489	\$ 10,053,589 67%
State Sales Tax Increment			0%
Local Sales Tax Increment			\$ 1,200,000 8%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$	31	\$ 845,113 6%
Land/Building Sale Proceeds			0%
Bond Proceeds			\$ 2,100,000 14%
Transfers from Municipal Sources			\$ 880,154 6%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	\$	212,520	
Cumulative Total Revenues/Cash Receipts			\$ 15,078,856 100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$	724,100	
Distribution of Surplus	\$	-	
Total Expenditures/Disbursements	\$	724,100	
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$	(511,580)	
FUND BALANCE, END OF REPORTING PERIOD	\$	(114,083)	

- if there is a positive fund balance at the end of the reporting period, you must complete 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))
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)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
TIF eligible reimbursements, including intergovernmental payments	24,100	
		\$ 24,100
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs.		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public TIF reimbursements	700,000	
		\$ 700,000
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		
		\$ -
7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		

		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 724,100

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
 (65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))**

FUND BALANCE, END OF REPORTING PERIOD \$ (114,083)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
General Obligation Bonds Series 2003	\$ 2,030,000	
	paid	

Total Amount Designated for Obligations \$ 2,030,000 \$ -

2. Description of Project Costs to be Paid

Redevelopment and capital project costs		\$ 725,000
City TIF Costs		\$ 25,000
Taxing district obligations		\$ 700,000

Total Amount Designated for Project Costs \$ 1,450,000

TOTAL AMOUNT DESIGNATED \$ 1,450,000

SURPLUS*/(DEFICIT) \$ (1,564,083)

* 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)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the

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)
 Please include a brief description of each project.

X **No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area**

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
TOTAL:			
Private Investment Undertaken (See Instructions)	\$ 5,000,000	\$ -	\$ 5,000,000
Public Investment Undertaken	\$ 2,000,000	\$ -	\$ 2,000,000
Ratio of Private/Public Investment	2 1/2		2 1/2
Project 1:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0
Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

EXHIBIT A

**TIF Joint Review Board
Meeting Minutes
December 16, 2011**

Attendees:

- Board Members:** Mary Brown- School District 65, Larry Kaufman – Howard Street, Valerie Kretchmer – Evanston Resident and VSK Associates, Pat Vance – Evanston Township, Marty Norkett - Resident, Dr. Sandy Martell – Cook County HHS, Mary Rodino – School District 202, Ald. Mark Tendam – City of Evanston
- Board Members** Ann Laurence – Oakton College, Brian Rosinski – Ridgeville Park District, Toni Preckwinkle – Cook County, Terrance O'Brien – Metropolitan Water Reclamation District
- Absent**
- City Staff:** Steve Griffin, Nancy Radzevich, Johanna Nyden, Paul Zalmezak, Martin Lyons, Jim Furey
- Others in Attendance:** Bob Rychlicki – Kane McKenna, Carolyn Dellutri – Downtown Evanston, Karen Berkowitz – Pioneer Press, Bill Smith – Evanston Now, Michio Murakishi – MEECH Group, Ald. Delores Holmes – City of Evanston, Ald. Ann Rainey – City of Evanston

- I. Call to Order / Declaration of Quorum by Ald. Mark Tendam, Chair**
A quorum being present, Chair Mark Tendam called the meeting to order at 9:15 a.m.
- II. Consideration of JRB Meeting Minutes from December 16, 2010**
Mary Brown of District 65 moved to approve the December 16, 2010 minutes, seconded by at-large member, Valerie Kretchmer.

The minutes were approved unanimously, 8-0.

III. Review of Annual Reports for Fiscal Year March 1, 2010 – February 28, 2011

A. Southwest TIF District 2

Nancy Radzevich introduced TIF #2 (Southwest TIF) and explained that it was formed on June 25, 1990 and is scheduled to expire in 2013. This TIF encompasses Sam's Club and Ward Manufacturing. In 2010 City Council approved an agreement with Ward Manufacturing allowing them to rehab their building and expand their manufacturing operation. Due to City assistance through TIF, Ward Manufacturing was able to stay in Evanston and able to add jobs as they have expanded their metal stamping operation. Sewer infrastructure projects are planned for this area in 2012.

Marty Lyons provided an executive summary to the TIF Joint Review Board detailing what has happened with the revenues, and therefore assessed property values for each of the City's TIF Districts. Mr. Lyons referred the Board to pages 19, 26, and 31

of TIF #2's annual report. Discussion ensued on the beginning and ending balances of the fund, what future projects the remaining funds will be used for, debt obligations, and changes in Equalized Assessed Values (EAVs) over the life of the Southwest TIF.

Alderman Rainey asked Mr. Lyons which properties are included in TIF District #2 and which properties are not and why some were originally excluded from the district. Mr. Lyons introduced Robert Rychlicki, the City's TIF consultant, who explained why some properties were included in the TIF District and others were not.

Member-At-Large Valerie Kretchmer asked if the City can find out how much the City spent on a particular TIF District project and what the City is getting in return. Mr. Rychlicki responded that the City can compare growth in EAV's. Mr. Lyons explained we can also show jobs created. Mr. Rychlicki went on to explain that the property values in the areas immediately surrounding a TIF District often rise as a result of increased EAVs within a TIF District. Mr. Lyons suggested the City look at growth in an area prior to the establishment of a TIF District and compare that rate to growth in the same area after a TIF is formed. Mr. Lyons described the neighborhood improvement fund as it related to Home Depot. Ald. Rainey added that the City only spends increment funds generated from a particular TIF within that same TIF and explained that the City does not use any general funds for a TIF project.

B. Howard-Hartrey TIF District 3

Ms. Radzevich introduced TIF District #3 (Howard-Hartrey). This TIF District was created on April 27th, 1992 and will expire in 2015.

Mr. Lyons referred the Board to pages 19, 26, and 31 of the TIF #3 Annual Report document. Mr. Lyons described the fund balance, debt obligations, project costs, capital improvements, surplus information, EAV growth, and the benefit of increased sales tax from this TIF.

Alderman Rainey asked Mr. Lyons to include sales tax figures from the previous year in next year's report. Mary Rodino asked what was on the site prior to the creation of the TIF. Ald. Rainey explained that the site previously had industrial buildings on it. Marty Norkett asked for clarification on outlot redevelopment. Johanna Nyden explained Target's outlot policy and what their future plans for them are. Ald. Rainey stated her desire to see more TIF funds allocated to Police and Fire services for this particular TIF district.

C. Washington-National TIF District 4

Ms. Radzevich introduced TIF District #4 (Washington-National) and explained that it was created on September 15th, 1994 and was amended and expanded in 1999. For fiscal year 2012, \$500,000 is being set aside as a place holder for yet to be determined development projects. The TIF District is set to expire in 2017.

Mr. Lyons explained how the Downtown TIF aided the Washington National TIF maintain its value from 2009 to 2011. Mr. Lyons explained that the major expense for the debt service for the Sherman Avenue parking garage. Mr. Lyons referred board members to pages 19, 26, and 31 and discussed fund balances, debt information, EAVs, and future goals for the TIF.

Ms. Kretchmer asked if the revenues from the Sherman parking garage pay down the garage's debt. Mr. Lyons explained that the revenues from the garage go into the Parking Fund and pay to maintain the garage. The TIF transfers money to the parking fund and the parking fund then makes the payments on debt for the garage. Money from the Sherman parking garage cannot go to parking garages in other areas outside of the TIF District.

D. Howard-Ridge TIF District 5

Ms. Radzevich introduced TIF District #5 (Howard-Ridge) and explained that it was created on January 26, 2004. She described how the City acquired a series of properties within the last year through the use of TIF Funds including 623-627 ½ Howard Street, 629-631 Howard Street, and 727-729 Howard Street. Ms. Radzevich explained that the City Council recently approved a \$900,000 Reimbursement Resolution for Fiscal Year 2012 for capital improvement projects on the buildings the City acquired.

Mr. Lyons explained how the City is using a different strategy for this TIF than for others and described the 415 Howard Street building and different financing strategies. Mr. Lyons then referred the Board to pages 19, 26, and 31 of the Howard Ridge TIF Annual Report document and described fund balances, debt obligations, \$900,000 in future project costs for the district, and EAVs.

E. West Evanston TIF District 6

Ms. Radzevich introduced TIF District #6 (West Evanston) and explained that it was created in September of 2005, is very large in area, and unique in shape. The District encompasses a lot of manufacturing properties and crosses two different Wards within the City. Ms. Radzevich described LSL Industries and the \$50,000 incentive they received in the 2010-2011 period. Ms. Radzevich explained how the City acquired two properties at 1708 and 1710 Darrow Street. For 2012, the City has proposed a series of infrastructure and economic development projects.

Mr. Lyons detailed the young age of TIF District 6 and the \$2.2 million in capital improvement work for this TIF. He went on to explain the unique business make up of the district and the fact that it contains industrial, commercial, and residential uses within it. Mr. Lyons referred the Board to pages 19, 26, and 31 of the TIF District #6 Annual Report and described fund balances, future debt service on projects, and bond information.

Alderman Rainey mentioned the \$2,000,000 approved for the West Evanston TIF by the City Council earlier in December and that specific projects have been assigned. Ms. Radzevich added that by issuing bonds, it allows the City to have cash on hand to use on smaller economic development projects. The City can also borrow off of future increment.

Alderman Holmes asked Mr. Lyons on the possibility of dividing the TIF along Ward lines. Mr. Lyons explained that the City has had an internal discussion on this idea and mentioned how dividing the TIF would require the City to go through all of the necessary legal steps. Mr. Lyons described separate TIFs would be divided along the divergent needs of commercial and industrial uses in the existing TIFs. Mr. Rychlicki stated his

EXHIBIT B

CITY OF EVANSTON, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE TEN MONTHS ENDED
December 31, 2011

Prepared by Administrative Services Department

GOVERNMENTAL FUND TYPES

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

City Funds

Motor Fuel Tax - to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided from the City's share of gasoline taxes.

Economic Development - to account for cost associated with economic development activities of the City. Financing is provided primarily by Hotel Tax revenues.

Emergency Telephone System - to account for revenues and expenditures for 911 emergency telephone service. Financing is provided by network connection surcharges.

Library Endowment - to account for the activity of the funds donated to the library. These funds are invested at the direction of the library board and are used for library acquisitions.

Neighborhood Improvement - to account for a portion of the sales tax revenues derived from retail sales of the Home Depot U.S.A. Inc. store in Evanston. Sales tax revenues allocated to this fund are to be expended on public projects that will benefit the immediate neighborhood of the store.

Affordable Housing - to account for costs associated with housing-related programs of the City.

HOME - to account for the activity of the HOME program. Financing is provided by the federal government. Expenditures are made in accordance with the requirements of federal law.

Community Development Block Grant - to account for revenues and expenditures of the community block grant program. Financing is provided by the federal government on a reimbursement basis in accordance with federal formula. Expenditures are made in accordance with requirements of federal law.

Community Development Loan - to account for residential rehabilitation loans to residents.

Neighborhood Stabilization Program 2 - funded by the American Recovery and Reinvestment Act of 2009 to stabilize neighborhoods that have been negatively impacted by high numbers of foreclosed and vacant homes.

Special Service District No. 4 - to account for promotion, advertisement, and street maintenance costs of the area located in the City's central business district. Financing is provided by the City through an annual property tax levy.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) - funded by American Recovery and Reinvestment Act of 2009 to provide financial assistance and services to either prevent individuals and families from becoming homeless or help those who are experiencing homelessness to be quickly rehoused and stabilized.

Continued

Special Revenue Funds - Continued

Township Funds

Town - to account for general administrative services.

General Assistance - to account for the assistance given to persons and/or families to meet their basic living expenses.

Debt Service Funds

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

Special Service District No. 5 - accumulated monies for the principal and interest payments on unlimited ad valorem tax bonds issued for this special taxing district.

Southwest Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Howard Hartrey Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Washington National Tax Increment District - accumulated monies for the principal and interest payments on debt issued for this special taxing district.

Howard Ridge Tax Increment District - accumulated monies for the payments on redevelopment project for this special taxing district.

West Evanston Tax Increment District - accumulated monies for the payments on redevelopment project for this special taxing district.

Capital Projects Funds

Capital projects are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Special Assessment - to account for capital improvements financed by special assessments on property holder and public benefit contributions from the City.

Concluded

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2011

Assets	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Cash and equivalents	\$ 1,043,574	\$ 1,960,455	\$ 1,261,007	\$ 439,220	\$ 109,915
Investments	-	-	-	2,594,797	-
Receivables					
Property taxes (net of allowance)					
Current year levy	-	-	-	-	-
Notes	-	-	-	-	-
Allowance	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	9,435	-
Other	-	391,816	164,570	-	-
Property held for resale	-	-	-	-	-
Prepaid items	-	-	-	-	-
Due from other governments	156,670	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	\$ 1,200,244	\$ 2,352,271	\$ 1,425,577	\$ 3,043,452	\$ 109,915
Liabilities and Fund Balances					
Liabilities					
Vouchers payable	\$ -	\$ 83,039	\$ 98,950	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	-	81,623	15,869	-	-
Deferred revenues	-	-	-	-	-
Total Liabilities	-	164,662	114,819	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted					
Highway maintenance	1,200,244	-	-	-	-
Emergency telephone system	-	-	1,310,758	-	-
Library projects	-	-	-	3,043,452	-
HUD approved projects	-	-	-	-	-
Neighborhood improvements	-	-	-	-	109,915
Economic Development	-	-	-	-	-
Debt service	-	-	-	-	-
Township	-	-	-	-	-
Committed	-	805,575	-	-	-
Assigned	-	1,382,034	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances (Deficit)	1,200,244	2,187,609	1,310,758	3,043,452	109,915
Total Liabilities and Fund Balances	\$ 1,200,244	\$ 2,352,271	\$ 1,425,577	\$ 3,043,452	\$ 109,915

Special Revenue								
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds	
\$ 557,524	\$ 14,246	\$ 58,905	\$ 53,521	\$ 3,222	\$ 10,091	\$ -	\$ 5,511,680	
-	-	-	-	-	-	-	2,594,797	
-	-	-	-	-	403,472	-	403,472	
1,444,162	2,670,863	24,799	2,054,421	-	-	-	6,194,245	
-	-	(12,000)	(78,000)	-	-	-	(90,000)	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	9,435	
246,831	-	-	-	-	-	-	803,217	
-	-	410,000	-	-	-	-	410,000	
-	-	-	-	-	-	-	-	
-	147,707	359,614	-	726,390	-	-	1,390,381	
10,000	-	78	-	-	-	-	10,078	
<u>\$ 2,258,517</u>	<u>\$ 2,832,816</u>	<u>\$ 841,396</u>	<u>\$ 2,029,942</u>	<u>\$ 729,612</u>	<u>\$ 413,563</u>	<u>\$ -</u>	<u>\$ 17,237,305</u>	
\$ -	\$ 112,195	\$ 364,817	\$ 26,386	\$ 722,926	\$ -	\$ -	\$ 1,408,313	
-	-	-	260	3,222	-	-	3,482	
-	3	53,780	1,216	3,464	100,000	-	255,955	
-	-	-	-	-	374,594	-	374,594	
-	112,198	418,597	27,862	729,612	474,594	-	2,042,344	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	1,200,244	
-	-	-	-	-	-	-	1,310,758	
-	-	-	-	-	-	-	3,043,452	
-	2,720,618	422,799	2,002,080	-	-	-	5,145,497	
2,258,517	-	-	-	-	-	-	2,368,432	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	805,575	
-	-	-	-	-	-	-	1,382,034	
-	-	-	-	-	(61,031)	-	(61,031)	
<u>2,258,517</u>	<u>2,720,618</u>	<u>422,799</u>	<u>2,002,080</u>	<u>-</u>	<u>(61,031)</u>	<u>-</u>	<u>15,194,961</u>	
<u>\$ 2,258,517</u>	<u>\$ 2,832,816</u>	<u>\$ 841,396</u>	<u>\$ 2,029,942</u>	<u>\$ 729,612</u>	<u>\$ 413,563</u>	<u>\$ -</u>	<u>\$ 17,237,305</u>	

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
December 31, 2011 and March 31, 2011 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Assets				
Cash and equivalents	\$ 297,152	\$ 1,216,667	\$ 1,513,819	\$ 7,025,499
Investments	-	-	-	2,594,797
Receivables				
Property taxes (net of allowance)				
Current year levy	241,659	814,717	1,056,376	1,459,848
Notes	-	-	-	6,194,245
Allowance	-	-	-	(90,000)
Special assessments	-	-	-	-
Accrued interest	-	-	-	9,435
Other	11,926	1,368	13,294	816,511
Property held for resale	-	-	-	410,000
Prepaid items	-	-	-	-
Due from other governments	-	-	-	1,390,381
Due from other funds	-	14,689	14,689	24,767
Total Assets	\$ 550,737	\$ 2,047,441	\$ 2,598,178	\$ 19,835,483
Liabilities and Fund Balances				
Liabilities				
Vouchers payable	\$ 98,531	\$ 42,204	\$ 140,735	\$ 1,549,048
Due to other governments	-	-	-	3,482
Due to other funds	14,689	-	14,689	270,644
Deferred revenues	134,688	472,218	606,906	981,500
Total Liabilities	247,908	514,422	762,330	2,804,674
Fund Balances				
Nonspendable	-	-	-	-
Restricted				
Highway maintenance	-	-	-	1,200,244
Emergency telephone system	-	-	-	1,310,758
Library projects	-	-	-	3,043,452
HUD approved projects	-	-	-	5,145,497
Neighborhood improvements	-	-	-	2,368,432
Economic Development	-	-	-	-
Debt service	-	-	-	-
Township	302,829	1,533,019	1,835,848	1,835,848
Committed	-	-	-	805,575
Assigned	-	-	-	1,382,034
Unassigned	-	-	-	(61,031)
Total Fund Balances (Deficit)	302,829	1,533,019	1,835,848	17,030,809
Total Liabilities and Fund Balances	\$ 550,737	\$ 2,047,441	\$ 2,598,178	\$ 19,835,483

Debt Service						
Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service
\$ 15,660	\$ 8,119	\$ 4,900,873	\$ 7,802,957	\$ 968,447	\$ 933,885	\$ 14,629,941
428,756	451,421	1,212,637	5,077,823	644,407	484,794	8,299,838
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
378,853	-	-	-	-	-	378,853
-	-	100,000	-	130,000	490,000	720,000
<u>\$ 823,269</u>	<u>\$ 459,540</u>	<u>\$ 6,213,510</u>	<u>\$ 12,880,780</u>	<u>\$ 1,742,854</u>	<u>\$ 1,908,679</u>	<u>\$ 24,028,632</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,184	\$ 3,000	\$ 10,184
-	130,000	-	190,000	-	-	320,000
375,100	443,623	1,212,637	4,496,432	634,917	410,086	7,572,795
375,100	573,623	1,212,637	4,686,432	642,101	413,086	7,902,979
378,853	-	-	-	-	-	378,853
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,841,573	6,100,349	1,100,753	1,495,593	11,538,268
69,316	-	2,159,300	2,093,999	-	-	4,322,615
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(114,083)	-	-	-	-	(114,083)
448,169	(114,083)	5,000,873	8,194,348	1,100,753	1,495,593	16,125,653
<u>\$ 823,269</u>	<u>\$ 459,540</u>	<u>\$ 6,213,510</u>	<u>\$ 12,880,780</u>	<u>\$ 1,742,854</u>	<u>\$ 1,908,679</u>	<u>\$ 24,028,632</u>

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet - Continued
December 31, 2011

Assets	Special Assessment Capital Projects	Total Nonmajor Governmental Funds
Cash and equivalents	\$ 3,120,741	\$ 24,776,181
Investments	-	2,594,797
Receivables		
Property taxes (net of allowance)		
Current year levy	-	9,759,686
Notes	-	6,194,245
Allowance	-	(90,000)
Special assessments	737,084	737,084
Accrued interest	-	9,435
Other	-	816,511
Property held for resale	-	410,000
Prepaid items	-	378,853
Due from other governments	-	1,390,381
Due from other funds	13,910	758,677
Total Assets	\$ 3,871,735	\$ 47,735,850
Liabilities and Fund Balances		
Liabilities		
Vouchers payable	\$ 157,996	\$ 1,717,228
Due to other governments	-	3,482
Due to other funds	31,766	622,410
Deferred revenues	737,084	9,291,379
Total Liabilities	926,846	11,634,499
Fund Balances		
Nonspendable	-	378,853
Restricted		
Highway maintenance	-	1,200,244
Emergency telephone system	-	1,310,758
Library projects	-	3,043,452
HUD approved projects	-	5,145,497
Neighborhood improvements	-	2,368,432
Economic Development	-	11,538,268
Debt service	-	4,322,615
Township	-	1,835,848
Committed	-	805,575
Assigned	2,944,889	4,326,923
Unassigned	-	(175,114)
Total Fund Balances (Deficit)	2,944,889	36,101,351
Total Liabilities and Fund Balances	\$ 3,871,735	\$ 47,735,850

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
For the Ten Months ended December 31, 2011

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Library Endowment	Neighborhood Improvement
Revenues					
Taxes	\$ -	\$ 1,682,505	\$ 895,430	\$ -	\$ 20,000
Special assessments	-	-	-	-	-
Intergovernmental	2,195,972	-	-	-	-
Investment income	615	179	296	(28,626)	-
SSI reimbursement	-	-	-	-	-
Medical reimbursement	-	-	-	-	-
Miscellaneous	-	-	-	31,000	-
Total Revenues	2,196,587	1,682,684	895,726	2,374	20,000
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	973,428	-	-
Public works	980,941	-	-	-	-
Health and human resource development	-	-	-	-	-
Recreation and cultural opportunities	-	-	-	111,000	-
Housing and economic development	-	1,532,151	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	980,941	1,532,151	973,428	111,000	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,215,646	150,533	(77,702)	(108,626)	20,000
Other Financing Sources (Uses)					
Transfers in (out)					
General	(697,492)	(377,256)	-	-	-
General Obligation Debt Service	-	(8,870)	(6,370)	-	-
Motor Vehicle Parking System	-	-	-	-	-
Total Other Financing Sources (Uses)	(697,492)	(386,126)	(6,370)	-	-
Net Change in Fund Balances	518,154	(235,593)	(84,072)	(108,626)	20,000
Fund Balances (Deficit) - Beginning	682,090	2,423,202	1,394,830	3,152,078	89,915
Fund Balances (Deficit) - Ending	\$ 1,200,244	\$ 2,187,609	\$ 1,310,758	\$ 3,043,452	\$ 109,915

Special Revenue							
Affordable Housing	HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	HPRP	Total City Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,614	\$ -	\$ 2,812,549
-	-	-	-	-	-	-	-
-	175,068	1,754,755	4,800	5,409,752	-	195,943	9,736,290
245	6,030	-	1,018	-	30	-	(20,213)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,357	-	5,302	-	-	-	-	69,659
33,602	181,098	1,760,057	5,818	5,409,752	214,644	195,943	12,598,285
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	973,428
-	-	-	-	-	-	-	980,941
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	111,000
54,246	97,011	1,755,967	8,460	5,407,842	388,000	195,943	9,439,620
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
54,246	97,011	1,755,967	8,460	5,407,842	388,000	195,943	11,504,989
(20,644)	84,087	4,090	(2,642)	1,910	(173,356)	-	1,093,296
(19,992)	-	-	-	-	-	-	(1,094,740)
-	-	(4,090)	-	(1,910)	-	-	(21,240)
(19,992)	-	(4,090)	-	(1,910)	-	-	(1,115,980)
(40,636)	84,087	-	(2,642)	-	(173,356)	-	(22,684)
2,299,153	2,636,531	422,799	2,004,722	-	112,325	-	15,217,645
\$ 2,258,517	\$ 2,720,618	\$ 422,799	\$ 2,002,080	\$ -	\$ (61,031)	\$ -	\$ 15,194,961

Continued

CITY OF EVANSTON, ILLINOIS

Nonmajor Governmental Funds

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances - Continued
 For the Ten Months ended December 31, 2011 and Twelve Months ended March 31, 2011
 for City and Township respectively

	Special Revenue			
	Town	General Assistance	Total Township Funds	Total Special Revenue
Revenues				
Taxes	\$ 299,184	\$ 978,529	\$ 1,277,713	\$ 4,090,262
Special assessments	-	-	-	-
Intergovernmental	62,910	-	62,910	9,799,200
Investment income	352	1,581	1,933	(18,280)
SSI reimbursement	-	23,205	23,205	23,205
Medical reimbursement	-	2,398	2,398	2,398
Miscellaneous	-	-	-	69,659
Total Revenues	362,446	1,005,713	1,368,159	13,966,444
Expenditures				
Current				
General management and support	566,824	1,066,729	1,633,553	1,633,553
Public safety	-	-	-	973,428
Public works	-	-	-	980,941
Health and human resource development	-	-	-	-
Recreation and cultural opportunities	-	-	-	111,000
Housing and economic development	-	-	-	9,439,620
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	566,824	1,066,729	1,633,553	13,138,542
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(204,378)	(61,016)	(265,394)	827,902
Other Financing Sources (Uses)				
Transfers in (out)				
General	-	-	-	(1,094,740)
General Obligation Debt Service	-	-	-	(21,240)
Motor Vehicle Parking System	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(1,115,980)
Net Change in Fund Balances	(204,378)	(61,016)	(265,394)	(288,078)
Fund Balances (Deficit) - Beginning	507,207	1,594,035	2,101,242	17,318,887
Fund Balances (Deficit) - Ending	\$ 302,829	\$ 1,533,019	\$ 1,835,848	\$ 17,030,809

Debt Service						
Special Service District No.5	Southwest Tax Increment District	Howard Hartrey Tax Increment District	Washington National Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service
\$ 263,566	\$ 212,489	\$ 641,140	\$ 3,326,012	\$ 479,036	\$ 352,740	\$ 5,274,983
-	-	-	-	-	-	-
34	31	1,826	6,708	100	2,285	10,984
-	-	-	-	-	-	-
-	-	-	-	17,618	-	17,618
263,600	212,520	642,966	3,332,720	496,754	355,025	5,303,585
-	-	1,200	-	-	-	1,200
-	-	-	108,129	-	-	108,129
-	700,000	-	-	-	-	700,000
-	-	-	5,083	27,551	63,875	96,509
-	-	570,000	325,000	-	-	895,000
53,853	-	141,058	118,200	-	-	313,111
-	-	-	-	-	-	-
53,853	700,000	712,258	556,412	27,551	63,875	2,113,949
209,747	(487,480)	(69,292)	2,776,308	469,203	291,150	3,189,636
-	(24,100)	(141,600)	(325,000)	(120,400)	(50,000)	(661,100)
-	-	-	-	-	-	-
-	-	-	(3,419,636)	-	-	(3,419,636)
-	(24,100)	(141,600)	(3,744,636)	(120,400)	(50,000)	(4,080,736)
209,747	(511,580)	(210,892)	(968,328)	348,803	241,150	(891,100)
238,422	397,497	5,211,765	9,162,676	751,950	1,254,443	17,016,753
\$ 448,169	\$ (114,083)	\$ 5,000,873	\$ 8,194,348	\$ 1,100,753	\$ 1,495,593	\$ 16,125,653

Continued

TAX INCREMENT FINANCING DISTRICT
REQUIREMENTS



BAKER TILLY

Baker Tilly Virchow Krause, LLP
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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE
TAX INCREMENT FINANCING DISTRICTS

To Honorable Elizabeth B. Tisdahl, Mayor and
Members of the City Council
Evanston, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Evanston as of and for the ten months ended December 31, 2011, and have issued our report thereon dated June 26, 2012. The financial statements are the responsibility of the management of the City of Evanston. Our responsibility is to express opinions on the financial statements based upon our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with laws, regulations, contracts and grants applicable to the City of Evanston is the responsibility of the City of Evanston's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed tests of the City of Evanston's compliance with provisions in Subsection (q) of Section 11-74.4-3 of Public Act 85-1142, "An Act in Relation to Tax Increment Financing." However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Evanston complied, in all material respects, with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

This report is intended solely for the information and use of the City Council, management, the State of Illinois, and others within the City and is not intended to be, and should not be, used by anyone other than the specified parties.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
June 26, 2012

EXHIBIT C

2nd Amendment to TIF Reimbursement Agreement

THIS 2nd AMENDMENT TO TIF REIMBURSEMENT AGREEMENT is entered into on this 26th day of September, 2011 ("Effective Date"), by and between the City of Evanston ["City"], and Ward Manufacturing Company ["Participant"], owner of property located at 2222 and 2230 Main Street, Evanston, Illinois ["Property"].

RECITALS

WHEREAS, on January 13, 2011, the City and Participant entered into a TIF Reimbursement Agreement ["Agreement"] for the rehabilitation of the Property (the "Project"); and

WHEREAS, Section V of the Agreement, as amended grants Participant 270 days from the effective date of the Agreement in which to complete the Project ["Time of Performance"]; and

WHEREAS, the Time of Performance shall expire October 13, 2011; and

WHEREAS, said Section V states that "requests for additional time and extensions in Project completion time will be granted, but only if submitted in writing prior to the expiration of the agreement"; and

WHEREAS, the Participant has requested, in writing, an extension of the Time of Performance; and

WHEREAS, the City and Participant both wish to redefine the scope of the work done by Participant pursuant to the 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 Participant agree as follows:

AMENDMENT

I. EXTENSION

Section V of the Agreement is hereby amended to grant Participant an additional 30 days, until November 12, 2011, to complete the Project. Section V, as amended hereby, shall read as follows:

Participant shall complete the Project within 300 days of the Effective Date of this Agreement in order to remain eligible for receipt of the Rebate. Failure to complete the Project within 300 days will result in termination of this Agreement. Requests for additional time and extensions in project completion time will be granted, but only if submitted in writing prior to the expiration of the agreement.

II. PROJECT RE-DEFINITION

The definition of the "Project" set forth in Section I.e of the Agreement is hereby amended to read as follows:

- Purchase of 2222 Main Street Property
- Creation of Manufacturing Space in the 2222 Main Street Property;
 - Replacement of floor with capacity to support metal stamping machines;
 - Installation of heating and cooling system;
 - Upgrade of facility to comply with code and life safety measures; and
 - Installation of energy efficient lighting and solar tubes for better lighting.
- Construction of a connector between 2230 and 2222 Main Street;
- Relocation of presses from 2230 to 2222 Main Street to create space for new press;
- Purchase and installation of new press for 2230 Main Street; and
- Removal of debris from the rear lot of 2222 Main Street and leveling of rear part of property.

[Signature page to follow]

IN WITNESS WHEREOF, the City and the Participant have signed this 2nd Amendment to the TIF Reimbursement Agreement as of the dates set opposite their signatures.

"CITY"

Dated: 9-29-11

By: Wally Bobkiewicz

Name: Wally Bobkiewicz

Title: City Manager

"PARTICIPANT"

Dated: 9/26/11

By: Ward Manufacturing Co.

Name: Tom Ward

Title: V.P.

Approved as to form:

W. Grant Farrar

W. Grant Farrar
Corporation Counsel