

STATE OF ILLINOIS
COMPTROLLER
SUSANA A. MENDOZA

Name of Municipality:	<u>Evanston</u>	Reporting Fiscal Year:	2017
County:	<u>Cook</u>	Fiscal Year End:	12/ 31 /2017
Unit Code:	016/175/30		

TIF Administrator Contact Information

First Name:	Hitesh	Last Name:	Desai
Address:	2100 Ridge Avenue	Title:	Chief Financial Officer
Telephone:	847/448-4311	City:	Evanston
E-mail- required	hdesai@cityofevanston.org	Zip:	60201-2796

I attest to the best of my knowledge, that this FY 2017 report of the redevelopment project area(s)
in the City/Village of: Evanston
is complete and accurate pursuant to Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] and
Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Written signature of TIF Administrator 6/27/18
Date

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

FILL OUT ONE FOR EACH TIF DISTRICT

[illegible]

*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 2017

Name of Redevelopment Project Area (below):

Dempster Dodge TIF District No. 7

Primary Use of Redevelopment Project Area*: Combination Mixed

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and 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

X

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
Statement setting forth all activities undertaken in furtherance of the objectives of the redevelopment plan including any project implemented and a description of the redevelopment activities.? [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		
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	X
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by the municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose any Official Statement labeled Attachment I and Attachment J MUST be Yes		X
An 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 attachment I is yes, Analysis MUST be attached and labeled Attachment J		X
Has a cumulative of \$100,000 of TIF revenue been deposited into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental taxes revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, 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 labeled Attachment L		X
A list of all intergovernmental agreements in effect to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only, not actual agreements labeled Attachment M	X	

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

Provide an analysis of the special tax allocation fund.

FY 2017

TIF NAME:

Dempster Dodge TIF No. 7

Special Tax Allocation Fund Balance at Beginning of Reporting Period \$ (29,415)

SOURCE of Revenue/Cash Receipts:	Revenue/Cash Receipts for Current Reporting Year	Cumulative Totals of Revenue/Cash Receipts for life of TIF	% of Total
Property Tax Increment	\$ 48,001	\$ 48,001	2%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 1	\$ 1	0%
Land/Building Sale Proceeds			0%
Bond Proceeds	\$ 2,040,000	\$ 2,040,000	96%
Transfers from Municipal Sources		\$ -	0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ 27,512	\$ 27,512	1%

All Amount Deposited in Special Tax Allocation by source

\$ 2,115,514

Cumulative Total Revenues/Cash Receipts

\$ 2,115,514 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 2,092,108

Distribution of Surplus

Total Expenditures/Disbursements

\$ 2,092,108

Net/Income/Cash Receipts Over/(Under) Cash Disbursements

\$ 23,406

FUND BALANCE, END OF REPORTING PERIOD*

\$ (6,009)

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

FY 2017

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(by category of permissible redevelopment project costs)

[illegible]

SECTION 3.2 A

PAGE 2

7. Costs of eliminating or removing contaminants and other impediments.

\$ -

8. Cost of job training and retraining projects.

\$ -

9. Financing costs.

Principal

2,000,000

Interest

92,108

\$ 2,092,108

10. Capital costs.

\$ -

11. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects.

\$ -

12. Cost of reimbursing library districts for their increased costs caused by TIF assisted housing projects.

\$ -

SECTION 3.2 A

PAGE 3

13. Relocation costs.		
		\$ -
14. Payments in lieu of taxes.		
		\$ -
15. Costs of job training, retraining, advanced vocational or career education.		
		\$ -
16. Interest cost incurred by redeveloper or other nongovernmental persons in connection with a redevelopment project.		
		\$ -
17. Cost of day care services.		
		\$ -
18. Other.		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 2,092,108

Section 3.2 B

FY 2017

TIF NAME:

Dempster Dodge TIF No. 7

Optional: Information in the following sections is not required by law, but would be helpful in creating fiscal transparency.

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

[illegible]

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

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

FY 2017

TIF NAME:

Dempster Dodge TIF No. 7

FUND BALANCE BY SOURCE

\$ (6,009)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Taxable G.O. Corporate Purpose Bonds Series 2017C	\$ 2,040,000	\$ 2,838,171

Total Amount Designated for Obligations

\$ 2,040,000 \$ 2,838,171

2. Description of Project Costs to be Paid

Redevelopment Project Cost Reimbursements		\$ 1,000,000

Total Amount Designated for Project Costs

\$ 1,000,000

TOTAL AMOUNT DESIGNATED

\$ 3,838,171

SURPLUS/(DEFICIT)

\$ (3,844,180)

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

FY 2017

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.

Check here if no property was acquired by the Municipality within the
X 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 - 20 ILCS 620/4.7 (7)(F)

PAGE 1

FY 2017

TIF Name:

Dempster Dodge TIF No. 7

Page 1 is to be included with TIF report. Pages 2 and 3 are to be included ONLY if projects are listed.Select ONE of the following by indicating an 'X':

1. <u>NO</u> projects were undertaken by the Municipality Within the Redevelopment Project Area.	
2. The Municipality <u>DID</u> undertake projects within the Redevelopment Project Area. (If selecting this option, complete 2a.)	X
2a. The number of projects undertaken by the municipality within the Redevelopment Project Area:	1

LIST the projects undertaken by the Municipality Within the Redevelopment Project Area:

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ 8,000,000
Public Investment Undertaken	\$ -	\$ -	\$ 2,000,000
Ratio of Private/Public Investment	0		4

*PROJECT NAME TO BE LISTED AFTER PROJECT NUMBER

Project 1 Valli Produce

Private Investment Undertaken (See Instructions)			\$ 8,000,000
Public Investment Undertaken			\$ 2,000,000
Ratio of Private/Public Investment	0		4

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

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois. *even though optional MUST be included as part of complete TIF report

SECTION 6

FY 2017

TIF NAME: Dempster Dodge TIF No. 7

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
2012	\$ 10,816,879	\$ 11,348,573

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

X Check if the overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention:

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

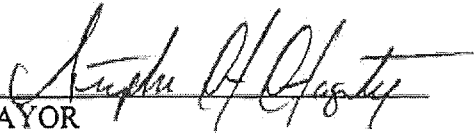
Provide a general description of the redevelopment project area using only major boundaries:

--

Optional Documents	Enclosed
Legal description of redevelopment project area	
Map of District	

Re: Dempster/Dodge TIF District

I, Stephen H. Hagerty, 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, 2017 and ending December 31, 2017.


MAYOR


DATE

**CITY OF EVANSTON DEMPSTER/DODGE TIF DISTRICT ANNUAL REPORT FOR FISCAL YEAR
BEGINNING JANUARY 1, 2017 AND ENDING DECEMBER 31, 2017**

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, 2017 and ending December 31, 2017, to the best of my knowledge and belief.

Sincerely,

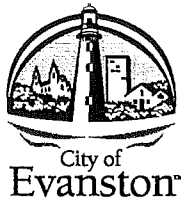
Michelle Mason
Corporation Counsel

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

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

The City 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 undertaken in order to review redevelopment plans for the shopping center. Renovation of shopping center space included a new grocery store as part of this redevelopment project.

In a previous reporting fiscal year, 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.



JOINT REVIEW BOARD MEETING

Thursday, November 29, 2017 – 9:00 am

Lorraine Morton Civic Center, 2100 Ridge Avenue, Room 2404

Members Present: Ald. Rainey, Mohammed Elahi, Natalie Selee, Laura Brown, Connie Pagal, Faye Conli

Staff Present: Martin Lyons, Paul Zalmezak, Janella Hardin

Others Present: Bob Rychlicki

Presiding Member: Alderman Rainey

AGENDA

1. CALL TO ORDER / DECLARATION OF QUORUM BY ALD. ANN RAINEY, CHAIR

With a quorum present, Alderman Rainey called the meeting to order at 9:08am.

2. APPROVAL OF JOINT REVIEW BOARD MEETING MINUTES OF NOVEMBER 17, 2016

Laura Brown moved approval of the Minutes of November 17, 2016, seconded by Natalie Selee. A voice vote was taken and the meeting minutes of November 17, 2016 were unanimously approved.

3. REVIEW OF ANNUAL REPORTS FOR FISCAL YEAR January 1, 2016 through December 31, 2016

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

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

Assistant City Manager Lyons noted that this TIF closed on December 31, 2016 with a surplus distribution of a little over \$600,000 to the taxing bodies over the summer. The fund balance on January 1, 2016 was \$1,281,115. There were cash disbursements of \$1,873,436 and deposits of \$1,235,994 resulting in an ending fund balance of \$643,673 as of December 31, 2016. The EAV has increased from \$8.5 to \$20.5 million.

The major expense in this TIF is the Autobarn tax sharing and loan agreement. Autobarn maxed out space their space on Chicago Ave and opened a second location behind Jewel to house inventory.

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

Assistant City Manager Lyons pointed out that this is the largest of the City's TIFs and the lowest vacancy rate of many downtowns. It started in 1994. It carries roughly a \$5

million balance reserved for future debt payments for the Sherman parking garage that will end in 2018. There are \$8.6 million in obligations, which includes \$6 million Fountain Square project improvements. The EAV at the start of the TIF was \$25.7 million and is now \$85.5 million, which is a 17% rise from the previous year.

The fund balance on January 1, 2016 was \$6,442,430. There were cash receipts of \$4,743,661 and expenditures of \$4,561,415 resulting in an ending fund balance of \$5,624,676 as of December 31, 2016.

Ald. Rainey noted that new developments opened after the expiration of TIF will create more EAV for taxing bodies with Target and Northlight Theater scheduled to open in this district.

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

The Howard Ridge TIF is a very successful TIF. The EAV has doubled since it opened in 2004. In 2016, the City reimbursed 415 Howard 85% of the tax bill and it will continue to step down each year until no reimbursement is owed.

This TIF has a range of food and entertainment options. Ward Eight and Peckish Pig both purchased their properties from the City. 633 Howard is undergoing façade improvements for Sweet Temptations Bake Shop. Northshore Cider will open a cider house at 707B and C Howard. Good to Go Jamaican Cuisine has received a storefront modernization grant from Economic Development for 711 Howard. There is a \$1.7 million proposal to bring a cabaret-style theater to 717 Howard.

A private development has been approved for 100-130 Chicago Ave, the City Grange/Peterson Garden Project. This development will be a for profit enterprise that will include an education, sales and demonstration space. The developer is working with the railroad to get access to the embankment.

The fund balance on January 1, 2016 was -\$28,621. There were cash disbursements of \$787,249 and deposits of \$815,786 resulting in an ending fund balance of as of December 31, 2016.

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

This TIF was created in 2005 with an initial EAV of \$37,477,570. The current EAV is \$37,896,949. There is an opportunity to revisit the West Evanston plan to determine if this TIF should be closed or turned into a micro TIF.

The fund balance on January 1, 2016 was \$442,263. There were cash disbursements of \$37,998 and deposits of \$12,995 resulting in an ending fund balance of \$417,260 as of December 31, 2016.

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

Dempster Dodge is a micro TIF with multiple parcels with one owner, Valli Produce. It is surrounded by the West Evanston TIF. Valli Produce has invested approximately \$8 million in various improvements to the property and maintained occupancy in the shopping center.

There is potential for the West Evanston and Dempster Dodge TIFs to work together to develop the area.

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

This TIF started in 2013 with a \$2.9 million development agreement for the Chicago Main development. This TIF is surrounded by Special Service Area #6, which is a voluntary area. The Main has 110 units of which 85% are occupied.

The fund balance on January 1, 2016 was \$312,070. There were cash disbursements of \$1,756,993 and deposits of \$1,580,000 resulting in an ending fund balance of \$135,077 as of December 31, 2016.

4. BOARD DISCUSSION

Motion to accept the report made by Ald. Rainey and seconded by Mohammed Elahi. A voice vote was taken and the motion was unanimously approved.

Kane McKenna Representative Bob Rychicki summed up the reports noted that the Evanston property valuation outlook is good. Assistant City Manager Lyons added that all active TIFs are performing as expected.

5. ADJOURNMENT

Mohammed Elahi motioned to adjourn, seconded by Natalie Selee. Vote called and taken. **Meeting was adjourned at 10:41 am**

Respectfully Submitted,

Janella Hardin, PHR
Administrative Secretary

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

The City had opened a Line of Credit with First Bank and Trust of Evanston for \$2.0 million in the previous reporting fiscal year - the Letter of Credit was converted to long term bonds in the reporting fiscal year as part of a bond issue- \$5,000,000 Taxable G.O. Corporate Purpose Bonds, Series 2017C .

The Official Statement is attached

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b)(1), except for the omission of certain information described in the rule, but is subject to revision, amendment, and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATE SEPTEMBER 21, 2017

NEW ISSUES
GLOBAL BOOK ENTRY

Ratings: Moody's: "Aa2"
Fitch: "AA+"
(See "BOND RATINGS" herein)

Subject to compliance by the City with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series A Bonds and Series B Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series A Bonds and Series B Bonds is not exempt from present State of Illinois income taxes. The Series A Bonds and Series B Bonds will not be designated as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Interest on the Series C Bonds is includible in gross income of the owners thereof for federal income tax purposes. See "TAX TREATMENT" herein for a more complete discussion.



City of Evanston
Cook County, Illinois

\$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A

\$9,665,000* General Obligation Refunding Bonds, Series 2017B

\$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C

Dated: Date of Delivery

Due: December 1, as shown on inside cover

The \$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Series A Bonds"), the \$9,665,000* General Obligation Refunding Bonds, Series 2017B (the "Series B Bonds"), and the \$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C (the "Series C Bonds") (collectively, the "Bonds"), will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30 day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2018. The Bonds will be issued in integral multiples of \$5,000. The Bonds are subject to redemption prior to their maturity as more fully described in this Official Statement. See "THE BONDS – Optional Redemption" herein.

The Bonds will be issued in book-entry form, as registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). Payments of principal and interest on the Bonds will be made by ZB, National Association dba Zions Bank, Chicago, Illinois, as paying agent and bond registrar (the "Bond Registrar") to Cede & Co., which will, in turn, remit such payments to the DTC participants for subsequent disbursements to the Beneficial Owners (as defined in this Official Statement) of the Bonds. Purchases of the Bonds will be made in book-entry-only form and individual purchasers will not receive physical delivery of bond certificates.

In the opinion of Chapman and Cutler LLP, Bond Counsel ("Bond Counsel"), the Bonds are valid and legally binding upon the City and are payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Financial Advisors: PFM Financial Advisors LLC and Independent Public Advisors, LLC

Bids Received and Opened: Thursday, September 28, 2017 at 10:00 A.M. Central Time
Offices of PFM Financial Advisors LLC, Milwaukee, Wisconsin

Bids Considered: Thursday, September 28, 2017

Delivery: Delivery of the Bonds is expected on October 16, 2017

* Par amounts, interest rates, and reoffering yields will be set forth in the final Official Statement described herein.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.)

Maturity and Pricing Schedule, and CUSIP Numbers

City of Evanston, Cook County, Illinois

\$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A

Year					Year				
(Dec. 1)	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>	(Dec. 1)	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>
2018	\$ 535,000	___%	___%		2028	\$ 690,000	___%	___%	
2019	605,000	___%	___%		2029	710,000	___%	___%	
2020	620,000	___%	___%		2030	735,000	___%	___%	
2021	630,000	___%	___%		2031	750,000	___%	___%	
2022	645,000	___%	___%		2032	780,000	___%	___%	
2023	655,000	___%	___%		2033	805,000	___%	___%	
2024	670,000	___%	___%		2034	835,000	___%	___%	
2025	685,000	___%	___%		2035	870,000	___%	___%	
2026	715,000	___%	___%		2036	900,000	___%	___%	
2027	730,000	___%	___%		2037	935,000	___%	___%	

\$9,665,000* General Obligation Refunding Bonds, Series 2017B

Year				
(Dec. 1)	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>
2018	\$ 1,035,000	___%	___%	
2019	1,080,000	___%	___%	
2020	870,000	___%	___%	
2021	890,000	___%	___%	
2022	910,000	___%	___%	
2023	930,000	___%	___%	
2024	950,000	___%	___%	
2025	975,000	___%	___%	
2026	1,000,000	___%	___%	
2027	1,025,000	___%	___%	

\$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C

Year					Year				
(Dec. 1)	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>	(Dec. 1)	<u>Amount*</u>	<u>Rate*</u>	<u>Yield*</u>	<u>CUSIP</u>
2020	\$ 230,000	___%	___%		2028	\$ 310,000	___%	___%	
2021	235,000	___%	___%		2029	325,000	___%	___%	
2022	245,000	___%	___%		2030	340,000	___%	___%	
2023	260,000	___%	___%		2031	355,000	___%	___%	
2024	270,000	___%	___%		2032	365,000	___%	___%	
2025	280,000	___%	___%		2033	380,000	___%	___%	
2026	290,000	___%	___%		2034	395,000	___%	___%	
2027	305,000	___%	___%		2035	415,000	___%	___%	

* Final amounts, interest rates, and reoffering yields will be set forth in the final Official Statement described herein.

Certain information in this Official Statement has been obtained by the City of Evanston, Cook County, Illinois, from The Depository Trust Company and other non-City sources that the City believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of that information. Nothing contained in this Official Statement is a promise or representation by the Underwriters. This Official Statement is being used in connection with the sale of the Bonds referred to in this Official Statement and may not be used, in whole or in part, for any other purpose.

No dealer, broker, sales representative or other person is authorized to give any representations concerning the Bonds other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale. Unless otherwise indicated, the City is the source of the tables and statistical and financial information contained in this Official Statement. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the City or other information in this Official Statement, since the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Bonds will not be registered under the Securities Act of 1933, as amended, or the securities law of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE BONDS ARE RELEASED FOR SALE AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE BONDS INTO INVESTMENT ACCOUNTS. THE CITY IS NOT PARTY TO OR LIABLE FOR ANY OF THESE ACTIVITIES.

CITY OF EVANSTON
2100 Ridge Avenue
Evanston, Illinois 60201
(847) 328-2100

MAYOR

Stephen H. Hagerty

CITY COUNCIL

1 st Ward	Judy Fiske
2 nd Ward	Peter Braithwaite
3 rd Ward	Melissa A. Wynne
4 th Ward	Donald N. Wilson
5 th Ward	Robin Rue Simmons
6 th Ward	Thomas M. Suffredin
7 th Ward	Elanor Revelle
8 th Ward	Ann Rainey
9 th Ward	Cicely L. Fleming

CITY CLERK

Devon Reid

CITY ADMINISTRATION

City Manager	Wally Bobkiewicz
Assistant City Manager/Treasurer	Martin Lyons
Director of Administrative Services	Erika Storlie
Corporation Counsel	Grant Farrar

PROFESSIONAL SERVICES

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Chicago, Illinois

Financial Advisors
PFM Financial Advisors LLC
Independent Public Advisors, LLC

Auditor
Sikich LLP
Naperville, IL

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OFFICIAL STATEMENT

Relating to

CITY OF EVANSTON COOK COUNTY, ILLINOIS

\$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A
\$9,665,000* General Obligation Refunding Bonds, Series 2017B
\$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C

INTRODUCTION

This Official Statement sets forth information concerning the offer by the City of Evanston, Cook County, Illinois (the "City"), of the \$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Series A Bonds") \$9,665,000* General Obligation Refunding Bonds, Series 2017B and \$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C (the "Series C Bonds") (collectively, the "Bonds"). The Bonds are authorized pursuant to and in accordance with the home rule powers granted to the City under Section 6 of Article VII of the Illinois Constitution of 1970, and a bond ordinance of the City, adopted by the City Council of the City (the "City Council") on September 11, 2017 (as supplemented by the bond order authorized therein and executed in connection with the sale of the Bonds, the "Bond Ordinance").

The Bonds series are a general obligation of the City to which the City pledges its full faith and credit with a claim for payment from *ad valorem* taxes levied upon all taxable property in the City, without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "*SECURITY FOR THE BONDS.*"

The City, with a population in 2010 of 75,549, is located along Lake Michigan immediately north of Chicago, Illinois. Evanston includes residential neighborhoods and parks and a major revitalized central business area of shops, restaurants, theaters, offices and corporate headquarters, neighborhood shopping areas, hospitals and universities. The City is the home of Northwestern University, with about 10,000 students and 5,000 employees at its Evanston campus. The City's per capita and median family incomes are substantially higher than Cook County and State of Illinois (the "State") levels. See "*DEMOGRAPHIC DATA.*"

PURPOSE OF THE BONDS

The Series A Bonds are being issued for the purpose of (i) providing for various capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2017 in the City's Capital Improvement Plan, as adopted by the City Council; and (ii) paying costs related to the issuance of the Series A Bonds.

Capital Projects Borrowing

<u>Project Fund</u>	<u>Amount</u>
Fund 415 (General)	\$ 11,350,000
Fund 186 (Library)	1,400,000
Fund 510 (Water)	1,000,000
Fund 415 (General - Special Assessment)	250,000
Fund 420 (Special Assessment)	250,000
Total	<u><u>\$ 14,250,000</u></u>

The Series B Bonds are being issued for the purpose of (i) currently refunding certain obligations of the City as described in the below table; and (ii) paying costs related to the issuance of the Series B Bonds.

Refunded Obligations

<u>Dated</u>	<u>Issue</u>	<u>Maturities Outstanding</u>	<u>Maturities Refunded</u>	<u>Amount Refunded</u>	<u>Redemption Date</u>
05/24/2007	General Obligation Bonds, Series 2007	2017-2021	2017-2021	\$10,960,000	11/01/2017

The Series C Bonds are being issued for the purpose of (i) providing long-term financing for various economic development related capital projects located within certain TIF Districts that were originally financed with short-term lines of credit, and (ii) paying costs related to the issuance of the Series C Bonds.

Economic Development Borrowing

<u>Project Fund</u>	<u>Amount</u>
TIF No. 7	2,000,000
TIF No. 8	2,900,000
Total	<u>\$ 4,900,000</u>

SOURCES AND USES OF FUNDS*

The proceeds of the Bonds are expected to be applied as follows:

<u>Estimated Sources:</u>	<u>Series A Bonds</u>	<u>Series B Bonds</u>	<u>Series C Bonds</u>
Par Amount of Bonds	\$ 14,500,000	\$ 9,665,000	\$ 5,000,000
Available Debt Service Funds	--	1,642,209	--
Total Sources of Funds	<u>\$ 14,500,000</u>	<u>\$ 11,307,209</u>	<u>\$ 5,000,000</u>
<u>Estimated Uses:</u>			
Project Fund Deposit	\$ 14,250,000	--	--
Refunded Obligations	--	\$ 11,161,841	\$ 4,900,000
Estimated Cost of Issuance	250,000	145,368	100,000
Total Uses of Funds	<u>\$ 14,500,000</u>	<u>\$ 11,307,209</u>	<u>\$ 5,000,000</u>

SECURITY FOR THE BONDS

General Obligation of the City

The full faith and credit of the City are irrevocably pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are direct and general obligations of the City, and the City in the Bond Ordinance has levied ad valorem taxes upon all the taxable property in the City for the payment of the Bonds and the interest thereon, without limitation as to rate or amount.

Pursuant to the Bond Ordinance, the City may, before the deadline for the filing of an abatement of taxes levied by the City for any year, by proper proceedings abate all or a portion of the taxes levied by the Bond Ordinance for that year to the extent that it finds that sufficient funds of the City have been deposited into the bond fund for the Bonds to pay principal of and interest on said series of Bonds during the period otherwise provided for from that levy. The City has created a separate debt service fund for each series of the Bonds.

* All amounts preliminary, subject to change.

Alternative Sources of Payment

It has been the City's practice to utilize a variety of revenue sources for repayment of its general obligation bonds, in addition to its ad valorem property taxes. These alternative sources include sales taxes, water and sewer service charges, special assessments, parking revenues, Tax Increment Financing ("TIF") and/or taxes levied for special service areas in the City to make payments on its general obligation indebtedness. Although these revenue sources are not pledged to the payment of, and do not secure, the Bonds; the City expects to utilize certain of these sources to pay debt service on the Bonds, permitting the abatement of a portion of the property taxes levied in the Bond Ordinance.

THE BONDS

General

The Bonds will be issued as fully registered bonds and will be initially dated the date of delivery (the "Dated Date"). The Bonds mature on the dates and in the amounts, and bear interest from the Dated Date until paid at the rates as set forth on the inside cover of this Official Statement. The Bonds are issuable in denominations within each series of integral multiples of \$5,000. Interest is payable on June 1 and December 1 of each year. The first interest payment date is June 1, 2018.

The principal and redemption price of the Bonds are payable in lawful money of the United States of America upon presentation at the office maintained for that purpose by ZB, National Association dba Zions Bank, Chicago, Illinois, as paying agent and bond registrar (the "Bond Registrar"). Payment of interest shall be made to the registered owner of the Bonds as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the applicable Record Date. The Record Date shall be the 15th day of the month preceding any regular or other interest payment date occurring on the first day of any month and, otherwise, 15 days preceding any interest payment date occasion by the redemption of Bonds on other than the first day of a month. Interest shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of the registered owner as it appears on such registration books (the "Register"), or at such other address furnished in writing by the registered owner to the Bond Registrar, or as otherwise agreed by the City and the Bond Registrar for so long as this Bond is held by a qualified securities clearing corporation as depository, or nominee, in book-entry form.

The Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC or a successor depository will act as securities depository of the Bonds (the "Depository"). Individual purchases may be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. See "Book-Entry-Only System" herein.

Optional Redemption

The Series A Bonds maturing on December 1, 2028, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2027 and any date thereafter, in whole or in part and if in part in such principal amounts and from such maturities as the City shall determine and within any maturity by lot at a redemption price of par plus accrued interest to the date fixed for redemption.

The Series B Bonds are not subject to optional redemption prior to maturity.

The Series C Bonds maturing on December 1, 2028, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2027 and any date thereafter, in whole or in part and if in part in such principal amounts and from such maturities as the City shall determine and within any maturity by lot at a redemption price of par plus accrued interest to the date fixed for redemption.

Redemption Procedures – Series A Bonds and Series C Bonds

The City will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be

made in accordance with procedures established by DTC or any other book entry depository); *provided* that such lottery shall provide for the selection for redemption of Series A Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Bond Registrar on behalf of the City at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall include at least the information as follows: (a) the redemption date; (b) the redemption price; (c) if less than all of the outstanding Bonds of a particular maturity are to be redeemed, the identification (and, in the case of partial redemption of Bonds within such maturity, the respective principal amounts) of the Bonds to be redeemed; (d) a statement that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after said date; and (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office maintained for the purpose by the Bond Registrar.

Book-Entry-Only System

The information contained in the following paragraphs of this subsection "Book-Entry-Only System" has been extracted from a schedule prepared by The Depository Trust Company entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE." The City makes no representation as to the completeness or the accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each annual maturity of each series of the Bonds, each in the aggregate principal amount of such annual maturity, and such certificates will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or paying agent ("Agent"), on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

NEITHER THE CITY, NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT; (2) THE PAYMENT BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; (3) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO CERTIFICATEHOLDERS; (4) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS CERTIFICATEHOLDER; OR (5) THE SELECTION BY DTC, ANY DTC PARTICIPANT OR ANY INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNER TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS.

Continuing Disclosure

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the City shall covenant pursuant

to authority contained in the Bond Ordinance to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Bonds to provide certain financial information and operating data relating to the City annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Undertaking to be executed and delivered by the City at the time the Bonds are delivered. Such Undertaking will be in substantially the form attached hereto as APPENDIX C. A failure by the City to comply with the Undertaking will not constitute an event of default on the Bonds (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule, and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the bonds and their market price.

The City will file its continuing disclosure information using the MSRB's Electronic Municipal Market Access (EMMA) system. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

The below table summarizes five years of the City's annual disclosure filings on the MSRB's EMMA system for the City's general obligation pledge (Base CUSIPs 299227 and 299228). Debt associated with the City's water system revenue pledge (Base CUSIP 299263) expired on January 1, 2014, and similar to disclosure filings for the City's general obligation pledge, not all information was timely filed with the MSRB.

<u>Fiscal</u> <u>Year Ended</u>	<u>Disclosure</u> <u>Due Date</u>	<u>Date Filed</u> <u>with EMMA</u>	<u>On Time /</u> <u>Days Late</u>
12/31/2016	07/29/2017	07/28/2017	on time
12/31/2015	07/28/2016	08/13/2016	16
12/31/2014	07/29/2015	07/29/2015	on time
12/31/2013	07/29/2014	07/30/2014	1
12/31/2012	07/29/2013	07/30/2013	1

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE CITY

General

The City of Evanston constitutes many communities, perspectives and qualities: it is a suburb, an urban center, a college town and lakefront community; it has leafy neighborhoods and lakefront mansions; apartment, condominium and student housing; its residents are commuters and locally employed workers; the downtown is prospering, but neighborhood commercial centers are also strong and developing. It is a part of the Chicago-land economy and has a vigorous commercial and professional economy of its own. A population of approximately 75,000 is diverse by race, religion, age, education, economics and occupation. With 8,700 people per square mile, Evanston has double the population density of the average North and Northwest suburb, and approximately half the density of Chicago. The City has over 260 acres in 75 parks and five beaches.

Evanston is contiguous with Chicago, and approximately 13 miles by rapid transit, commuter rail, expressway or parkway from downtown Chicago. It borders the north shore communities of Skokie and Wilmette.

In 1863, the Village of Evanston was incorporated as a town, and after several annexations, in 1892, the town became a city. The City's southern boundary was established with the City of Chicago and the present City limits, encompassing an area of approximately 8.0 square miles, have been essentially the same ever since. The City has four miles of shoreline along Lake Michigan.

Northwestern University

Evanston is the home of Northwestern University, so named as it was established to serve the Northwest Territory. The University first platted the village which surrounded it. The State Legislature named the village "Evanston" in honor of Dr. John Evans, the then president of the University's Board.

Northwestern University not only gives a certain vitality to the City, it affects both City revenues and many demographic profiles of the City. Approximately 99% of the students living in university housing were included in the 2010 census, which is still unofficial at the time of the date of this Official Statement. This tends to understate demographic statistics such as the City's per capita income, wealth per capita, assessed value per capita, etc. On the other hand, it increases revenue sharing and other grants based on population.

About 4,000 students live in university housing; another 900 live in fraternities and sororities. Roughly 800 live in two graduate student-housing complexes and approximately 3,500 live off-campus, mostly in privately owned apartments in Evanston.

Government

The City is a home rule municipality under the Illinois Constitution. As such, it has no tax rate or debt limits, nor is it required to conduct a referendum to authorize the increase of debt or the imposition of real property taxes. The City has a Council/Manager form of government with an elected Mayor. The Mayor is elected for a four-year term. The Aldermen each represent one of nine wards and are elected to terms of four years. The City Council is organized into standing committees: Administration and Public Works, Human Services, Planning and Development and Rules. The City Council has also established several special committees and commissions and advisory boards.

The City Manager is the Chief Administrative Officer of the City and is responsible for the management of all City operations under the direction of the Mayor and City Council. The City Manager appoints and supervises the directors of the City's 10 departments. The Administrative Services Director is responsible for the central financial functions of the City.

The City provides a broad range of municipal services, including police and fire protection, streets and parking, water and sewer service, public libraries, social services, health and services for the aging, beaches, parks and cultural events. The City is engaged in assisting in community and economic development and maintains land use controls.

Schools are provided by separate boards of education, governed by elected school boards. A small portion of the City is located in the Skokie Park District. Wastewater treatment is provided by the Metropolitan Water Reclamation District.

Administration

Wally Bobkiewicz, *City Manager*. Mr. Bobkiewicz is the City Manager, appointed in August 2009. Mr. Bobkiewicz is the administrative head of the Municipal government and responsible for the efficient administration of all City departments. The departments are as follows: Administrative Services, Community and Economic Development, Fire, Health, Law, Library, Parks, Recreation and Community Services, Police, Public Works and Utilities. Before working for the City of Evanston, Mr. Bobkiewicz was employed as the City Manager with Santa Paula, California.

Martin Lyons, *Assistant City Manager/Treasurer*. Mr. Lyons is the Assistant City Manager/Treasurer and in conjunction with the City Manager, oversees and administers all the City's departments and functions, including the City's utilities, and serves as the City's Treasurer. Previous to working for the City of Evanston, Mr. Lyons was the Finance Director of the Village of Downers Grove, Illinois for nine years and for the Village of LaGrange, Illinois for three years.

Development Activity and City Layout

The City's downtown is a central location for over eighty restaurants (ranging from casual to high-end), hundreds of hotel rooms, a state-of-the art movie theater, several theater and dance companies, retail bookstores and numerous shops. Total EAV ("equalized assessed value" as defined herein as "Real Property Taxation") growth in the City has grown from \$1.30 billion in 1999 to \$2.67 billion in 2016. Evanston's prudent use of TIF development has added to this growth.

Commercial development in the downtown area has been a priority of City government since a "Plan for Downtown Evanston/City Comprehensive Plan" was first adopted in 1980, with continuing revisions since then. Private development has been encouraged with coordination and support from the City. The City's efforts have

included enhanced public transportation through the interconnection of bus, Metra rail and the Chicago Transit Authority (the "CTA") hubs; public art including streetscape and sidewalk amenities; creation of a commercial district to support nightlife in the City; and the utilization of two tax increment districts to provide support for the Church Street Plaza and Sherman Plaza redevelopment areas.

The City also has eight neighborhood commercial districts. Central Street, Noyes Street, Chicago & Dempster, Main & Chicago and Howard & Chicago are each formed around transportation hubs. Each of these districts has distinctive features: international, specialty retail and baked goods at Central Street; theater and dining at Noyes Street; antiques, art and specialty goods at Chicago & Dempster; convenient shopping at Main & Chicago and the transportation center at Howard & Chicago, on the border of the City with Chicago. Evanston Center and Oakton Street Center, on the Southwest Side of the City, are commercial centers initiated by developers and include a large number of national retailers. Each have major anchor and supportive retail which meets the needs of the neighborhood and beyond, and were redeveloped on former vacant industrial sites.

Labor Relations

The City's four collective bargaining contracts cover the majority of the City's 819 (2015 budget full-time equivalent) employees and include: Police – Fraternal Order of Police (FOP) (expires on 12/31/2016); Firefighters - Local 742 of the International Association of Firefighters (IAFF) (expires on 12/31/16); Police Sergeants - FOP (expires on 12/31/2017); Other labor and general office positions including Public Works, Utilities, Parks/Recreation, Health, Library and Community Development - American Federation of State County and Municipal Employees (AFSCME), Council 31, Local 1891 A (expires on 12/31/16). The City has not experienced any work stoppage due to labor difficulties for the last 30 years.

ECONOMIC AND DEMOGRAPHIC DATA

Evanston's median family income and per capita income remain consistently and significantly above State of Illinois and Cook County levels, as does the median home value.

Family Income, Per Capita Income and Median Home Value

	2010	2000	2010	2000	2010 ⁽¹⁾	2000 ⁽¹⁾
	Median Family	Median Family	Per Capita	Per Capita	Median	Median
	<u>Income</u>	<u>Income</u>	<u>Income</u>	<u>Income</u>	<u>Home</u>	<u>Home</u>
	<u>Value</u>	<u>Value</u>			<u>Value</u>	<u>Value</u>
City of Evanston	\$ 104,117	\$ 78,886	\$ 38,116	\$ 33,645	\$ 366,400	\$ 290,800
Cook County	61,889	53,784	27,839	23,227	244,400	157,700
State of Illinois	65,417	55,545	27,325	23,104	191,800	130,800

(1) Single Family Owner Occupied Units Only

Source: U.S. Census Bureau

City of Evanston, Cook County and State of Illinois Median Home Value

	Evanston		Cook County		State of Illinois	
	<u>2010</u>	<u>2000</u>	<u>2010</u>	<u>2000</u>	<u>2010</u>	<u>2000</u>
Median Home Value ⁽¹⁾	\$366,400	\$290,800	\$244,400	\$157,700	\$191,800	\$130,800
Number of Single Family Homes ⁽¹⁾	15,334	9,597	1,127,332	816,532	3,219,338	3,219,338
Percent of Homes Valued:						
Under \$50,000	1.34%	0.27%	3.20%	1.91%	6.84%	6.84%
\$50,000-\$99,999	0.89%	3.04%	5.63%	17.34%	13.91%	13.91%
\$100,000-\$149,000	3.57%	11.23%	11.18%	26.77%	14.76%	14.76%
\$150,000-\$199,999	13.01%	14.86%	16.90%	22.54%	16.82%	16.82%
\$200,000-\$299,999	21.49%	22.42%	27.02%	18.06%	22.26%	22.26%
Above \$300,000	59.68%	48.17%	36.07%	13.37%	25.41%	25.41%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: U.S. Census Bureau

City of Evanston – Age of Housing Structures
(as of 2010 U.S. Census)

<u>Years Built</u>	<u>Number</u>	<u>Percentage</u>
1939 or Earlier	16,333	51.15%
1940 to 1959	6,292	19.70%
1960 to 1969	3,069	9.61%
1970 to 1979	1,670	5.23%
1980 to 1989	1,109	3.47%
1990 to 1999	1,123	3.52%
2000 to 2004	1,366	4.28%
2005 to Later	972	3.04%
Total	31,934	100.00%

Source: U.S. Census Bureau

Education and Employment

Census data from 2010 reflects that over 62% of adult residents of Evanston have four or more years of college, compared to 28% nationally.

Educational Attainment – Population over 25

<u>Educational Level</u>	<u>Number</u>	<u>Percentage</u>	<u>Post-Secondary Education</u>	<u>High School or Higher</u>
Graduate or Professional Degree	15,707	33.20%		
Bachelor's Degree	13,804	29.20%		
Associate Degree	1,665	3.50%	65.90%	
Some College, no degree	7,136	15.10%		91.40%
High school graduate	4,932	10.40%		
9th to 12th grade, no diploma	2,483	5.20%		
Less than 9 th grade	1,599	3.40%		
Total	47,326	100.00%		

Source: U.S. Census Bureau

The following table shows the proportion of Evanston residents holding various job categories. Consistent with the high average level of educational attainment, over 62% of job holders who are Evanston residents work in professional or managerial jobs, as compared to 37.4% in Cook County, Illinois and 36.1% statewide.

Select Occupation Categories

<u>Type of Occupations</u>	<u>Number</u>	<u>Percentage</u>
Management, business, science, and arts	23,243	62.51%
Service occupations	4,085	10.99%
Sales and office occupations	8,048	21.64%
Natural Resources, construction, and maintenance	648	1.74%
Production, transportation, material moving	1,160	3.12%
Total	37,184	100.00%

Source: U.S. Census Bureau

Population

The City's population is essentially stable, having been near 70,000 since 1950.

	<u>1990</u>	<u>2000</u>	<u>2010</u>
City of Evanston	73,233	74,239	74,549
Cook County	5,105,067	5,376,741	5,194,675
State of Illinois	11,430,602	12,419,293	12,830,632

Source: U.S. Census Bureau

Building Permits

Building Activity – Value of Permits

<u>Calendar Year</u>	<u>Value of All Building Permits</u>
2016	\$ 536,538,596
2015	321,578,749
2014	557,445,516
2013	262,464,798
2012	148,357,853

Transportation

Evanston has excellent public transportation. It is served by a rapid transit rail line operated by CTA, with eight stations in Evanston. This is part of the CTA's metropolitan rapid transit system. Commuter rail service provided by Metra, a Division of the Regional Transportation Authority ("RTA"), serves three stops in Evanston. Four local bus routes operated by the CTA connect all Evanston neighborhoods with its downtown area. Five bus routes operated by PACE, a suburban bus division of the RTA, connect Evanston with north and northwestern suburbs.

Employment

Ten Largest Real Property Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Equalized Assessed Values</u>	<u>Percentage of Total City EAV</u>
Rotary International	Non-profit organization	\$ 25,179,949	1.15%
FSP 909 Davis Street	Commercial buildings	19,966,576	0.91%
Lowe Enterprises	Commercial building	17,461,023	0.80%
McCaffery Interests	Commercial buildings	15,310,340	0.70%
Evanston Hotel Assoc.	Hotel	9,784,205	0.45%
Inland	Commercial, retail	9,759,474	0.44%
North Shore University Health	Commercial, healthcare	9,556,069	0.44%
Azzuri of Evanston	Real Estate	8,476,109	0.39%
Target Proptax T927	Commercial, retail	7,336,363	0.33%
1007 Church St. LLC	Commercial, retail	7,279,722	0.33%
Top Ten Total		<u>\$ 130,109,831</u>	<u>5.92%</u>
City Total 2015 EAV		<u>2,196,021,525</u>	

Source: City of Evanston CAFR for fiscal year ended December 31, 2016.

Industry

Although a small proportion of the total property value and employment numbers, the City is home to various manufacturing concerns including Addison Steel Inc., a fabricating company; Ward Manufacturing Co. a tool and die manufacturer; and C.E. Niehoff & Co., a manufacturer of automotive components.

Unemployment

Unemployment in the City is consistently below Cook County and State of Illinois levels.

Average Unemployment Rates

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City of Evanston	7.60%	7.80%	6.10%	5.00%	4.90%
Cook County	9.60%	9.70%	7.50%	6.20%	6.20%
State of Illinois	9.00%	9.10%	7.10%	5.90%	5.90%

Source: Illinois Department of Employment Security

FINANCES

Budget Process, Accounting and Financial Control Procedures

The City's fiscal year ("FY") has historically begun on March 1 of each year. However, the City passed a resolution that changes the City's fiscal year to match the calendar year beginning in the year 2012. As such, fiscal year 2011 is only be ten months in duration (March 1, 2011 through December 31, 2011).

The City Manager submits to the City Council a proposed operating budget not less than 60 days prior to the start of each fiscal year. The operating budget includes proposed expenditures and the means of financing those expenditures. The City Council holds several public hearings and then may modify the budget prior to adoption.

The City Manager is authorized to transfer budgeted amounts between departments within any fund (such as the General Fund); however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgets are legally adopted on a basis consistent with generally accepted accounting principles ("GAAP") except that property taxes are budgeted as revenue in the year they are levied. For purposes of preparing the combined statement of revenues, expenditures and changes in fund balances – budget and actual, GAAP revenue and expenditures have been adjusted to the budgetary basis. The budgets of the governmental type funds are prepared on a modified accrual basis. Obligations of the City are budgeted as expenditures, but revenue is recognized only when it has actually been received. The Comprehensive Annual Financial Report of the City ("CAFR") presents expenditures and revenues on both a GAAP basis and a budget basis for comparison.

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designated to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities. A fund is a separate, self-balancing accounting entity and in the City there are three categories of funds: governmental, proprietary and fiduciary. Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds) and the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the City not accounted for in some other fund. Other major funds include Special Revenue Funds, Debt Service Funds, Enterprise Funds (water, sewer, and parking) and Pension Trust Funds.

The Enterprise Funds (water and sewer) are budgeted on a full accrual basis. Expenses are recognized when a commitment is made (through a purchase order), and revenues are recognized when they are obligated to the City (for example, water user fees are recognized as revenue when bills are produced).

The City reports financial results based on GAAP as promulgated by the Governmental Accounting Standards Board. The accounts of the City are divided into separate self-balancing funds comprised of its assets, liabilities, fund equity, revenues and expenditures, as appropriate.

The City's expenditures are monitored on a regular basis by the Finance Department. Disbursements are made only if an expenditure is within the authorized Budget.

The City annually presents its Budget to the Government Finance Officers Association ("GFOA") for review against that organization's standards for government budgeting. The City received a Distinguished Budget Award from the GFOA for the fiscal year 2012 Budget and has previously received the award for over 16 successive years.

Financial Statements and Independent Audits

The City annually presents its CAFR to the GFOA for review against that organization's standards for governmental accounting and financial reporting. The City received a certificate of achievement for excellence in financial reporting from the GFOA for the fiscal year ended December 31, 2015.

The City's financial statements are audited annually as required by State law. Sikich LLP, Certified Public Accountants and Advisors, Naperville, Illinois, audited the financial statements for fiscal year ended December 31, 2016. Copies of the City's audited financial statements are available at the City's website. Excerpts of the audited financial statements for the fiscal year ended December 31, 2016, are included as APPENDIX A to this Official Statement. Sikich LLP, has neither reviewed nor approved this Official Statement or its appendices.

The City has covenanted in connection with the issuance of the Bonds to file its audited annual financial statements and certain additional financial and operating data within 270 days after the close of the City's fiscal year. See APPENDIX C to this Official Statement.

Cash Management

The City invests available funds to the extent not needed for immediate expenditures in interest bearing securities. Money Market Funds make up 100% of General Fund investments. Cash amounts held in bank accounts are collateralized by United States government or agency obligations.

The City's investment policy is in compliance with the Illinois Municipal Investment Act and limits investments to those that are insured or which are registered (or for which the securities are held by the City or its agent) in the City's name. Bond funds are invested separately.

Revenues

The City receives revenue from a wide variety of sources. These include a real property tax, municipal shares of State sales and income taxes, a home rule sales tax, utility taxes and federal grants, as well as various use charges, licenses and permits. The largest revenue source for the City is the property tax. See "*REAL PROPERTY TAXATION*" for a description of the property tax. Other major revenue sources are described below.

Sales Taxes

The City's share of the State sales tax and a separate City home rule sales tax are the second largest source of revenue to the City. A portion of the State's sales tax receipts from sales within Evanston are statutorily allocated to the City. The amount so received by the City equals about 1.0% of those sales subject to the State tax. In addition, the City imposes a City-wide home rule sales tax, as permitted by State law, presently at a rate of 1.0%. Sales of vehicles, groceries and medicine, among other items, are exempted by State law from this home rule sales tax. The Illinois Department of Revenue collects both the State sales tax and the City's sales tax. As illustrated on the following table, the State sales tax produced \$10.2 million, and the home rule sales tax produced \$6.2 million for the fiscal year ended December 31, 2016. The State sales taxes payable to the City have grown at an average compound rate of approximately 1.6 percent between fiscal years ended February 28, 2007 and December 31, 2016.

Ten Year History State Sales Tax Receipts

<u>FY Ended</u>	<u>Home Rule Annual</u>	<u>12-Month Increase / (Decrease)</u>	<u>Sales Tax Annual</u>	<u>12-Month Increase / (Decrease)</u>
12/31/2016	\$ 6,156,529	0.89%	\$ 10,216,966	2.17%
12/31/2015	6,102,128	(0.01%)	9,999,482	2.00%
12/31/2014	6,102,969	2.32%	9,803,582	0.89%
12/31/2013	5,964,747	4.51%	9,717,393	7.86%
12/31/2012	5,707,112	n.a.	9,008,956	n.a.
12/31/2011	4,902,429	n.a.	7,671,007	n.a.
2/28/2011	5,724,904	4.78%	8,791,573	2.87%
2/28/2010	5,463,561	(1.96%)	8,546,173	(3.52%)
2/28/2009	5,572,880	(5.73%)	8,857,994	(4.11%)
2/29/2008	5,911,796	4.61%	9,237,337	6.24%
2/28/2007	5,651,328	0.70%	8,695,104	2.48%

Replacement Taxes

Replacement taxes are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away. Below are five years of replacement tax data for the City.

Replacement Taxes

<u>FY Ended</u>	<u>Amount</u>
12/31/2016	\$ 1,425,178
12/31/2015	1,358,443
12/31/2014	1,448,645
12/31/2013	1,422,673
12/31/2012	1,243,473

Utility Taxes

The City collects utility taxes on natural gas, electricity and telephone charges. Utility taxes generated \$6.7 million for the fiscal year ended December 31, 2016, as compared to the \$7.1 million for the fiscal year ended December 31, 2015.

FY 2016/ 2017 Budgets

Overview of Budget for Fiscal Year 2016 and 2017

The total budget of the City for the fiscal year ending December 31, 2017 is \$308.8 million. The General Fund portion of the total budget for fiscal year ending December 31, 2017 is \$118.7 million.

The total budget of the City for the fiscal year ending December 31, 2016 is \$304.5 million. The General Fund portion of the total budget for fiscal year ending December 31, 2016 is \$111.7 million.

Summary of Financial Information

The following summary of financial information is taken from audited financial statements of the City for fiscal years ended December 31, 2013 through December 31, 2016. This summary does not purport to be complete. Reference should be made to excerpts of the audited financial statements for fiscal year ended December 31, 2016 included as APPENDIX A of this Official Statement. Sikich LLP, Certified Public Accountants and Advisors, have neither reviewed nor approved this summary.

General Fund Balance Sheet				
Fiscal Years Ended				
Assets:	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Cash and Investments	\$ 10,885,387	\$ 5,070,897	\$ 2,168,922	\$ 6,324,402
Property Taxes Receivable	12,031,386	11,387,119	27,177,454	28,177,453
Due From Other Governments	7,247,146	6,876,727	8,567,535	7,066,670
Due From Other Funds	3,029,567	3,868,070	2,497,033	3,430,218
All Other Assets	2,983,910	3,454,712	1,340,477	2,879,876
Total Assets	36,177,396	30,657,525	41,751,421	47,878,619
Liabilities:				
Vouchers Payable	1,760,323	2,245,334	2,187,056	3,042,151
Accrued Payroll	2,317,172	293,472	600,834	839,121
Compensated Absences Payable	207,027	302,311	--	--
Due To Other Funds/Governments	4,546,512	2,882,454	--	3,368,372
All Other Liabilities	506,188	420,885	1,042,031	783,589
Total Liabilities	9,337,222	6,144,456	3,829,921	8,033,233
Deferred Revenue	10,477,223	9,530,103	27,216,664	28,177,453
Fund Balances:				
Nonspendable	--	--	118,433	--
Restricted	--	--	--	--
Committed	--	--	--	--
Assigned	6,361,490	5,347,110	5,671,992	5,045,638
Unassigned	10,001,461	9,635,856	4,914,411	6,622,295
Total Fund Balance	16,362,951	14,982,966	10,704,836	11,667,933
Total Liabilities, Deferred Inflows and Fund Balance	\$36,177,396	\$30,657,525	\$41,751,421	\$47,878,619

Sources: City of Evanston, Illinois; CAFR for fiscal year ended 12/31/2013 through 12/31/2016.

General Fund
Statement of Fund Operations
Fiscal Years Ended

Revenues:	12/31/2013	12/31/2014	12/31/2015	12/31/2016
Taxes	\$38,709,390	\$38,222,153	\$52,628,569	\$54,336,773
Licenses and Permits	10,617,414	14,503,168	12,184,303	17,933,413
Intergovernmental	18,382,644	17,964,980	18,998,689	18,445,108
Charges for Services	7,722,937	7,792,469	8,224,155	8,694,803
Fines and Forfeits	3,448,523	3,357,965	3,554,188	3,611,901
Investment Income	26,907	13,037	6,573	30,285
Miscellaneous	1,418,949	1,138,650	950,964	1,338,381
Total	<u>80,326,764</u>	<u>82,992,422</u>	<u>96,547,441</u>	<u>104,390,664</u>
Expenditures:				
General Management and Support	14,147,518	11,642,286	11,753,081	15,929,441
Public Safety	40,650,660	43,013,173	58,461,316	60,939,168
Public Works	8,797,497	17,398,563	16,866,953	13,240,692
Health & Human Resource Dev.	3,601,469	3,836,705	3,140,999	3,021,327
Recreation & Cultural Opportunities	14,744,293	10,486,537	11,079,855	11,893,837
Housing & Economic Dev.	2,536,209	2,627,187	2,359,753	2,455,754
Debt Service - Principal	--	--	--	--
Debt Service - Interest	--	--	--	--
Total	<u>84,477,646</u>	<u>89,004,451</u>	<u>103,661,957</u>	<u>107,480,219</u>
Transfers In	6,826,313	7,233,511	7,769,334	8,099,626
Transfers Out	(3,345,967)	(2,601,467)	(3,169,989)	(4,046,974)
Fund Balance, Beginning of Year	17,033,487	16,362,951	14,982,966	10,704,836
Prior period adjustment	--	--	(1,762,959)	--
Fund Balance, End of Year	<u>\$16,362,951</u>	<u>\$14,982,966</u>	<u>\$10,704,836</u>	<u>\$11,667,933</u>

Pension Fund Obligations

The City participates in three defined benefit pension plans which cover substantially all employees. Retirement benefits are provided for employees who meet certain age and service requirements. Payments are generally correlated with the employee's length of service and earnings. Legal requirements of the plans (including contributions, vesting benefit and fund deficit provisions) are governed by State law. The plans are funded by employee and employer contributions and investment earnings.

All employees, other than police officers, firefighters and those working fewer than 1,000 hours per year, are covered by the Illinois Municipal Retirement Fund ("IMRF") which is a Statewide multi-employer plan governed by a state board of trustees.

The IMRF determines the contribution rate for the City to provide for all full funding of prior service costs, as determined actuarially, over a future period of not more than 40 years. The City funds its contributions through the property tax levy.

City police officers are covered by the Police Pension Fund and City firefighters are covered by the Firefighters' Pension Fund. These funds are governed by separate boards of trustees comprised of City officials and police or fire employee representatives. As required by State of Illinois statute, the City intends to annually fund its police and fire pension plans by the actuarially required contribution as determined by an enrolled actuary.

The following table shows the funding level, actual funding requirement, unfunded pension liability and funding ratio for the various pension funds for City employees.

Combined Pension Funding

	Asset Value	Liability	Unfunded	Funded Ratio
Fire ¹	\$70,599,998	\$163,143,565	\$92,543,567	43.27%
Police ¹	106,191,545	218,496,352	112,304,807	48.60%
IMRF ²	211,199,130	230,426,570	19,227,440	91.66%
All Funds Combined	<u>\$387,990,673</u>	<u>\$612,066,487</u>	<u>\$224,075,814</u>	<u>63.39%</u>

(1) Valuation date of 1/1/2016 (City of Evanston CAFR for year ended December 31, 2016)

(2) Valuation date of 12/31/2015 (City of Evanston CAFR for year ended December 31, 2016)

Insurance Coverage

The City maintains commercial all-risk property insurance with regard to City facilities, subject to a deductible of \$75,000 per occurrence. The City maintains general liability insurance for claims in excess of \$2.0 million per occurrence.

GENERAL OBLIGATION BONDED INDEBTEDNESS

Outstanding General Obligation Debt

The below table provides the City's outstanding general obligation debt issues as of the issuance of the Bonds.

General Obligation Debt by Issue

Date of Issue	Type of Obligation	Amount Issued	Final Maturity	Interest Rates Outstanding	Principal Outstanding
05/24/2007	Ref. Bonds, Series 2007*	\$ 30,385,000	12/01/2027	4.00% - 5.00%	\$ 1,400,000
05/07/2008	Ref. Bonds, Series 2008A	3,800,000	12/01/2021	3.75% - 5.00%	1,810,000
05/07/2008	Ref. Bonds, Series 2008B	27,755,000	12/01/2018	3.75% - 5.00%	4,245,000
05/07/2008	Bonds, Series 2008C	12,395,000	12/01/2028	3.75% - 5.00%	8,615,000
08/15/2010	Bonds, Series 2010A	6,500,000	12/01/2029	2.00% - 3.625%	5,040,000
08/15/2010	Taxable Bonds, Series 2010B	8,000,000	12/01/2019	2.50% - 3.30%	3,180,000
08/01/2011	Bonds, Series 2011A	19,240,000	12/01/2031	2.00% - 4.50%	13,785,000
07/26/2012	Bonds, Series 2012	15,720,000	12/01/2032	3.00% - 3.25%	11,065,000
08/15/2013	Bonds, Series 2013A	12,565,000	12/01/2033	2.00% - 4.75%	11,430,000
11/20/2013	Ref. Bonds, Series 2013B	28,875,000	12/01/2025	2.00% - 3.00%	18,545,000
08/21/2014	Bonds, Series 2014	12,045,000	12/01/2034	1.25% - 5.00%	11,230,000
11/10/2015	Bonds, Series 2015A	13,095,000	12/01/2035	2.00% - 4.00%	12,650,000
11/10/2015	Ref. Bonds, Series 2015B	11,075,000	12/01/2022	2.00% - 3.00%	10,075,000
09/28/2016	Bonds, Series 2016A	13,715,000	12/01/2036	2.00% - 4.00%	13,715,000
09/28/2016	Ref. Bonds, Series 2016B	7,635,000	12/01/2026	2.00% - 3.00%	7,635,000
	Existing Total				<u>\$ 134,420,000</u>
10/16/2017	Bonds, Series 2017A	14,500,000	12/01/2037	This Issue	14,500,000
10/16/2017	Ref. Bonds, Series 2017B	9,665,000	12/01/2027	This Issue	9,665,000
10/16/2017	Taxable Bonds, Series 2017C	5,000,000	12/01/2035	This Issue	5,000,000
	The Bonds				<u>\$ 29,165,000</u>
	Total				<u>\$ 163,585,000</u>

* Principal Outstanding reflects the scheduled December 1, 2017 payment.

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The below table provides the City's outstanding general obligation debt service as of the issuance of the Bonds.

Total General Obligation Debt Service					
Year Ending	Outstanding G.O. Debt		The Bonds (est.)		Total Debt Service
	Principal	Interest	Principal	Interest	
12/31/2017	\$ 16,135,000	\$ 5,063,598	--	--	\$ 21,198,598
12/31/2018	13,525,000	4,026,748	\$ 1,570,000	\$ 968,144	20,089,892
12/31/2019	10,110,000	3,625,600	1,685,000	829,173	16,249,773
12/31/2020	9,495,000	3,317,883	1,720,000	795,473	15,328,355
12/31/2021	9,775,000	3,023,395	1,755,000	756,473	15,309,868
12/31/2022	9,380,000	2,704,433	1,800,000	712,873	14,597,305
12/31/2023	7,925,000	2,378,839	1,845,000	668,085	12,816,924
12/31/2024	7,130,000	2,091,976	1,890,000	622,023	11,733,999
12/31/2025	7,340,000	1,831,326	1,940,000	570,723	11,682,049
12/31/2026	6,290,000	1,551,576	2,005,000	516,363	10,362,939
12/31/2027	5,475,000	1,300,901	2,060,000	458,458	9,294,359
12/31/2028	5,670,000	1,100,501	1,000,000	397,118	8,167,619
12/31/2029	4,920,000	891,831	1,035,000	364,363	7,211,194
12/31/2030	4,585,000	722,463	1,075,000	329,353	6,711,815
12/31/2031	4,750,000	561,819	1,105,000	291,865	6,708,684
12/31/2032	3,680,000	391,631	1,145,000	252,165	5,468,796
12/31/2033	3,220,000	266,950	1,185,000	210,265	4,882,215
12/31/2034	2,465,000	152,731	1,230,000	166,085	4,013,816
12/31/2035	1,705,000	75,625	1,285,000	119,390	3,185,015
12/31/2036	845,000	23,238	900,000	69,730	1,837,968
12/31/2037	--	--	935,000	35,530	970,530
Total	134,420,000	35,103,063	29,165,000	9,133,647	207,821,710

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A portion of the debt service on the City's outstanding general obligation bonds is expected to be paid from sources other than general property taxes levied throughout the City. These sources include incremental taxes in tax increment areas, special service area taxes and revenues from various enterprise funds including sewer services fees (the "Other Debt Service Sources"). The City's total general obligation debt service schedule and portion expected to be paid from Other Debt Service Sources is presented in the table below, however, no assurance is given that such Other Debt Service Sources will be available or will be so applied.

Total and Scheduled for Abatement General Obligation Debt Service

Year Ending	Outstanding G.O. Debt		Expected to be Paid From Other Debt Service Sources		Net Debt Service
	Principal	Interest	Principal	Interest	
12/31/2017	\$ 16,135,000	\$ 5,063,598	(6,199,800)	(1,210,438)	\$ 13,788,360
12/31/2018	15,095,000	4,994,892	(5,319,520)	(1,191,600)	13,578,772
12/31/2019	11,795,000	4,454,773	(2,235,420)	(953,150)	13,061,203
12/31/2020	11,215,000	4,113,355	(1,377,500)	(875,974)	13,074,881
12/31/2021	11,530,000	3,779,868	(1,424,580)	(823,974)	13,061,314
12/31/2022	11,180,000	3,417,305	(1,472,840)	(768,657)	12,355,808
12/31/2023	9,770,000	3,046,924	(1,531,100)	(709,653)	10,576,171
12/31/2024	9,020,000	2,713,999	(1,569,360)	(648,354)	9,516,285
12/31/2025	9,280,000	2,402,049	(1,598,800)	(587,011)	9,496,238
12/31/2026	8,295,000	2,067,939	(1,608,240)	(522,201)	8,232,498
12/31/2027	7,535,000	1,759,359	(1,647,680)	(457,279)	7,189,400
12/31/2028	6,670,000	1,497,619	(1,598,300)	(397,405)	6,171,914
12/31/2029	5,955,000	1,256,194	(1,425,000)	(339,650)	5,446,544
12/31/2030	5,660,000	1,051,815	(1,480,000)	(293,806)	4,938,009
12/31/2031	5,855,000	853,684	(1,530,000)	(245,056)	4,933,628
12/31/2032	4,825,000	643,796	(1,575,000)	(193,330)	3,700,466
12/31/2033	4,405,000	477,215	(1,330,000)	(139,243)	3,412,972
12/31/2034	3,695,000	318,816	(1,230,000)	(91,676)	2,692,140
12/31/2035	2,990,000	195,015	(1,080,000)	(49,369)	2,055,646
12/31/2036	1,745,000	92,968	(295,000)	(11,455)	1,531,513
12/31/2037	935,000	35,530	(70,000)	(2,660)	897,870
Total	<u>163,585,000</u>	<u>44,236,710</u>	<u>(37,598,140)</u>	<u>(10,511,940)</u>	<u>159,711,630</u>

Overlapping Debt

Overlapping General Obligation Bonded Debt (As of December 31, 2016)

Taxing Body ⁽¹⁾	Total	Percent	Amount
	Outstanding Debt	Allocable	Allocable
Cook County	\$ 3,213,141,750	1.86%	\$ 59,800,786
Cook County Forest Preserve District	159,490,000	1.86%	2,968,318
Metropolitan Water Reclamation District	2,926,998,000	1.90%	55,532,275
Skokie Park District	40,635,000	0.63%	256,072
Community Consolidated School District No. 65	77,526,208	90.20%	69,930,911
Township High School District No. 202	24,800,000	90.20%	22,370,327
Community College District No. 535	30,895,000	12.00%	3,707,393
Total Overlapping General Obligation Bonded Debt			<u>\$ 214,566,083</u>

Source: Cook County Clerk's Offices

⁽¹⁾ Does not include Alternate Revenue Bonds.

Debt Ratios

Metric	Value
True Value (2015)	\$ 8,011,235,307
EAV (2015)	2,670,411,769
Population (2010)	75,549
Direct Debt (Property Tax Supported)	\$ 125,986,860
Direct Debt (Supported by Other Sources)	37,598,140
Total Direct Debt	\$ 163,585,000
Total Overlapping Debt	\$ 214,566,083

Debt Ratio	All General Obligation Debt	General Obligation Debt (Less Self Supporting Debt)
Direct Debt Per True Value	2.04%	1.57%
Direct Debt Per EAV	6.13%	4.72%
Direct Debt Per Capita	\$ 2,165	\$ 1,668
Direct and Overlapping Debt Per True Value	4.72%	4.25%
Direct and Overlapping Debt Per EAV	14.16%	12.75%
Direct and Overlapping Debt Per Capita	\$ 5,005	\$ 4,508

General Obligation Debt Trends

Year Ending	Governmental Activities	Business-Type Activities	Library Component Unit	Total General Obligation
12/31/2016	\$ 112,107,778	\$ 29,902,079	\$ 1,970,143	\$ 143,980,000
12/31/2015	114,683,721	30,957,894	1,643,381	147,284,996
12/31/2014	116,836,839	29,787,840	2,125,321	148,750,000
12/31/2013	117,531,511	30,411,358	2,767,131	150,710,000
12/31/2012	120,938,742	33,221,258	--	154,160,000
12/31/2011	122,579,206	35,115,794	--	157,695,000
2/28/2011	117,322,439	36,212,561	--	153,535,000
2/28/2010	111,233,880	40,236,120	--	151,470,000
2/28/2009	118,126,135	55,983,865	--	174,110,000
2/29/2008	118,005,000	66,530,000	--	184,535,000
2/28/2007	113,990,000	76,825,000	--	190,815,000

Future Financings

The City does not plan on issuing additional debt during this calendar year.

REAL PROPERTY TAXATION

As a home rule municipality, the City has the ability to levy real property taxes on the taxable property in the City without limitation as to rate or amount. The City levies real property taxes for general government purposes, pension contributions and general obligation debt service. Real property taxes are applied to taxable property based on its assessed value (less various exemptions), as equalized among counties by the Illinois Department of Revenue. This is referred to as the equalized assessed valuation or "EAV." See "Real Property Assessment, Tax Levy and Collections Procedures."

Taxable property is reassessed every three years. The most recent reassessment period was tax year 2016. The following table shows the City's EAV in recent years. The taxes collected in 2016 were payable with respect to the EAV for tax year 2015. The EAV of property for tax year 2015 was approximately \$2.2 billion which does not include approximately \$154.8 million of EAV included in TIF districts (see "Tax Increment Financing" herein.)

Historic Equalized Assessed Valuation ⁽¹⁾

<u>Tax Year</u>	<u>Total</u>	<u>% Change</u>
2016	\$ 2,670,411,769	21.60%
2015	2,196,021,525	-2.16%
2014	2,244,569,975	1.95%
2013	2,201,697,038	-12.44%
2012	2,514,621,552	-7.80%
2011	2,727,367,573	-10.34%
2010	3,041,884,087	-7.99%
2009	3,305,989,369	12.51%
2008	2,938,397,892	5.99%
2007	2,772,340,028	23.44%
2006	2,245,892,746	0.14%

(1) Incremental EAV in Tax Increment Districts not included.

Source: Cook County Clerk's Office

Property owned by not-for-profit colleges, universities and hospitals is not subject to real property taxation. Northwestern University, the City's largest employer, does not pay property taxes on educational properties. The University does pay its share of water and sewer charges, utilities taxes, permit fees and other charges for services.

Equalized Assessed Valuation by Classification of Property ⁽¹⁾

	<u>2013</u>		<u>2014</u>		<u>2015</u>	
Residential	\$1,653,524,481	75.10%	\$1,792,383,435	79.85%	\$1,751,252,888	79.75%
Farm	15,956	0.00%	15,467	0.00%	15,467	0.00%
Commercial	452,108,891	20.53%	416,165,953	18.54%	410,670,248	18.70%
Industrial	94,820,879	4.31%	34,726,327	1.55%	32,549,681	1.48%
Railroad	1,226,831	0.06%	1,278,793	0.06%	1,533,241	0.07%
Total EAV	\$2,201,697,038	100.00%	\$2,244,569,975	100.00%	\$2,196,021,525	100.00%

(1) Does not include incremental EAV in redevelopment project areas. See "Tax Incremental Financing" below. The incremental 2015 EAV in redevelopment project areas was \$154,808,491.

* Percentages may not add to 100% because of rounding.

Source: Cook County Clerk's Office

Tax Increment Financing

Under Illinois law, municipalities may designate particular areas as redevelopment project areas and may provide for tax increment financing for redevelopment project costs in those "TIF" areas. In a TIF area, collections of real property taxes levied by all taxing bodies, to the extent attributed to increases in the EAV of the TIF area over its EAV when the TIF area was so designated, are deposited in a special tax allocation fund of the municipality and are available for use by the municipality to pay qualified redevelopment costs with respect to the TIF area. Qualified redevelopment costs include, among other items, costs of construction of public works or improvements, costs of rehabilitation of public or private buildings and costs of land acquisition. Amounts in the special tax allocation fund for a TIF area also may be used to pay debt service on bonds issued by the municipality for qualified redevelopment costs of that area ("TIF bonds"). To the extent that the tax collections in respect of a TIF area are deposited in the special tax allocation fund and used for qualified redevelopment costs or related debt service, they are not available for other governmental purposes, including paying unrelated General Obligation Bonds of the municipality.

As of tax year 2016 the City has designated six TIF areas. The total EAV increment of these areas for this tax year totaled \$158,901,401. The EAV for these areas at the time the areas were so designated (the base or "frozen" value) was \$91,489,225.

Equalized Assessed Valuation of Tax Increment Financing Areas

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Frozen Value	\$ 77,225,187	\$ 99,531,184	\$ 99,927,882	\$ 99,927,882	\$ 91,489,225
Incremental	<u>74,957,701</u>	<u>63,217,143</u>	<u>57,097,912</u>	<u>54,880,609</u>	<u>67,412,176</u>
TOTAL EAV	\$152,182,888	\$162,748,327	\$157,025,794	\$154,808,491	\$158,901,401

TIF bonds may, in some cases, also be general obligations of the municipality. In that case general obligation bonds, in addition to their other claims for payment, may have a claim for payment from the amounts on deposit in the special tax allocation fund for that TIF area.

Special Service Areas

Under Illinois law, municipalities may establish special service areas and may levy real property taxes with respect to taxable real property within the special service area to pay costs of special municipal services for the area or to pay debt service on bonds of the municipality issued to provide those special services.

The City has established a number of special service areas for the upgrade of streets and sidewalks in its central business district. Taxes levied and collected with respect to special service areas are not shown as general revenues of the City.

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City Property Taxes

The following table shows the collection history for real property taxes levied by the City.

Tax Extensions and Collections

Levy Year	Collection Year	Taxes		Percent Collected
		Extended	Collected and Distributed	
2015	2016	\$ 46,394,914	\$ 44,974,845	96.94%
2014	2015	45,557,079	44,280,493	97.20%
2013	2014	43,869,798	42,762,685	97.48%
2012	2013	43,330,121	41,776,375	96.41%
2011	2012	43,397,590	42,064,756	96.93%
2010	2011	41,479,398	39,412,004	95.02%
2009	2010	39,779,364	38,018,159	95.57%
2008	2009	38,044,671	36,246,629	95.27%
2007	2008	35,550,694	34,061,461	95.81%
2006	2007	34,399,146	33,249,612	96.66%

The following table shows the ten largest real property taxpayers in the City.

Ten Largest Real Property Taxpayers

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2015 Equalized Assessed Values</u>	<u>Percentage of Total City EAV</u>
Rotary International	Non-profit organization	\$ 25,179,949	1.15%
FSP 909 Davis Street	Commercial buildings	19,966,576	0.91%
Lowe Enterprises	Commercial building	17,461,023	0.80%
McCaffery Interests	Commercial buildings	15,310,340	0.70%
Evanston Hotel Assoc.	Hotel	9,784,205	0.45%
Inland	Commercial, retail	9,759,474	0.44%
North Shore University Health	Commercial, healthcare	9,556,069	0.44%
Azzuri of Evanston	Real Estate	8,476,109	0.39%
Target Proptax T927	Commercial, retail	7,336,363	0.33%
1007 Church St. LLC	Commercial, retail,	7,279,722	0.33%
Top Ten Total		<u>\$ 130,109,831</u>	<u>5.92%</u>
City Total 2015 EAV		<u>2,196,021,525</u>	

Source: City of Evanston CAFR for fiscal year ended December 31, 2016.

Property tax rates for City purposes, as well as rates for governmental bodies that substantially overlap the City are shown below.

Historic City Tax Rates
(Per \$100 EAV)

<u>Fund</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Corporate	\$ 0.3887	\$ 0.4351	\$ 0.3939	\$ 0.3896	\$ 0.2954
Bond & Interest	0.4788	0.5468	0.5298	0.4990	0.4234
Police Pension	0.3274	0.3740	0.3810	0.4208	0.3788
Fire Pension	0.2460	0.2809	0.2756	0.3286	0.3007
IMRF	0.1097	0.1225	0.1238	0.1238	0.1018
General Assistance	--	--	0.0613	--	--
TOTAL	<u><u>\$ 1.551</u></u>	<u><u>\$ 1.759</u></u>	<u><u>\$ 1.765</u></u>	<u><u>\$ 1.762</u></u>	<u><u>\$ 1.501</u></u>

Tax Rates for Overlapping Taxing Agencies
(Taxes Billed in 2016 – Per \$1,000 EAV)

<u>Taxing Agency</u>	<u>2016 Rate</u>
City of Evanston	\$ 1.501
Cook County	0.533
Cook County Forest Preserve District	0.063
Consolidated Elections	--
City of Evanston Library Fund	0.241
General Assistance	0.035
Elementary School District No. 65	3.676
Evanston Township High School District No. 202	2.332
Oakton Community College District No. 535	0.231
Metropolitan Water Reclamation District	0.406
North Shore Mosquito Abatement District	0.010
Total - property not in park or special purpose district	<u><u>\$ 9.028</u></u>

Source: Cook County Clerk's Office

Real Property Assessment, Tax Levy and Collection Procedures

The following is a summary of general property tax assessment, levy and collection procedures in Cook County, Illinois.

Real Property Assessment. The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County"), including such property located within the boundaries of the City, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The City is located in the North Tri and was reassessed for the 2016 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%). In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the "Circuit Court") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization. After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State of Illinois (the "State"). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "EAV") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "Assessment Base").

Exemptions. The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions.

Tax Levy. As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit.

Extensions. The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends

the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections. Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

<u>Tax Levy Year</u>	<u>Second Installment Penalty Date</u>
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the City promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "Annual Tax Sale") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the "Scavenger Sale"), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years' taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Truth in Taxation Law. Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

TAX TREATMENT

Series A and Series B Bonds (the "Tax-Exempt" Bonds)

Federal tax law contains a number of requirements and restrictions which apply to the Tax-Exempt Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Tax-Exempt Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause the interest on the Tax-Exempt Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds.

Subject to the City's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Tax-Exempt Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Tax-Exempt Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion, and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the regular corporate tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Tax-Exempt Bonds.

Ownership of the Tax-Exempt Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Tax-Exempt Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Tax-Exempt Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity;

(c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Tax-Exempt Bonds who dispose of Tax-Exempt Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Tax-Exempt Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Tax-Exempt Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Tax-Exempt Bond is purchased at any time for a price that is less than the Tax-Exempt Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Tax-Exempt Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Tax-Exempt Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Tax-Exempt Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Tax-Exempt Bonds.

An investor may purchase a Tax-Exempt Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Tax-Exempt Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Tax-Exempt Bond. Investors who purchase a Tax-Exempt Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Tax-Exempt Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Tax-Exempt Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Tax-Exempt Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Tax-Exempt Bonds. If an audit is commenced, under current procedures the Service may treat the City as a taxpayer and the Tax-Exempt Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Tax-Exempt Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Tax-Exempt Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Tax-Exempt Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Tax-Exempt Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Tax-Exempt Bonds is not exempt from present State of Illinois income taxes. Ownership of the Tax-Exempt Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Not Qualified Tax-Exempt Obligations

The City will not designate the Tax-Exempt Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income, for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

Series C Bonds

Interest on the Series C Bonds is includible in gross income for federal income purposes. Ownership of the Series C Bonds may result in other federal income tax consequences to certain taxpayers. Series C Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series C Bonds in gross income for federal income tax purposes and any collateral tax consequences. Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Series C Bonds may result in other state and local tax consequences to certain taxpayers, and Bond Counsel expresses no opinion regarding any such consequences arising with respect to the Series C Bonds.

The City may deposit moneys or securities in escrow in such amount and manner as to cause the Series C Bonds to be deemed to be no longer outstanding under the Bond Ordinance (a “defeasance”). A defeasance of the Series C Bonds may be treated as an exchange of the Series C Bonds by the holders thereof and may therefore result in gain or loss to the holders. Series C Bondholders should consult their own tax advisors about the consequences if any of such a defeasance. The City is required to provide notice of defeasance of the Series C Bonds as a material event under the Undertaking.

BOND RATINGS

The Bonds are rated “Aa2” by Moody’s Investors Service, Inc. and “AA+” by Fitch Ratings. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody’s Investors Service, 99 Church Street, New York, New York 10007; Fitch Ratings, 70 West Madison Street, Chicago, Illinois 60602. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Such ratings are not to be construed as recommendations of the rating agencies to buy, sell or hold the Bonds, and the ratings assigned by the rating agencies should be evaluated independently.

UNDERWRITING

The Bonds are scheduled to be sold by the City at a competitive public sale on September 28, 2017.

_____ has agreed, subject to the conditions of closing set forth in the Series A Bonds Notice of Sale, to purchase the Series A Bonds at a purchase price of \$_____ (consisting of the par amount of the Series A Bonds, plus net original issue premium of \$_____, less an underwriter's discount of \$_____), plus accrued interest, if any.

_____ has agreed, subject to the conditions of closing set forth in the Series B Bonds Notice of Sale, to purchase the Series B Bonds at a purchase price of \$_____ (consisting of the par amount of the Series B Bonds, plus net original issue premium of \$_____, less an underwriter's discount of \$_____), plus accrued interest, if any.

The Bonds will be offered at the respective initial public offering prices which produce the yields shown on the inside cover page of this Official Statement. After the Bonds are released for sale to the public, the initial public offering prices and other selling terms may from time to time be varied by the underwriters.

There is no controversy or litigation of any nature now pending or, to the knowledge of the City, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds or the levy and collection of taxes to pay the debt service on the Bonds; or questioning the proceedings or authority pursuant to which the Bonds are issued and taxes levied; or questioning or relating to the validity of the Bonds, or contesting the corporate existence of the City or the titles of its present officers to their respective offices.

The City has engaged PFM Financial Advisors LLC and Independent Public Advisors, LLC (the “Financial Advisors”) in connection with the City’s issuance and sale of the Bonds. Under the terms of their engagement, the Financial Advisors are not obligated to undertake any independent verification of or assume any responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Both PFM Financial Advisors LLC and Independent Public Advisors, LLC are registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board as a municipal advisor.

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (“Bond Counsel”), who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed the information under the caption “TAX TREATMENT”. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters in conjunction with the issuance of the Bonds will be passed upon for the City by its Law Department.

The City will provide to the purchasers at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Official Statement, together with any supplements to it, at the time of acceptance of the Purchase Contract and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.

City of Evanston,
Cook County, Illinois

By: /s/
Mayor

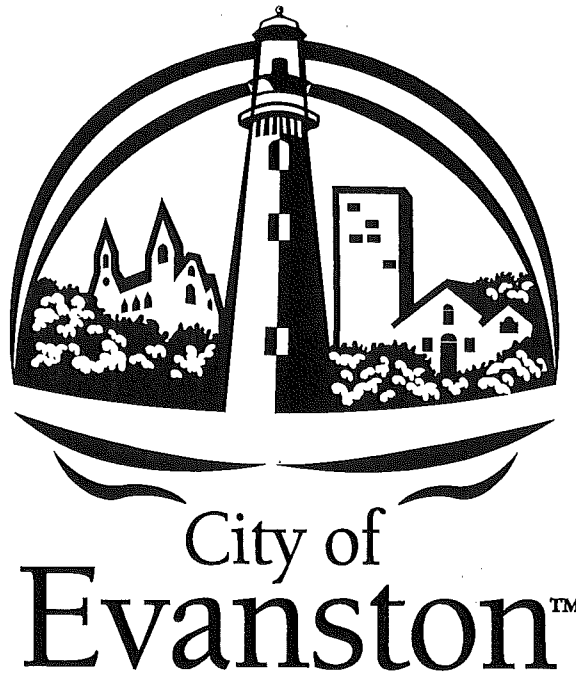
**AUDITED ANNUAL FINANCIAL REPORT OF THE CITY OF EVANSTON, IL
FOR THE YEAR ENDED DECEMBER 31, 2016**

Selected Sections of the Comprehensive Annual Financial Report

**The City's Comprehensive Annual Financial Report for the year ended December 31, 2016,
is available from EMMA and is hereby incorporated by reference.**

The independent auditor has not been engaged to perform, and has not performed since the date of its report (a portion of which is included herein), any procedures on the financial statements addressed in the report nor on this Official Statement, nor has the independent auditor been asked to give consent to the inclusion of this appendix in this Official Statement.

City of Evanston, Illinois



*Comprehensive Annual Financial Report
For the Year Ended December 31, 2016*

PROPOSED FORMS OF BOND COUNSEL OPINIONS

PROPOSED FORM OF OPINION OF BOND COUNSEL – SERIES A BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the City Council of the City of Evanston, Cook County, Illinois (the "*City*") passed preliminary to the issue by the City of its fully registered General Obligation Corporate Purpose Bonds, Series 2017A (the "*Bonds*"), to the amount of \$_____, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		

the Bonds due on or after December 1, 20__, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF BOND COUNSEL – SERIES B BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the City Council of the City of Evanston, Cook County, Illinois (the “*City*”) passed preliminary to the issue by the City of its fully registered General Obligation Refunding Bonds, Series 2017B (the “*Bonds*”), to the amount of \$_____, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the City’s compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such City covenants could cause interest on the Bonds to be includible in gross income for federal

income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

PROPOSED FORM OF OPINION OF BOND COUNSEL – SERIES C BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the City Council of the City of Evanston, Cook County, Illinois (the "*City*") passed preliminary to the issue by the City of its fully registered Taxable General Obligation Corporate Purpose Bonds, Series 2017C (the "*Bonds*"), to the amount of \$_____, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR	AMOUNT (\$)	RATE (%)
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		

the Bonds due on or after December 1, 20__, being subject to redemption prior to maturity at the option of the City as a whole or in part in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the City and is payable from any funds of the City legally available for such purpose, and all taxable property in the City is subject to the levy of taxes to pay the same

without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by the City of Evanston, Cook County, Illinois (the "*City*"), in connection with the issuance of \$_____ General Obligation Corporate Purpose Bonds, Series 2017A (the "*2017A Bonds*"), \$_____ General Obligation Refunding Bonds, Series 2017B (the "*2017B Bonds*"), and \$_____ Taxable General Obligation Corporate Purpose Bonds, Series 2017C (the "*2017C Bonds*") and collectively with the 2017A Bonds and the 2017B Bonds, the "*Bonds*"). The Bonds are being issued pursuant to an ordinance adopted by the City Council of the City on the 11th day of September, 2017 (as supplemented by the Bond Order authorized therein and executed in connection with the sale of the Bonds, the "*Ordinance*").

In consideration of the issuance of the Bonds by the City and the purchase of such Bonds by the beneficial owners thereof, the City covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The City represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

Annual Financial Information means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

- All of the tables under the heading "FINANCES";
- All of the tables under the heading "GENERAL OBLIGATION BONDED INDEBTEDNESS" (other than the table entitled "Total and Scheduled for Abatement General Obligation Debt Service"); and
- The following tables under the heading "REAL PROPERTY TAXATION":
 - "Historic Equalized Assessed Valuation";
 - "Equalized Assessed Valuation by Classification of Property";
 - "Tax Extensions and Collections"; and
 - "Historic City Tax Rates."

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the City prepared pursuant to the principles and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated _____, 2017, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the City pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The City will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all

EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the City hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Ordinance.

6. CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION. The City shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Ordinance, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the City by ordinance or resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the City, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the City (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the City shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the City shall be terminated hereunder if the City shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The City shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the City shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The City shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The City shall not transfer its obligations under the Ordinance unless the transferee agrees to assume all obligations of the City under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF EVANSTON, COOK COUNTY, ILLINOIS

By _____
Mayor

Date: _____, 2017

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The City shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the City's fiscal year (currently December 31), beginning with the fiscal year ending December 31, 2017. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the City.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the City will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City*
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

EXHIBIT III
CUSIP NUMBERS

2017A BONDS

YEAR OF MATURITY	CUSIP NUMBER (299228)
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2017B BONDS

YEAR OF MATURITY	CUSIP NUMBER (299228)
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2017C BONDS

YEAR OF MATURITY	CUSIP NUMBER (299228)
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APPENDIX D

OFFICIAL NOTICES OF SALE

OFFICIAL NOTICE OF SALE

\$14,500,000*

City of Evanston, Cook County, Illinois
General Obligation Corporate Purpose Bonds, Series 2017A
Dated the Date of Delivery

Date, Time and Place. IRREVOCABLE, SEALED AND ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, financial advisor acting on behalf of the City of Evanston, Cook County, Illinois (the "City"), for all but not part of the City's \$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Bonds"), until 10:00 a.m. (Central Time) on:

September 28, 2017

at which time sealed bids will be opened, electronic bids retrieved and all bids publicly read. Sealed bids should be mailed or delivered to the offices of PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Brian Della, or faxed to (414)771-1041, and plainly marked "Bid for the City of Evanston, Illinois, General Obligation Corporate Purpose Bonds, Series 2017A." Electronic bids must be submitted through Parity®.

Term of the Bonds. The Bonds will be dated their date of delivery, and will mature December 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2018	\$ 535,000
2019	605,000
2020	620,000
2021	630,000
2022	645,000
2023	655,000
2024	670,000
2025	685,000
2026	715,000
2027	730,000
2028	690,000
2029	710,000
2030	735,000
2031	750,000
2032	780,000
2033	805,000
2034	835,000
2035	870,000
2036	900,000
2037	935,000

* Preliminary, subject to change.

Interest on said Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2018.

Adjustments to Principal Amounts After Determination of Best Proposal. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. Such adjustments shall be the sole discretion of the City provided that the City or its designee shall only make such adjustments in order to size the Bonds to provide enough funds to effect the project funds, or to establish a debt service structure that is acceptable to the City.

Term Bond Option. Proposals for the Bonds may contain a maturity schedule providing for a combination of serial and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Call Feature. The Bonds maturing on December 1, 2028, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2027 and any date thereafter, in whole or in part and if in part in such principal amounts and from such maturities as the City shall determine and within any maturity by lot at a redemption price of par plus accrued interest to the date fixed for redemption.

Registration. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The City will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds. In the event that the securities depository relationship with DTC for the Bonds is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Security and Purpose. The Bonds are general obligations of the City. The principal of and interest on the Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the City. The Bonds are being issued for the purpose of (i) providing for various capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2017 in the City's Capital Improvement Plan, as adopted by the City Council; and (ii) paying costs related to the issuance of the Bonds.

Not Bank Qualified. The Bonds will not be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. The maximum rate of interest is 4.0%. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$14,500,000 (100.0% of par), nor more than \$15,080,000 (104.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$145,000) is only required by the successful bidder for the Bonds. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Destination:	First Bank and Trust (Evanston, Illinois)
ABA #:	071925538
For credit to:	City of Evanston, Illinois
Account #:	4012041
Account Name:	Capital Improvements Fund

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the City the sum of \$145,000 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the good faith deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The City will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The City assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal shall result in the lowest true interest cost to the City. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the City shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Bonds to the date of delivery and payment of the purchase price.

Establishment of the Issue Price. The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the "Initial Public Offering Price"), or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the City or Bond Counsel. All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event the City receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the City intends to treat the initial public offering price to the public of each maturity of the Bonds as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). Consequently, bidders should assume for purposes of making its bid that, if the competitive sale requirements described above

are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price, as of the sale date, the bidder will be required to comply with the hold-the offering-price rule described below. The City will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public ("the 10% test"). The winning bidder shall notify the City on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the City to the successful bidder ("Sale Date") at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each

underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to

(A) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

(ii) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(B) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (iv) "sale date" means the date the Bonds are awarded by the City to the winning bidder.

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of all of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell) and will, within 30 minutes after being notified that such firm is the apparent winning bidder of the Bonds, advise the City in writing of the initial public offering price to the public of each maturity of the Bonds. Prior to the delivery of the Bonds, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Delivery. The Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Bonds is currently anticipated to be on or about October 16, 2017.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

CUSIP Numbers. The City will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Bonds.

Official Statement. Upon the sale of the Bonds, the City will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide the successful bidder with up to 25 copies of the final Official Statement without cost. The successful bidder agrees to supply to the City all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of Bonds.

Certification Regarding Official Statement. The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the

facts contained in the Official Statement relating to the City and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. A Continuing Disclosure Undertaking will be delivered at closing setting forth the details and terms of the City's undertaking and such Continuing Disclosure Undertaking is a condition of closing. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a Resolution adopted by the City Council), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Undertaking to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Bonds.

Irregularities. The City Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed on the worldwide web at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's financial advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Brian Della, phone (414) 771-2700.

* * * * *

OFFICIAL NOTICE OF SALE

\$9,665,000*

City of Evanston, Cook County, Illinois
General Obligation Refunding Bonds, Series 2017B
Dated the Date of Delivery

Date, Time and Place. IRREVOCABLE, SEALED AND ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, financial advisor acting on behalf of the City of Evanston, Cook County, Illinois (the "City"), for all but not part of the City's \$9,665,000* General Obligation Refunding Bonds, Series 2017B (the "Bonds"), until 10:00 a.m. (Central Time) on:

September 28, 2017

at which time sealed bids will be opened, electronic bids retrieved and all bids publicly read. Sealed bids should be mailed or delivered to the offices of PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Brian Della, or faxed to (414)771-1041, and plainly marked "Bid for the City of Evanston, Illinois, General Obligation Refunding Bonds, Series 2016B." Electronic bids must be submitted through Parity®.

Term of the Bonds. The Bonds will be dated their date of delivery, and will mature December 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2018	\$ 1,035,000
2019	1,080,000
2020	870,000
2021	890,000
2022	910,000
2023	930,000
2024	950,000
2025	975,000
2026	1,000,000
2027	1,025,000

Interest on said Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2018.

Adjustments to Principal Amounts After Determination of Best Proposal. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the successful bidder. Such adjustments shall be the sole discretion of the City provided that the City or its designee shall only make such adjustments in order to size the Bonds to provide enough funds to effect the refunding, or to establish a debt service structure that is acceptable to the City.

* Preliminary, subject to change.

Term Bond Option. Proposals for the Bonds may contain a maturity schedule providing for a combination of serial and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Call Feature. The Bonds are not subject to optional redemption prior to maturity.

Registration. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The City will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds. In the event that the securities depository relationship with DTC for the Bonds is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Security and Purpose. The Bonds are general obligations of the City. The principal of and interest on the Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the City. The Bonds are being issued for the purpose of (i) currently refunding certain obligations of the City, and (ii) paying costs related to the issuance of the Bonds.

Not Bank Qualified. The Bonds will not be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. The maximum rate of interest is 4.0%. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$9,665,000 (100.0% of par), nor more than \$10,051,600 (104.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of NINETY-SIX THOUSAND SIX HUNDRED FIFTY DOLLARS (\$96,650) is only required by the successful bidder for the Bonds. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Destination:	First Bank and Trust (Evanston, Illinois)
ABA #:	071925538
For credit to:	City of Evanston, Illinois
Account #:	4012041
Account Name:	Capital Improvements Fund

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the City may

direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the City the sum of \$96,650 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the good faith deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The City will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The City assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal shall result in the lowest true interest cost to the City. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the City shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Bonds to the date of delivery and payment of the purchase price.

Establishment of the Issue Price. The successful bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City prior to Closing a certificate acceptable to Bond Counsel setting forth the reasonably expected initial public offering price to the public (the "Initial Public Offering Price"), or the sales price or prices of the Bonds, together

with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary in the reasonable judgment of the successful bidder, the City or Bond Counsel. All actions to be taken by the City under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event the City receives less than three bids that conform to the parameters contained herein such that the competitive sale requirements are not satisfied, the City intends to treat the initial public offering price to the public of each maturity of the Bonds as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). Consequently, bidders should assume for purposes of making its bid that, if the competitive sale requirements described above are not met, and less than 10% of any maturity has been sold to the public at the initial public offering price, as of the sale date, the bidder will be required to comply with the hold-the-offering-price rule described below. The City will advise the apparent winning bidder within one hour of receipt of bids if the hold-the-offering-price rule will apply as to any maturities for which less than 10% has been sold to the public on the sale date at the initial public offering price to the public ("the 10% test"). The winning bidder shall notify the City on the sale date as to any maturities for which the 10% test has been met, and shall apply the hold-the-offering-price rule to all other maturities. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Bonds, (i) confirm that the underwriters have offered or will offer each maturity of the Bonds to the public on or before the date that the Bonds are awarded by the City to the successful bidder ("Sale Date") at the initial public offering price set forth in the bid submitted by the winning bidder, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell any maturity of the Bonds to any person at a price that is higher than the initial public offering price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (3) the close of the fifth business day after the Sale Date; or
- (4) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial public offering price if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that:

(iii) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to

(C) report the prices at which it sells to the public the Bonds of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(D) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder and in the related pricing wires, and

(iv) any agreement among underwriters relating to the sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to

(C) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and

(D) comply with the hold-the-offering-price rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) “public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an underwriter or a related party,
- (v) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (vi) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (vii) “sale date” means the date the Bonds are awarded by the City to the winning bidder.

Undertakings of the Successful Bidder. The successful bidder shall make a bona fide public offering of all of the Bonds to the general public (excluding bond houses, brokers, or similar persons acting in the capacity of underwriters or wholesalers who are not purchasing for their own account as ultimate purchasers without a view to resell) and will, within 30 minutes after being notified that such firm is the apparent winning bidder of the Bonds, advise the City in writing of the initial public offering price to the public of each maturity of the Bonds. Prior to the delivery of the Bonds, the successful bidder will furnish a certificate acceptable to Bond Counsel as to the “issue price” of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended. It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty.

Delivery. The Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal

or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Bonds is currently anticipated to be on or about October 16, 2017.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

CUSIP Numbers. The City will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Bonds.

Official Statement. Upon the sale of the Bonds, the City will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide the successful bidder with up to 25 copies of the final Official Statement without cost. The successful bidder agrees to supply to the City all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of Bonds.

Certification Regarding Official Statement. The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the City and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. A Continuing Disclosure Undertaking will be delivered at closing setting forth the details and terms of the City's undertaking and such Continuing Disclosure Undertaking is a condition of closing. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a Resolution adopted by the City Council), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Undertaking to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Bonds.

Irregularities. The City Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed on the worldwide web at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's financial advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Brian Della, phone (414) 771-2700.

* * * * *

OFFICIAL NOTICE OF SALE

\$5,000,000*

City of Evanston, Cook County, Illinois

Taxable General Obligation Corporate Purpose Bonds, Series 2017C

Dated the Date of Delivery

Date, Time and Place. IRREVOCABLE, SEALED AND ELECTRONIC BIDS will be received by PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, financial advisor acting on behalf of the City of Evanston, Cook County, Illinois (the "City"), for all but not part of the City's \$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C (the "Bonds"), until 10:00 a.m. (Central Time) on:

September 28, 2017

at which time sealed bids will be opened, electronic bids retrieved and all bids publicly read. Sealed bids should be mailed or delivered to the offices of PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Brian Della, or faxed to (414)771-1041, and plainly marked "Bid for the City of Evanston, Illinois, Taxable General Obligation Corporate Purpose Bonds, Series 2017C." Electronic bids must be submitted through Parity®.

Term of the Bonds. The Bonds will be dated their date of delivery, and will mature December 1 in the years and amounts as follows:

MATURITY SCHEDULE

<u>Year</u>	<u>Amount*</u>
2020	\$ 230,000
2021	235,000
2022	245,000
2023	260,000
2024	270,000
2025	280,000
2026	290,000
2027	305,000
2028	310,000
2029	325,000
2030	340,000
2031	355,000
2032	365,000
2033	380,000
2034	395,000
2035	415,000

Interest on said Bonds will be payable semi-annually on June 1 and December 1, commencing June 1, 2018.

Adjustments to Principal Amounts After Determination of Best Proposal. The aggregate principal amount of the Bonds, and each scheduled maturity thereof, are subject to increase or

* Preliminary, subject to change.

reduction by the City or its designee after the determination of the successful bidder. Such adjustments shall be the sole discretion of the City provided that the City or its designee shall only make such adjustments in order to size the Bonds to provide enough funds to effect the project funds, or to establish a debt service structure that is acceptable to the City.

Term Bond Option. Proposals for the Bonds may contain a maturity schedule providing for a combination of serial and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Call Feature. The Bonds maturing on December 1, 2028, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2027 and any date thereafter, in whole or in part and if in part in such principal amounts and from such maturities as the City shall determine and within any maturity by lot at a redemption price of par plus accrued interest to the date fixed for redemption.

Registration. The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The City will assume no liability for failure of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds. In the event that the securities depository relationship with DTC for the Bonds is terminated and the City does not appoint a successor depository, the City will prepare, authenticate and deliver, at its expense, fully registered certificated Bonds in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Bonds of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Bonds.

Security and Purpose. The Bonds are general obligations of the City. The principal of and interest on the Bonds will be payable from ad valorem taxes, which shall be levied without limitation as to rate or amount upon all taxable property located in the territory of the City. The Bonds are being issued for the purpose of (i) providing for various capital improvements at various locations throughout the City, including certain capital expenditures as detailed for the year 2017 in the City's Capital Improvement Plan, as adopted by the City Council; and (ii) paying costs related to the issuance of the Bonds.

Bid Specifications. Bids shall be received on an interest rate basis in an integral multiple of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). All Bonds of the same maturity shall bear the same interest rate. A rate of interest must be named for each maturity; a zero rate of interest shall not be named; and the premium, if any, must be paid in cash as part of the purchase price. The maximum rate of interest is 4.0%. No supplemental interest shall be specified. Each bid shall offer to purchase all of the Bonds and shall offer a price (payable in federal or other immediately available funds) which is not less than \$5,000,000 (100.0% of par), nor more than \$5,200,000 (104.0% of par), plus accrued interest to the date of delivery.

Good Faith Deposit. A good faith deposit in the amount of FIFTY THOUSAND DOLLARS (\$50,000) is only required by the successful bidder for the Bonds. The successful bidder for the Bonds is required to submit such Good Faith Deposit payable to the order of the City in the form of a wire transfer in federal funds. Instructions for wiring the Good Faith Deposit are as follows:

Destination: First Bank and Trust (Evanston, Illinois)
ABA #: 071925538
For credit to: City of Evanston, Illinois
Account #: 4012041
Account Name: Capital Improvements Fund

The successful bidder shall submit the Good Faith Deposit within two hours after verbal award is made. The successful bidder should provide as quickly as it is available, evidence of wire transfer by providing the City the federal funds reference number. If the Good Faith Deposit is not received in the time allotted, the bid of the successful bidder may be rejected and the City may direct the next lowest bidder to submit a Good Faith Deposit and thereafter may award the sale of the Bonds to the same. If the successful bidder fails to comply with the Good Faith Deposit requirement as described herein, that bidder is nonetheless obligated to pay to the City the sum of \$50,000 as liquidated damages due to the failure of the successful bidder to timely deposit the Good Faith Deposit.

Submission of a bid to purchase the Bonds serves as acknowledgement and acceptance of the terms of the Good Faith Deposit requirement.

The Good Faith Deposit so wired will be retained by the City until the delivery of the Bonds, at which time the Good Faith Deposit will be applied against the purchase price of the Bonds or the good faith deposit will be retained by the City as partial liquidated damages in the event of the failure of the successful bidder to take up and pay for such Bonds in compliance with the terms of the Official Notice of Sale and of its bid. No interest on the good faith deposit will be paid by the City. The balance of the purchase price must be wired in federal funds to the account detailed in the closing memorandum, simultaneously with delivery of the Bonds.

Insurance on Bonds. In the event the successful bidder obtains a bond insurance policy for all or a portion of the Bonds, by or on behalf of it or any other member of its underwriting group, the successful bidder is responsible for making sure that disclosure information is provided about the credit enhancement provider (for example, through a wrapper to the Official Statement). The City will cooperate with the successful bidder in this manner. The costs of obtaining any bond insurance policy and the costs of providing disclosure information about the credit enhancement provider shall be paid by the successful bidder. In addition, the successful bidder will be required, as a condition for delivery of the Bonds, to certify that the premium will be less than the present value of the interest expected to be saved as a result of such insurance.

Electronic Bidding. The City assumes no responsibility or liability for electronic bids. If any provisions in this Official Notice of Sale conflict with information provided by Parity®, this Official Notice of Sale shall control. Further information about the electronic bidding service providers, including any fee charged and applicable requirements, may be obtained from:

Parity®/IPREO
1359 Broadway, 2nd Floor
New York, New York 10018
(212) 849-5021 phone

Award. Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal shall result in the lowest true interest cost to the City. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the City shall determine which proposal shall be accepted, and such determination shall be final. A computation by the bidder of such true interest cost rate contained in any bid shall be for information only and shall not constitute a part of the bid. The purchaser shall pay accrued interest from the date of the Bonds to the date of delivery and payment of the purchase price.

Delivery. The Bonds will be delivered in typewritten form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository of the Bonds for the establishment of book-entry accounts at the direction of the successful bidder, within approximately 45 days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within 45 days after the date of the sale of the Bonds, the successful bidder may, prior to tender of the Bonds, at its option, be relieved of its obligation under the contract to purchase the Bonds and its good faith check shall be returned, but no interest shall be allowed thereon. Delivery of the Bonds is currently anticipated to be on or about October 16, 2017.

Legal Opinion. The successful bidder will be furnished without cost, the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder consents to and waives any conflict of interest arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

CUSIP Numbers. The City will assume no obligation for the assignment of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon. The City will permit such numbers to be assigned and printed at the expense of the original purchaser, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for failure or refusal by the original purchaser to accept delivery of the Bonds.

Official Statement. Upon the sale of the Bonds, the City will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. Promptly after the sale date, but in no event later than seven business days after such date, the City will provide the successful bidder with up to 25 copies of the final Official Statement without cost. The successful bidder agrees to supply to the City all necessary pricing information and any underwriter identification necessary to complete the final Official Statement within 24 hours after the award of Bonds.

Certification Regarding Official Statement. The City will deliver, at closing, a certificate, executed by appropriate officers of the City acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the City and the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Undertaking to Provide Continuing Disclosure. A Continuing Disclosure Undertaking will be delivered at closing setting forth the details and terms of the City's undertaking and such Continuing Disclosure Undertaking is a condition of closing. In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the City will covenant to undertake (pursuant to a Resolution adopted by the City Council), to provide annual reports and timely notice of certain events for the benefit of holders of the Bonds. The details and terms of the undertaking are set forth in a Continuing Disclosure Undertaking to be executed and delivered by the City, a form of which is included in the Preliminary Official Statement and in the final Official Statement.

Transcript of Proceedings. A transcript of the proceedings relative to the issuance of the Bonds will be furnished to the successful bidder without cost, including a Closing Certificate stating that there is no litigation pending or threatened affecting the validity of or the security for the Bonds.

Irregularities. The City Council reserves the right to reject any and all bids and to waive any and all irregularities.

Information. The Preliminary Official Statement can be viewed on the worldwide web at www.i-dealprospectus.com or copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to the City's financial advisor, PFM Financial Advisors LLC, 115 South 84th Street, Suite 315, Milwaukee, Wisconsin 53214, Attention: Brian Della, phone (414) 771-2700.

* * * * *

BID FORM

\$14,500,000*

**GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2017A
CITY OF EVANSTON, COOK COUNTY, ILLINOIS**

**City of Evanston, Illinois
c/o PFM Financial Advisors LLC (Fax: 414/771-1041)**

Sale Date: September 28, 2017

For all or none of the principal amount of \$14,500,000* General Obligation Corporate Purpose Bonds, Series 2017A (the "Bonds") legally issued and as described in the Official Notice of Sale, we will pay the City \$_____ (not less than 100.0% nor more than 104.0% of par) plus accrued interest on the total principal amount of the Bonds to date of delivery, provided the Bonds bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2018	\$ 535,000	___%	___%	2028	\$ 690,000	___%	___%
2019	605,000	___%	___%	2029	710,000	___%	___%
2020	620,000	___%	___%	2030	735,000	___%	___%
2021	630,000	___%	___%	2031	750,000	___%	___%
2022	645,000	___%	___%	2032	780,000	___%	___%
2023	655,000	___%	___%	2033	805,000	___%	___%
2024	670,000	___%	___%	2034	835,000	___%	___%
2025	685,000	___%	___%	2035	870,000	___%	___%
2026	715,000	___%	___%	2036	900,000	___%	___%
2027	730,000	___%	___%	2037	935,000	___%	___%

* Preliminary, subject to change.

The Bonds mature on December 1 in each of the years as indicated above and interest is payable June 1 and December 1 of each year, commencing June 1, 2018. The Bonds maturing on December 1, 2028, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2027 and any date thereafter.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated September 21, 2017. In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds on the terms set forth in this bid from and the Official Notice of Sale and is not subject to any conditions, except as permitted by the Official Notice of Sale, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$145,000 will be wired in federal funds to the City within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our
computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

By

The foregoing offer is hereby accepted by and on behalf of City of Evanston, Cook County, Illinois, this 28th day of September, 2017.

Stephen H. Hagerty, Mayor

Devon Reid, City Clerk

BID FORM

\$9,665,000*

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017B
CITY OF EVANSTON, COOK COUNTY, ILLINOIS**

**City of Evanston, Illinois
c/o PFM Financial Advisors LLC (Fax: 414/771-1041)**

Sale Date: September 28, 2017

For all or none of the principal amount of \$9,665,000* General Obligation Refunding Bonds, Series 2017B (the "Bonds") legally issued and as described in the Official Notice of Sale, we will pay the City \$_____ (not less than 100.0% nor more than 104.0% of par) plus accrued interest on the total principal amount of the Bonds to date of delivery, provided the Bonds bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2018	\$ 1,035,000	___%	___%
2019	1,080,000	___%	___%
2020	870,000	___%	___%
2021	890,000	___%	___%
2022	910,000	___%	___%
2023	930,000	___%	___%
2024	950,000	___%	___%
2025	975,000	___%	___%
2026	1,000,000	___%	___%
2027	1,025,000	___%	___%

* Preliminary, subject to change.

The Bonds mature on December 1 in each of the years as indicated above and interest is payable June 1 and December 1 of each year, commencing June 1, 2017. The Bonds are not subject to redemption prior to maturity.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated September 21, 2017. In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Bonds on the terms set forth in this bid from and the Official Notice of Sale and is not subject to any conditions, except as permitted by the Official Notice of Sale, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$96,650 will be wired in federal funds to the City within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our
computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

By

The foregoing offer is hereby accepted by and on behalf of City of Evanston, Cook County, Illinois, this 28th day of September, 2017.

Stephen H. Hagerty, Mayor

Devon Reid, City Clerk

BID FORM

\$5,000,000*

**TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2017C
CITY OF EVANSTON, COOK COUNTY, ILLINOIS**

**City of Evanston, Illinois
c/o PFM Financial Advisors LLC (Fax: 414/771-1041)**

Sale Date: September 28, 2017

For all or none of the principal amount of \$5,000,000* Taxable General Obligation Corporate Purpose Bonds, Series 2017C (the "Bonds") legally issued and as described in the Official Notice of Sale, we will pay the City \$_____ (not less than 100.0% nor more than 104.0% of par) plus accrued interest on the total principal amount of the Bonds to date of delivery, provided the Bonds bear the following interest rates:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2020	\$ 230,000	___%	___%	2028	\$ 310,000	___%	___%
2021	235,000	___%	___%	2029	325,000	___%	___%
2022	245,000	___%	___%	2030	340,000	___%	___%
2023	260,000	___%	___%	2031	355,000	___%	___%
2024	270,000	___%	___%	2032	365,000	___%	___%
2025	280,000	___%	___%	2033	380,000	___%	___%
2026	290,000	___%	___%	2034	395,000	___%	___%
2027	305,000	___%	___%	2035	415,000	___%	___%

* Preliminary, subject to change.

The Bonds mature on December 1 in each of the years as indicated above and interest is payable June 1 and December 1 of each year, commencing June 1, 2018. The Bonds maturing on December 1, 2028, and thereafter are subject to redemption prior to maturity at the option of the City on December 1, 2027 and any date thereafter.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Preliminary Official Statement dated September 21, 2017. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of \$50,000 will be wired in federal funds to the City within two hours after verbal award is made according to the Official Notice of Sale.

NOT PART OF THE BID

Explanatory Note: According to our
computation this bid involves the following:

Net Interest Cost

True Interest Rate (TIC)

Respectfully submitted,

Account Manager

By

The foregoing offer is hereby accepted by and on behalf of City of Evanston, Cook County, Illinois, this 28th day of September, 2017.

Stephen H. Hagerty, Mayor

Devon Reid, City Clerk

Attachment J Financial Analysis: TIF Obligations

The underwriter analysis as to debt service and projected payments is included after the Official Statement

SOURCES AND USES OF FUNDS

City of Evanston, IL
\$5,000,000 Taxable G.O. Corporate Purpose Bonds, Series 2017C
Bid by Robert W. Baird & Co., Inc. - Final

Dated Date 10/16/2017
Delivery Date 10/16/2017

Sources:	Dempster Dodge (TIF 7)	Chicago Main (TIF 8)	Total
Bond Proceeds:			
Par Amount	2,040,000.00	2,960,000.00	5,000,000.00
Premium	27,511.50	40,188.50	67,700.00
	2,067,511.50	3,000,188.50	5,067,700.00
Uses:	Dempster Dodge (TIF 7)	Chicago Main (TIF 8)	Total
Project Fund Deposits:			
TIF No. 7 - Dempster Dodge	2,025,059.10		2,025,059.10
TIF No. 8 - Chicago Main		2,938,590.90	2,938,590.90
	2,025,059.10	2,938,590.90	4,963,650.00
Delivery Date Expenses:			
Cost of Issuance	14,830.80	21,519.20	36,350.00
Underwriter's Discount	27,621.60	40,078.40	67,700.00
	42,452.40	61,597.60	104,050.00
	2,067,511.50	3,000,188.50	5,067,700.00

BOND SUMMARY STATISTICS

City of Evanston, IL
\$5,000,000 Taxable G.O. Corporate Purpose Bonds, Series 2017C
Bid by Robert W. Baird & Co., Inc. - Final

Dated Date	10/16/2017
Delivery Date	10/16/2017
Last Maturity	12/01/2035
Arbitrage Yield	3.244614%
True Interest Cost (TIC)	3.395818%
Net Interest Cost (NIC)	3.416627%
All-In TIC	3.474889%
Average Coupon	3.416627%
Average Life (years)	11.454
Duration of Issue (years)	9.396
Par Amount	5,000,000.00
Bond Proceeds	5,067,700.00
Total Interest	1,956,702.50
Net Interest	1,956,702.50
Total Debt Service	6,956,702.50
Maximum Annual Debt Service	430,147.50
Average Annual Debt Service	383,818.07
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	13.540000
Total Underwriter's Discount	13.540000
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
TIF No. 7 Projects	5,000,000.00	101.354	3.417%	11.454	4,403.50
	5,000,000.00			11.454	4,403.50

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,000,000.00	5,000,000.00	5,000,000.00
+ Accrued Interest			
+ Premium (Discount)	67,700.00	67,700.00	67,700.00
- Underwriter's Discount	-67,700.00	-67,700.00	
- Cost of Issuance Expense		-36,350.00	
- Other Amounts			
Target Value	5,000,000.00	4,963,650.00	5,067,700.00
Target Date	10/16/2017	10/16/2017	10/16/2017
Yield	3.395818%	3.474889%	3.244614%

BOND PRICING

City of Evanston, IL
\$5,000,000 Taxable G.O. Corporate Purpose Bonds, Series 2017C
Bid by Robert W. Baird & Co., Inc. - Final

Bond Component	Maturity Date	Amount	Rate	Yield	Price
TIF No. 7 Projects:					
	12/01/2020	230,000	2.050%	2.050%	100.000
	12/01/2021	235,000	2.200%	2.200%	100.000
	12/01/2022	245,000	2.350%	2.350%	100.000
	12/01/2023	260,000	2.500%	2.500%	100.000
	12/01/2024	270,000	2.650%	2.650%	100.000
	12/01/2025	280,000	2.800%	2.800%	100.000
	12/01/2026	290,000	2.900%	2.900%	100.000
	12/01/2027	305,000	4.000%	3.000%	108.673
	12/01/2028	310,000	4.000%	3.100%	107.766 C
	12/01/2029	325,000	3.500%	3.200%	102.574 C
	12/01/2030	340,000	3.500%	3.300%	101.706 C
	12/01/2031	355,000	3.500%	3.400%	100.847 C
	12/01/2032	365,000	3.500%	3.500%	100.000
	12/01/2033	380,000	3.550%	3.550%	100.000
	12/01/2034	395,000	3.600%	3.600%	100.000
	12/01/2035	415,000	3.650%	3.650%	100.000
		5,000,000			

Dated Date	10/16/2017	
Delivery Date	10/16/2017	
First Coupon	06/01/2018	
Par Amount	5,000,000.00	
Premium	67,700.00	
Production	5,067,700.00	101.354000%
Underwriter's Discount	-67,700.00	-1.354000%
Purchase Price	5,000,000.00	100.000000%
Accrued Interest		
Net Proceeds	5,000,000.00	

BOND DEBT SERVICE

City of Evanston, IL
 \$5,000,000 Taxable G.O. Corporate Purpose Bonds, Series 2017C
 Bid by Robert W. Baird & Co., Inc. - Final

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2018			100,925.00	100,925.00	
12/01/2018			80,740.00	80,740.00	181,665.00
06/01/2019			80,740.00	80,740.00	
12/01/2019			80,740.00	80,740.00	161,480.00
06/01/2020			80,740.00	80,740.00	
12/01/2020	230,000	2.050%	80,740.00	310,740.00	391,480.00
06/01/2021			78,382.50	78,382.50	
12/01/2021	235,000	2.200%	78,382.50	313,382.50	391,765.00
06/01/2022			75,797.50	75,797.50	
12/01/2022	245,000	2.350%	75,797.50	320,797.50	396,595.00
06/01/2023			72,918.75	72,918.75	
12/01/2023	260,000	2.500%	72,918.75	332,918.75	405,837.50
06/01/2024			69,668.75	69,668.75	
12/01/2024	270,000	2.650%	69,668.75	339,668.75	409,337.50
06/01/2025			66,091.25	66,091.25	
12/01/2025	280,000	2.800%	66,091.25	346,091.25	412,182.50
06/01/2026			62,171.25	62,171.25	
12/01/2026	290,000	2.900%	62,171.25	352,171.25	414,342.50
06/01/2027			57,966.25	57,966.25	
12/01/2027	305,000	4.000%	57,966.25	362,966.25	420,932.50
06/01/2028			51,866.25	51,866.25	
12/01/2028	310,000	4.000%	51,866.25	361,866.25	413,732.50
06/01/2029			45,666.25	45,666.25	
12/01/2029	325,000	3.500%	45,666.25	370,666.25	416,332.50
06/01/2030			39,978.75	39,978.75	
12/01/2030	340,000	3.500%	39,978.75	379,978.75	419,957.50
06/01/2031			34,028.75	34,028.75	
12/01/2031	355,000	3.500%	34,028.75	389,028.75	423,057.50
06/01/2032			27,816.25	27,816.25	
12/01/2032	365,000	3.500%	27,816.25	392,816.25	420,632.50
06/01/2033			21,428.75	21,428.75	
12/01/2033	380,000	3.550%	21,428.75	401,428.75	422,857.50
06/01/2034			14,683.75	14,683.75	
12/01/2034	395,000	3.600%	14,683.75	409,683.75	424,367.50
06/01/2035			7,573.75	7,573.75	
12/01/2035	415,000	3.650%	7,573.75	422,573.75	430,147.50
	5,000,000		1,956,702.50	6,956,702.50	6,956,702.50

DETAILED BOND DEBT SERVICE

City of Evanston, IL
Dempster Dodge (TIF 7)

TIF No. 7 Projects (BOND)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2018			41,168.75	41,168.75	
12/01/2018			32,935.00	32,935.00	74,103.75
06/01/2019			32,935.00	32,935.00	
12/01/2019			32,935.00	32,935.00	65,870.00
06/01/2020			32,935.00	32,935.00	
12/01/2020	95,000	2.050%	32,935.00	127,935.00	160,870.00
06/01/2021			31,961.25	31,961.25	
12/01/2021	95,000	2.200%	31,961.25	126,961.25	158,922.50
06/01/2022			30,916.25	30,916.25	
12/01/2022	100,000	2.350%	30,916.25	130,916.25	161,832.50
06/01/2023			29,741.25	29,741.25	
12/01/2023	105,000	2.500%	29,741.25	134,741.25	164,482.50
06/01/2024			28,428.75	28,428.75	
12/01/2024	110,000	2.650%	28,428.75	138,428.75	166,857.50
06/01/2025			26,971.25	26,971.25	
12/01/2025	115,000	2.800%	26,971.25	141,971.25	168,942.50
06/01/2026			25,361.25	25,361.25	
12/01/2026	120,000	2.900%	25,361.25	145,361.25	170,722.50
06/01/2027			23,621.25	23,621.25	
12/01/2027	125,000	4.000%	23,621.25	148,621.25	172,242.50
06/01/2028			21,121.25	21,121.25	
12/01/2028	125,000	4.000%	21,121.25	146,121.25	167,242.50
06/01/2029			18,621.25	18,621.25	
12/01/2029	130,000	3.500%	18,621.25	148,621.25	167,242.50
06/01/2030			16,346.25	16,346.25	
12/01/2030	140,000	3.500%	16,346.25	156,346.25	172,692.50
06/01/2031			13,896.25	13,896.25	
12/01/2031	145,000	3.500%	13,896.25	158,896.25	172,792.50
06/01/2032			11,358.75	11,358.75	
12/01/2032	150,000	3.500%	11,358.75	161,358.75	172,717.50
06/01/2033			8,733.75	8,733.75	
12/01/2033	155,000	3.550%	8,733.75	163,733.75	172,467.50
06/01/2034			5,982.50	5,982.50	
12/01/2034	160,000	3.600%	5,982.50	165,982.50	171,965.00
06/01/2035			3,102.50	3,102.50	
12/01/2035	170,000	3.650%	3,102.50	173,102.50	176,205.00
	2,040,000		798,171.25	2,838,171.25	2,838,171.25

DETAILED BOND DEBT SERVICE

City of Evanston, IL
Chicago Main (TIF 8)

TIF No. 8 Projects (BOND)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2018			59,756.25	59,756.25	
12/01/2018			47,805.00	47,805.00	107,561.25
06/01/2019			47,805.00	47,805.00	
12/01/2019			47,805.00	47,805.00	95,610.00
06/01/2020			47,805.00	47,805.00	
12/01/2020	135,000	2.050%	47,805.00	182,805.00	230,610.00
06/01/2021			46,421.25	46,421.25	
12/01/2021	140,000	2.200%	46,421.25	186,421.25	232,842.50
06/01/2022			44,881.25	44,881.25	
12/01/2022	145,000	2.350%	44,881.25	189,881.25	234,762.50
06/01/2023			43,177.50	43,177.50	
12/01/2023	155,000	2.500%	43,177.50	198,177.50	241,355.00
06/01/2024			41,240.00	41,240.00	
12/01/2024	160,000	2.650%	41,240.00	201,240.00	242,480.00
06/01/2025			39,120.00	39,120.00	
12/01/2025	165,000	2.800%	39,120.00	204,120.00	243,240.00
06/01/2026			36,810.00	36,810.00	
12/01/2026	170,000	2.900%	36,810.00	206,810.00	243,620.00
06/01/2027			34,345.00	34,345.00	
12/01/2027	180,000	4.000%	34,345.00	214,345.00	248,690.00
06/01/2028			30,745.00	30,745.00	
12/01/2028	185,000	4.000%	30,745.00	215,745.00	246,490.00
06/01/2029			27,045.00	27,045.00	
12/01/2029	195,000	3.500%	27,045.00	222,045.00	249,090.00
06/01/2030			23,632.50	23,632.50	
12/01/2030	200,000	3.500%	23,632.50	223,632.50	247,265.00
06/01/2031			20,132.50	20,132.50	
12/01/2031	210,000	3.500%	20,132.50	230,132.50	250,265.00
06/01/2032			16,457.50	16,457.50	
12/01/2032	215,000	3.500%	16,457.50	231,457.50	247,915.00
06/01/2033			12,695.00	12,695.00	
12/01/2033	225,000	3.550%	12,695.00	237,695.00	250,390.00
06/01/2034			8,701.25	8,701.25	
12/01/2034	235,000	3.600%	8,701.25	243,701.25	252,402.50
06/01/2035			4,471.25	4,471.25	
12/01/2035	245,000	3.650%	4,471.25	249,471.25	253,942.50
	2,960,000		1,158,531.25	4,118,531.25	4,118,531.25

COST OF ISSUANCE

City of Evanston, IL
\$5,000,000 Taxable G.O. Corporate Purpose Bonds, Series 2017C
Bid by Robert W. Baird & Co., Inc. - Final

Cost of Issuance	\$/1000	Amount
PFM Financial Advisors LLC	3.00000	15,000.00
Independent Public Advisors	1.00000	5,000.00
Chapman and Cutler (portion of \$32,000 total)	1.00000	5,000.00
Fitch (portion of \$26,000 total)	1.00000	5,000.00
Moody's (portion of \$30,000 total)	1.00000	5,000.00
Zions - Fiscal Agent (acceptance)	0.05000	250.00
Zions - Fiscal Agent (first year)	0.07000	350.00
Electronic Bidding	0.07500	375.00
Printing	0.07500	375.00
	7.27000	36,350.00

CITY OF EVANSTON, ILLINOIS

Combining Balance Sheet
Nonmajor Governmental Funds

December 31, 2017

	Debt Service			
	Chicago Main Tax Increment District	Special Service Area No. 6	Howard Hartrey Tax Increment District	Washington National Tax Increment District
Assets				
Cash and equivalents	\$ 1,342	\$ 2,207	\$ -	\$ -
Investments	-	-	-	4,769,451
Receivables				
Property tax	-	221,000	-	-
Notes	-	-	-	-
Special assessments	-	-	-	-
Other	-	-	-	-
Due from other governments	-	-	-	-
Due from component unit	-	-	-	-
Due from other funds	60,000	-	-	493,237
Advances to other funds	-	-	-	-
Total Assets	\$ 61,342	\$ 223,207	\$ -	\$ 5,262,688
Liabilities				
Vouchers payable	\$ 149	\$ -	\$ -	\$ 144
Due to other governments	-	-	-	-
Due to component unit	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	149	-	-	144
Deferred Inflows of Resources				
Long-term notes receivable	-	-	-	-
Unavailable revenue - property taxes	-	221,000	-	-
Total Deferred Inflows of Resources	-	221,000	-	-
Total Liabilities and Deferred Inflows of Resources	149	221,000	-	144
Fund Balances				
Restricted for				
Highway Maintenance	-	-	-	-
Emergency Telephone System	-	-	-	-
HUD Approved Projects	-	-	-	-
Neighborhood Improvements	-	-	-	-
Debt Service	61,193	-	-	5,262,544
Township	-	-	-	-
Committed	-	-	-	-
Assigned	-	2,207	-	-
Unassigned (deficit)	-	-	-	-
Total Fund Balances (Deficit)	61,193	2,207	-	5,262,544
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 61,342	\$ 223,207	\$ -	\$ 5,262,688

Debt Service			Capital Projects					Total Nonmajor Governmental Funds
Dempster-Dodge Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service	Capital Improvements	Special Assessment Capital Projects	Crown Capital	Total Capital Projects	
\$ -	\$ -	\$ -	\$ 3,549	\$ 3,327,740	\$ 2,766,446	\$ 540,861	\$ 6,635,047	\$ 9,834,513
-	11,144	514,730	5,295,325	9,418,978	224,099	-	9,643,077	18,187,364
-	-	-	221,000	-	-	-	-	1,491,000
-	-	-	-	-	-	-	-	8,135,420
-	-	-	-	-	616,153	-	616,153	616,153
-	-	-	-	7,840	4,281	-	12,121	12,121
-	-	-	-	-	2,874	-	2,874	770,992
-	-	-	-	-	-	-	-	-
-	262,979	-	816,216	-	-	-	-	948,225
-	-	-	-	-	-	-	-	-
\$ -	\$ 274,123	\$ 514,730	\$ 6,336,090	\$ 12,754,558	\$ 3,613,853	\$ 540,861	\$ 16,909,272	\$ 39,995,788
\$ -	\$ 26,745	\$ 144	\$ 27,182	\$ 3,983,291	\$ -	\$ -	\$ 3,983,291	\$ 4,190,241
-	-	-	-	-	-	-	-	94,969
-	-	-	-	12,794	-	-	12,794	12,794
6,009	-	81,820	87,829	-	-	-	-	1,182,072
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,000,000
6,009	26,745	81,964	115,011	3,996,085	-	-	3,996,085	6,480,076
-	-	-	-	-	616,153	-	616,153	8,751,573
-	-	-	221,000	-	-	-	-	1,491,000
-	-	-	221,000	-	616,153	-	616,153	10,242,573
6,009	26,745	81,964	336,011	3,996,085	616,153	-	4,612,238	16,722,649
-	-	-	-	-	-	-	-	2,373,730
-	-	-	-	-	-	-	-	181,996
-	-	-	-	-	-	-	-	325,996
-	-	-	-	-	-	-	-	1,646,715
-	247,378	432,766	6,003,881	-	-	-	-	6,003,881
-	-	-	-	-	-	-	-	644,499
-	-	-	-	-	-	-	-	-
-	-	-	2,207	8,758,473	2,997,700	540,861	12,297,034	12,301,125
(6,009)	-	-	(6,009)	-	-	-	-	(204,803)
(6,009)	247,378	432,766	6,000,079	8,758,473	2,997,700	540,861	12,297,034	23,273,139
\$ -	\$ 274,123	\$ 514,730	\$ 6,336,090	\$ 12,754,558	\$ 3,613,853	\$ 540,861	\$ 16,909,272	\$ 39,995,788

(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, 2017

	Special Revenue				
	Motor Fuel Tax	Economic Development	Emergency Telephone System	Neighborhood Improvement	Affordable Housing
Revenues					
Taxes	\$ -	\$ -	\$ 978,523	\$ -	\$ 97,000
Special assessments	-	-	-	-	-
Intergovernmental	1,899,884	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	18,158	-	7,178	256	5,623
Miscellaneous					
Contributions	-	-	-	-	325,000
Other	-	-	-	-	8,056
Total Revenues	1,918,042	-	985,701	256	435,679
Expenditures					
Current					
General management and support	-	-	-	-	-
Public safety	-	-	893,789	-	-
Public works	-	-	-	-	-
Housing and economic development	-	-	-	-	360,323
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent fees	-	-	-	-	-
Total Expenditures	-	-	893,789	-	360,323
Excess (Deficiency) of Revenues Over Expenditures	1,918,042	-	91,912	256	75,356
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Issuance of loans	-	-	-	-	-
Premium (discount) on bonds issued	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	(957,990)	(2,996,226)	(72,977)	-	-
Total Other Financing Sources (Uses)	(957,990)	(2,996,226)	(72,977)	-	-
Net Change in Fund Balances	960,052	(2,996,226)	18,935	256	75,356
Fund Balances (Deficit), January 1	1,413,678	2,996,226	163,061	169,915	1,401,188
Fund Balances (Deficit), December 31	\$ 2,373,730	\$ -	\$ 181,996	\$ 170,171	\$ 1,476,544

Special Revenue							
HOME	Community Development Block Grant	Community Development Loan	Neighborhood Stabilization Program 2	Special Service District No. 4	Good Neighbor	General Assistance	Total Special Revenue
\$ -	\$ -	\$ -	\$ -	\$ 322,477	\$ -	\$ 933,020	\$ 2,331,020
-	-	-	-	-	-	-	-
227,450	1,906,708	-	37,641	-	-	-	4,071,683
-	-	-	-	-	-	-	-
5,685	-	3,392	-	5	1,884	1,547	43,728
-	-	-	-	-	1,000,000	-	1,325,000
21,820	263	51,369	-	-	-	33,019	114,527
254,955	1,906,971	54,761	37,641	322,482	1,001,884	967,586	7,885,958
-	-	-	-	-	-	909,475	909,475
-	-	-	-	-	-	-	893,789
-	-	-	-	-	-	-	-
248,055	1,900,376	13,070	33,123	329,000	-	-	2,883,947
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
248,055	1,900,376	13,070	33,123	329,000	-	909,475	4,687,211
6,900	6,595	41,691	4,518	(6,518)	1,001,884	58,111	3,198,747
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(6,594)	-	(4,518)	-	(1,000,000)	-	(5,038,305)
-	(6,594)	-	(4,518)	-	(1,000,000)	-	(5,038,305)
6,900	1	41,691	-	(6,518)	1,884	58,111	(1,839,558)
2,377	64,106	210,921	-	(192,276)	-	586,388	6,815,584
\$ 9,277	\$ 64,107	\$ 252,612	\$ -	\$ (198,794)	\$ 1,884	\$ 644,499	\$ 4,976,026

(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, 2017

	Debt Service			
	Chicago Main Tax Increment District	Special Service Area No. 6	Howard Hartrey Tax Increment District	Washington National Tax Increment District
Revenues				
Taxes	\$ 75,430	\$ 215,245	\$ -	\$ 5,249,949
Special assessments	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment income	9	22	1,320	45,923
Miscellaneous				
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	75,439	215,267	1,320	5,295,872
Expenditures				
Current				
General management and support	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Housing and economic development	582,012	213,354	599,668	100,679
Capital outlay	-	-	-	-
Debt service				
Principal	3,000,000	-	-	-
Interest	87,500	-	-	-
Fiscal agent fees	-	-	-	-
Total Expenditures	3,669,512	213,354	599,668	100,679
Excess (Deficiency) of Revenues Over Expenditures	(3,594,073)	1,913	(598,348)	5,195,193
Other Financing Sources (Uses)				
Issuance of bonds	2,960,000	-	-	-
Issuance of loans	520,000	-	-	-
Premium (discount) on bonds issued	40,189	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(78,000)	(45,325)	(5,557,325)
Total Other Financing Sources (Uses)	3,520,189	(78,000)	(45,325)	(5,557,325)
Net Change in Fund Balances	(73,884)	(76,087)	(643,673)	(362,132)
Fund Balances (Deficit), January 1	135,077	78,294	643,673	5,624,676
Fund Balances (Deficit), December 31	\$ 61,193	\$ 2,207	\$ -	\$ 5,262,544

Debt Service				Capital Projects				Total Nonmajor Governmental Funds
Dempster- Dodge Tax Increment District	Howard Ridge Tax Increment District	West Evanston Tax Increment District	Total Debt Service	Capital Improvements	Special Assessment Capital Projects	Crown Capital	Total Capital Projects	
\$ 48,001	\$ 583,827	\$ 43,503	\$ 6,215,955	\$ -	\$ -	\$ -	\$ -	\$ 8,546,975
-	-	-	-	-	260,307	-	260,307	260,307
-	-	-	-	530,812	-	-	530,812	4,602,495
-	-	-	-	33,339	-	-	33,339	33,339
1	21	3,898	51,194	56,607	7,911	-	64,518	159,440
-	-	-	-	412,945	-	-	412,945	1,737,945
-	32,000	12,339	44,339	5,174	-	-	5,174	164,040
48,002	615,848	59,740	6,311,488	1,038,877	268,218	-	1,307,095	15,504,541
-	-	-	-	298,237	6,307	-	304,544	1,214,019
-	-	-	-	9,064	-	-	9,064	902,853
-	-	-	-	-	-	1,008,651	1,008,651	1,008,651
-	307,391	2,007	1,805,111	-	-	-	-	4,689,058
-	-	-	-	14,953,180	-	-	14,953,180	14,953,180
2,000,000	-	-	5,000,000	-	-	-	-	5,000,000
92,108	995	12,227	192,830	-	-	-	-	192,830
-	-	-	-	-	-	-	-	-
2,092,108	308,386	14,234	6,997,941	15,260,481	6,307	1,008,651	16,275,439	27,960,591
(2,044,106)	307,462	45,506	(686,453)	(14,221,604)	261,911	(1,008,651)	(14,968,344)	(12,456,050)
2,040,000	-	-	5,000,000	10,730,000	-	900,000	11,630,000	16,630,000
-	-	-	520,000	-	-	-	-	520,000
27,512	-	-	67,701	457,736	-	-	457,736	525,437
-	-	-	-	1,436,689	-	649,512	2,086,201	2,086,201
-	(60,000)	(30,000)	(5,770,650)	(1,149,512)	(263,427)	-	(1,412,939)	(12,221,894)
2,067,512	(60,000)	(30,000)	(182,949)	11,474,913	(263,427)	1,549,512	12,760,998	7,539,744
23,406	247,462	15,506	(869,402)	(2,746,691)	(1,516)	540,861	(2,207,346)	(4,916,306)
(29,415)	(84)	417,260	6,869,481	11,505,164	2,999,216	-	14,504,380	28,189,445
\$ (6,009)	\$ 247,378	\$ 432,766	\$ 6,000,079	\$ 8,758,473	\$ 2,997,700	\$ 540,861	\$ 12,297,034	\$ 23,273,139

(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, 2017

	Chicago Main Tax Increment District		Special Service Area No. 6		Howard Hartrey Tax Increment District	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues						
Taxes						
Property taxes	\$ -	\$ 75,430	\$ 220,000	\$ 215,245	\$ -	\$ -
Investment income	-	9	500	22	-	1,320
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	75,439	220,500	215,267	-	1,320
Expenditures						
Housing and economic development	3,580,000	582,012	290,730	213,354	-	599,668
Debt Service						
Principal	-	3,000,000	-	-	-	-
Interest	60,000	87,500	-	-	-	-
Total Expenditures	3,640,000	3,669,512	290,730	213,354	-	599,668
Excess (Deficiency) of Revenues Over Expenditures	(3,640,000)	(3,594,073)	(70,230)	1,913	-	(598,348)
Other Financing Sources (Uses)						
Issuance of bonds	-	2,960,000	-	-	-	-
Issuance of loans	-	520,000	-	-	-	-
Premium (discount) on bonds issued	-	40,189	-	-	-	-
Transfers in (out)						
General	-	-	-	(78,000)	-	-
Capital improvement	-	-	-	-	-	-
Other	-	-	-	-	(599,667)	(45,325)
Total Other Financing Sources (Uses)	-	3,520,189	-	(78,000)	(599,667)	(45,325)
Net Changes in Fund Balances	<u>\$ (3,640,000)</u>	<u>(73,884)</u>	<u>\$ (70,230)</u>	<u>(76,087)</u>	<u>\$ (599,667)</u>	<u>(643,673)</u>
Fund Balances (Deficit)						
Beginning of Year		135,077		78,294		643,673
End of Year		<u>\$ 61,193</u>		<u>\$ 2,207</u>		<u>\$ -</u>

Washington National Tax Increment District		Dempster-Dodge Tax Increment District		Howard Ridge Tax Increment District		West Evanston Tax Increment District		Total	
Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 5,145,000	\$ 5,249,949	\$ -	\$ 48,001	\$ 555,000	\$ 583,827	\$ -	\$ 43,503	\$ 5,920,000	\$ 6,215,955
10,000	45,923	-	1	400	21	150	3,898	11,050	51,194
-	-	-	-	130,000	32,000	-	12,339	130,000	44,339
5,155,000	5,295,872	-	48,002	685,400	615,848	150	59,740	6,061,050	6,311,488
600,000	100,679	-	-	1,538,000	307,391	-	2,007	6,008,730	1,805,111
-	-	2,004,000	2,000,000	-	-	-	-	2,004,000	5,000,000
-	-	40,000	92,108	600	995	10,000	12,227	110,600	192,830
600,000	100,679	2,044,000	2,092,108	1,538,600	308,386	10,000	14,234	8,123,330	6,997,941
4,555,000	5,195,193	(2,044,000)	(2,044,106)	(853,200)	307,462	(9,850)	45,506	(2,062,280)	(686,453)
-	-	50,000	2,040,000	-	-	-	-	50,000	5,000,000
-	-	-	-	-	-	-	-	-	520,000
-	-	-	27,512	-	-	-	-	-	67,701
(350,000)	(500,000)	-	-	(60,000)	(60,000)	(30,000)	(30,000)	(440,000)	(668,000)
(5,470,000)	(936,689)	-	-	-	-	-	-	(5,470,000)	(936,689)
(4,120,636)	(4,120,636)	-	-	-	-	-	-	(4,720,303)	(4,165,961)
(9,940,636)	(5,557,325)	50,000	2,067,512	(60,000)	(60,000)	(30,000)	(30,000)	(10,580,303)	(182,949)
<u>\$ (5,385,636)</u>	<u>(362,132)</u>	<u>\$ (1,994,000)</u>	<u>23,406</u>	<u>\$ (913,200)</u>	<u>247,462</u>	<u>\$ (39,850)</u>	<u>15,506</u>	<u>\$ (12,642,583)</u>	<u>(869,402)</u>
	<u>5,624,676</u>		<u>(29,415)</u>		<u>(84)</u>		<u>417,260</u>		<u>6,869,481</u>
	<u>\$ 5,262,544</u>		<u>\$ (6,009)</u>		<u>\$ 247,378</u>		<u>\$ 432,766</u>		<u>\$ 6,000,079</u>

(See independent auditor's report.)



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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, 2017. As discussed in that representation letter, management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the City's compliance based on our examination.

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

In our opinion, management's assertion that the City of Evanston, Illinois, complied with the aforementioned requirements for the year ended December 31, 2017, is fairly stated in all material respects.

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

Sikich LLP

Naperville, Illinois
June 22, 2018