

City of Evanston

Proposed 1st Amendment to Howard Ridge TIF



Joint Review Board (JRB) Meeting September 25, 2019

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Proposed 1st Amendment to Howard Ridge TIF

Overview:

- I. Background on TIF District & Amendment
- II. Factors Qualifying Amendment Area for Inclusion in TIF District
- III. Key Elements of TIF Plan as Amended

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I. Background on TIF District & Amendment

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I. Background

The Howard and Ridge TIF Area:

- To date, is a successful, tightly focused TIF
- The proposed amendment would extend redevelopment activities west to Ashland

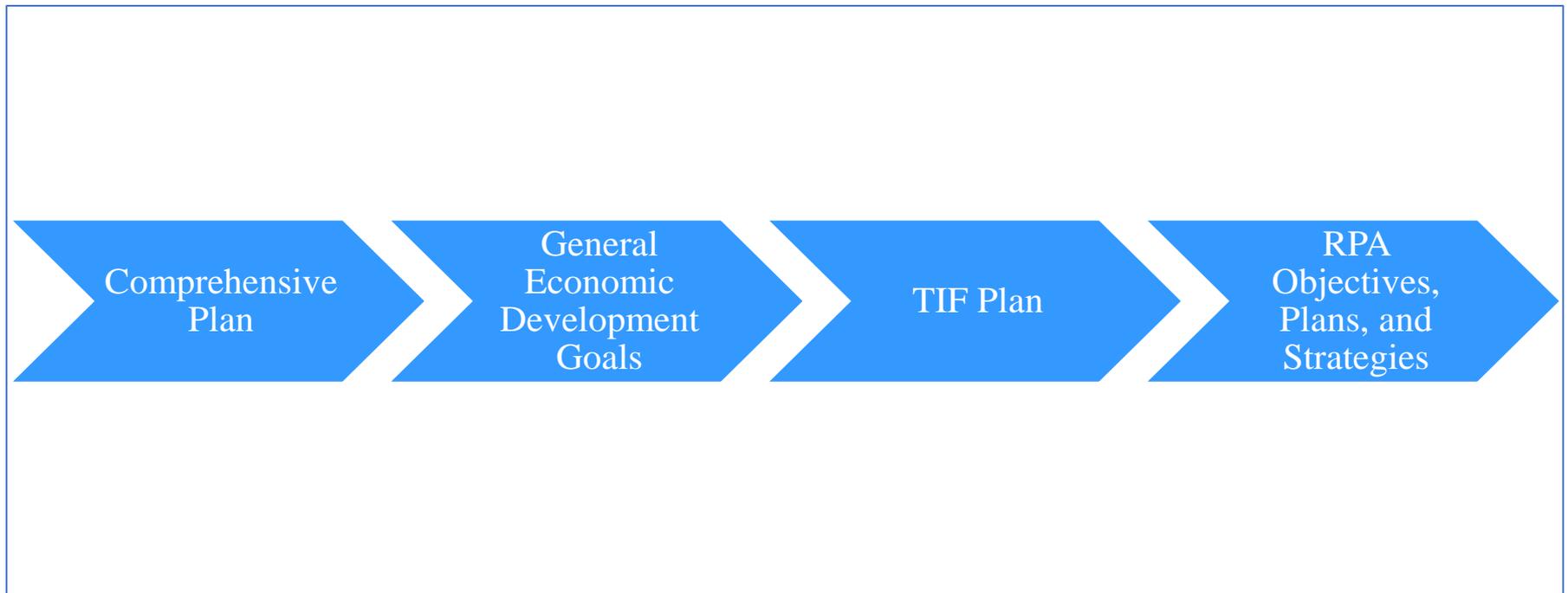
Strategic Importance:

- Howard-Ridge is critical location for south Evanston
- TIF has facilitated a successful transition to mixed residential uses and restaurant/entertainment uses
- Continued redevelopment will result in higher EAVs and enhanced vibrancy to the Howard Street area at end of 23 years

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I. Background



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II. Factors Qualifying Amendment Area for Inclusion in TIF District

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II. Qualification Factors

The proposed TIF District “Amendment Area” is found to qualify under the following criteria:

- The Amendment Area consists of 53 contiguous tax parcels
- TIF Plan conforms to/supports the City’s *Comprehensive Plan*
- The “But-For” requirement has been/will continue to be met
- As a “conservation area”, based upon the finding that at least 3 of the 13 factors set forth in the TIF Act are present in the amended area
- 73% of the buildings are 35 years or older – pursuant to the TIF Act at least 50% of the buildings must be more than 35 years old

II. Qualification Factors

(“Conservation Area” findings (3 are required by TIF Act)

Howard Ridge meets 6 qualification factors (underlined)

- 1) Dilapidation
- 2) Obsolescence
- 3) Deterioration
- 4) Presence of Structures
Below Code
- 5) Illegal Uses
- 6) Excessive Vacancies
- 7) Lack of Ventilation and
Sanitary Facilities
- 8) Inadequate Utilities
- 9) Excessive Land
Coverage
- 10) Deleterious Layout
- 11) Environmental Clean-up
- 12) Lack of Community
Planning
- 13) Lagging EAV

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II. Qualification Factors

1) Obsolescence -The Act states that obsolescence is the condition of falling into disuse or a structure becoming ill-suited for its original use:

- Obsolescence exists because the advanced ages of the buildings require updates/retrofitting in order to conform with current market conditions.
- Challenges related to an aged building inventory, parking options, traffic circulation, and configuration of parcels, as can be seen with the CVS, bank facility, and existing office buildings.

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II. Qualification Factors

2) Deterioration - The Act states that deterioration can be found in buildings or surface improvements, or both:

Over 80% of the parcels exhibit some form of deterioration of secondary building components or surface improvements:

- Minor deterioration of exterior building facades, including trim is present.
- Off-street parking areas exhibit cracked asphalt paving, potholes, settlement and loose asphalt paving materials.
- Roadways and driveways exhibit cracking, spalling, and crumbling.

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II. TIF Qualification Factors

3) Inadequate Utilities – The Act states utilities lacking capacity to meet future development demands are considered inadequate

- Existing water mains and sewer mains are estimated to have been constructed in the 1920s and water mains are in “poor” condition. Sanitary and storm sewer mains are in “fair” condition.
- Future improvements to both systems are proposed in order to address flow and condition of existing materials.
- Future redevelopment may also require relocation of utilities depending on location or type of project.

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II. TIF Qualification Factors

4) Deleterious Layout – The Act states deleterious land use or layout is the existence of incompatible land-use relationships, inappropriate mixed-use buildings, or noxious, offensive, or unsuitable for the surrounding area:

- Commercial building lot coverage ratios that far exceed today's zoning regulations preclude on-site parking for customers - this is incompatible with, and compromises retail uses
- Traffic flows and circulation along Howard require coordination of curb cuts and internal traffic circulation that integrate with existing land uses.
- Buffering between the commercial and nearby residential properties is deficient in relation to today's development standards.

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II. TIF Qualification Factors

5) Lack of Community Planning - The Act states that an area suffers from a lack of community planning if the area was developed prior to, or without the benefit of, a community plan:

- Almost 50% of the structures were developed prior to the City's adoption of its first comprehensive plan in 1972, in an uncoordinated, piecemeal fashion.
- Consequences of a lack of community planning in the area include poor traffic circulation, inadequate parking, incompatible land uses, irregular building setbacks, excessive lot overage ratios, and inefficient ingress/egress to properties.

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6) Lagging EAV

	2018	2017	2016	2015	2014
Total EAV for TIF District	5,438,356	5,634,720	\$5,188,974	\$4,769,153	\$4,943,113
EAV Change (%)	-3.48%	8.59%	8.80%	-3.52%	.21%
City-wide EAV (Net of TIF)	2,715,142,558	2,734,425,400	2,665,222,805	2,191,252,372	2,239,626,862
City EAV Change (%)	-0.71%	2.60%	21.63%	-2.16%	1.95%
CPI	2.40%	2.10%	1.30%	0.10%	1.6%

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III. Key Elements of TIF Plan as Amended

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- **Proposed Land Uses:** Commercial, retail, residential, mixed-use
- **Proposed TIF Budget:** \$ 17,500,000. Budget sized to accommodate potential development requirements. The TIF Budget is a maximum amount which does not obligate the Village to expend such amounts.
- **Added Base EAV:** \$ 5,438,536 (2018 EAV of amended area)
- **Projected EAV:** Upon completion of redevelopment activities, estimated at \$20,000,000 to \$22,000,000 (this is predicated on a number of assumptions, including an assumed absorption schedule, assumed market factors, and assumed redevelopment costs)

Program Actions/Improvements	Estimated Costs
Utility Improvements including but not limited to, water, storm, sanitary sewers, the service of public facilities, public parking facilities and road and streetscape improvements	\$ 3,000,000
Demolition, Site Preparation, Environmental Cleanup 2,500,000 and Related Cost	\$2,500,000
Land Acquisition, Assembly Costs and Relocation Costs	\$2,500,000
Rehab Programs	\$1,500,000
Developer Interest Costs and Affordable Housing Related Costs Pursuant to the Act	\$3,500,000
Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$1,500,000
School District Tuition Costs per the TIF Act	\$1,000,000
Public Facilities and Taxing District Capital Improvements Pursuant to the Act	\$1,000,000
Training and Workforce Development	\$1,000,000
TOTAL ESTIMATED COSTS	\$17,500,000

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NEXT STEPS:

- Public Hearing – October 28, 2019
- City elected officials review public input
- Ordinances amending the Howard Ridge TIF to be introduced at a City Council meeting
- Amended TIF designation ordinances may be introduced 14 to 90 days after the Public Hearing
- If the TIF amendment ordinances are approved, they are then filed with the County Clerk