



**JOINT REVIEW BOARD MINUTES
DECEMBER 10, 2020 10:00 A.M.**

Members Present: Mohammed Elahi, Raphael Obafemi, Mary Rodino, Katherine Gotsick, Andy Williams

Staff Present: Paul Zalmezak, Katie Boden, Hitesh Desai

1. CALL TO ORDER/DECLARATION OF A QUORUM

Meeting was called to order at 10:07 a.m.

Mr. Paul Zalmezak asked for a motion to suspend the rules to hold the meeting virtually.

Mary Rodino moved approval. Mohammed Elahi seconded the motion. Motion passed unanimously.

**2. APPROVAL OF JOINT REVIEW BOARD MEETING MINUTES OF
DECEMBER 13, 2019**

As a point of discussion, Mary Rodino noted approval still needed for the September 25, 2019 minutes. She moved approval of both minutes with noted corrections. Raphael Obafemi seconded. Motion passed unanimously.

**3. REVIEW OF ANNUAL REPORTS FOR FISCAL YEAR JANUARY 1, 2019
THROUGH DECEMBER 31, 2019**

Bob Rychlicki, consultant at Kane McKenna, gave a brief overview of the annual TIF reports. He explained each report has three components, including certifications of legal, accounting, and administrative compliance; recap of redevelopment activities; and a recap of the financials.

Hitesh Desai provided an overview of TIF finances and economic updates for each district.

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

The TIF was established in 2003 and due to expire in 2027. Base EAV of the TIF was \$5,978,279 and 2019 EAV is \$26,788,194. The EAV was frozen at 11,416,635 so the increment is \$15,371,559. As of 12/31/19 the debt was \$3,570,000.

Mr. Zalmezak explained the expansion in 2019 that incorporated the new Evergreen project and some underutilized parcels. There are additional opportunities including a restaurant and parking lot. On the east end of TIF is the 415 Howard project and Harrington Brown, which acquired land for a mixed-use space with residential and traditional retail. The gas station was recently renovated and the former Dairy Queen was deconstructed by Evanston Rebuilding Warehouse.

The former Sherman Williams building is being converted into an event space, a good example of what vacant storefronts should look like. New ownership installed skylights and exposed the woodwork. No similar venues in Evanston.

Mr. Obafemi asked whether lasting effects were expected on east Howard due to the pandemic and increased vacancies. Mr. Zalmezak mentioned that the bookstore Frontline North was reopening, but keeping an eye on Howard street businesses and making sure resources are available. Estacion, a new Mexican restaurant, is opening in city-owned property at 633 Howard.

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

The total EAV is \$59,261,842. The EAV was frozen at \$37,477,570 so increment is \$21,784,272. It was established in 2005 and due to expire in 2029.

Mr. Zalmezak highlighted a project at 1805 Church, formerly a gas station, with residential just north of the property. Property is ready for redevelopment. An RFQ was issued just prior to the pandemic. The City received two proposals from companies who had previously proposed redevelopment on this site, HODC and Mt. Pisgah Church. City staff selected HODC, but reevaluated after community input and now two entities are forming a partnership to redevelop the site. Zoning review likely to be done in the next 6 months or so.

Ms. Rodino inquired about TIF boundaries. Mr. Zalmezak clarified boundaries.

Mr. Zalmezak reviewed previous projects within the TIF and mentioned some development opportunities, including Tape Coat. Complaints were filed about the business with EPA and Cook County about the smell. There was a proposal a year and a half ago to redevelop it into residential.

Ms. Rodino said they are interested in the area. Mr. Zalmezak suggested meeting to discuss further opportunities.

Ms. Rodino expressed concerns over the area where Davis Street dead ends and students are crossing under a cut chain link fence and over the hill. She said addressing this issue could be a good use of TIF funds. Mr. Zalmezak mentioned a potential pedestrian/vehicular path there. Privately owned property but urgently needs to be addressed when kids come back to school.

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

2019 EAV is \$12,939,437. The TIF was frozen at \$10,816,879 so increment is \$2,119,558. The fund balance is \$107,803.

Mr. Obafemi inquired about plans for the Dempster/Dodge area. Mr. Zalmezak explained the TIF was implemented for a single purpose, to redevelop the shopping center when the anchor tenant, Dominicks, closed. Valli Produce bought the entire shopping center and it is now at a 95% occupancy rate. This is more of a neighborhood shopping center rather than a regional center.

Two of the larger tenants, Kids Empire and Blink Fitness, opened during and right before pandemic respectively. There were no closures in this center in 2020. Valli ownership has listed the shopping center for sale for \$39 million with plans to sell if an appropriate buyer is found, but lease space to continue operating Valli Produce. They still plan to serve the community.

Mr. Obafemi noted the unfortunate timing of sale and inquired about the original sale price. Mr. Zalmezak responded he thinks approximately \$16 million.

Mr. Obafemi expressed concern over the lack of growth. Mr. Rychlicki explained the TIF was set up to capture the lowest base EAV, around \$10 million, but then EAV fell to \$7 or 8 million and why the increment seems so low. If sale goes through, it might generate a boost in the EAV.

Mr. Zalmezak confirmed the shopping center was purchased by Valli for \$16 million. Previously acquired from Bank of America out of receivership for \$8 million.

Ms. Rodino expressed concerns that Valli is trying to sell the center since they made substantial improvements and would like to see new owners continue the upkeep. Plaza frequented by ETHS students and staff so appreciates the diversity at the plaza. She commented the plaza is a vital part of the neighborhood and ETHS community.

She would like to see the center continue to succeed and the interests of the community protected.

Mr. Zalmezak stated Valli ownership stressed they plan to maintain a strong presence with their store and potentially strengthen their overall operations if able to free up some resources. They have been a good community partner.

Mr. Zalmezak commented that if retail continues to decline there are still opportunities for redevelopment with potential for residential or mixed-use. There are still 16 years left in the TIF.

Mr. Rychlicki mentioned that the value of the center depends on having a good operation at site.

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

2019 EAV is \$25,466,455, the initial EAV was \$11,489,119 so increment is \$13,977,336. TIF due to expire in 2037.

Building at Main & Chicago is almost completely occupied and generates a high amount of tax revenue for the City. It also offers a nice alternative to single family housing. Retail has been struggling. Infrastructure improvements on Main Street are set to start next spring. Vogue Fabric is closing their Main St. location to consolidate operations. A redevelopment proposal recently approved by Plan Commission for the site includes a five-story mixed-use building and will be an anchor to the west end of Main Street, which has struggled in comparison to the east side. There will be affordable units on site. A pathway takes you to parking in the back, which will open up a small city-owned parking lot for redevelopment.

Mr. Zalmezak provided an overview of redevelopment plans of this project. There is also a proposed townhouse development behind the post office. No TIF money involved. The project is currently on hold.

Katherine Gotsick mentioned businesses are extremely vulnerable right now and these projects are of great concern. 10 businesses have closed or moved out of the district since the pandemic but an equal number have opened. Won't see the largest movement of businesses until relief resources are exhausted.

4. BOARD DISCUSSION

Mr. Zalmezak discussed the creation of a new west Evanston TIF study area. The focus is on equity and economic well-being. This would be a tool to fund affordable housing. There are redevelopment opportunities with the potential sale of the Civic Center, which is not currently generating any tax revenue. Increment could help fund affordable housing and workforce development projects. It could also be used in conjunction with Reparations to fund home improvement.

Mr. Obafemi asked whether Foster Field would be included. Mr. Zalmezak confirmed that it would and mentioned that Kane McKenna is working on a study due at the end of January, which will include boundaries.

The area is not currently generating much revenue, but potential to generate revenue with development of Civic Center and other properties. Would closely examine the impacts to the school district. TIF could also be used to fund bridge/viaduct improvements.

Ms. Rodino expressed concerns about the Civic Center being included in the TIF. She also inquired about the responsibility of Union Pacific for the bridge. She welcomes a discussion with other taxing bodies as soon as possible prior to City Council to learn a little more.

Mr. Zalmezak mentioned that those issues will be part of the upcoming coordination meeting with the City Manager.

5. ADJOURNMENT

Mr. Zalmezak asked for a motion of adjournment.

Mr. Elahi moved, Ms. Rodino seconded. Motion carried unanimously.

Meeting adjourned at 11:42 a.m.