

4/23/2009

**33-R-09**

**A RESOLUTION**

**Authorizing the City Manager to Prepare a  
Redevelopment Agreement between the City and  
Carroll Properties, Inc. ("1890 Maple Avenue")**

WHEREAS, the City Council desires to promote the public welfare and generate new revenue and new jobs by stimulating economic development by means of the redevelopment of vacant or under-utilized properties; and

WHEREAS, at present, 1890 Maple Avenue (the "Subject Property") is improved with an office building of approximately thirty-seven thousand square feet (37,000 sq. ft.), which has been vacant for at least three (3) years and generates less than twenty thousand dollars (\$20,000) for the City in annual real estate taxes; and

WHEREAS, pursuant to ordinance 45-O-07, as amended by ordinances 90-O-08 and 30-O-09, the City has granted a Special Use Permit to Carroll Properties, Inc. (the "Developer") for a Planned Development to be located at the Subject Property; and

WHEREAS, the Planned Development, if completed, will generate tax revenue for the City and all taxing districts that substantially exceeds the revenue currently generated by the Subject Property; and

WHEREAS, but for economic development assistance from the City, the Planned Development cannot receive financing; and

**WHEREAS**, at its meeting of April 22, 2009, the Economic Development Committee (“EDC”) voted to recommend that the City Council direct staff to prepare a redevelopment agreement, pursuant to which the City would reimburse the Developer portion of sales tax revenue generated by the specialty grocery store to be located in the Planned Development and fifty percent (50%) of the City’s share of incremental property taxes generated by the Planned Development; and

**WHEREAS**, the EDC recommended that said redevelopment agreement comply with the terms listed in the document attached hereto and made a part hereof as Exhibit A (the “Term Sheet”),

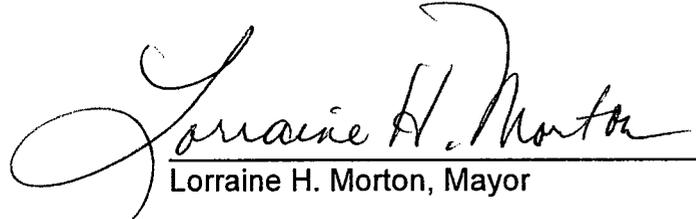
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANSTON, COOK COUNTY, ILLINOIS:**

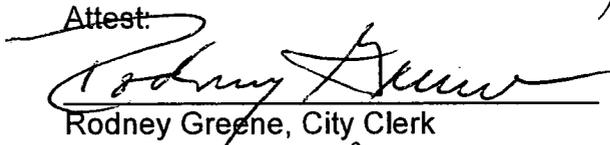
**SECTION 1:** That the foregoing recitals are hereby found as fact and incorporated herein by reference.

**SECTION 2:** That the Interim City Manager or his/her designee is hereby authorized and directed to prepare a redevelopment agreement between the City and the Developer for sales and incremental property tax revenue sharing, in accord with the terms to the Term Sheet.

**SECTION 3:** That, when said preparations are concluded, the City Manager shall present said redevelopment agreement to the City Council for its consideration.

**SECTION 4:** That this Resolution shall be in full force and effect from and after the date of its passage and approval in the manner provided by law.

  
Lorraine H. Morton, Mayor

Attest:  
  
Rodney Greene, City Clerk

Adopted: April 27, 2009

**EXHIBIT A**

**TERM SHEET**

TERM SHEET  
PROPOSED ECONOMIC DEVELOPMENT ASSISTANCE  
TO 1890 MAPLE  
AS RECOMMENDED BY  
THE ECONOMIC DEVELOPMENT COMMITTEE  
April 22, 2009

Carroll Properties proposes to construct an approved planned development of 176 rental residential units and 18,000 s.f. of retail space at 1890 Maple. A request has been made for City economic development assistance in the form of a sales tax sharing agreement and a sharing of the City's share of incremental real estate taxes to be generated by the development.

1. Sales Tax Reimbursement for Specialty Grocery Store:

The Economic Development Committee recommends a not to exceed \$11 per square foot sales tax reimbursement to the developer/owner of 1890 Maple for a specialty grocery store of not less than 12,000 square feet. In the event that rental rates exceed \$27 per square foot (and up to a maximum of \$38 per square foot), the City reimbursement shall be decreased by every \$1 per square foot in excess of \$27 per square foot. The rebate is conditioned on an executed lease with the grocery store and retail opening and operation of the grocery store. The City reserves the right to recalibrate the economic development assistance based on the lender commitment, financial projections at the time of the lender commitment and rent committed in an executed lease with the grocery store and any other commercial uses. Recalibration of the level of assistance due to projected diminution of liquor taxes projected will also occur based upon City review of the actual tenants and its projected sales levels. The reimbursement agreement will only be for the grocery store and no other retail uses. The agreement for sales tax sharing may not exceed 15 years and would only include the city's 1% local distribution share of sales taxes.

2. Reimbursement for City's portion of Incremental Property Tax generated by the new development:

The Economic Development Committee recommends the City share 50% of the incremental real taxes from the City's share only of property taxes generated by the new development in an amount not to exceed \$1.9 million. A condition precedent is that 60% of the rental residential development must be leased and the City reserves the right to recalibrate its incentive at the time of lender commitment. The developer has 20 years to earn a maximum of \$1.9 million through this reimbursement.

3. The developer must commence substantial and continuous construction no later than October 1, 2013.

4. The developer must comply with all terms of a Redevelopment Agreement between the City and the Developer which will be considered by the City Council separately from this resolution.