

5/1/2009

35-R-09

A RESOLUTION

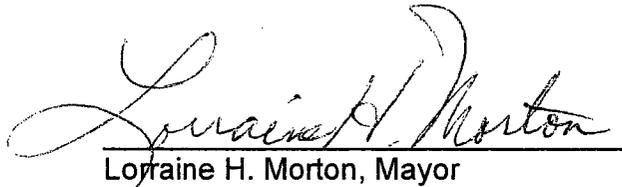
**Authorizing the City Manager to Negotiate and Sign
a Redevelopment Agreement between the City and
Parc Investment Properties LLC (1890 Maple Avenue)**

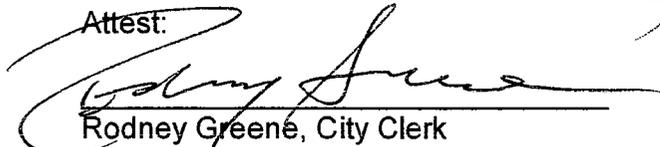
NOW BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF EVANSTON, COOK COUNTY, ILLINOIS:

SECTION 1: That the City Manager is hereby authorized and directed to sign the Redevelopment Agreement for sales tax and incremental property tax revenue sharing with Parc Investment Properties LLC, attached hereto and made a part hereof as Exhibit A.

SECTION 2: That the City Manager is hereby authorized and directed to negotiate any additional conditions of the agreement as may be determined to be in the best interests of the City.

SECTION 3: 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: May 4, 2009

EXHIBIT A

REDEVELOPMENT AGREEMENT

REDEVELOPMENT AGREEMENT

This Redevelopment Agreement ("Agreement") is entered into as of this 12th of MAY, 2009 by and between the CITY OF EVANSTON, an Illinois municipal corporation (the "City") and PARC INVESTMENT PROPERTIES LLC, an Illinois limited liability company ("Owner") (individually, the City and Owner are referred to herein as a "Party" and collectively, they are referred to as the "Parties").

RECITALS

WHEREAS, the City is a home rule municipality in accordance with Article VII Section 6(a) of the Constitution of the State of Illinois of 1970, and is entering into this Agreement pursuant to its authority as a home rule unit; and

WHEREAS, Owner is the owner of the property generally located at 1890 Maple Avenue, Evanston, Illinois (the "Property"). The Property, which is legally described on Exhibit A attached hereto and a part hereof, is presently improved with a three (3)-story vacant office building; and

WHEREAS, pursuant to Ordinance No. 45-O-07, as amended by Ordinance No. 90-O-08 and as amended by Ordinance No. 30-O-09, attached hereto as Exhibit B and a part hereof (collectively, the "PD Ordinance"), the City Council approved a planned development for the Property authorizing the Owner to construct (i) up to approximately 19,700 square feet of first floor commercial space; (ii) up to one hundred seventy-seven (177) dwelling units; and (iii) two hundred ninety-four (294) off-street, on-site parking spaces (collectively, the "Project"); and

WHEREAS, the City Council finds that it would be a significant benefit to the community and the local economy for all or a significant portion of the first floor commercial space of the Project (the "Grocery Store Space") to be leased to an established grocery store tenant (a "Grocer") and, to such end, the City is willing to provide financial assistance to the Owner based on the terms of this Agreement; and

WHEREAS, the City's financial assistance, to be provided to the Owner pursuant to this Agreement, will narrow the Project's financial gap, as detailed in Exhibit C attached hereto and a part hereof, and assist the Owner to achieve a rate of return that is closer to market standards, thereby enhancing the Project's financial and underwriting feasibility; and

WHEREAS, by adopting Resolution No. 33-R-09, the City Council has determined that it is necessary to the economic and social welfare of the City, including the central business district, that the City promote its economic vitality by assuring opportunities for development and sound and stable commercial growth within the corporate limits of the City; and

WHEREAS, the City Council has determined that providing the financial assistance detailed below will, among other things: bring new sales tax revenues to the City; create jobs; increase the amount of real estate taxes to the City, School District #65 and other taxing bodies; help re-energize Emerson Street between Maple Avenue and Ridge Street and facilitate further redevelopment in Downtown Evanston; and that the powers exercised hereunder are found to be in furtherance of the public interest and the general health, safety and welfare of the City,

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. RECITALS. The recitals set forth above are accurate and are expressly incorporated into this Agreement by this reference thereto as if fully set forth in this Article 1.

ARTICLE 2. DEFINITIONS.

- (1) **Department.** The Illinois Department of Revenue.
- (2) **Property Tax Reimbursement Payment Date.** Each February 1st during the Property Tax Reimbursement Period.
- (3) **Property Tax Reimbursement Period.** The period of time from when the Owner provides proof to the City that no less than sixty percent (60%) of the rental residential units are occupied until the Property Tax Reimbursement Termination Date.
- (4) **Property Tax Reimbursement Termination Date.** The date that is the first to occur of (i) twenty (20) years from when the Owner provides proof to the City that no less than sixty percent (60%) of the rental residential units are occupied, and (ii) the Maximum Property Tax Reimbursement (as defined below) having been paid to the Owner.
- (5) **Quarter.** Each three (3)-calendar month period during the Sales Tax Reimbursement Period ending on March 31st, June 30th, September 30th or December 31st.
- (6) **Quarterly Payment.** That portion of the Pledged Sales Taxes received by the City in any Quarter and necessary to pay to the Owner as required by Article 4 below.
- (7) **Remittance Statement.** A written statement prepared by the City setting forth the amount of any Sales Tax Reimbursement remitted to Owner concurrently therewith and the calculation of said amount.
- (8) **Sales Tax Payment Date.** The date that is sixty (60) days after the end of each Quarter after the beginning of the Sales Tax Reimbursement Period until the Sales Tax Reimbursement Termination Date.
- (9) **Sales Tax Reimbursement Period.** The period of time from when a Grocer first opens for business in the Grocery Store Space to the Sales Tax Reimbursement Termination Date.
- (10) **Sales Tax Reimbursement Termination Date.** The date that is fifteen (15) years from the date a Grocer first opens for business in the Grocery Store Space.

- (11) **Shared Property Taxes.** Fifty percent (50%) of the City's share of the real estate taxes generated by the Property over and above the 2007 Equalized Assessed Value for Permanent Index Numbers 11-18-112-045-0000 and 11-18-112-046-0000 (i.e., \$1,597,372).
- (12) **Shared Sales Taxes.** The City's local distributive share of the Retailers Occupation Taxes generated by a Grocer operating in the Grocery Store Space and paid to the City by the State of Illinois pursuant to the Illinois Retailers Occupation Tax Act (35 ILCS 120/1), as supplemented and amended from time to time, or any substitute sales taxes therefor as provided by the State of Illinois in the future. In no event shall the Shared Sales Taxes include any Home Rule Municipal Retailers and Service Occupation Tax generated by the Property, paid to the City by the State of Illinois and imposed by the City pursuant to Chapter 3-2-7 of the City municipal code, as may be supplemented and amended from time to time, or any substitute sales taxes therefor as provided by the City in the future.
- (13) **State.** The State of Illinois, including, as the context requires, the Illinois Department of Revenue or any successor agency which may assume its responsibilities with regard to the collection and distribution of Shared Sales Taxes to the City.
- (14) **Termination Date.** The date one (1) year after the later to occur of the Property and Sales Tax Reimbursement Termination Dates.

ARTICLE 3. OWNER RESPONSIBILITIES.

The following Owner Responsibilities shall be conditions precedent to the City's payment obligations as defined in Article 4 of this Agreement.

A. Owner shall execute a loan commitment for the Project and, within thirty (30) days thereafter, provide the City with a copy thereof and an updated financial analysis in the form and based on the methodology employed to generate **Exhibit C** (the "**Updated Analysis**"), that demonstrates, to the City's reasonable satisfaction, that the Project continues to have a financial gap equal to or greater than such gap documented in **Exhibit C**. If the Updated Analysis indicates that the Project's financial gap is less than the gap in **Exhibit C**, the Property Tax Reimbursement shall be reduced as provided in Article 4, Section A of this Agreement.

B. Owner shall obtain a building permit for and complete construction of the Project as per the dates indicated in the PD Ordinance, as may be amended, and, no later than twelve (12) months after said completion of construction, obtain temporary or final certificates of occupancy, which the City may not unreasonably withhold, for all portions of the Project.

C. Owner shall ensure that the Project shall be free of all mechanics' and materialman's liens that could arise as a result of Owner's construction of the Project. In the event that any liens are filed against the Project as a result of the acts or omissions of Owner, its agents, or independent contractors, Owner agrees and covenants to indemnify and hold harmless the City from any and all costs and expenses, including attorneys' fees.

D. Owner shall execute leases for at least sixty percent (60%) of the dwelling units in the Project and provide the City with proof of said units' occupancy.

E. Owner shall execute a lease, in exchange for the payment of rent and for a term not less than ten (10) years in length, for not less than 12,000 square feet of the Grocery Store Space, with a Grocer. Owner shall provide a copy of said executed lease to the City, and notify the City of any termination and/or modification thereof.

F. Owner shall cause the Grocer to open and continuously operate in the Grocery Store Space and shall give notice to the City of said opening and any cessation of operation. Owner shall have six (6) months to cure any cessation of operation. A temporary cessation due to a casualty or other damage or destruction shall not be deemed a failure of this condition so long as Owner diligently pursues repair or reconstruction. In case of such casualty or other damage or destruction, the Sales Tax Reimbursement Period shall be suspended during said temporary cessation, and the Sales Tax Reimbursement Termination Date shall be extended accordingly.

G. Owner shall: provide documentation that the City Manager or his/her designee, within his/her sole reasonable discretion, deems necessary to accurately determine the Shared Sales Taxes; and, in support thereof, Owner shall employ commercially reasonable efforts to cause the Grocer to: (i) file a separate IDOR Form ST-1 (or any successor reporting form) with the Department to separately identify the Shared Sales Taxes that result from the Grocery Store Space retail sales; and (ii) supply or cause to be promptly supplied to the City, copies of its State sales tax returns filed with the Department promptly after filing thereof. The aforementioned documents shall be kept confidential pursuant to Article 4, Section B of this Agreement.

H. For the term of the Agreement, the Property shall not in any way be removed from the public tax rolls and the Owner shall pay fair, market-rate taxes on the Property. The foregoing shall not be construed as a prohibition or limitation on the Owner's rights to contest assessments or other matters related to real property taxes levied against the Property.

ARTICLE 4. CITY RESPONSIBILITIES.

For the term of this Agreement, City's responsibilities shall include the following:

A. Property Tax Reimbursement. The City shall make annual Property Tax Reimbursement payments to the Owner on the Property Tax Reimbursement Payment Date from the Shared Property Taxes. The Property Tax Reimbursement to be paid to the Owner shall be sent to Owner at the address set forth in Article 9 below. The total Property Tax Reimbursement payments shall not exceed \$1,900,000.00 (the "**Maximum Property Tax Reimbursement**"). If the Updated Analysis projects a leveraged return on the Project that exceeds 13.86%, the Maximum Property Tax Reimbursement shall be reduced dollar for dollar to the extent necessary to cause the projected leveraged return on the project to be reduced to 13.86%.

The Property Tax Reimbursement shall terminate on the Property Tax Reimbursement Termination Date. The Shared Property Taxes shall be the sole source for the Property Tax Reimbursement. The Property Tax Reimbursement shall constitute a limited obligation of the City and does not now and shall not constitute a general indebtedness of the City within the meaning of any constitutional or statutory provision, and shall not constitute or give rise to a

pecuniary liability of the City or a charge against its general credit or taxing power and shall not be secured by the full faith and credit of the City.

During the Property Tax Reimbursement Period, if State or Cook County statutory rates or mechanisms for the levy, collection, and remittance to the City of Shared Property Taxes become inconsistent with this Agreement, then the City and Owner shall cooperate in good faith to identify other mechanisms to accomplish the intent of this Agreement within the City's powers.

The foregoing notwithstanding, the City shall not be required to make Property Tax Reimbursement payments to the Owner unless and until Owner fulfills obligations A, B, C, D, and H per Article 3 hereof.

B. Sales Tax Reimbursement. Upon the full execution of a lease with a Grocer for the Grocery Store Space, the Owner shall deliver a copy of said fully-executed lease to the City to establish the maximum amount of the Sales Tax Reimbursement (as defined below). If the rent said Grocer pays to Owner, pursuant to a lease for the Grocery Store Space, is less than thirty-eight dollars (\$38.00) per square foot, the City shall pay to the Owner, from the Shared Sales Taxes, an amount equal to one dollar (\$1.00) per square foot, or portion thereof, for each dollar, or portion thereof, that such annual rent is below thirty-eight dollars (\$38.00), provided that the City shall not provide Owner with more assistance than eleven dollars (\$11.00) per square foot (the "Sales Tax Reimbursement"). In the event that the Grocer's liquor sales equal less than nine percent (9%) of gross grocery sales, the Sales Tax Reimbursement shall be reduced by one dollar (\$1.00), or portion thereof, per square foot, for every one percent (1%), or portion thereof, that liquor sales are less than nine percent (9%) of gross grocery sales.

On each Sales Tax Payment Date from the beginning of the Sales Tax Reimbursement Period until the Sales Tax Reimbursement Termination Date, the City shall make a Quarterly Payment to Owner and shall concurrently deliver to Owner a Remittance Statement reflecting such Quarterly Payment. Such amounts shall be payable solely from, and to the extent of, Shared Sales Taxes remitted to the City during the Sales Tax Reimbursement Period. The Quarterly Payments shall be sent to Owner at the address set forth in Article 9 below. The Sales Tax Reimbursement shall be payable solely from the Shared Sales Taxes and constitutes a limited obligation of the City and does not now and shall not constitute a general indebtedness of the City within the meaning of any constitutional or statutory provision, and shall not constitute or give rise to a pecuniary liability of the city or a charge against its general credit or taxing power and shall not be secured by the full faith and credit of the City.

During the Sales Tax Reimbursement Period, if the State statutory rates or mechanisms for the levy, collection, and remittance to the City of Shared Sales Taxes become inconsistent with this Agreement, then the City and Owner shall cooperate in good faith to identify alternate mechanisms to accomplish the intent of this Agreement within the City's powers.

During the Sales Tax Reimbursement Period, to the extent permitted by law, the City shall maintain the confidentiality of the information contained in the reports filed with the Department pursuant to Section G of Article 3 of this Agreement, but shall be permitted to disclose such information to such City employees and consultants as the City, in its sole discretion, deems appropriate in order to monitor compliance and audit this Agreement. To the extent permitted by

law, in accordance with the Illinois Freedom of Information Act, the City shall treat said information as proprietary and confidential business information, the disclosure of which may cause Owner or a Grocer competitive harm. Following the close of each fiscal year of the City, the City shall provide a certified copy of an accounting of the receipts of Shared Sales Taxes and payment to Owner.

The foregoing notwithstanding, the City shall not be required to make any Sales Tax Reimbursement payments to the Owner unless and until Owner has fulfilled obligations A, B, C, E, F, and G, per Article 3 of this Agreement.

ARTICLE 5. NO DISCRIMINATION – CONSTRUCTION EMPLOYMENT.

A. Owner, for itself and its successors and assigns and solely for the purpose of the construction of the Project agrees to comply with all applicable laws prohibiting discrimination against any employee or applicant for employment because of race, color, religion, sex, national origin or sexual orientation. Owner shall require that applicants for employment with Owner be treated during the application process and during employment, without regard to race, creed, color, religion, sex, national origin, disability or sexual orientation in accordance with applicable laws. Such action shall include, but shall not be limited to, the following: employment upgrading, demotion, or transfer; recruitment or recruitment advertising, solicitations or advertisements of employees; layoff or termination; rates of pay or other forms of compensation, and selection for training, including apprenticeship. Owner agrees to post in conspicuous places, in and on the Property, available to employees and applicants for employment, notices which may be provided by the City setting forth the provisions of the nondiscrimination clause as required by the City's ordinances.

B. Owner agrees to use commercially reasonable good faith efforts to cause at least twenty-five percent (25%) of the contract value of the hard costs allocable to that portion of the Grocery Store Space undertaken by Owner (i.e., the pro rata costs thereof relative to the entire Project, not including tenant improvements undertaken by others) to be performed by minorities, women, or Evanston residents, in any combination of the three (collectively, M/W/EB Enterprises), as the Owner may choose and in connection with the procurement of materials, supplies and/or services required by Owner for the Project. In determining whether a hard cost has been performed by an M/W/EB Enterprise, the City shall refer to the guidelines set forth on **Exhibit D** attached hereto. Further, Owner shall cause its general contractor (the "Contractor"), and subcontractors to hire at least two (2) Evanston residents in total. It is the present intention that preference be given to qualified minorities, women, unemployed, and/or to unskilled workers. The goal of hiring these workers is to provide them with gainful employment for a reasonable period of time during the duration of the project and to mentor them by causing the Contractor to assign a Contractor employee as a mentor to give them the skills and experience in order to enable them to continue working in the same or similar job after their role in connection with the Project is completed.

C. Owner shall use (or shall cause its contractor to use) commercially reasonable good faith efforts to hire qualified minorities, women and/or Evanston residents in connection with the construction of the Project.

ARTICLE 6. INSURANCE AND INDEMNIFICATION.

A. Owner agrees to indemnify and hold harmless the City, its officials, whether appointed or elected, and whether or not serving at the time of commencement of this Agreement, its officers, employees, volunteers and agents (the "City Indemnified Parties"), from any and all claims, actions and suits (together with the City's reasonable attorneys' fees and costs) at law or in equity (collectively, "Claims") arising solely out of this Agreement or out of the operation of the Project or alleged to have arisen solely out of acts of Owner, provided, however, that said indemnification is hereby expressly limited to the extent of reimbursement payments actually made by the City to Owner hereunder; and further provided, however, that the foregoing obligation shall not extend to the extent any Claim arises out of the gross negligence or willful misconduct of any City Indemnified Party.

B. Owner shall cause its Contractor to, subject to all of the terms set forth below, maintain at its own expense and during construction of any portion of the Project located within the public right-of-way, the minimum types and amounts of insurance set forth below, which insurance shall be placed with insurance companies rated, at a minimum, "A" by Best's Key Rating Guide:

i. **Workers' Compensation Insurance** - the amount and scope of such insurance shall be the greater of (1) the insurance currently maintained by Contractor, (2) any amounts and scope required by statute or other governing law, or (3) the following:

- Bodily Injury by accident - \$100,000 each accident
- Bodily Injury by disease - \$500,000 policy limit
- Bodily Injury by disease - \$100,000 each employee

ii. **Commercial General Liability Insurance** on an occurrence basis in an amount equal to the greater of (1) the insurance currently maintained by Contractor or (2) \$5,000,000 each occurrence; and such insurance shall include the following coverages: (i) completed operations coverage, (ii) blanket contractual coverage, including both oral and written contracts, (iii) personal injury coverage, (iv) an endorsement naming the City, as additional insureds, including completed operations coverage, (v) an endorsement affording thirty days notice to the City in the event of cancellation of coverage, (vi), Broad Form Property Damage coverage, including completed operations, and (vii) an endorsement providing that such insurance as is afforded under Contractor's policy is primary insurance as respects the additional insureds and that any other insurance maintained by the additional insureds is excess and noncontributing with the insurance required hereunder.

iii. Prior to commencing any portion of the Project that will be within the public right of way, Contractor shall deliver to the City written evidence of the above insurance coverages. Owner shall cause Contractor to provide the City with evidence, on an annual basis, that Contractor has maintained the insurance coverages required herein for all prescribed periods.

ARTICLE 7. TERM.

On the Termination Date, this Agreement, subject to the provisions below, shall be and become null and void and of no further effect whatsoever, without further action on the part of the City or any other person, firm or corporation. Notwithstanding the foregoing, this

Agreement shall remain in effect for purposes of audit, final accounting, and payment and for purposes of enforcement actions hereon.

ARTICLE 8. MUTUAL ASSISTANCE.

The City and Owner agree to do all things necessary or appropriate to carry out, and to aid and assist each other in carrying out, the terms of this Agreement and in implementing the Parties' intent, as reflected by the terms of this Agreement, including, without limitation, the giving of such notices, the holdings of such public hearings, the enactment by the City of such resolutions and ordinances and the taking of such actions as may be necessary to enable the Parties compliance with the terms and provisions of this Agreement and as may be necessary to give effect to the terms and provisions of this Agreement and the Parties intentions as reflected by the terms of this Agreement. No waiver of any City rules, laws and regulations shall be inferred from this Agreement, except as specifically set forth herein, and Owner shall construct the Project in compliance therewith.

ARTICLE 9. NOTICES.

Any notice to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be (i) delivered personally, with a receipt requested therefor; or (ii) sent by telecopy facsimile; or (iii) sent by a recognized overnight courier service; or (iv) delivered by United States registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the Parties at their respective addresses set forth below, and the same shall be effective (a) upon receipt or refusal if delivered personally or by telecopy facsimile; (b) one (1) business day after depositing with such an overnight courier service or (c) two (2) business days after deposit in the mails, if mailed. A Party may change its address for receipt of notices by service of a notice of such change in accordance herewith. All notices by telecopy facsimile shall be subsequently confirmed by U.S. certified or registered mail.

All notices to the City shall be sent to:

City of Evanston
City Manager
2100 Ridge Avenue
Suite 4500
Evanston, Illinois 60201
Facsimile: (847) 448-8083

With copy to:

City of Evanston
Law Department
Suite 4400
2100 Ridge Avenue
Evanston, Illinois 60201
Facsimile: (847) 448-8093

All notices to Owner shall be sent to:

Parc Investment Properties LLC
c/o Carroll Properties, Inc.
20 North Wacker, Suite 1625
Chicago, IL 60606
Attention: Robert C. King
Facsimile: (312) 332-6028

With copy to:

DLA Piper US LLP
203 North LaSalle
Suite 1900
Chicago, Illinois 60601
Attention: David L. Reifman & Gregg S. Graines
Facsimile: (312) 236-7516

ARTICLE 10. DEFAULT/REMEDIES.

The failure of a Party to materially comply with its obligations under this Agreement or the material breach of any representation or warranty of a Party hereunder shall constitute a default by such Party. The Party claiming the occurrence of such default shall notify the other Party of same and shall demand performance by giving the defaulting Party a thirty (30) day written notice specifying the default and this Agreement shall, after such thirty (30) day period, automatically terminate or the non-defaulting Party may file an action for specific performance unless, within such thirty (30) day period (a) the defaulting Party, (i) cures such default, or (ii) commences action to cure such default and completes the curing of such default within a reasonable time or (b) the Party claiming default, in its reasonable discretion, waives the default or grants the defaulting Party a longer period to cure, by written notice to the defaulting Party.

In the event that the City defaults with respect to its obligations to make Property Tax and/or Sales Tax Reimbursement Payments to Owner pursuant to Article 4 of this Agreement, Owner shall have the right, in addition to the aforementioned remedies, to pursue an action at law for damages. Said damages shall be strictly limited to the amounts due to Owner pursuant to Article 4 of this Agreement and shall not include any consequential damages.

The City acknowledges that Owner's performance of obligations pursuant to this Agreement are conditions precedent to the City's obligations to make payments pursuant to this Agreement and not obligations giving rise to specific performance or actions for damages.

In the event legal action or other proceeding is brought for enforcement of this Agreement or with respect to an alleged breach, default or misrepresentation, the successful or prevailing Party shall be entitled to recover from the non-prevailing Party its reasonable attorneys' fees and related costs (including any fees and costs incident to appeals) in addition to any other relief hereunder to which such Party may be entitled.

ARTICLE 11. MISCELLANEOUS.

- A. Governing Law. This Agreement shall be governed by the laws of the State of Illinois.
- B. Integration. This Agreement contains the entire agreement of the Parties with respect to the transactions contemplated by this Agreement. All prior agreements, negotiations, and understandings are expressly merged herein and superseded hereby. All exhibits of this Agreement are expressly incorporated herein by this reference thereto.
- C. Severability. Each section of this Agreement, and each sentence, clause or phrase contained in such section, shall be considered severable and if, for any reason, any section, or any sentence, clause or phrase contained in such section, is determined to be invalid or unenforceable, such invalidity or unenforceability shall not impair the operation or affect enforceability or validity of the remaining portions of this Agreement.
- D. Amendment. This Agreement may be amended by, and only by, a written instrument authorized in accordance with law and signed by both Parties.
- E. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the respective successors, and assigns of the City and Owner.
- F. Effectiveness of this Agreement. Nothing contained in this Agreement shall be deemed or construed to impose any duty or obligation upon Owner to undertake the development and construction of the Project or any other on-site or off-site improvements or to operate the same. The terms of this Agreement shall only govern the City's reimbursement obligations to Owner should Owner elect to proceed with the Project and a default under the PD Ordinance shall not constitute a default under this Agreement and a default under this Agreement shall not constitute a default under the PD Ordinance.
- G. Construction. Section or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- H. Partnership not Intended nor Created. Nothing in this Agreement is intended nor shall be deemed to constitute a partnership or joint venture between the Parties.
- I. Time is of the Essence. Time is of the essence of this Agreement and of each and every provision hereof.
- J. Warranty. By signing this Agreement, the Owner represents and warrants to the City that it is not involved in a bankruptcy and that there is/are no pending litigation or outstanding judgments against the Owner except as disclosed in writing to the City prior to the date of this Agreement.
- K. Force Majeure. Performance by any Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, casualties, acts of God, acts of the public enemy, restrictive governmental laws and regulations, epidemics, quarantine restrictions, freight embargoes, lack of transportation, labor and material shortages, or other events beyond either Party's reasonable

control. An extension of time for any such cause shall be for the period of the delay, which period shall commence to run from the time of the commencement of the cause, provided that written notice by the Party claiming such extension is sent to the other Party not more than thirty (30) days after the commencement of the cause or not more than thirty (30) days after the Party claiming such extension could have first reasonably recognized the commencement of the cause, whichever is later.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth above.

**CITY OF EVANSTON, an Illinois
municipal corporation**

By *Rolanda B. Russell*

Name: ROLANDA B. RUSSELL

Its: INTERIM CITY MANAGER Its: *Ms.*

**PARC INVESTMENT PROPERTIES
LLC, an Illinois limited liability
company**

By: Carroll Properties, Inc., its managing
member:

By: *Robert C. King*

Name: Robert C. King

ATTEST

By: *Erin A. Spence*
_____, City Clerk

[SEAL]

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

LOT 1 (EXCEPT THE WEST 20 FEET THEREOF) IN CITY CONSOLIDATION No.1 OF LOTS 1, 2, 3, 4, AND 5 IN CIRCUIT COURT SUBDIVISION OF PARTITION OF LOT 22, BEING A TRIANGULAR PIECE OF LAND BOUNDED ON THE NORTH BY EMERSON STREET, ON THE SOUTHWESTERLY BY EAST RAILROAD AVENUE AND ON THE EAST BY MAPLE AVENUE (EXCEPT 1 ACRE IN THE NORTHWEST CORNER THEREOF) IN COUNTY CLERK'S DIVISION, IN THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN; IN COOK COUNTY ILLINOIS, TOGETHER WITH THE WEST 20 FEET OF THE NORTH HALF OF THE VACATED 16 FOOT ALLEY LYING SOUTH OF AND ADJOINING SAID LAND.

PINs: 11-18-112-045-0000
11-18-112-046-0000

COMMONLY KNOWN AS: 1890 Maple Avenue, Evanston, Illinois.

EXHIBIT B

ORDINANCE 30-O-09

[Attached]

4/7/2009

30-O-09

AN ORDINANCE

**Amending the Special Use for a Planned Development
Located at 1890 Maple Avenue
in the RP Research Park Zoning District
Granted and Amended by Ordinances 45-O-07 and 90-O-08**

WHEREAS, on October 1, 2007, the City enacted Ordinance 45-O-07, which granted Carroll Properties, Inc. (the "Applicant"), a Special Use for a Planned Development on the property located at 1890 Maple Avenue (the "Subject Property"), legally described in Exhibit A, attached hereto and incorporated herein by reference; and

WHEREAS, on August 11, 2008, the City enacted Ordinance 90-O-08, attached hereto as Exhibit B and incorporated herein by reference, which amended certain terms of Ordinance 45-O-07; and

WHEREAS, the Applicant has submitted to the City's Community Development Department proposed amended site plans (the "Amended Plans"), attached hereto as Exhibit C and incorporated herein by reference, that differ from the plans included as Exhibit 2 of Ordinance 90-O-08 as to the commercial space square footage and the number of dwelling units and parking spaces; and

WHEREAS, pursuant to Section 9 of Ordinance 45-O-07, the Applicant seeks amendments to Ordinances 45-O-07 and 90-O-08 in order to construct the Planned Development in accord with the Amended Plans; and

WHEREAS, in order to construct the Planned Development in accord with the Amended Plans, the Applicant does not require any additional relief from the terms of Title 6 of the Evanston City Code, 1979, as amended ("the Zoning Ordinance"); and

WHEREAS, at its meeting of March 23, 2009, the Planning and Development Committee of the City Council discussed the Amended Plans and directed staff to prepare an ordinance that would amend Ordinances 45-O-07 and 90-O-08 in accord with the Amended Plans; and

WHEREAS, at its meeting of April 14, 2009, the Planning and Development Committee considered the requested amendments to Ordinances 45-O-07 and 90-O-08 and recommended City Council approval of the same; and

WHEREAS, at its meeting of April 27, 2009, meeting, the City Council considered and adopted the record and recommendations of the Planning and Development Committee,

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

SECTION 1: That the foregoing recitals are found as fact and made a part hereof.

SECTION 2: That the City Council hereby accepts the Amended Plans and permits the construction and operation of a Planned Development on the Subject Property, in substantial conformance with the Amended Plans, pursuant to Ordinance 45-O-07, as amended by Ordinance 90-O-08 and this Ordinance, 30-O-09.

SECTION 3: That, pursuant to the Amended Plans, Section 9 of Ordinance 45-O-07, and Section 3 of Ordinance 90-O-08, the City Council hereby permits the Applicant to build the Planned Development with: (a) no second-floor retail space; (b) approximately nineteen thousand seven hundred square feet (19,700 sq. ft.) of first-floor retail space instead of fifteen thousand five hundred square feet (15,500 sq. ft.); (c) one hundred seventy-seven (177) dwelling units instead of one hundred fifty-four (154); and (d) two hundred ninety-four (294) off-street parking spaces within the building instead of two hundred forty-nine (249).

SECTION 4: That, pursuant to the motion adopted by the City Council at its meeting of February 23, 2009, the Applicant shall have until October 1, 2013, to begin, and until October 1, 2014, to complete construction of the Planned Development as per the terms of Ordinance 45-O-07, as amended by Ordinance 90-O-08 and this Ordinance, 30-O-09.

SECTION 5: That, when necessary to effectuate the terms, conditions, and purposes of this Ordinance, 30-O-09, "Applicant" shall be read as "Applicant's agents, assigns, and successors in interest."

SECTION 6: That the Applicant, at its cost, shall record a certified copy of this Ordinance, 30-O-09, including all Exhibits attached hereto, with the Cook County Recorder of Deeds, before the City may issue any permits or licenses related to the construction or operation of the Planned Development authorized by Ordinance 45-O-07, as amended by Ordinance 90-O-08 and this Ordinance, 30-O-09.

SECTION 7: That, except as otherwise provided for in this Ordinance, 30-O-09, all applicable regulations of Ordinances 45-O-07 and 90-O-08, the Zoning Ordinance, and the entire City Code shall apply to the Subject Property and remain in full force and effect with respect to the use and development of the same. To the extent that the terms and provisions of any of said documents conflict with the terms of this ordinance, this Ordinance, 30-O-09, shall govern and control.

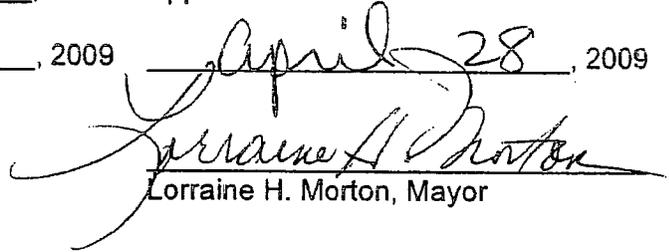
SECTION 8: That if any provision of this ordinance or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance that do not depend upon the invalid application or provision, and each invalid provision or invalid application of this ordinance is severable.

SECTION 9: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

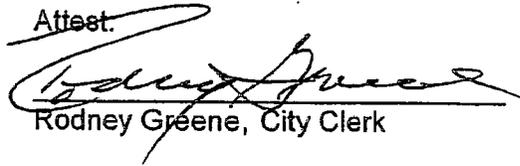
SECTION 10: That this Ordinance, 30-O-09, shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Introduced: April 14, 2009 Approved:

Adopted: April 27, 2009 April 28, 2009


Lorraine H. Morton, Mayor

Attest.


Rodney Greene, City Clerk

Approved as to form:

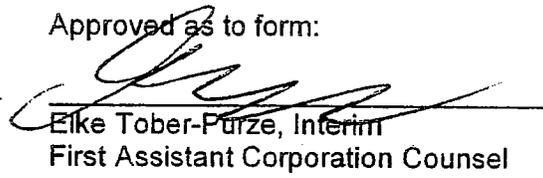

Elke Tober-Purze, Interim
First Assistant Corporation Counsel

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 1 (EXCEPT THE WEST 20 FEET THEREOF) IN CITY CONSOLIDATION No.1 OF LOTS 1, 2, 3, 4, AND 5 IN CIRCUIT COURT SUBDIVISION OF PARTITION OF LOT 22, BEING A TRIANGULAR PIECE OF LAND BOUNDED ON THE NORTH BY EMERSON STREET, ON THE SOUTHWESTERLY BY EAST RAILROAD AVENUE AND ON THE EAST BY MAPLE AVENUE (EXCEPT 1 ACRE IN THE NORTHWEST CORNER THEREOF) IN COUNTY CLERK'S DIVISION, IN THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN; IN COOK COUNTY ILLINOIS, TOGETHER WITH THE WEST 20 FEET OF THE NORTH HALF OF THE VACATED 16 FOOT ALLEY LYING SOUTH OF AND ADJOINING SAID LAND.

PINs: 11-18-112-045-0000
11-18-112-046-0000

COMMONLY KNOWN As: 1890 Maple Avenue, Evanston, Illinois.

30-O-09

EXHIBIT B

ORDINANCE 90-O-08

7/23/2008

90-O-08**AN ORDINANCE****Amending the Special Use for a Planned Development
Located at 1890 Maple Avenue
in the RP Research Park Zoning District
Granted by Ordinance 45-O-07**

WHEREAS, on October 1, 2007, the City enacted Ordinance 45-O-07, attached hereto as Exhibit 1 and incorporated herein by reference, which granted Carroll Properties, Inc. (the "Applicant"), a Special Use for a Planned Development on the property located at 1890 Maple Avenue (the "Subject Property"), legally described in Exhibit A of Ordinance 45-O-07; and

WHEREAS, Section 8 (L) of Ordinance 45-O-07 requires the Applicant to "use all commercially reasonable efforts to locate an appropriate grocery/food store tenant for the first-floor retail space" of the proposed Planned Development granted by the terms of said ordinance; and

WHEREAS, the Applicant has submitted to the City's Community Development Department proposed amended site and landscape plans (the "Amended Plans"), attached hereto as Exhibit 2 and made a part hereof, that differs from the site plan included as Exhibit B of Ordinance 45-O-07; and

WHEREAS, the Applicant warrants that it created the Amended Plans in order to conform to the business needs of Trader Joe's, a commercial grocer and potential tenant for the aforementioned first-floor retail space; and

WHEREAS, the Applicant warrants that Trader Joe's will not enter into a lease for the first-floor retail space unless the Planned Development is constructed in accord with the Amended Plans; and

WHEREAS, in order to effect construction of the Planned Development in accord with the Amended Plans, the Applicant seeks amendments to Ordinance 45-O-07 and relief from some of the terms of Title 6 of the Evanston City Code, 1979, as amended ("the Zoning Ordinance"); and

WHEREAS, at its July 28, 2008, meeting, the Planning and Development Committee of the City Council considered amendments to Ordinance 45-O-07 and recommended City Council approval of the same; and

WHEREAS, at its August 11, 2008, meeting, the City Council considered and adopted the record and recommendations of the Planning and Development Committee,

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

SECTION 1: That the foregoing recitals are found as fact and made a part hereof.

SECTION 2: That the City Council hereby accepts the Amended Plans and permits the construction and operation of a Planned Development on the Subject Property, in substantial conformance with the Amended Plans, pursuant to Ordinance 45-O-07, as amended by this Ordinance 90-O-08.

SECTION 3: That, pursuant to the Amended Plans and Section 9 of Ordinance 45-O-07, the Applicant will not build commercial space on the second floor. Said reduction in retail space: (a) increases the maximum number of dwelling units from one hundred fifty-two (152) to one hundred fifty-four (154); (b) changes the number of off-street parking spaces enclosed within the building from two hundred sixty-nine (269) to two hundred forty-nine (249); and (c) eliminates the need for forty-four (44) off-site, off-street parking spaces.

SECTION 4: That the City Council hereby amends the condition set forth in Section 8 (J) of Ordinance 45-O-07 to read as follows:

- (J) Trucks longer than thirty feet (30') making deliveries to or moving residents into the Subject Property shall not be permitted to use the private drives within the city block located in Evanston bounded to the north by Emerson Street, to the east by Maple Avenue, to the west by Oak Avenue, and to the south by University Place ("the Block"), except for any first-floor retail grocer tenant, which may receive such deliveries from trucks not to exceed sixty-two feet (62') in length. The retail grocer tenant shall endeavor to neither schedule nor accept deliveries by trucks longer than thirty feet (30') between the hours of 7:00 a.m. and 9:00 a.m. and the hours of 4:00 p.m. and 6:00 p.m. on any day other than Saturday or Sunday. When accepting a delivery from any truck longer than thirty feet (30'), the retail grocer tenant shall employ a flag person to assist the truck driver maneuver between the private drive(s) and University Place.

SECTION 5: That, pursuant to Section 6-3-5-12 of the Zoning Ordinance, the City Council hereby imposes the following conditions on the grant of the amendments to the Special Use for a Planned Development:

- (A) At its sole cost and expense, the Applicant shall create engineering plans for, and thereafter construct, any modifications to the curb, sidewalk, or parkway necessary to accommodate the construction of the Planned Development authorized by the terms of Ordinance 45-O-07, as amended by this Ordinance 90-O-08. Said plans shall be subject to review and approval by the City's Public Works Department.

- (B) The Applicant shall pay to the City annually, prior to December 31st of each year, the sum of four thousand five hundred dollars (\$4,500.00). Said money shall replace revenue lost due to the removal of two (2) metered parking spaces on University Place in order to allow construction of the Planned Development authorized by the terms of Ordinance 45-O-07, as amended by this Ordinance 90-O-08. The annual fee shall be adjusted to match any change, enacted by the City Council, to the parking meter rate for the district wherein the Subject Property is found.

SECTION 6: That, Section 6-3-5-15 (A) of the Zoning Ordinance notwithstanding, the Applicant shall have until October 1, 2010, to begin, and until October 1, 2011, to complete construction of the Planned Development as per the terms of Ordinance 45-O-07, as amended by this Ordinance 90-O-08.

SECTION 7: That, when necessary to effectuate the terms, conditions, and purposes of this Ordinance 90-O-08, "Applicant" shall be read as "Applicant's agents, assigns, and successors in interest."

SECTION 8: That the Applicant, at its cost, shall record a certified copy of this Ordinance 90-O-08, including all Exhibits attached hereto, with the Cook County Recorder of Deeds, before the City may issue any permits or licenses related to the construction or operation of the Planned Development authorized by Ordinance 45-O-07, as amended by this Ordinance.

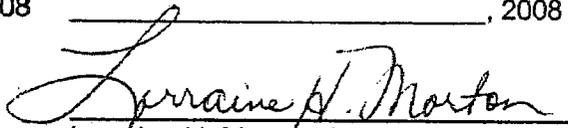
SECTION 9: That, except as otherwise provided for in this Ordinance 90-O-08, all applicable regulations of Ordinance 45-O-07, the Zoning Ordinance, and the entire City Code shall apply to the Subject Property and remain in full force and effect with respect to the use and development of the same. To the extent that the terms and provisions of any of said documents conflict with the terms of this ordinance, this Ordinance 90-O-08 shall govern and control.

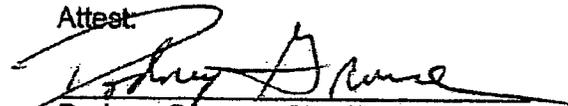
SECTION 10: That if any provision of this Ordinance 90-O-08 or application thereof to any person or circumstance is ruled unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that do not depend upon the invalid application or provision, and each invalid provision or invalid application of this ordinance is severable.

SECTION 11: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 12: That this Ordinance 90-O-08 shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

Introduced: July 28, 2008 Approved: _____
Adopted: August 11, 2008 _____, 2008


Lorraine H. Morton, Mayor

Attest:

Rodney Greene, City Clerk

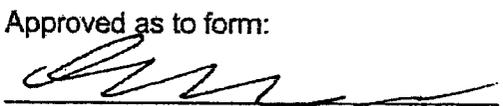
Approved as to form:

Elke Tober-Purze, Interim
First Assistant Corporation Counsel

EXHIBIT 1

ORDINANCE 45-O-07

9/24/2007
6/26/2007
6/18/2007
5/18/2007

45-O-07

AN ORDINANCE

**Granting a Special Use for a
Multifamily Residential and Commercial Mixed-Use
Planned Development with Accessory Parking
Located at 1890 Maple Avenue
In the RP Research Park Zoning District**

WHEREAS, Carroll Properties, Inc., contract purchaser (the "Applicant"), with permission from 1890 Maple, LLC, owner of the property located at 1890 Maple Avenue (the "Subject Property"), legally described in Exhibit A, attached hereto and made a part hereof, submitted a completed application on December 5, 2006, pursuant to the provisions of Title 6 of the Evanston City Code, 1979, as amended, ("the Zoning Ordinance"), specifically, Section 6-3-5, "Special Uses"; Section 6-3-6, "Planned Developments"; Section 6-12-2-3, "Special Uses in the RP Research Park District"; Section 6-12-1-7 (D), "Mandatory Planned Development Minimum Thresholds"; and Section 6-12-2-8, "Building Height", for a special use to permit the construction and operation of a multifamily residential and commercial mixed-use planned development with accessory parking at the Subject Property; located in the RP Research Park Zoning District ("RP District"); and

WHEREAS, the Applicant sought approval for approximately one hundred fifty-two (152) dwelling units, a maximum defined building height of approximately one hundred fifty-eight feet (158'), approximately forty thousand

45-O-07

square feet (40,000 sq. ft.) of commercial space, a defined gross floor area (excluding parking, loading, storage, mechanicals, and uses accessory to the building) of approximately one hundred eighty-three thousand, nine hundred twenty-seven square feet (183,927 sq. ft.), resulting in a floor area ratio of approximately four and 93/100 (4.93), and approximately two hundred sixty-nine (269) off-street parking spaces enclosed within the building and forty-four (44) off-site off-street parking spaces; and

WHEREAS, the Plan Commission held public hearings on the application, case no. ZPC 07-01 PD, pursuant to proper notice, on February 21, 2007, March 14, 2007, and April 11, 2007, heard testimony and received other evidence, made verbatim transcripts and written findings, and recommended that the City Council approve the application; and

WHEREAS, construction of the Planned Development, as proposed in the application, requires an exception from the strict application of the Zoning Ordinance pertaining to maximum building height; and

WHEREAS, pursuant to Sections 6-3-6-4, 6-3-6-5, and 6-3-6-6 of the Zoning Ordinance, a planned development may provide for development allowances and modifications to site development allowances that depart from and/or exceed maximum building height restrictions and other regulations established in the Zoning Ordinance, subject to approval of the City Council; and

WHEREAS, the Plan Commission's written findings state that the application for the proposed planned development meets the standards for special uses indicated in Section 6-3-5-10 of the Zoning Ordinance; adequately

45-O-07

addresses the general conditions for planned developments in RP District indicated in Section 6-12-1-7 (A) of the Zoning Ordinance; adequately addresses the site controls and standards for planned developments in RP District indicated in Section 6-12-1-7 (B) of the Zoning Ordinance; and adequately addresses the development allowances for planned developments in the RP District indicated in Section 6-12-1-7 (C) of the Zoning Ordinance; and

WHEREAS, the Plan Commission recommended approval of the application for a special use for a planned development; and

WHEREAS, at its May 29, and June 11, 2007 meetings, the Planning and Development Committee of the City Council considered the record in Case No. ZPC 07-01 PD; and

WHEREAS, at the May 29, 2007 meeting of the Planning and Development Committee, the Applicant proposed that the second floor of commercial retail space be optional; and

WHEREAS, at its June 11, 2007 meetings, the Planning and Development Committee adopted the findings and recommendations of the Plan Commission, and recommended approval by the City Council; and

WHEREAS, the City Council, at its June 11, June 25, July 9, and September 24 2007 meetings, considered, amended, and adopted the respective records and recommendations of the Plan Commission and the Planning and Development Committee, as amended;

45-O-07

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

SECTION 1: That the foregoing recitals are found as facts and made a part hereof.

SECTION 2: That the City Council hereby finds that the special use for a multi-family residential and commercial planned development with accessory parking in the RP District, applied for in case no. ZPC 07-01 PD, as approved, meets the standards for special uses in Section 6-3-5-10 in that, among other reasons:

- (A) Planned developments are a listed special use in the RP District;
- (B) The requested special use is in keeping with purposes and polices of the Comprehensive General Plan ("CGP") and the Zoning Ordinance;
- (C) The proposed planned development will not cause a negative cumulative effect on various special uses of all types in the immediate neighborhood and the City as a whole in that the site is an appropriate location for multi-family residential with ground floor retail and has adequate capacity for off-street parking and loading;
- (D) The proposed planned development will not interfere with or diminish the value of property in the neighborhood in that it will replace a nearly vacant office building with a structure containing mixed residential and retail uses of an appropriate scale, density, design, and materials;
- (E) The proposed planned development can be adequately served by public facilities and services;
- (F) The proposed planned development will not cause undue traffic congestion and the Applicant's donation of one hundred fifty thousand dollars (\$150,000.00) toward the costs of signal modernization and coordination within the Emerson corridor from Elgin to Asbury will improve traffic circulation; and
- (G) It will comply with all other applicable requirements, except as modified by this Ordinance 45-O-07, in that this Ordinance is conditioned upon construction and operation of the subject planned development in accordance with all applicable requirements.

45-O-07

SECTION 3: That the City Council hereby finds that the special use for a multifamily residential and commercial mixed-use planned development with accessory parking in the RP District, applied for in case no. ZPC 07-01 PD, as approved, meets the general conditions for planned developments in the RP District in Section 6-12-1-7 (A) in that, among other reasons:

- (A) The proposed planned development, to be built in a transition area along a major thoroughfare, is compatible with the surrounding environment;
- (B) The proposed land use is compatible with the Zoning Ordinance and the City's Comprehensive General Plan ("CGP");
- (C) The proposed land use intensity is consistent with the Zoning Ordinance and the CGP;
- (D) The proposed housing is consistent with the Zoning Ordinance and the CGP;
- (E) The proposed planned development will not cause undue traffic congestion and the Applicant's donation of one hundred fifty thousand dollars (\$150,000.00) toward the costs of signal modernization and coordination within the Emerson corridor from Elgin to Asbury will improve traffic circulation;
- (F) The proposed planned development can be adequately served by public facilities and services;
- (G) The proposed planned development is consistent with the City's Design Guidelines for Planned Developments in that it is consistent with transit-oriented development, given the site's proximity to the METRA and CTA stations, and the Applicant is commended for seeking LEED (Leadership in Energy and Environmental Design) certification for the building; and
- (H) The project will enhance the taxable value of the Subject Property in that it will replace a vacant office building in a prominent corner of the Research Park. The mixed residential and ground floor retail use should stimulate economic revitalization of the retail environment at this northern edge of downtown and along the Emerson corridor by providing retail spaces and increased pedestrian traffic from the residential use.

45-O-07

SECTION 4: That the City Council hereby finds that the special use for a multifamily residential and commercial mixed-use planned development with accessory parking in the RP District, applied for in case no. ZPC 07-01 PD, as approved, meets the site controls and standards for planned developments in the Residential District in Section 6-12-1-7 (B) in that, among other reasons:

- (A) The Subject Property is approximately thirty-seven thousand, two hundred eighty-three square feet (37,283 sq. ft.), exceeding the established minimum of nineteen thousand five hundred square feet (19,500 sq. ft.);
- (B) The Applicant will construct sidewalks with landscaping along the Emerson Street and Maple Avenue frontages in substantial compliance with the Development Plans, attached hereto as Exhibit B and made a part hereof;
- (C) The proposed planned development will not cause undue adverse affects on residential parking uses due to the accessory off-street parking;
- (D) The proposed planned development shall provide minimum hazards to vehicular and pedestrian traffic; and
- (E) The Applicant, at its sole cost and expense, shall, if feasible, bury the existing utility lines that serve the Subject Property.

SECTION 5: That the City Council hereby grants the application in case no. ZPC 07-01 PD, for a special use for planned development to allow construction and operation of a multifamily residential and commercial mixed-use planned development with accessory parking on the Subject Property, legally described in Exhibit A, attached hereto and made a part hereof, with approximately one hundred fifty-two (152) dwelling units, a maximum defined building height of approximately one hundred fifty-eight feet (158'), approximately forty thousand square feet (40,000 sq. ft.) of retail commercial space and approximately two hundred sixty-nine (269) off-street parking spaces enclosed within the building and forty-four (44) off-site off-street parking spaces.

45-O-07.

SECTION 6: That an exception to site development allowances is essential to achieve one or more of the public benefits set forth in Section 6-3-6-3, the Council hereby finds that granting the special use for a planned development in case no. ZPC 07-01 PD will provide the following public benefits:

- (A) Enhancement of desirable site characteristics and open space by improving the existing streetscape along Emerson Avenue and creating a public plaza area at the gateway to Downtown Evanston;
- (B) Excellent architectural features and design sensitive to the area;
- (C) Provision of a variety of housing types in accordance with the City's housing goals, specifically rental housing near downtown;
- (D) Elimination of a blighted, vacant office building through redevelopment, replacing it with residential and retail use;
- (E) Commercial and residential development that will enhance the local economy and strengthen the retail and real estate tax base;
- (F) Efficient use of the land resulting in more economic networks of utilities, streets, schools, public grounds, buildings, and other facilities;
- (G) Substantial incorporation of generally recognized sustainable design practices and/or building materials to promote energy conservation and improve environmental quality, specifically LEED certification.

SECTION 7: Pursuant to the terms and conditions of this Ordinance, the authority to exceed the following site development allowance is hereby granted:

- (A) To allow a maximum defined building height of approximately one hundred fifty-eight feet (158'). Section 6-12-2-8 of the Zoning Ordinance otherwise permits a maximum height in the Research Park District of eighty-five feet (85'). Section 6-12-1-7(C) allows for a height increase over that otherwise permitted to achieve the building density desired in the Research Park Master Plan.

45-O-07

SECTION 8: That, pursuant to Section 6-3-5-12 of the Zoning Ordinance, the City Council hereby imposes the following conditions on the grant of the requested special use for a planned development:

- (A) The Applicant shall construct the planned development approved hereby in substantial conformance with the terms and conditions of this Ordinance, all other applicable legislation and requirements, and in accordance with Applicant's representations to the Site Plan and Appearance Committee, Plan Commission, Planning and Development Committee, and City Council. In the event that Applicant's representations to the foregoing bodies conflict with the terms of this Ordinance, the Ordinance shall govern and control in all such instances.
- (B) The Applicant, at its sole cost and expense, shall construct and/or install sidewalk and landscaping along the Emerson Street and Maple Avenue frontages in substantial compliance with the Development Plans, attached hereto as Exhibit B and made a part hereof.
- (C) The Applicant, at its sole cost and expense, shall, if feasible, bury the existing utility lines that serve the Subject Property. The Applicant shall restore any landscaping disrupted by such work to its condition prior to commencement of such work.
- (D) The Applicant shall employ unbalanced glazing to reduce noise transmission to the Subject Property.
- (E) The Applicant shall use thermally broken frames for all exterior glazing to reduce noise transmission to the Subject Property.
- (F) The Applicant shall construct all south-facing balconies with concrete fronts and solid glass railings to enclose the ends of said balconies to reduce noise transmission to the Subject Property.
- (G) The Applicant shall construct all south-facing walls, except for any associated glazing, with poured-in-place concrete and masonry to reduce noise transmission to the Subject Property.
- (H) The Applicant shall articulate the bottom faces of any south-facing balconies that project from the building with a decorative pattern to reduce noise transmission to the Subject Property and enhance the appearance of the proposed planned development.

45-O-07

- (I) Prior to issuance of a building permit, the Applicant shall execute and deliver to the owner of the property located at 1001 University Place in Evanston, Illinois, a recordable notice recognizing the concerns regarding noise emanating from the rooftop of 1001 University Place.
- (J) Trucks longer than thirty feet (30') making deliveries to or moving residents into the Subject Property shall not be permitted to use the private drives within the city block located in Evanston bounded to the north by Emerson Street, to the east by Maple Avenue, to the west by Oak Avenue, and to the south by University place ("the Block").
- (K) Prior to issuance of a temporary certificate of occupancy, the Applicant shall provide a modification to the existing service drive easement for the Block to: (i) widen said drive from seventeen feet (17') to twenty-one feet (21') to allow for two (2)-lane operation and improved truck access to the Block; and (ii) transfer snowplowing responsibility from the owner of the property located at 1001 University Place in Evanston to the Applicant.
- (L) The Applicant, for a nine (9)-month period from the date of the Ordinance, shall use all commercially reasonable efforts to locate an appropriate grocery/food store tenant for the first floor retail space of the Project (the "First Floor Space"). On a monthly basis commencing on the date of this Ordinance, the Applicant shall provide the City Manager with a written summary of its efforts to locate and secure a grocery/food store user for the First Floor Space. In the event the Applicant is not able to lease the First Floor Space to a grocery/food store user by the expiration of such nine (9)-month period, the Applicant shall: (i) continue to provide the City with monthly updates summarizing the Applicant's efforts to find an end user(s) for the First Floor Space; and (ii) be permitted to lease the First Floor Space to any other commercial, office or retail tenant permitted by the applicable terms of the Zoning Ordinance; provided however, without the City's prior consent, for a period of ten (10) years commencing on the date of this Ordinance, no portion of the First Floor Space shall be occupied by a Convenience Store as such term is defined in the Zoning Ordinance in effect as of the date hereof.

SECTION 9: If the Applicant determines that retail use for the second-floor commercial space is not viable, the Applicant shall use commercially reasonable efforts to cause such second-floor space to be used for other commercial or office uses. If the Applicant determines that a commercial or office use for the second-floor space is not viable, then the Applicant,

45-O-07

notwithstanding anything to the contrary contained in this Ordinance, shall have the option to construct additional residential units instead of the second floor of commercial space and, in such event, to modify the number of parking spaces and loading spaces provided for the Subject Property to satisfy the applicable requirements of the Zoning Ordinance, as determined by City staff during the permitting process. The Applicant must exercise said option prior to installing a foundation on the Subject Property or forfeit said option.

SECTION 10: Should the Applicant convert the residential units provided for herein from rental to owner-occupied, the planned development:

- (A) shall be deemed a covered development as defined in Section 5-7-3 of the City Code; and
- (B) shall be subject to all requirements of the Inclusionary Housing Ordinance as defined in Title 5, Chapter 7 of the City Code.

SECTION 11: When necessary to effectuate the terms, conditions, and purposes of this Ordinance, "Applicant" shall read as "Applicant's agents, assigns, and successors in interest."

SECTION 12: That the Applicant shall record a certified copy of this Ordinance, at its cost, including all Exhibits attached hereto, with the Cook County Recorder of Deeds, before the City may issue any permits related to the construction of the proposed planned development hereby authorized.

45-O-07

SECTION 13: If any provision of this Ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid application or provision, and each invalid provision or invalid application of this Ordinance is severable.

SECTION 14: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 15: That this Ordinance shall be in full force and effect from and after its passage, approval, and publication in the manner provided by law.

SECTION 16: Except as otherwise provided for in this Ordinance, all applicable regulations of the Zoning Ordinance shall apply to the Subject Property and remain in full force and effect with respect to the use and development of the same.

Introduced: May 29, 2007

Approved:

Adopted: September 24, 2007

October 1, 2007

Lorraine H. Morton
Lorraine H. Morton, Mayor

Attest:

Mary R. Morris
Mary R. Morris, City Clerk

Approved as to form:

Herbert D. Hill
Herbert D. Hill
First Assistant Corporation Counsel

45-O-07

EXHIBIT A

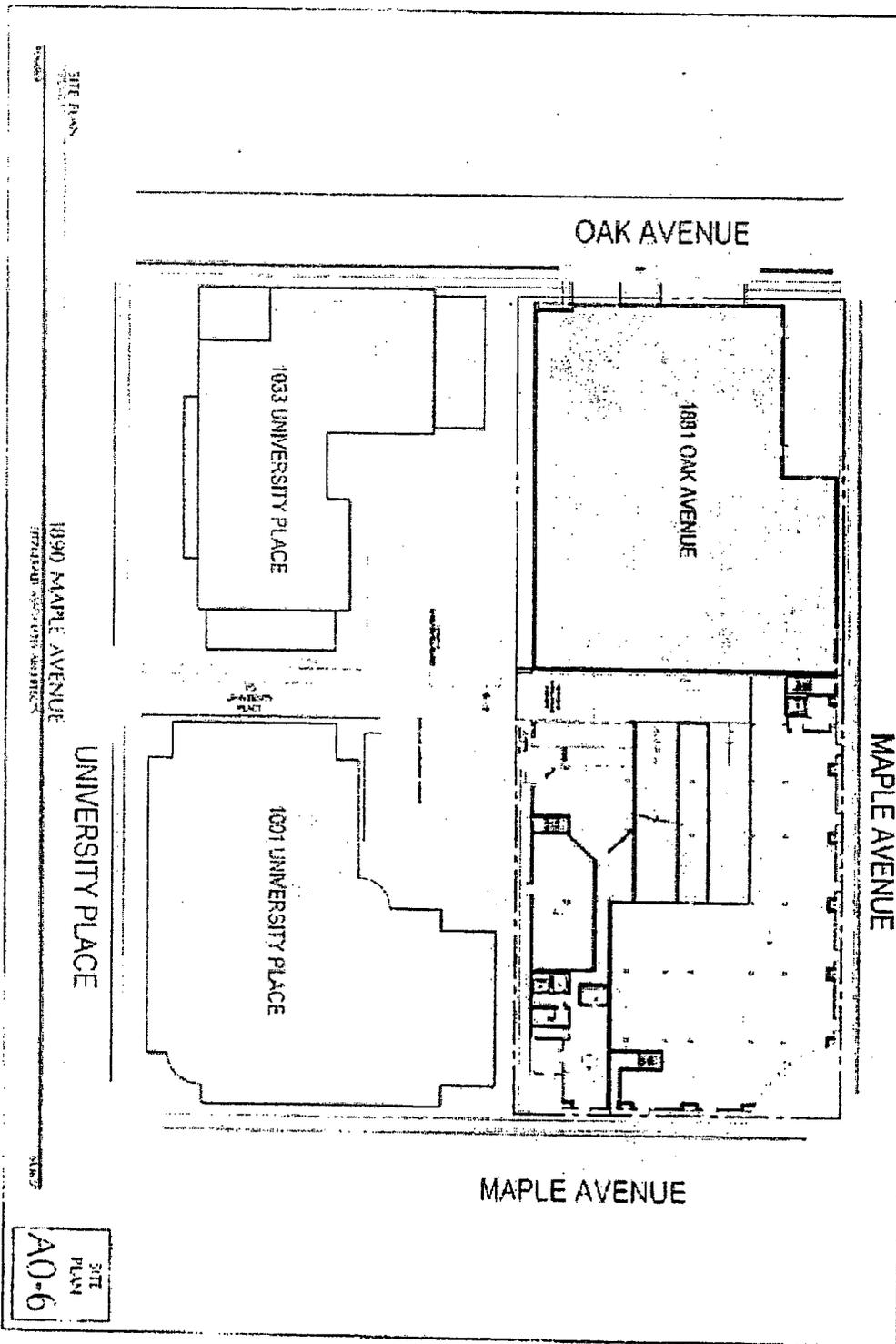
LEGAL DESCRIPTION OF 1890 MAPLE AVENUE

PARCEL 1:

LOT 1 (EXCEPT THE WEST 20 FEET THEREOF) IN CITY CONSOLIDATION NO.1 OF LOTS 1, 2, 3, 4, AND 5 IN CIRCUIT COURT SUBDIVISION OF PARTITION OF LOT 22, BEING A TRIANGULAR PIECE OF LAND BOUNDED ON THE NORTH BY EMERSON STREET, ON THE SOUTHWESTERLY BY EAST RAILROAD AVENUE AND ON THE EAST BY MAPLE AVENUE (EXCEPT 1 ACRE IN THE NORTHWEST CORNER THEREOF) IN COUNTY CLERK'S DIVISION, IN THE WEST $\frac{1}{2}$ OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN; IN COOK COUNTY ILLINOIS, TOGETHER WITH THE WEST 20 FEET OF THE NORTH HALF OF THE VACATED 16 FOOT ALLEY LYING SOUTH OF AND ADJOINING SAID LAND.

45-O-07

EXHIBIT B
DEVELOPMENT PLANS



45-O-07

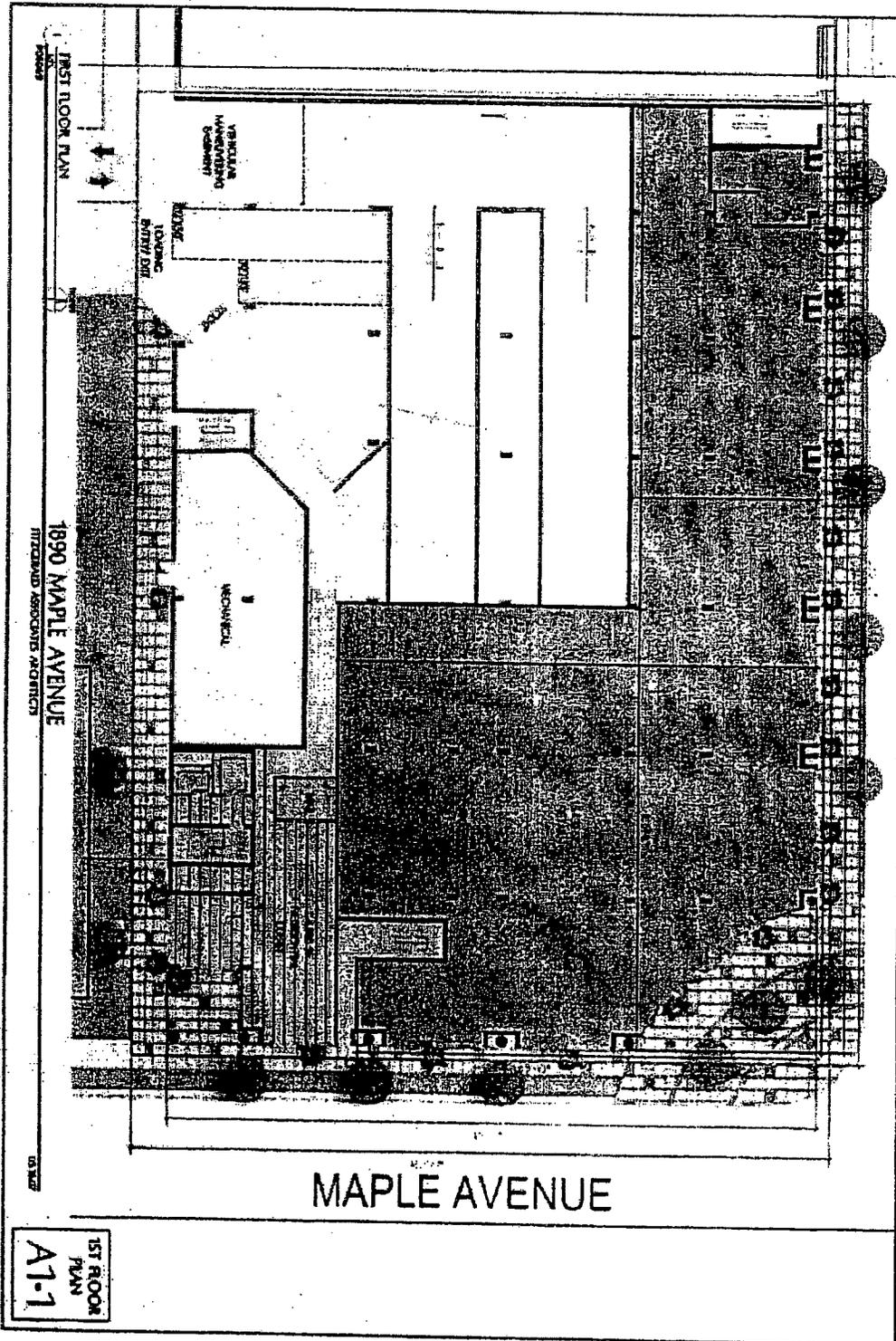
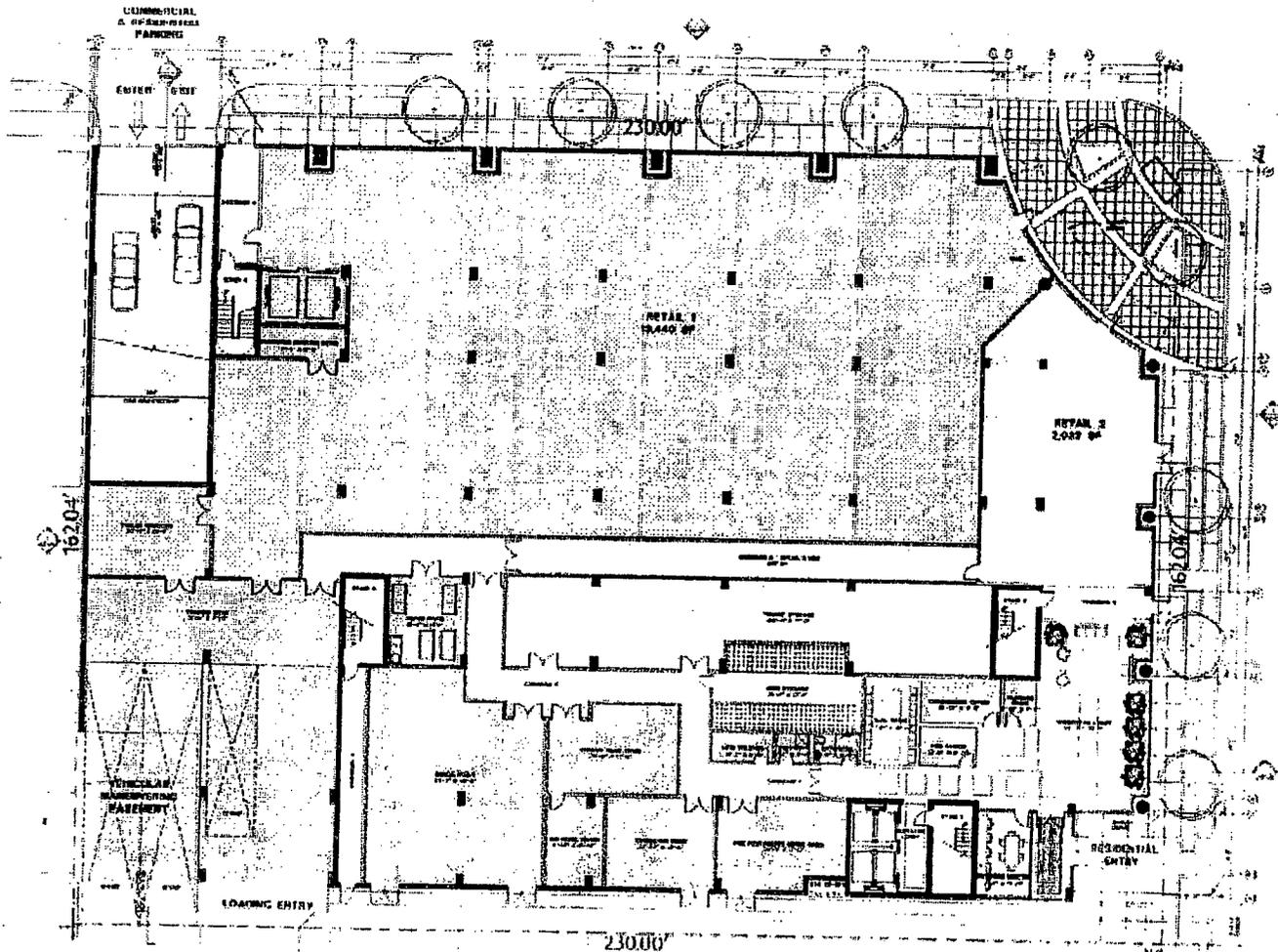


EXHIBIT 2

AMENDED PLANS



LEGEND	PATTERN
1 BEDROOM	[Pattern]
2 BEDROOM	[Pattern]
3 BEDROOM	[Pattern]
4 BEDROOM	[Pattern]
AMENITY	[Pattern]
CIRCULATION	[Pattern]
GREEN ROOF	[Pattern]
PARKING	[Pattern]
RETAIL # 1	[Pattern]
RETAIL # 2	[Pattern]
SERVICE	[Pattern]

FITZGERALD ASSOCIATES ARCHITECTS

1ST FLOOR PLAN

THE APPROVED WORK SHALL BE THE RESPONSIBILITY OF THE ARCHITECT. 02/25/09 A1-01

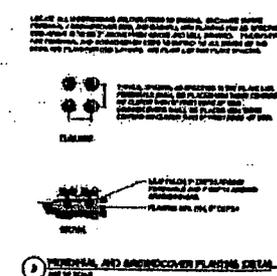
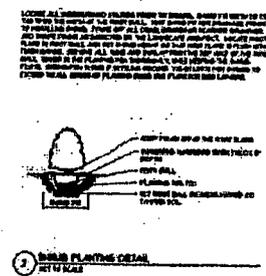
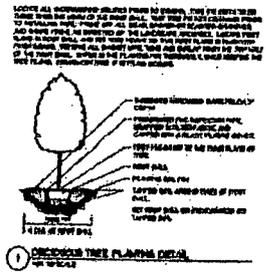
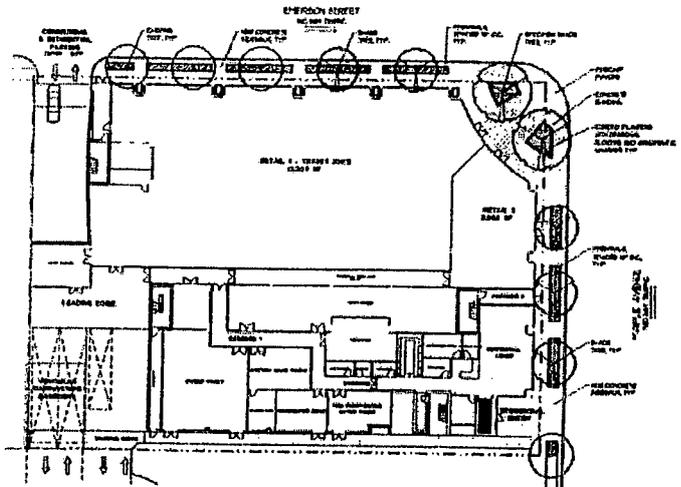
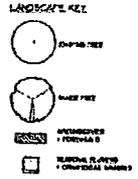
GENERAL NOTES

1. ALL PLANTING AND IRRIGATION TO BE INSTALLED IN THE FIELD BY THE CONTRACTOR.
2. EXISTING AND PROPOSED PLANTING TO BE PLANTED IN THE FIELD AND TO BE MAINTAINED AS SUCH. ALL PLANTING SHALL BE MAINTAINED AS SUCH THROUGHOUT THE PROJECT AND TO BE MAINTAINED AS SUCH THROUGHOUT THE PROJECT.
3. ALL PLANTING SHALL BE PLANTED IN THE FIELD AND TO BE MAINTAINED AS SUCH THROUGHOUT THE PROJECT AND TO BE MAINTAINED AS SUCH THROUGHOUT THE PROJECT.
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10. ALL PLANTING SHALL BE PLANTED IN THE FIELD AND TO BE MAINTAINED AS SUCH THROUGHOUT THE PROJECT AND TO BE MAINTAINED AS SUCH THROUGHOUT THE PROJECT.

IRRIGATION NOTES

1. IRRIGATION SYSTEM SHALL BE INSTALLED IN THE FIELD BY THE CONTRACTOR.
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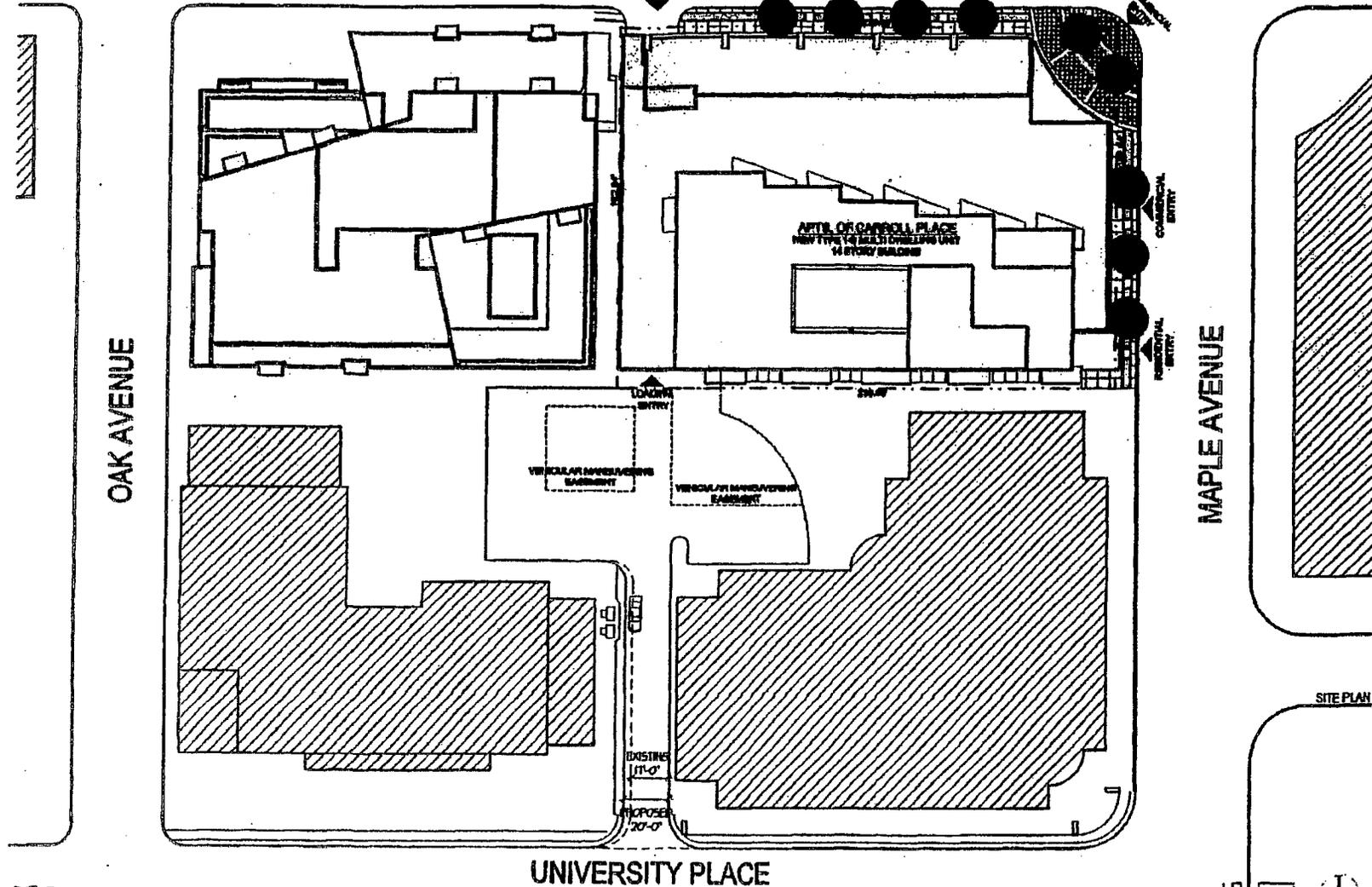
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2. PLANTING	50	PLANTING
3. PLANTING	20	PLANTING
4. PLANTING	10	PLANTING
5. PLANTING	5	PLANTING
6. PLANTING	3	PLANTING
7. PLANTING	2	PLANTING
8. PLANTING	1	PLANTING
9. PLANTING	1	PLANTING
10. PLANTING	1	PLANTING



30-O-09

EXHIBIT C

AMENDED PLANS

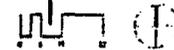


092024-0088

FRITZGERALD
ASSOCIATES
ARCHITECTS

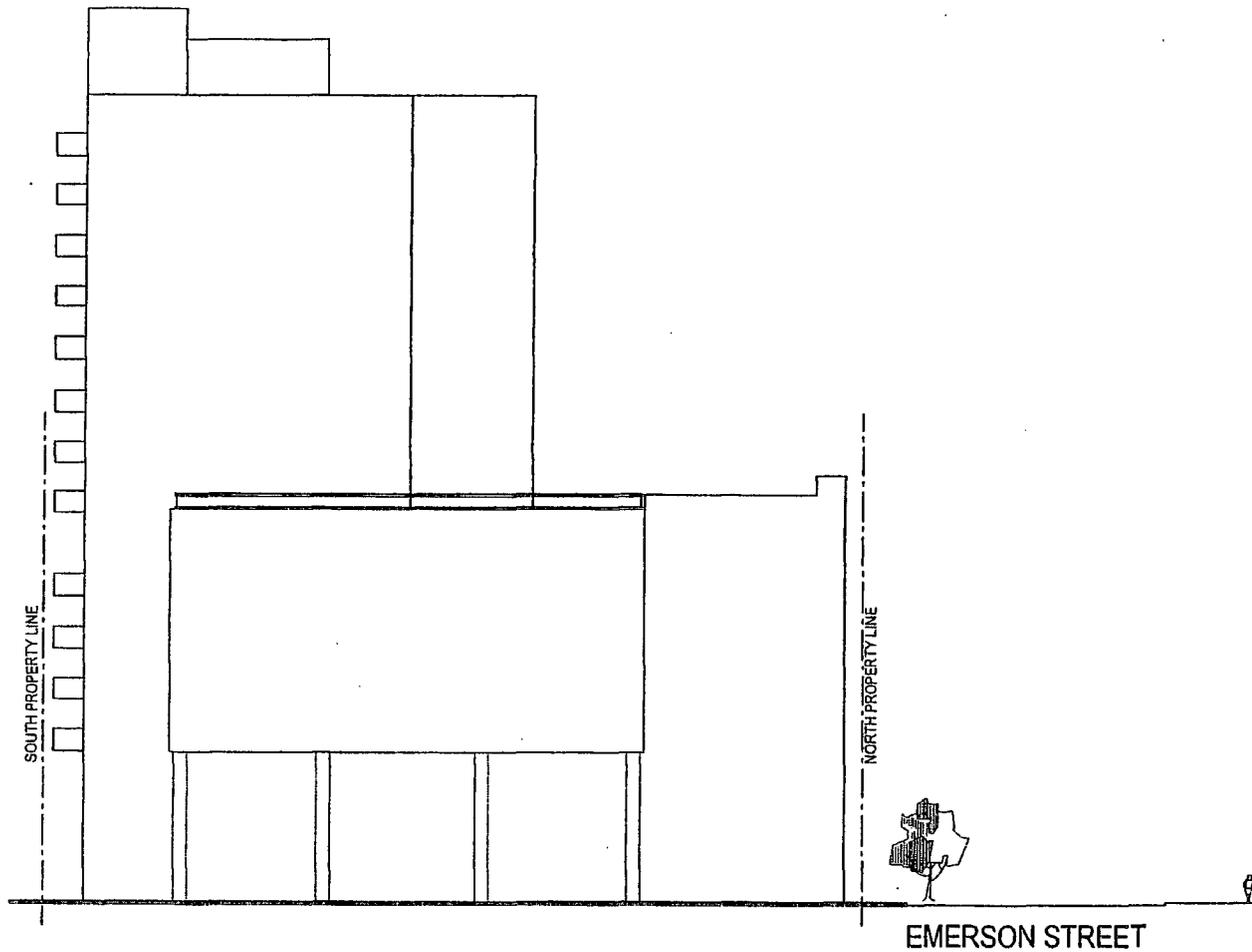
PRELIMINARY USE ONLY

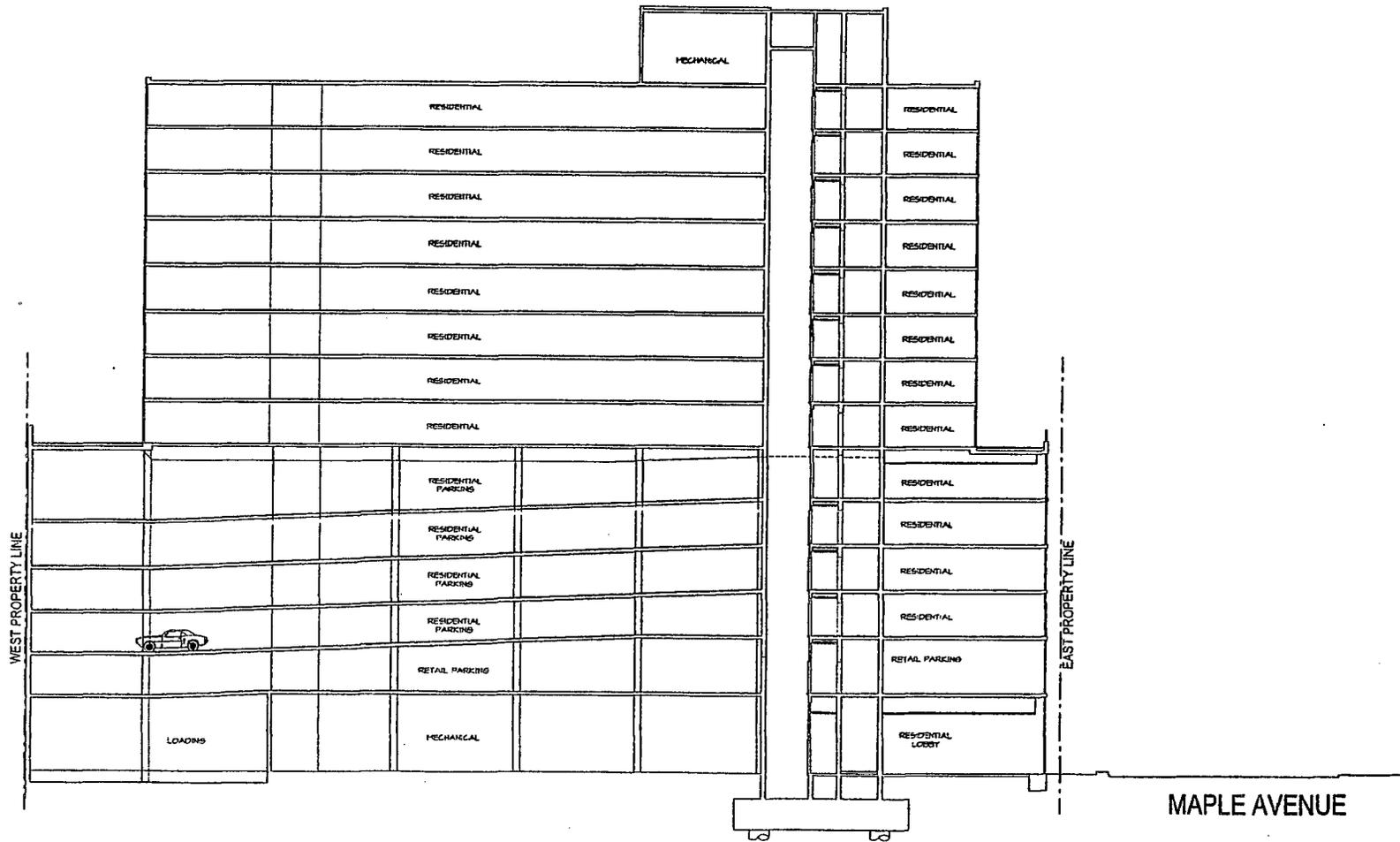
ZONING/BUILDING SUMMARY/ SITE PLAN

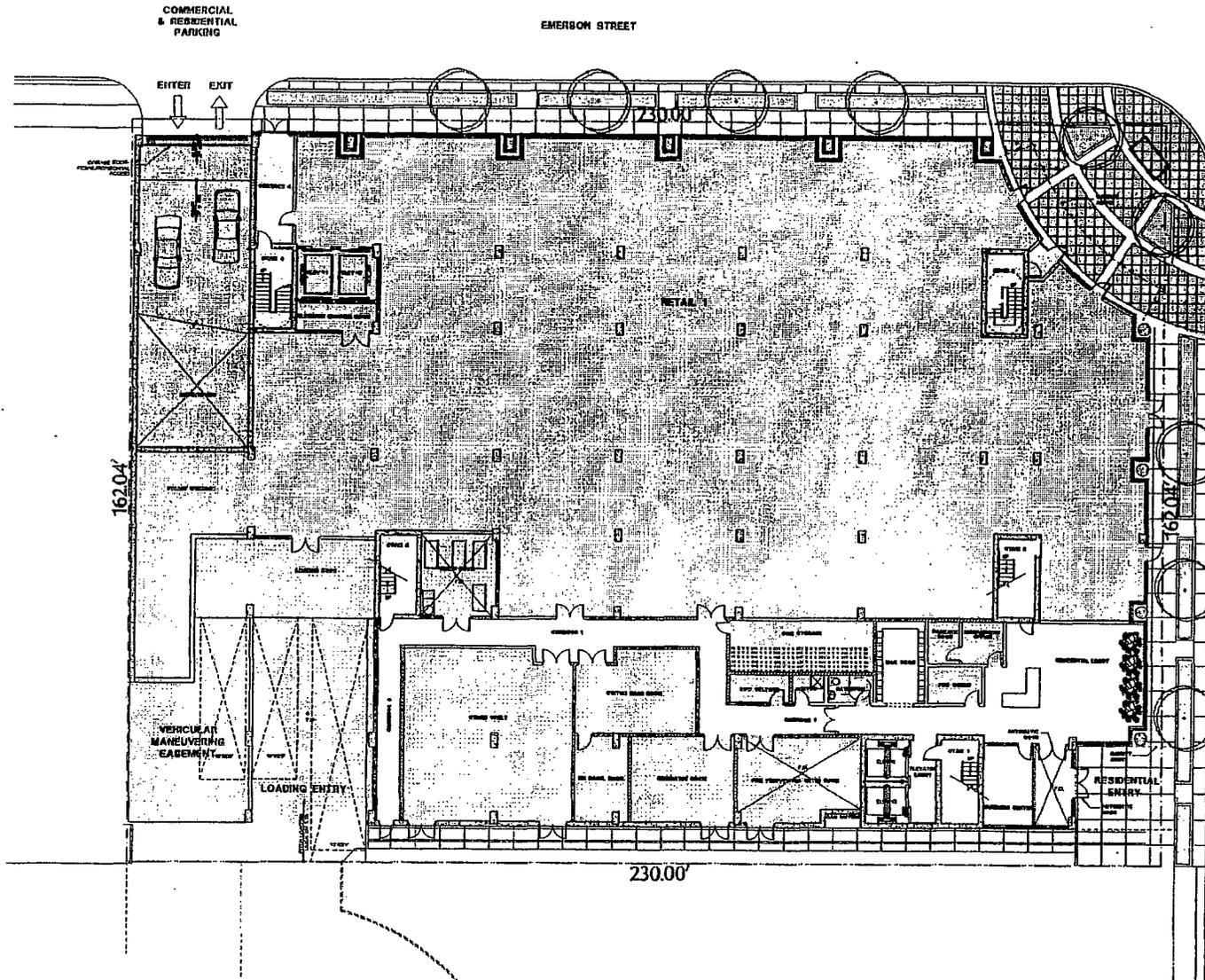


THE APARTMENTS OF CARROLL PLACE
PARK INVESTMENT PROPERTIES, LLC
4008
WOOD PARTNERS VE CHANGES - 08/08

A0-01





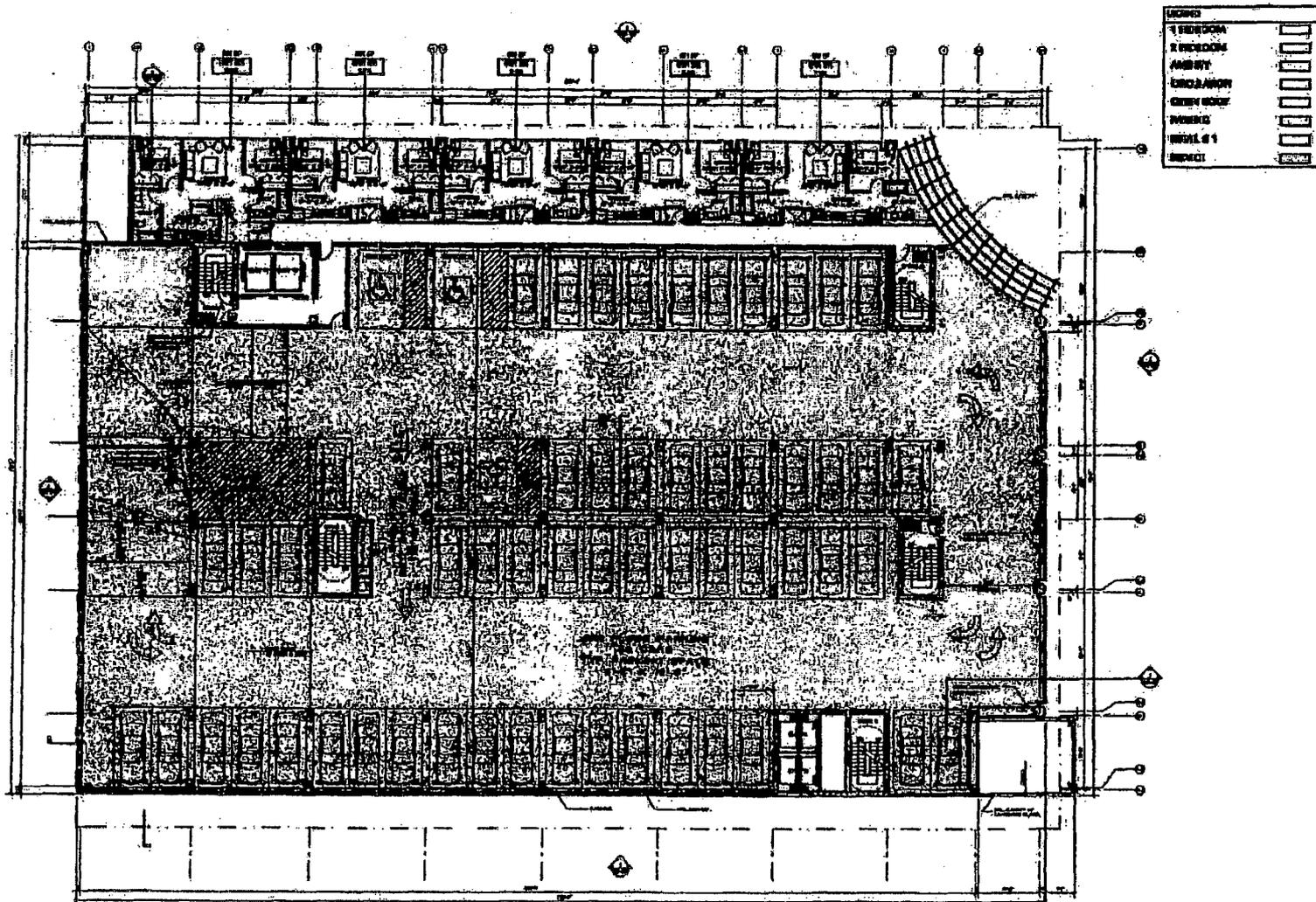


LEGEND	
1 BEDROOM	[Pattern]
2 BEDROOM	[Pattern]
AMENITY	[Pattern]
CIRCULATION	[Pattern]
GREEN ROOF	[Pattern]
PARKING	[Pattern]
RETAIL # 1	[Pattern]
SERVICE	[Pattern]

FITZGERALD ASSOCIATES ARCHITECTS
 PRELIMINARY USE ONLY

1ST FLOOR PLAN

THE APARTMENTS OF CARROLL PLACE
 PUBLIC INVESTMENT PROPERTIES LLC
 0809 04/08/09 A1-01



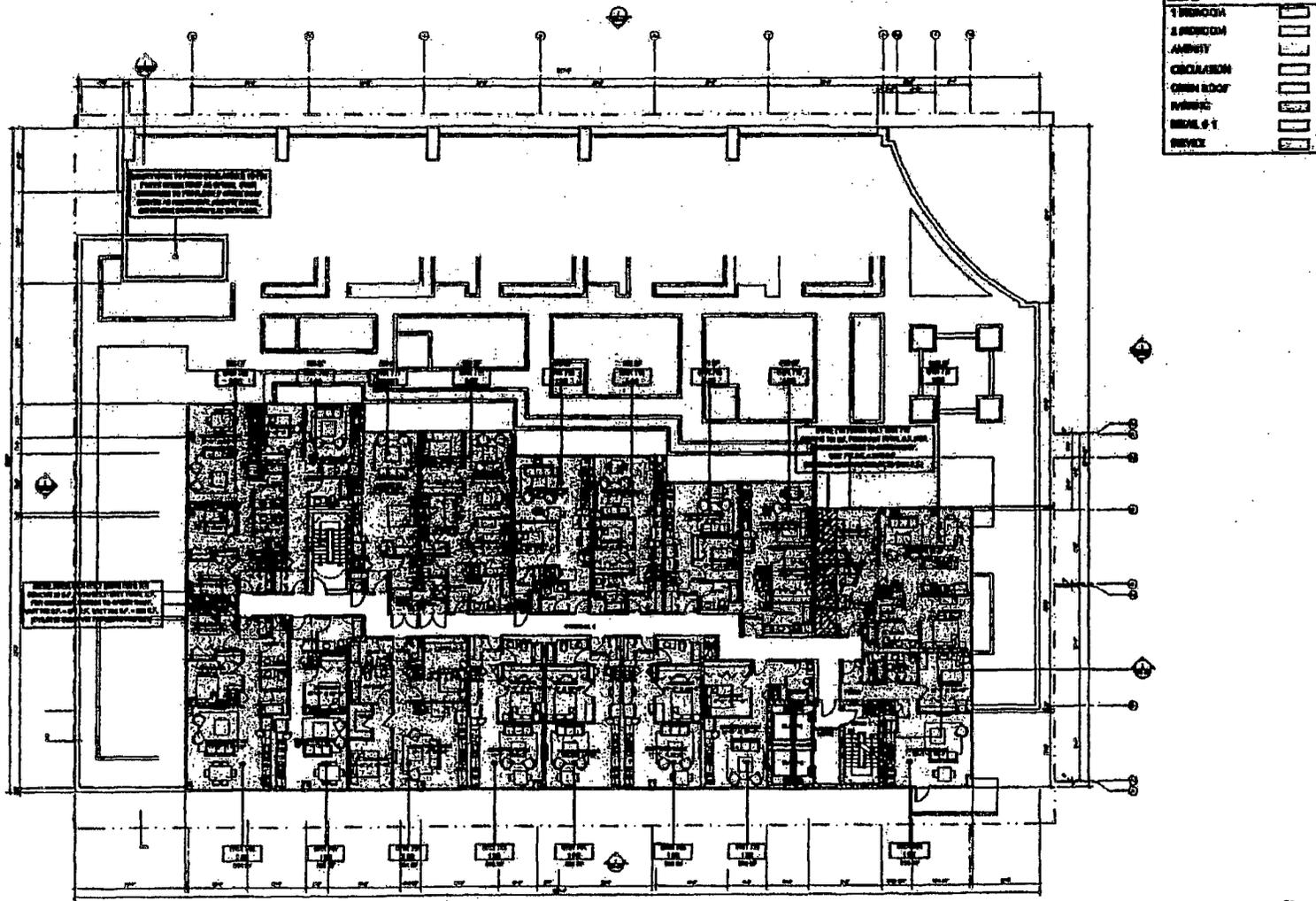
PRELIMINARY USE ONLY

2ND FLOOR PLAN



 THE APARTMENTS ON CLEVELAND PLACE
 CIVIL ENGINEERING REPORT # 10000000
 A1-02

*** THIS DRAWING IS INCLUDED AS TYPICAL
 OF FLOORS 2-6 IN ITS GENERAL CONFIGURATION
 AND IS NOT INTENDED TO PRECISELY REPRESENT
 ANY SPECIFIC FLOOR, INCLUDING FLOOR 2.



LEGEND	
1 COLUMN	[Symbol]
2 COLUMN	[Symbol]
3 BEAM	[Symbol]
4 WALL	[Symbol]
5 COLUMN	[Symbol]
6 CORNER COLUMN	[Symbol]
7 BEAM	[Symbol]
8 WALL	[Symbol]
9 BEAM	[Symbol]
10 BEAM	[Symbol]

FRIZ GRIFFIN
ASSOCIATES
ARCHITECTS

PRELIMINARY USE ONLY

7TH-14TH FLOOR PLAN, TYPICAL

THE UNIVERSITY OF MARYLAND
SYSTEMS CENTER FACILITY
A1-06

*** THIS DRAWING IS INCLUDED AS TYPICAL
OF FLOORS 7-14 IN ITS GENERAL CONFIGURATION
AND IS NOT INTENDED TO PRECISELY REPRESENT
ANY FLOOR.

EXHIBIT C

FINANCIAL ANALYSIS

[Attached]

**1890 Maple
Redevelopment Agreement
Exhibit C (Part of)
Recalibration Methodology**

The Developer has represented to the City that public assistance is required due to the Developer's inability to achieve certain market returns on investment. The Developer's "threshold" returns and expected returns without City assistance are attached as part of Exhibit C (the "Project Financing Assumptions"). These calculations were based upon certain revenue, cost and financing assumptions prepared by the Developer and reviewed by the City and Kane McKenna Associates at the time of the approval of this Agreement.

The Developer is required to present updated Project Financing Assumptions to the City in a format similar to Exhibit C, no later than 60 days after the Developer has obtained its construction financing.

The City requires the Developer to submit all loan documents provided at the time of lender commitment and subsequent closings. The Developer will use its best efforts to obtain the lender financial analysis. All commercial leases and residential leases for the project shall be made available to the City or its designee for review. The Developer or its agent shall also prepare and submit to the City an updated financial pro forma and a sources and uses statement for the project based on lender commitment, executed leases, and updated total costs of the project. The updated financial pro forma shall delineate all assumptions made, including but not limited to, updated revenues, construction costs and debt service payments. It shall also include a certification and warranty from the Developer that the information is materially accurate and complete to the best of his knowledge at the time of submission. Developer shall also make available all financial information requested concerning the project to the City or its designee upon request. The City or its designee also reserves the right to interview the lender's representative and the Developer agrees to arrange if requested.

The City then will review the updated Project Financing Assumptions and determine if any adjustments to the Developer incentives (as contained in this Agreement) are required. The City shall undertake such review within 60 days of the Developer's submission of the updated Project Financing Assumptions. In addition to the updated Project Financing Assumptions, the Developer shall provide to the City copies of its loan commitments, updated market studies, final project budget, appraisals, and such other materials as the City may require in order to complete its analysis.

The City acknowledges that the information to be provided by Owner constitutes confidential proprietary information the disclosure of which could cause Owner competitive harm; accordingly, the City shall not disclose any such information provided by Owner or its lenders (other than to such City employees and consultants as are necessary to permit the analysis contemplated hereby).

In no event shall the City property tax assistance and sales tax assistance exceed the amounts set forth in this Agreement. However, if the Developer "threshold" returns are

in excess of 13.86%, leveraged return on the total project as provided in Article 3, Section A of their Agreement, the City shall reduce its commitment as follows:

- 1) If net retail rental rates associated with the grocer tenant exceed \$38.00/s.f., the City sales tax incentive shall be eliminated.
- 2) If the Developer return of 13.86% as defined in Article 3, Section A of this Agreement and calculated in the same methodology as shown in Exhibit C is increased per the return contained herein, the City property tax incentive shall reduce in the amount that, when calculated, equals 13.86%.

Executive Summary

1890 Maple Redevelopment Proposal – Preliminary Public Assistance/Financial Review

April 16, 2009

1) Project Description

The Project components described by the Developer as of April 16, 2009, have the following components: **Note: The Project mix has changed since the January submissions in order to include: proposed 176 residential units and 18,000 s.f. of commercial space.**

<u>Project Component</u>	<u>S.F./Units</u>	<u>Expected Absorption</u>
Apartments	176 (625 s.f. to 1,530 s.f.)	2011 to 2012
Commercial	18,000	2011
Total Project Costs	\$59,828,529	

2) Proposed City Assistance

In order to provide for the implementation of the Project the Developer has requested City participation contingent upon provision of a grocery store tenant:

- a) \$1,900,000 – City “pay as you go” funding in order to increase Project returns. The Developer proposes that this amount can be payable from 50% of the City portion of incremental real estate taxes generated over a 20 year period. The 2007 property valuation is suggested as the “Base” (similar to TIF) and increases over the Base would be calculated annually by the City and applied to the repayment of the Developer obligation.
- b) The grocer tenant, once identified by the Developer, would require a sales tax sharing agreement, in an amount not to exceed \$11/s.f. for a 15 year period (the square footage could range from 13,000 s.f. to 18,000 s.f.), utilizing the City’s sales 1% local distributive share of tax receipts.
The sales tax rebate is conditioned upon the Developer achieving a \$38/s.f. grocery store rental rate based upon pro forma analysis submitted. In the event that the grocer is unable to pay the target rental rate; the sales tax rebate would equalize the difference annually over a 15 year lease term, with a “floor” of \$27/s.f. As an example, if the grocer would sign a lease at \$30/s.f. rental rate, the City sales tax rebate would be fixed at \$8/s.f. annually. The target rental rate is required to achieve market Project returns.

In addition to the grocery store commitment, the Developer proposes that any City assistance will be contingent upon certain conditions of payment detailed in the Terms Sheet (Section 3) – attached in Exhibit A. Essentially the Developer agrees that the Project must be completed and the Developer must demonstrate an operating grocery store, and 60% of rental unit occupancy prior to any City payments.

MEMO
Page 2
April 16, 2009



3) Need for City Assistance

Project pro formas prepared by the Developer and Laube and Associates, Inc. have been reviewed by Kane, McKenna and are attached as part of Exhibit A. The pro formas present the Developer's rationale for City assistance. The Developer has indicated that rates of return without City assistance are below market requirements. The inclusion of public assistance will result in returns that are at market thresholds – allowing for both lender and equity investments.

Although the return/profit requirements as presented by the Developer are lower than ranges that we have seen for comparable projects, the key analytical variables are: (i) the basis for revenue estimates, (ii) the basis for cost estimates, and (iii) what will the Project lender require as part of a firm financing commitment?

Given the Developer representations that current market financing criteria have resulted in delays in implementation, is the City willing to assist the Project (based upon projected tax increases or other area wide benefits)?

One approach would be for the City to condition its commitment upon review of the Developer final financing commitment and compare its current financial projections to the updated financial projections as reviewed by its lender.

The "contingent" commitment would allow the City to undertake due diligence relating to the Project economics and determine if the City assistance is still required at the time that Project economics are reviewed by its lenders.

4) Projected Tax Revenues

City Portion Lower Range Assumptions (Exhibit B)

Total/Cumulative Property Taxes (20 years)	\$2,625,939
50% to the City (20 years)	\$1,312,969
Annual taxes range from \$111,000 to \$180,000 over 20 years.	

City Portion Upper Range Assumptions (Exhibit C)

Total/Cumulative Property Taxes (20 years)	\$3,832,855
50% to the City (20 years)	\$1,932,855
(note: Developer amount "capped" at \$1,900,000)	
Annual taxes range from \$163,000 to \$260,000 over 20 years.	

In comparison, the City's annual property taxes for the property was \$19,340 in tax year 2007 and \$40,000+ in previous years (2004 to 2006) – when the office property was occupied.

MEMO
Page 3
April 16, 2009



School District Tax Projections:

Lower Range Assumptions

Grade School District 65	
Total Cumulative Property Taxes (20 years)	\$5,188,430
Annual taxes range from \$219,000 to \$356,000	
High School District 202	
Total Cumulative Property Taxes (20 years)	\$3,581,756
Annual taxes range from \$151,000 to \$245,000	

Upper Range Assumptions

Grade School District 65	
Total Cumulative Property Taxes (20 years)	\$7,513,100
Annual taxes range from \$323,000 to \$514,000	
High School District 202	
Total Cumulative Property Taxes (20 years)	\$5,227,978
Annual taxes range from \$223,000 to \$355,000	

Summary – City Sales Tax Projections:

Developer over 15 years:	\$2,145,000
City Sales Taxes over 15 years:	\$878,315 (net of Developer [*] payments)
City Liquor Taxes over 15 years:	\$2,176,787

5) Follow-up Questions

The following policy questions require review by the City prior to agreeing to any business points with the Developer.

- a) The Project generates significant new taxes over current uses, but is the City willing to “jump start” Project/area development through allocation of local taxes? In addition to local tax revenues retained for the City and schools, what other Project features are important to the City?
- b) Since no firm financing commitments have been provided by the Developer and underwriting review has not been finalized, the City may want to consider an additional level of review in order to validate the Developer’s request for assistance at the time the lender commitment(s) are finalized. The final underwriting criteria would be compared to the Developer pro formas currently submitted (April, 2009) in order to verify that the City assistance is justified based on updated economics.
- c) The City’s use of local property tax increment, independent of a TIF designation needs careful review. The City may want to identify policy criteria relating to the use of such a program (limiting such assistance to projects in TIF districts that are terminating or near the termination date).
- d) The proposed sales tax rebate utilizes over 50% of projected sales tax receipts. However, projected liquor tax receipts provide additional revenue to the City. In the event a prospective user does not generate additional revenues to the City, can the sales tax rebate be adjusted?



MEMO

TO: Martin Lyons
 Dennis Marino
 Morris Robinson

FROM: Kane, McKenna and Associates, Inc.

RE: 1890 Maple Redevelopment Proposal –
 Preliminary Public Assistance/Financial Review

DATE: April 16, 2009

1) Background/Project Description

The City of Evanston (the "City") has requested Kane, McKenna and Associates, Inc. ("KMA") to review certain financial projections and information prepared by the proposed developer of the property located at 1890 Maple Avenue. Carroll Properties, Inc. or entities formed by it (the "Developer") will coordinate the development of the project site for mixed use residential apartments, garage and commercial space (the "Project"). Sections 2 to 4 summarize the Developer's request and include preliminary property tax projections. Section 5 identifies policy questions for City review.

The Project components described by the Developer as of April 16, 2009, have the following components: **Note: The Project mix has changed since the January submissions in order to include: proposed 176 residential units and 18,000 s.f. of commercial space.**

<u>Project Component</u>	<u>S.F./Units</u>	<u>Expected Absorption</u>
Apartments	176 (625 s.f. to 1,530 s.f.)	2011 to 2012
Commercial	18,000	2011

MEMO
Page 2
April 16, 2009



Garage/Parking for both uses will also be included as part of the Project.

Project Costs

Land Acquisition	\$ 4,289,664 (7%)
Hard Costs (including site preparation)	\$ 51,261,317 (86%)
Soft Costs	\$ <u>4,277,278</u> (7%)
Total	\$59,828,259 (100.00%)

Proposed City Assistance: Note the City Assistance is Conditioned upon provision of a grocery store tenant.	Property Tax Rebate (City share)	50% of City share of incremental property taxes over 20 years not to exceed \$1,900,000
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Sales Tax Rebate (1% local distributive share only)	Not to exceed \$11/s.f. of grocery tenant space (estimated at 13,000 s.f.) or \$143,000 per year over a 15 year term (cumulative \$2,145,000)
---	--

Both amounts total 7% of Project costs.

The Developer has submitted its residential market study prepared by Appraisal Research Counselors, but no financing commitments for the Project have been submitted. Cost information, including construction and hard costs is represented to be based upon construction bids currently reviewed by the Developer earlier in the year. The land acquisition costs are based upon the Developer's provision of the property closing statement.

2) Developer Public Assistance Request/City Requirements

In order to provide for the implementation of the Project the Developer has requested City participation contingent upon provision of a grocery store tenant:

- a) \$1,900,000 - City "pay as you go" funding in order to increase Project returns. The Developer proposes that this amount can be payable from 50% of the City portion of incremental real estate taxes generated over a 20 year period. The 2007 property valuation is suggested as the "Base" (similar to TIF) and increases over the Base would be calculated annually by the City and applied to the repayment of the Developer obligation.

MEMO
Page 3
April 16, 2009



- b) The grocer tenant, once identified by the Developer, would require a sales tax sharing agreement, in an amount not to exceed \$11/s.f. for a 15 year period (the square footage could range from 13,000 s.f. to 18,000 s.f.), utilizing the City's sales 1% local distributive share of tax receipts.

The sales tax rebate is conditioned upon the Developer achieving a \$38/s.f. grocery store rental rate based upon pro forma analysis submitted. In the event that the grocer is unable to pay the target rental rate; the sales tax rebate would equalize the difference annually over a 15 year lease term, with a "floor" of \$27/s.f. As an example, if the grocer would sign a lease at \$30/s.f. rental rate, the City sales tax rebate would be fixed at \$8/s.f. annually. The target rental rate is required to achieve market Project returns.

The structure described above has been negotiated with the Developer in order to provide for Project tax revenues to return to the City and also eliminate any interest accruals as initially requested by the Developer.

The initial Developer December 11, 2008 proposal (updated on April 16, 2009 per the terms sheet attached in Exhibit A), identifies the following reasons for the request, as well as potential benefits to the City.

- Significant increases in construction costs due to unanticipated site conditions. Poor soil conditions will require foundation de-watering systems (pumps) and hard pan caisson belling.
- More stringent lender underwriting criteria have made it difficult to obtain senior construction debt financing without increased coverage ratios. With City assistance, the Developer anticipates a 13.86% rate of return on its investment which is well-below current market rates of return of 20+% on leveraged/equity basis.

MEMO
 Page 4
 April 16, 2009

- City assistance would be provided through a combination of local property tax rebates and a City sales tax rebate (for a future grocery store tenant).
- Utilizing tax comparables, the City's share of new annual real estates from Development is estimated to total approximately \$2,625,000 over 20 years (both apartment and commercial components). Of this amount 50% or \$1,312,000 would be retained by the City. If the Developer's tax estimates are achieved, the City could retain \$1,900,000 cumulatively.
- The Developer estimates that the City will realize approximately \$375,000 of building permit fees.
- Based on industry averages, the Developer estimates that the Project will create approximately 230 construction job opportunities and would add new development to the Downtown area.

The next section will review, on a preliminary basis, the Developer's "but for" argument or rationale for public assistance. The last section of this memorandum will summarize policy questions and requirements for follow up.

3) Need for City Assistance

Project pro formas prepared by the Developer and Laube and Associates, Inc. have been reviewed by Kane, McKenna and are attached as part of Exhibit A. The pro formas present the Developer's rationale for City assistance. The Developer has indicated that rates of return without City assistance are below market requirements. The inclusion of public assistance will result in returns that are at market thresholds – allowing for both lender and equity investments.

	<u>Leveraged Return With City Assistance</u>	<u>Leveraged Return Without City Assistance</u>
Project	13.86%	10.85%
	<u>Unleveraged Return With City Assistance</u>	<u>Unleveraged Return Without City Assistance</u>
Project	8.08%	7.62%

Although the return/profit requirements as presented by the Developer are lower than ranges that we have seen for comparable projects, the key analytical variables are: (i) the basis for revenue estimates, (ii) the basis for cost estimates, and (iii) what will the Project lender require as part of a firm financing commitment?

MEMO
Page 5
April 16, 2009



One approach would be for the City to condition its commitment upon review of the Developer final financing commitment and compare its current financial projections to the updated financial projections as reviewed by its lender.

The "contingent" commitment would allow the City to undertake due diligence relating to the Project economics and determine if the City assistance is still required at the time that Project economics are reviewed by its lenders.

One concern relates to the feasibility of the project in its current configuration – project revenues in relation to debt service and operating expenses are negative for 7 to 8 years. Are costs expected to be lower at implementation? What provisions are in place to fund such deficits? Requirements for such deficits would increase equity financing and potentially lower projected returns.

Eligible public costs (similar to TIF) could be land acquisition (\$4,289,644) and a portion of site preparation costs (\$178,000).

- a) The annual rental prices for units are projected at \$2.57/s.f., which is at the higher end of the market study (adjusted for 2011 schedule) but no finance commitments are in place to support underwriting assumptions.
- b) The Developer's estimate for construction costs appear within cost ranges, but garage numbers are at the higher end due to integration with mixed use building components:

Retail	\$109/s.f.
Garage	\$79/s.f.
Apartments	\$209/s.f.

(Note: these estimates may need to be revised as square footage estimates are refined.)

It is important to note that contingencies of \$2,441,000 are estimated. If the contingency amounts are not funded or certain costs decrease, the \$1,900,000 request is potentially minimized.

- c) Developer estimated soft costs are 7% of the total costs, which is at the lower end of comparable projects.

MEMO

Page 6

April 16, 2009



Two concerns relate to the proposed City commitment:

- 1) In the absence of firm financing commitments, how long would the City need to commit to the Project? Would the commitment track the PUD extension?
- 2) Does the City contemplate additional services or costs associated with the Project? If so, are the projected revenue sharing amounts adequate?

4) Preliminary Project Tax Projections

Exhibit B includes City property tax projections prepared by Kane, McKenna that incorporate developer assumptions (upper range) and Kane, McKenna also prepared a lower range set of assumptions, based on conservative property taxes per unit utilizing comparables.

A) Property Tax Projections – Assumptions:

- a) Lower Range and Upper Range Assumptions include 176 rental units, commercial space: 18,000 s.f.
- b) Growth Rates – 2.5% per year, effective (compounded) at triennial years.
- c) 2007 City Tax Rate of 1.283% used and held constant over 20 years.
- d) 2009 County Assessment rate of 10% applied to apartment/residential uses and 25% applied to commercial uses. The 2007 State Equalizer of 2.8439 is then applied to assessed values to estimate the Equalized Assessed Value (EAV). **Note: the County is instituting revised assessment rates in 2009. The estimates herein are preliminary, pending review of actual County valuation practices.**
- e) The Developer has proposed that the “base” taxes reflect the 2007 market value (it is our understanding that these values have been reduced over the last two years due to vacancy in the property).

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Page 7
April 16, 2009



City Portion Lower Range Assumptions (Exhibit B)

Total/Cumulative Property Taxes (20 years)	\$2,625,939
50% to the City (20 years)	\$1,312,969

Annual taxes range from \$111,000 to \$180,000 over 20 years.

City Portion Upper Range Assumptions (Exhibit C)

Total/Cumulative Property Taxes (20 years)	\$3,832,855
50% to the City (20 years) (note: Developer amount "capped" at \$1,900,000)	\$1,932,855

Annual taxes range from \$163,000 to \$260,000 over 20 years.

In comparison, the City's annual property taxes for the property was \$19,340 in tax year 2007 and \$40,000+ in previous years (2004 to 2006) – when the office property was occupied.

Exhibit B and Exhibit C also include estimated property taxes for the two school districts.

Lower Range Assumptions

Grade School District 65	
Total Cumulative Property Taxes (20 years)	\$5,188,430
Annual taxes range from \$219,000 to \$356,000	
High School District 202	
Total Cumulative Property Taxes (20 years)	\$3,581,756
Annual taxes range from \$151,000 to \$245,000	

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Upper Range Assumptions

Grade School District 65
Total Cumulative Property Taxes (20 years) \$7,513,100

Annual taxes range from \$323,000 to \$514,000

High School District 202
Total Cumulative Property Taxes (20 years) \$5,227,978

Annual taxes range from \$223,000 to \$355,000

B) Sales Tax Projections – Assumptions: (Exhibit D)

- a) Assume 13,000 s.f. tenant (note: this may be revised based upon actual tenant use, the 13,000 s.f. estimate represents one possible utilization of the 18,000 s.f. availability).
- b) Specialty grocer sales of \$1,200/s.f. were utilized including 85% allocation for food/drug sales and 12% allocation for liquor sales. Actual amounts would be dependent on review of the grocer's historical data and any current market studies.
- c) Annual growth rate estimated at 2.5%.
- d) Maximum sales tax distribution to the Developer projected at \$11/s.f. or \$143,000 per year over 15 year proposed sales tax sharing period. This rebate includes only the 1% local distributive share.
- e) Residual sales tax amounts to the City assume: (i) remainder of 1% tax, (ii) home rule 1% tax applied to non food/drug items, and (iii) liquor taxes to the City are estimated assuming that 12% of sales are liquor.

Summary – Sales Taxes

Developer over 15 years:	\$2,145,000
City Sales Taxes over 15 years:	\$878,315
City Liquor Taxes over 15 years:	\$2,176,787

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5) Follow-up Questions

The following policy questions require review by the City prior to agreeing to any business points with the Developer.

- 1) Since no firm financing commitments have been provided by the Developer and underwriting review has not been finalized, the City may want to consider an additional level of review in order to validate the Developer's request for assistance at the time the lender commitment(s) are finalized. The final underwriting criteria would be compared to the Developer pro formas currently submitted (April, 2009) in order to verify that the City assistance is justified based on updated economics.

To the extent that Project revenues (rentals) expenses, or costs are modified, the Project economics can be significantly affected. Under current assumptions, the Project demonstrates lower range returns, but if assumptions change, the City can "recalibrate" its commitment.

- 2) The City's use of local property tax increment, independent of a TIF designation needs careful review. The City may want to identify policy criteria relating to the use of such a program (limiting such assistance to projects in TIF districts that are terminating or near the termination date). The provision of 50% of property taxes allows the City to retain amounts for any projected services (in addition to sales tax amounts described below).
- 3) The proposed sales tax rebate utilizes over 50% of projected sales tax receipts. However, projected liquor tax receipts provide additional revenue to the City. In the event a prospective user does not generate additional revenues to the City, can the sales tax rebate be adjusted?
- 4) The Project generates significant new taxes over current uses, but is the City willing to "jump start" Project/area development through allocation of local taxes? In addition to local tax revenues retained for the City and schools, what other Project features are important to the City?

EXHIBIT A

1890 MAPLE TERM SHEET

I. Project Description

- Carroll Properties, Inc. (the "Developer") intends to redevelop 1890 Maple (the "Property") substantially in accordance with the development plans attached to Ordinance No. 45-O-07 (as amended, the "PD Ordinance"). The development plans include, among other things, the right to construct up to approximately 19,700 square feet of ground floor retail space and 177 dwelling units (collectively, the "Project").
- The City finds that it would be a significant community benefit for all or a significant portion of the first floor commercial space of the Project (the "Grocery Store Space") to be leased to an established grocery store tenant (a "Grocer"), and to such end, the City is willing to provide financial assistance to the Developer as detailed below. The City assistance will narrow the Project's financial gap, provide the Developer with a rate of return that is closer to market standards, and enhance the Project's financial and underwriting feasibility.

2. City Assistance

A. Real Estate Property Taxes Reimbursement

- i. *Amount of Assistance* – The City will provide a maximum of \$1,900,000 of real property tax assistance to the Developer on a "pay as you go" basis" (the "Property Tax Reimbursement"). The Developer will not be entitled to the Property Tax Reimbursement unless and until the conditions for issuance of the Payment Certificate (as defined in Section 3 below) have been satisfied.
- ii. *Payment Source for Property Tax Reimbursement* – The City shall make payments to the Developer from 50% of the City's share of the real estate taxes generated by the Property over and above the 2007 Equalized Assessed Value for Permanent Index Numbers 11-18-112-045-0000 and 11-18-112-046-0000 (i.e., \$1,507,372) (the "Pledged Property Taxes"). The Pledged Property Taxes shall be the sole source for the Property Tax Reimbursement, and such obligation shall not be a general obligation of the City. Payments will be made on an annual basis.
- iii. *Term of Property Tax Reimbursement* – The Property Tax Reimbursement shall terminate on the first to occur of (i) 20 years from issuance of the Payment Certificate, and (ii) the maximum Property Tax Reimbursement having been paid to the Developer.
- iv. *Alternative Form of Payment for Property Tax Reimbursement / Limited Obligation Note* – At the Developer's election, the City's payment obligation shall be evidenced by a tax-exempt, home rule revenue note in the principal amount of \$950,000 (the "Note"). The Note shall have a term of 20 years and shall accrue interest at 7% which shall compound annually; provided however, the maximum amount of principal and interest payments due under the Note shall at no time exceed \$1,900,000 and the City shall have no obligation under any circumstances to reimburse the Developer more than \$1,900,000 in connection with the Property Tax Reimbursement. THE PLEDGED PROPERTY TAXES SHALL BE THE SOLE SOURCE FOR PAYMENT OF THE NOTE AND THE NOTE SHALL CONSTITUTE A LIMITED OBLIGATION OF THE CITY AND DOES NOT NOW AND SHALL NOT CONSTITUTE A GENERAL INDEBTEDNESS OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, AND SHALL NOT CONSTITUTE OR GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER AND SHALL NOT BE SECURED BY THE FULL FAITH AND CREDIT OF THE CITY. The Note shall be in a form reasonably acceptable to the City's

Corporation Counsel and the City Manager. The Note may be issued concurrently with the issuance of the Payment Certificate. The Note may be: (i) assigned or pledged as collateral to the Developer's senior lender or (ii) sold or assigned to a sophisticated or institutional investor. Additionally, the Developer may transfer the Note at any time to: (x) any entity controlling, controlled by, or under the control of the Developer or (y) any entity in which the majority equity interest is owned by the parties that have a majority equity interest in the Developer.

B. Sales Tax Reimbursement

i. *Amount of Assistance* – If the annual rent to be paid by a Grocer for the Grocery Store Space is less than \$38.00 per square foot, the City shall provide financial assistance to the Developer in an amount equal to \$1.00 per square foot (or portion thereof) for each dollar (or portion thereof) that such annual rent is below \$38.00, subject to a maximum of \$11.00 per square foot (the “Sales Tax Reimbursement”). The Developer will not be entitled to the Sales Tax Reimbursement payments unless and until the conditions for issuance of the Payment Certificate have been satisfied.

ii. *Payment Source for Sales Tax Reimbursement* – The City shall pay the Developer the Sales Tax Reimbursement solely from the City's local distributive share of the Retailers Occupation Taxes generated by the Grocery Store Space and paid to the City by the State of Illinois pursuant to the Illinois Retailers Occupation Tax Act (35 ILCS 120/1), as supplemented and amended from time to time, or any substitute sales taxes therefor as provided by the State of Illinois in the future (“Pledged Sales Tax”).

iii. *Term for Sales Tax Reimbursement* – The Sales Tax Reimbursement shall terminate 15 years from the date a Grocer first opens for business and is operating in the Grocery Store Space.

iv. *Verification of Pledged Sales Taxes* – To properly verify the Pledged Sales Taxes generated by the grocery store tenant, the Developer shall provide or cause the grocery store tenant to provide the City with reasonable evidence of the Pledged Sales Taxes generated by the Grocery Store Space.

3. Conditions to Payment

- The City shall have no obligation provide the Sales Tax Reimbursement and the Property Tax Reimbursement unless and until the City issues a Payment Certificate. The City shall have no obligation to issue the Payment Certificate unless and until:
 - A. The Developer has secured construction financing for the Project and has demonstrated to the City's reasonable satisfaction that the Project continues to have a financial gap.
 - B. The Developer has received the building permit for the Project by October 1, 2013 (the outside date for commencing construction under the PD Ordinance);
 - C. The Developer has entered into a lease with a Grocer for not less than 12,000 square feet of the Grocery Store Space; and
 - D. The City has received notice from the Developer that at least 60% of the rental units are occupied and that the Grocer is operating and has commenced paying rent.

4. M/WBE & Local Hiring

- The Developer commits to use good faith efforts to utilize qualified minorities, women, and/or Evanston Residents (in any combination of the three, as the Developer may choose) in connection with the construction of the Project.

City of Evanston
 1890 Maple Avenue Redevelopment Sensitivity Analysis
 Sources and Uses Assumptions (Mixed Use)

<u>USES OF FUNDS:</u>		Pct. of Total
Land Costs:		
Purchase Price	4,289,664	7.17%
Legal/Closing/Survey	0	
Other	0	
Total Land Costs	4,289,664	
Site Development Costs:		
Demolition	178,000	0.30%
Sitework/landscaping/utilities	2,439,000	4.02%
		0.00%
		0.00%
		0.00%
		0.00%
		0.00%
Total Site Development Costs	2,617,000	
Building Costs:		
Building hard costs	43,032,572	71.93%
General conditions	1,689,680	2.82%
Construction management	1,056,050	1.77%
Construction related insurance	425,000	
Contingency	<u>2,441,015</u>	4.08%
Total Building Costs	48,644,317	
Soft Costs		
Architectural and engineering	1,225,000	2.05%
Civil engineering	41,844	0.07%
Entitlements	150,000	0.25%
Permit fees	375,000	0.63%
Zoning/traffic studies	66,512	0.11%
Legal and accounting	125,000	0.21%
Market studies	33,758	0.06%
General insurance	50,000	0.08%
Marketing expenses	100,000	0.17%
Purchase commission		0.00%
Lease commissions	200,000	0.33%
Retail commissions		0.00%
Organization expense plus G & A	54,151	0.09%
Development expenses		0.00%
Interim taxes	125,000	0.21%
Title and closing		0.00%
Development fees	1,200,000	2.01%
Construction management		0.00%
Soft cost contingency	107,013	0.18%
Interim interest - in pro forma		0.00%
Loan fees	374,000	0.63%
Security	50,000	0.08%
		0.00%
Other:		0.00%
Total Soft Costs	<u>4,277,278</u>	
TOTAL USES	59,828,259	

City of Evanston
 1890 Maple Avenue Redevelopment Sensitivity Analysis
 Sources and Uses of Funds (Developer - Mixed Use)

<u>USES:</u>		Pct. of Total
Total Land Costs	4,289,664	7.17%
Site Development Costs	2,617,000	4.37%
Building Costs	48,644,317	81.31%
Tenant improvements		0.00%
Soft Costs, carry, contingency	4,277,278	7.15%
TOTAL USES	59,828,259	

<u>SOURCES:</u>		
With Public Assistance		
Debt	47,862,607	80.00%
Equity	10,065,652	16.82%
Public Funding:	1,900,000	3.18%
TOTAL SOURCES	59,828,259	

Without Public Assistance		
Debt	47,862,607	80.00%
Equity	11,965,652	20.00%
TOTAL SOURCES	59,828,259	

City of Evanston
1090 Maple Avenue Redevelopment Sensitivity Analysis
IRR Analysis (Developer - Mixed Use)

Commercial Retail Assumptions without Public Assistance
Stabilized Analysis

Total Investment	59,020,259		
Refinance Loan	44,564,322	Loan Interest Rate	7.00%
Equity	11,085,652	Loan Term	20 years

Rentals are triple net, tenant pays taxes, insurance, maintenance

	Class Code	Sq. Ft./Use	Rent/Sq. Ft.	Annual
Retail	3	18,000	30.00	604,000
Retail	3			0
Residential units	3	170		5,015,712
				0
Totals				5,699,712

Vacancy	3.00%	Percentage of Gross Revenues
Residential exp.	37.50%	of gross income
Mngmt. %	2.00%	Percentage of Gross Revenues
Maint. on vac.	7.00	Per Sq.Ft. (Maintenance, taxes on vacant space)
Inflation:	1.50%	Annual

Year	Rental Income	Less: Residential exp.	Commercial Management	Commercial Vacancy	Maint. on Vac.	Income Before Debt	Debt Service	NOI
2009	0	0	0	0	0	0	0	0
2010	5,699,712	1,000,092	13,600	20,520	0	3,704,020	4,206,557	-421,937
2011	5,785,208	1,909,105	13,005	20,820	0	3,041,389	4,206,557	-365,167
2012	5,071,988	1,937,742	14,093	21,140	0	3,099,010	4,206,557	-307,547
2013	5,900,060	1,868,800	14,305	21,457	0	3,957,495	4,206,557	-249,061
2014	6,049,467	1,990,310	14,519	21,779	0	4,010,050	4,206,557	-189,699
2015	6,140,209	2,028,255	14,737	22,106	0	4,077,111	4,206,557	-129,446
2016	6,232,312	2,050,640	14,950	22,437	0	4,130,267	4,206,557	-60,209
2017	6,325,798	2,007,490	15,183	22,774	0	4,200,341	4,206,557	-6,215
2018	6,420,803	2,118,011	15,410	23,116	0	4,263,346	4,206,557	56,790

IRR Calculation		P & I schedule			
NOI	Add Residual	Principal	Interest	Principal	Balance
-7,577,848	-7,577,848	0	0	44,564,322	
-4,307,003	-4,307,003	1,087,054	3,119,503	44,564,322	
-421,937	-421,937	1,163,140	3,043,409	43,477,200	
-365,167	-365,167	1,244,560	2,961,980	42,314,120	
-307,547	-307,547	1,331,800	2,074,069	41,060,651	
-249,061	-249,061	1,424,900	2,701,650	39,737,063	
-189,699	-189,699	1,524,050	2,601,907	30,312,057	
-129,446	-129,446	1,631,375	2,575,182	30,708,307	
-60,209	-60,209	1,746,571	2,480,985	35,156,932	
-6,215	-6,215	1,867,761	2,330,795	33,411,961	
56,790	56,790	31,579,474			

IRR Analysis:			
Assumptions		Value 10 yrs.	65,589,944
Cap Rate	6.50%	Less:	
Costs of Sale	1.00%	Costs	655,899
Mortgage		Mortgage	33,411,361
Balance	33,411,361	Residual	31,522,684
		IRR Calculation	9.45%
		note- differences in IRR calculations due to timing of sales	

City of Evanston
1890 Maple Avenue Redevelopment Sensitivity Analysis
IRR Analysis (Developer - Mixed Use)

Commercial Retail Assumptions With Public Assistance
Stabilized Analysis

Total Investment	58,820,259	Loan Interest Rate	7.00%
Refinance Loan	44,584,322	Loan Term	20
Equity	10,065,052		
Public Funding	1,900,000		

	Class Code	Sq. Ft./Use	Rent/Sq. Ft.	Annual
Retail	3	10,000	30.00	604,000
Retail	3	0	0.00	0
Residential units	3	176		5,015,712
Totals		10,176		5,689,712

Vacancy	3.00%	Percentage of Gross Revenues
Reserves	37.50%	of gross income
Mgmt. %	2.00%	Percentage of Gross Revenues
Maint. on vac.	7.00	Per Sq.Ft.
Inflation:	1.50%	Annual

Specify assumptions

Year	Rental Income	Residential exp.	Commercial Management	Commercial Vacancy	Maint. on Vac.	Income Before Debt	Debt Service	NOI
2009	0	0	0	0	0	0	0	0
2010	5,889,712	1,080,892	13,680	20,520	0	3,784,020	4,208,557	-421,937
2011	5,785,200	1,909,105	13,086	20,828	0	3,041,389	4,208,557	-365,167
2012	5,871,800	1,937,742	14,093	21,140	0	3,099,010	4,208,557	-307,547
2013	5,980,086	1,988,000	14,305	21,457	0	3,957,495	4,208,557	-249,061
2014	6,049,467	1,988,310	14,510	21,779	0	4,016,050	4,208,557	-189,899
2015	6,140,209	2,026,255	14,737	22,108	0	4,077,111	4,208,557	-129,446
2016	6,232,312	2,058,049	14,959	22,437	0	4,130,287	4,208,557	-80,200
2017	6,325,796	2,087,490	15,183	22,774	0	4,200,341	4,208,557	-6,215
2018	6,420,883	2,116,811	15,410	23,116	0	4,263,340	4,208,557	56,780

IRR Calculation	NOI	Add Residual	P & I Schedule	Interest	Principal	Balance
	-7,577,848	-7,577,848	0	0	0	44,584,322
	-2,487,803	-2,487,803	1,087,054	3,119,503	0	44,584,322
	-421,937	-421,937	1,183,140	3,043,400	0	43,477,288
	-365,167	-365,167	1,244,588	2,981,800	0	42,314,120
	-307,547	-307,547	1,331,808	2,874,059	0	41,059,551
	-249,061	-249,061	1,424,008	2,701,650	0	39,737,863
	-189,899	-189,899	1,524,650	2,681,907	0	38,312,057
	-129,446	-129,446	1,631,375	2,575,102	0	36,780,307
	-80,200	-80,200	1,745,571	2,460,985	0	35,156,032
	-6,215	-6,215	1,867,761	2,338,795	0	33,411,361
	56,780	31,579,474				

IRR Analysis:			
Assumptions			
Cap Rate	6.50% Value 10 yrs.	05,589,944	IRR Calculation 11.10%
Costs of Sale	1.00% Less:		note- differences in IRR
Mortgage	Costs	856,099	calculations due to
Balance	33,411,361 Mortgage	33,411,361	timing of sales
	Residual	31,522,804	

Carroll Properties
Evanston Project
Gap Analysis
Executive Summary

		<u>Reference</u>
Total Unleveraged Return to Total Cost (Without Municipal Participation)	<u>7.62%</u>	Table 6
Total Unleveraged Return to Total Cost (With Municipal Participation)	<u>8.08%</u>	Table 7
Market Rate Return to Total Cost	<u>13.5% - 15%</u>	
Return to Equity (Without Municipal Participation)	<u>10.85%</u>	Table 8
Return to Equity (With Municipal Participation)	<u>13.86%</u>	Table 9
Market Rate Return to To Equity	<u>22% - 27%</u>	
Request from Evanston (In NPV dollars)	<u>\$1,900,000</u>	

Carroll Properties
 Evanston Project
 Gap Analysis
 Revenue Assumptions

Leased Space	Square Feet	Lease Price Per Square Foot	Total Annual Lease Revenue
First Floor			
Retail Tenant	18,000 \$	38.00 \$	684,000
	<hr/>	<hr/>	<hr/>
Total	<u>18,000</u>	<u>\$</u>	<u>684,000</u>

Total Estimated Non-Recoverable Expenses

CAM	2%
Vacancy Factor	3%
Management Fee	2%

Capitalization Rate 7.00%

Annual Lease Escalation 12%
 (At end of Year 5 only)

Carroll Properties
Evanston Project
Gap Analysis
Cost Assumptions

Cost Item	Amount	2010 or Before	2011
Purchase of Land and Building	\$ 4,289,664	\$ 4,289,664	
Hard Costs			
Demolition	\$ 450,000	\$ 450,000	
Site work/landscaping/site utilities	\$ 178,000	\$ 178,000	
Building sub-structure	\$ 2,439,000	\$ 2,439,000	
Foundation concrete system	\$ 1,079,000	\$ 1,079,000	
Super structure concrete system, concrete core and floor system	\$ 11,845,714	\$ 8,292,000	\$ 3,553,714
Precast concrete			
Masonry	\$ 2,000,000	\$ 1,400,000	\$ 600,000
Metals	\$ 914,000	\$ 639,800	\$ 274,200
Wood and Plastic	\$ 856,000	\$ 599,200	\$ 256,800
Thermal and moisture protection	\$ 1,439,000	\$ 1,007,300	\$ 431,700
Doors and Windows	\$ 774,857	\$ 542,400	\$ 232,457
Exterior Wall System	\$ 4,792,000	\$ 3,354,400	\$ 1,437,600
Interior Finishes	\$ 5,234,286	\$ -	\$ 5,234,286
Specialties	\$ 262,000	\$ -	\$ 262,000
Equipment	\$ 1,688,000	\$ -	\$ 1,688,000
Special Construction	\$ 200,000	\$ -	\$ 200,000
Vertical Transportation system	\$ 755,000	\$ -	\$ 755,000
Mechanical systems:	\$ -	\$ -	\$ -
a. Fire protection system	\$ 1,142,857	\$ 800,000	\$ 342,857
b. Plumbing system	\$ 3,147,429	\$ 2,203,200	\$ 944,229
c. HVAC/temperature control system	\$ 3,115,429	\$ 2,180,800	\$ 934,629
Electrical/life safety system	\$ 3,337,000	\$ 2,335,900	\$ 1,001,100
Developer's contingency costs - Hard	\$ -	\$ -	\$ -
General conditions/ general requirements	\$ 1,689,680	\$ -	\$ 1,689,680
Const. Manager overhead and profit	\$ 1,056,050	\$ -	\$ 1,056,050
General contractor contingency (inc in line items)	\$ -	\$ -	\$ -
Construction related insurance	\$ 425,000	\$ 425,000	\$ -
Developer's contingency costs - Hard	\$ 2,441,015	\$ 1,396,300	\$ 1,044,715
Total Hard Costs	\$ 51,261,317	\$ 29,322,300	\$ 21,939,017
Soft Costs			
Marketing expenses	\$ 100,000	\$ 100,000	\$ -
Building permit fees	\$ 375,000	\$ 375,000	\$ -
Operating expenses - commercial	\$ -	\$ -	\$ -
Real estate taxes (24 months)	\$ 125,000	\$ 125,000	\$ -
Accounting fees	\$ 25,000	\$ 25,000	\$ -
Builder's risk insurance	\$ 50,000	\$ 50,000	\$ -
Architect - design, supervision	\$ 1,000,000	\$ 1,000,000	\$ -
Structural / mechanical engineering fees	\$ 225,000	\$ 225,000	\$ -
Survey / civil engineering fees	\$ 41,844	\$ 41,844	\$ -
Market studies	\$ 33,758	\$ 33,758	\$ -
Zoning / traffic studies / planning	\$ 66,512	\$ 66,512	\$ -
Entitlement costs - per PD Ordinance	\$ 150,000	\$ 150,000	\$ -
Organization Expense	\$ 4,151	\$ 4,151	\$ -
Leasing commissions	\$ 200,000	\$ 200,000	\$ -
Legal fees	\$ 100,000	\$ 100,000	\$ -
Developer's contingency - soft costs	\$ 107,013	\$ 107,013	\$ -
Developer's general and administrative	\$ 50,000	\$ 50,000	\$ -

Carroll Properties
 Evanston Project
 Gap Analysis
 Cost Assumptions

Developer's fee	\$	1,200,000	\$	1,200,000
Financing Fees	\$	374,000	\$	374,000
Security costs	\$	50,000	\$	50,000
<hr/>				
Total Soft Costs	\$	4,277,278	\$	4,277,278
<hr/>				
Total Cost of Project	\$	59,828,259	\$	37,889,242
				\$ 21,939,017

Carroll Properties
Evanston Project
Gap Analysis
Revenue Assumptions

Leased Space	Square Feet	Lease Price Per Square Foot	Total Annual Lease Revenue
First Floor			
Retail Tenant	18,000 \$	38.00 \$	684,000
	<u> \$</u>	<u> \$</u>	<u> -</u>
Total	<u> 18,000</u>	<u> \$</u>	<u> 684,000</u>

Total Estimated Non-Recoverable Expenses

CAM	2%
Vacancy Factor	3%
Management Fee	2%

Capitalization Rate 7.00%

Annual Lease Escalation 12%
(At end of Year 5 only)

Carroll Properties
 Evacuation Project
 Residential Revenue Assumption

Floor	Units	Square Footages	Rent Per Square Foot	Annual Rent	
3rd Floor	Unit 301	796	\$2.57	24,508	
	Unit 302	829	\$2.57	25,217	
	Unit 303	921	\$2.57	28,256	
	Unit 304	1,140	\$2.57	35,099	
	Duplex 205-205	1,739	\$2.62	54,681	
	Duplex 205-206	1,533	\$2.62	48,832	
	Duplex 207-207	1,533	\$2.62	48,832	
	Duplex 206-206	1,576	\$2.62	49,859	
	Duplex 209-209	1,754	\$2.62	55,192	
	4th Floor	Unit 401	796	\$2.57	24,508
Unit 402		829	\$2.57	25,217	
Unit 403		921	\$2.57	28,256	
Unit 404		1,140	\$2.57	35,099	
Duplex 405-505		1,701	\$2.62	53,664	
Duplex 406-506		1,524	\$2.62	48,864	
Duplex 407-507		1,524	\$2.62	48,864	
Duplex 408-508		1,572	\$2.62	49,620	
Duplex 409-509		1,745	\$2.62	54,070	
5th Floor		Unit 501	796	\$2.57	24,508
	Unit 502	829	\$2.57	25,217	
	Unit 503	921	\$2.57	28,256	
	Unit 504	1,140	\$2.57	41,442	
	6th Floor	Unit 602	658	\$2.57	20,013
Unit 603		635	\$2.57	19,291	
Unit 604		658	\$2.57	19,397	
Unit 605		635	\$2.57	19,243	
Unit 606		1,027	\$2.57	31,620	
Unit 607		1,246	\$2.57	39,854	
Unit 608		1,223	\$2.57	46,391	
Unit 609		870	\$2.57	26,628	
Unit 610		890	\$2.57	37,402	
Unit 611		865	\$2.57	31,473	
Unit 612		825	\$2.57	39,243	
Unit 613		765	\$2.57	17,296	
Unit 614		825	\$2.57	39,243	
Unit 616		1,020	\$2.57	31,712	
Unit 617		890	\$2.57	31,758	
Unit 618		890	\$2.57	30,758	
Unit 619		1,011	\$2.57	31,127	
Unit 620		991	\$2.57	30,812	
7th Floor		Unit 701	729	\$2.57	27,246
		Unit 702	650	\$2.57	20,013
	Unit 703	638	\$2.57	19,551	
	Unit 704	650	\$2.57	19,297	
	Unit 705	625	\$2.57	19,243	
	Unit 706	1,027	\$2.57	31,620	
	Unit 707	1,246	\$2.57	42,796	
	Unit 708	1,223	\$2.57	46,891	
	Unit 709	870	\$2.57	30,628	
	Unit 710	890	\$2.57	37,402	
	Unit 711	865	\$2.57	30,473	
	Unit 712	825	\$2.57	39,243	
	Unit 713	765	\$2.57	17,296	
	Unit 714	825	\$2.57	39,243	
	Unit 715	1,159	\$2.57	36,793	
8th Floor	Unit 801	729	\$2.57	27,246	
	Unit 802	650	\$2.57	20,013	
	Unit 803	638	\$2.57	19,551	
	Unit 804	650	\$2.57	19,297	
	Unit 805	625	\$2.57	19,243	
	Unit 806	1,027	\$2.57	31,620	
	Unit 807	1,246	\$2.57	42,796	
	Unit 808	1,223	\$2.57	46,891	
	Unit 809	870	\$2.57	30,628	
	Unit 810	890	\$2.57	37,402	
	Unit 811	865	\$2.57	30,473	
	Unit 812	825	\$2.57	39,243	
	Unit 813	765	\$2.57	17,296	
	Unit 814	825	\$2.57	39,243	
	Unit 815	1,159	\$2.57	36,793	
9th Floor	Unit 901	729	\$2.57	27,246	
	Unit 902	650	\$2.57	20,013	
	Unit 903	638	\$2.57	19,551	
	Unit 904	650	\$2.57	19,297	
	Unit 905	625	\$2.57	19,243	
	Unit 906	1,027	\$2.57	31,620	
	Unit 907	1,246	\$2.57	42,796	
	Unit 908	1,223	\$2.57	46,891	
	Unit 909	870	\$2.57	30,628	
	Unit 910	890	\$2.57	37,402	
Unit 911	865	\$2.57	30,473		
Unit 912	825	\$2.57	39,243		
Unit 913	765	\$2.57	17,296		
Unit 914	825	\$2.57	39,243		

Carroll Properties
 Evansville Project
 Residential Revenue Assumptions

Floors	Units	Square Footage	Rent Per Square Foot	Annual Rent
	Unit 925	1,195	\$2.57	\$30,793
10th Floor				
	Unit 1001	733	\$2.57	\$23,216
	Unit 1002	659	\$2.57	20,013
	Unit 1003	635	\$2.57	19,551
	Unit 1004	620	\$2.57	19,297
	Unit 1005	625	\$2.57	19,243
	Unit 1006	1,027	\$2.57	31,629
	Unit 1007	1,294	\$2.57	42,796
	Unit 1009	1,523	\$2.57	49,891
	Unit 1009	670	\$2.57	20,628
	Unit 1010	690	\$2.57	21,402
	Unit 1011	665	\$2.57	20,475
	Unit 1012	625	\$2.57	19,243
	Unit 1013	565	\$2.57	17,296
	Unit 1014	625	\$2.57	19,243
	Unit 1015	1,195	\$2.57	\$30,793
11th Floor				
	Unit 1101	733	\$2.57	\$23,216
	Unit 1102	659	\$2.57	20,013
	Unit 1103	635	\$2.57	19,551
	Unit 1104	620	\$2.57	19,297
	Unit 1105	625	\$2.57	19,243
	Unit 1106	1,027	\$2.57	31,629
	Unit 1107	1,294	\$2.57	42,796
	Unit 1108	1,523	\$2.57	49,891
	Unit 1109	670	\$2.57	20,628
	Unit 1110	690	\$2.57	21,402
	Unit 1111	665	\$2.57	20,475
	Unit 1112	625	\$2.57	19,243
	Unit 1113	565	\$2.57	17,296
	Unit 1114	625	\$2.57	19,243
	Unit 1115	1,195	\$2.57	\$30,793
12th Floor				
	Unit 1201	733	\$2.57	\$23,216
	Unit 1202	659	\$2.57	20,013
	Unit 1203	635	\$2.57	19,551
	Unit 1204	620	\$2.57	19,297
	Unit 1205	625	\$2.57	19,243
	Unit 1206	1,027	\$2.57	31,629
	Unit 1207	1,294	\$2.57	42,796
	Unit 1208	1,523	\$2.57	49,891
	Unit 1209	670	\$2.57	20,628
	Unit 1210	690	\$2.57	21,402
	Unit 1211	665	\$2.57	20,475
	Unit 1212	625	\$2.57	19,243
	Unit 1213	565	\$2.57	17,296
	Unit 1214	625	\$2.57	19,243
	Unit 1215	1,195	\$2.57	\$30,793
13th Floor				
	Unit 1301	733	\$2.57	\$23,216
	Unit 1302	659	\$2.57	20,013
	Unit 1303	635	\$2.57	19,551
	Unit 1304	620	\$2.57	19,297
	Unit 1305	625	\$2.57	19,243
	Unit 1306	1,027	\$2.57	31,629
	Unit 1307	1,294	\$2.57	42,796
	Unit 1308	1,523	\$2.57	49,891
	Unit 1309	670	\$2.57	20,628
	Unit 1310	690	\$2.57	21,402
	Unit 1311	665	\$2.57	20,475
	Unit 1312	625	\$2.57	19,243
	Unit 1313	565	\$2.57	17,296
	Unit 1314	625	\$2.57	19,243
	Unit 1315	1,195	\$2.57	\$30,793
14th Floor				
	Unit 1401	1,203	\$2.57	40,118
	Unit 1402	1,505	\$2.57	49,337
	Unit 1403	1,192	\$2.57	36,739
	Unit 1406	1,027	\$2.57	31,629
	Unit 1407	1,294	\$2.57	42,796
	Unit 1408	1,523	\$2.57	49,891
	Unit 1410	1,408	\$2.57	45,974
	Unit 1412	1,272	\$2.57	42,912
	Unit 1414	1,110	\$2.57	34,176
Total				\$ 4,988,748
Fee-Rate from 154 Units to 170 Units				\$ 5,018,712
Estimated Operating Expenses of Residential (As a Percentage of Revenue)				27.5%
Capitalization Rate				6.50%
Annual Low-Cost Escalation				1.5%

Carroll Properties
Evanston Project
Capital Structure
Funding Contribution Schedule

Debt Ratio 80%
Equity Ratio 20%

	Total Cost of During Year (Total Cash Need)	Senior Debt Draws	Equity
2010	\$ 37,889,242	\$ 30,311,394	\$ 7,577,848
2011	\$ 21,939,017	\$ 17,551,213	\$ 4,387,803
	<u>\$ 59,828,259</u>	<u>\$ 47,862,607</u>	<u>\$ 11,965,652</u>

Carroll Properties
Evanson Project
Gap Analysis
Unleveraged Return Without Municipal Finance

	<u>2010 or Before</u>	<u>2011</u>
Net Operating Income of Retail	\$	636,120
Sale of Retail (End of Year 2020)		
Less: Disposition Fee		
Net Sale Proceeds		
Net Operating Income of Residential	\$	3,134,820
Sale of Residential (End of Year 2020)		
Less: Disposition Fee		
Net Sale Proceeds		
Total Costs	<u>\$ (37,889,242)</u>	<u>\$ (21,939,017)</u>
Net Cash From Project	<u>\$ (37,889,242)</u>	<u>\$ (18,168,077)</u>
Unleveraged Rate of Return (Without Municipal Finance)		<u>7.62%</u>

Carroll Properties
 Evanston Project
 Gap Analysis
 Unleveraged Return Without Municipal Finance

	2012	2013	2014	2015
Net Operating Income of Retail	\$ 636,120	\$ 636,120	\$ 636,120	\$ 636,120
Sale of Retail (End of Year 2020) Less: Disposition Fee Net Sale Proceeds				
Net Operating Income of Residential	\$ 3,181,842	\$ 3,229,570	\$ 3,278,013	\$ 3,327,184
Sale of Residential (End of Year 2020) Less: Disposition Fee Net Sale Proceeds				
Total Costs				
Net Cash From Project	\$ 3,817,962	\$ 3,865,690	\$ 3,914,133	\$ 3,963,304

Carroll Properties
 Evanston Project
 Gap Analysis
 Unleveraged Return Without Municipal Finance

	2016	2017	2018	2019
Net Operating Income of Retail	\$ 712,454	\$ 712,454	\$ 712,454	\$ 712,454
Sale of Retail (End of Year 2020) Less: Disposition Fee Net Sale Proceeds				
Net Operating Income of Residential	\$ 3,377,091	\$ 3,427,748	\$ 3,479,164	\$ 3,531,351
Sale of Residential (End of Year 2020) Less: Disposition Fee Net Sale Proceeds				
Total Costs				
Net Cash From Project	\$ 4,089,546	\$ 4,140,202	\$ 4,191,618	\$ 4,243,806

Carroll Properties
Evanston Project
Gap Analysis
Unleveraged Return Without Municipal Finance

	<u>2020</u>
Net Operating Income of Retail	\$ 712,454
Sale of Retail (End of Year 2020)	\$ 10,177,920
Less: Disposition Fee	<u>\$ 101,779</u>
Net Sale Proceeds	\$ 10,076,141
Net Operating Income of Residential	\$ 3,584,322
Sale of Residential (End of Year 2020)	\$ 55,143,409
Less: Disposition Fee	<u>\$ 551,434</u>
Net Sale Proceeds	\$ 54,591,975
Total Costs	
Net Cash From Project	<u><u>\$ 68,964,891</u></u>

Carroll Properties
 Evanston Project
 Gap Analysis
 Unleveraged Return With Municipal Finance

	2010 or Before	2011
Net Operating Income of Retail	\$	636,120
Sale of Retail (End of Year 2020)		
Less: Disposition Fee		
Net Sale Proceeds		
Net Operating Income of Residential	\$	3,134,820
Sale of Residential (End of Year 2020)		
Less: Disposition Fee		
Net Sale Proceeds		
NPV of Home Rule Rebate	\$	1,900,000
Total Costs	\$ (37,889,242)	\$ (21,939,017)
Net Cash From Project	\$ (37,889,242)	\$ (16,268,077)
Unleveraged Rate of Return (With Municipal Finance)		<u>8.08%</u>

Carroll Properties
Evanston Project
Gap Analysis
Unleveraged Return With Municipal Finance

	2012	2013	2014	2015
Net Operating Income of Retail	\$ 636,120	\$ 636,120	\$ 636,120	\$ 636,120
Sale of Retail (End of Year 2020)				
Less: Disposition Fee				
Net Sale Proceeds				
Net Operating Income of Residential	\$ 3,181,842	\$ 3,229,570	\$ 3,278,013	\$ 3,327,184
Sale of Residential (End of Year 2020)				
Less: Disposition Fee				
Net Sale Proceeds				
NPV of Home Rule Rebate				
Total Costs				
Net Cash From Project	\$ 3,817,962	\$ 3,865,690	\$ 3,914,133	\$ 3,963,304

Carroll Properties
 Evanston Project
 Gap Analysis
 Unleveraged Return With Municipal Finance

	2016	2017	2018	2019
Net Operating Income of Retail	\$ 712,454	\$ 712,454	\$ 712,454	\$ 712,454
Sale of Retail (End of Year 2020) Less: Disposition Fee Net Sale Proceeds				
Net Operating Income of Residential	\$ 3,377,091	\$ 3,427,748	\$ 3,479,164	\$ 3,531,351
Sale of Residential (End of Year 2020) Less: Disposition Fee Net Sale Proceeds				
NPV of Home Rule Rebate				
Total Costs				
Net Cash From Project	\$ 4,089,546	\$ 4,140,202	\$ 4,191,618	\$ 4,243,806

Carroll Properties
Evanston Project
Gap Analysis
Unleveraged Return With Municipal Finance

	<u>2020</u>
Net Operating Income of Retail	\$ 712,454
Sale of Retail (End of Year 2020)	\$ 10,177,920
Less: Disposition Fee	<u>\$ 101,779</u>
Net Sale Proceeds	\$ 10,076,141
Net Operating Income of Residential	\$ 3,584,322
Sale of Residential (End of Year 2020)	\$ 55,143,409
Less: Disposition Fee	<u>\$ 551,434</u>
Net Sale Proceeds	\$ 54,591,975
NPV of Home Rule Rebate	
Total Costs	
Net Cash From Project	<u><u>\$ 68,964,891</u></u>

Carroll Properties
Evanston Project
Gap Analysis
Leveraged Return to Equity - No TIF

	2010 or Before	2011
Net Operating Income of Retail	\$	636,120
Sale of Retail (End of Year 2016)		
Less: Disposition Fee		
Net Sale Proceeds		
Net Operating Income of Residential	\$	3,134,820
Sale of Residential (End of Year 2016)		
Less: Disposition Fee		
Net Sale Proceeds		
Debt Service Payments	\$	(3,770,940)
Payment of Remaining Principal		
Equity Contributions	\$ (7,577,848)	\$ (4,387,803)
Net Cash From Project	\$ (7,577,848)	\$ (4,387,803)
Leveraged Return to Equity (Without Municipal Finance)		<u>10.85%</u>

Carroll Properties
 Evanston Project
 Gap Analysis
 Leveraged Return to Equity - No TIF

	2012	2013	2014	2015
Net Operating Income of Retail	\$ 636,120	\$ 636,120	\$ 636,120	\$ 636,120
Sale of Retail (End of Year 2016) Less: Disposition Fee Net Sale Proceeds				
Net Operating Income of Residential	\$ 3,181,842	\$ 3,229,570	\$ 3,278,013	\$ 3,327,164
Sale of Residential (End of Year 2016) Less: Disposition Fee Net Sale Proceeds				
Debt Service Payments	\$ (4,206,557)	\$ (4,206,557)	\$ (4,206,557)	\$ (4,206,557)
Payment of Remaining Principal				
Equity Contributions				
Net Cash From Project	\$ (388,595)	\$ (340,867)	\$ (292,423)	\$ (243,253)

Carroll Properties
 Evanston Project
 Gap Analysis
 Leveraged Return to Equity - No TIF

	<u>2016</u>
Net Operating Income of Retail	\$ 712,454
Sale of Retail (End of Year 2016)	\$ 10,177,920
Less: Disposition Fee	<u>\$ 101,779</u>
Net Sale Proceeds	\$ 10,076,141
Net Operating Income of Residential	\$ 3,377,091
Sale of Residential (End of Year 2016)	\$ 51,955,250
Less: Disposition Fee	<u>\$ 519,553</u>
Net Sale Proceeds	\$ 51,435,698
Debt Service Payments	\$ (4,206,557)
Payment of Remaining Principal	\$ (38,312,957)
Equity Contributions	
Net Cash From Project	<u><u>\$ 23,081,870</u></u>

Carroll Properties
 Evanston Project
 Gap Analysis
 Leveraged Return to Equity - With Municipal Finance

	2010 or Before	2011
Net Operating Income of Retail	\$	636,120
Sale of Retail (End of Year 2016) Less: Disposition Fee Net Sale Proceeds		
Net Operating Income of Residential	\$	3,134,820
Sale of Residential (End of Year 2016) Less: Disposition Fee Net Sale Proceeds		
Debt Service Payments	\$	(3,770,940)
Payment of Remaining Principal		
NPV of Home Rule Rebate	\$	1,900,000
Equity Contributions	\$ (7,577,848)	\$ (4,387,803)
Net Cash From Project	\$ (7,577,848)	\$ (2,487,803)
Leveraged Return to Equity (With Municipal Finance)		13.86%

Carroll Properties
Evanston Project
Gap Analysis
Leveraged Return to Equity - With Municipal Finance

	2012	2013	2014	2015
Net Operating Income of Retail	\$ 636,120	\$ 636,120	\$ 636,120	\$ 636,120
Sale of Retail (End of Year 2016)				
Less: Disposition Fee				
Net Sale Proceeds				
Net Operating Income of Residential	\$ 3,181,842	\$ 3,229,570	\$ 3,278,013	\$ 3,327,184
Sale of Residential (End of Year 2016)				
Less: Disposition Fee				
Net Sale Proceeds				
Debt Service Payments	\$ (4,206,557)	\$ (4,206,557)	\$ (4,206,557)	\$ (4,206,557)
Payment of Remaining Principal				
NPV of Home Rule Rebate	\$ -			
Equity Contributions				
Net Cash From Project	\$ (388,595)	\$ (340,867)	\$ (292,423)	\$ (243,253)

Carroll Properties
Evanston Project
Gap Analysis
Leveraged Return to Equity - With Municipal Finance

	<u>2016</u>
Net Operating Income of Retail	\$ 712,454
Sale of Retail (End of Year 2016)	\$ 10,177,920
Less: Disposition Fee	\$ 101,779
Net Sale Proceeds	<u>\$ 10,076,141</u>
Net Operating Income of Residential	\$ 3,377,091
Sale of Residential (End of Year 2016)	\$ 51,955,250
Less: Disposition Fee	\$ 519,553
Net Sale Proceeds	<u>\$ 51,435,698</u>
Debt Service Payments	\$ (4,206,557)
Payment of Remaining Principal	\$ (38,312,957)
NPV of Home Rule Rebate	
Equity Contributions	
Net Cash From Project	<u><u>\$ 23,081,870</u></u>

Carroll Properties
 Evanston Project
 Gap Analysis
 Senior Debt Without Municipal Finance

Principal Draws	Senior Debt Draws
2010	\$ 30,311,394
2011	\$ 17,551,213
2012	
Total Senior Debt Draws	\$ 47,862,607

Maximum Term of Debt (in years) Self Liquidating
 Interest Rate 7.00%
 Refinance Upon Completion of Construction
 Refinance Term 20

Year	Ending Principal Balance	Construction Draw	Interest	Principal	Total Payment
Initial Balance - 2010	\$ 30,311,394	\$ 30,311,394			
2011	\$ 46,213,465	\$ 17,551,213	\$ 2,121,798	\$ 1,649,142	\$ 3,770,940
Refinance Amount to Perm	\$ 44,564,322				
2012	\$ 43,477,268	\$ -	\$ 3,119,503	\$ 1,087,054	\$ 4,206,557
2013	\$ 42,314,120	\$ -	\$ 3,043,409	\$ 1,163,148	\$ 4,206,557
2014	\$ 41,069,552	\$ -	\$ 2,961,908	\$ 1,244,568	\$ 4,206,557
2015	\$ 39,737,861	\$ -	\$ 2,874,869	\$ 1,331,688	\$ 4,206,557
2016	\$ 38,312,957	\$ -	\$ 2,781,650	\$ 1,424,906	\$ 4,206,557
2017	\$ 36,788,308	\$ -	\$ 2,681,907	\$ 1,524,650	\$ 4,206,557
2018	\$ 35,156,932	\$ -	\$ 2,575,182	\$ 1,631,375	\$ 4,206,557
2019	\$ 33,411,361	\$ -	\$ 2,460,985	\$ 1,745,572	\$ 4,206,557
2020	\$ 31,543,599	\$ -	\$ 2,338,795	\$ 1,867,762	\$ 4,206,557
2021	\$ 29,545,094	\$ -	\$ 2,208,052	\$ 1,998,505	\$ 4,206,557
2022	\$ 27,406,694	\$ -	\$ 2,068,157	\$ 2,138,400	\$ 4,206,557
2023	\$ 25,118,606	\$ -	\$ 1,918,469	\$ 2,288,088	\$ 4,206,557
2024	\$ 22,670,352	\$ -	\$ 1,758,302	\$ 2,448,254	\$ 4,206,557
2025	\$ 20,050,720	\$ -	\$ 1,586,925	\$ 2,619,632	\$ 4,206,557
2026	\$ 17,247,713	\$ -	\$ 1,403,550	\$ 2,803,006	\$ 4,206,557
2027	\$ 14,248,496	\$ -	\$ 1,207,340	\$ 2,999,217	\$ 4,206,557
2028	\$ 11,039,334	\$ -	\$ 997,395	\$ 3,209,162	\$ 4,206,557
2029	\$ 7,605,531	\$ -	\$ 772,753	\$ 3,433,803	\$ 4,206,557
2030	\$ 3,931,361	\$ -	\$ 532,387	\$ 3,674,170	\$ 4,206,557
2031	\$ -	\$ -	\$ 275,195	\$ 3,931,361	\$ 4,206,557

Senior Debt
 Without TIF
 Table 10

Carroll Properties
 Evanston Project
 Gap Analysis
 Senior Debt With Municipal Finance

Principal Draws	Senior Debt Draws
2010	\$ 30,311,394
2011	\$ 17,551,213
2012	
Total Senior Debt Draws	\$ 47,862,607

Maximum Term of Debt (in years) Self Liquidating
 Interest Rate 7.00%
 Refinance Upon Completion of Construction
 Refinance Term 20

Year	Ending Principal Balance	Construction Draw	Interest	Principal	Total Payment
Initial Balance - 2010	\$ 30,311,394	\$ 30,311,394			
2011	\$ 46,213,465	\$ 17,551,213	\$ 2,121,798	\$ 1,649,142	\$ 3,770,940
Refinance Amount to Perm	\$ 44,564,322				
2012	\$ 43,477,268	\$ -	\$ 3,119,503	\$ 1,087,054	\$ 4,206,557
2013	\$ 42,314,120	\$ -	\$ 3,043,409	\$ 1,163,148	\$ 4,206,557
2014	\$ 41,069,552	\$ -	\$ 2,961,988	\$ 1,244,568	\$ 4,206,557
2015	\$ 39,737,864	\$ -	\$ 2,874,869	\$ 1,331,688	\$ 4,206,557
2016	\$ 38,312,957	\$ -	\$ 2,781,650	\$ 1,424,906	\$ 4,206,557
2017	\$ 36,788,308	\$ -	\$ 2,681,907	\$ 1,524,650	\$ 4,206,557
2018	\$ 35,156,932	\$ -	\$ 2,575,182	\$ 1,631,375	\$ 4,206,557
2019	\$ 33,411,361	\$ -	\$ 2,460,985	\$ 1,745,572	\$ 4,206,557
2020	\$ 31,543,599	\$ -	\$ 2,338,795	\$ 1,867,762	\$ 4,206,557
2021	\$ 29,545,094	\$ -	\$ 2,208,052	\$ 1,998,505	\$ 4,206,557
2022	\$ 27,406,694	\$ -	\$ 2,068,157	\$ 2,138,400	\$ 4,206,557
2023	\$ 25,118,606	\$ -	\$ 1,918,469	\$ 2,288,088	\$ 4,206,557
2024	\$ 22,670,352	\$ -	\$ 1,758,302	\$ 2,448,251	\$ 4,206,557
2025	\$ 20,050,720	\$ -	\$ 1,586,925	\$ 2,619,632	\$ 4,206,557
2026	\$ 17,247,713	\$ -	\$ 1,403,550	\$ 2,803,006	\$ 4,206,557
2027	\$ 14,248,496	\$ -	\$ 1,207,340	\$ 2,999,217	\$ 4,206,557
2028	\$ 11,039,334	\$ -	\$ 997,395	\$ 3,209,162	\$ 4,206,557
2029	\$ 7,605,531	\$ -	\$ 772,753	\$ 3,433,803	\$ 4,206,557
2030	\$ 3,931,361	\$ -	\$ 532,387	\$ 3,674,170	\$ 4,206,557
2031	\$ -	\$ -	\$ 275,195	\$ 3,931,361	\$ 4,206,557

Senior Debt
 With TIF
 Table 11

EXHIBIT B

[Faint, illegible text follows]

City of Evanston Land Use Range Assumptions
 1090 Maple Avenue
 Preliminary Tax Pro Forma

Levy Year: 2009 2010 2011 2012 2013 2014 2015 2016 2017

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9
1	Apartments	1	176	160,000.00	0	0	4,104,316	8,208,633	8,624,195	8,624,195	8,624,195	9,287,315	9,287,315
2	Retail	3	10,000	150.00	0	0	983,812	1,967,623	2,067,234	2,067,234	2,067,234	2,226,186	2,226,186
3		0	0	0.00	0	0	0	0	0	0	0	0	0
4		0	0	0.00	0	0	0	0	0	0	0	0	0
5		0	0	0.00	0	0	0	0	0	0	0	0	0
Total EAV All Components					0	0	5,088,128	10,176,256	10,691,429	10,691,429	10,691,429	11,513,500	11,513,500
I. Incremental Property Taxes:													
(a) Base EAV					1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372
(b) Incremental EAV					0	0	3,580,756	8,668,884	9,184,057	9,184,057	9,184,057	10,006,128	10,006,128
(c) Tax Rate 1.2830%					1.2830%	1.2830%	1.2830%	1.2830%	1.2830%	1.2830%	1.2830%	1.2830%	1.2830%
(d) Total Est. Incremental Property Taxes City Portion					0	0	0	45,941	111,222	117,831	117,831	117,831	128,379
(e) Incremental Property Taxes for Redevelopment													
Costs : 50.00%					0	0	0	22,971	55,611	58,916	58,916	58,916	64,189
(f) Cumulative Incremental Property Taxes to Project					0	0	0	22,971	78,581	137,497	196,413	255,329	319,518
(g) Incremental Property Taxes for City													
Costs : 50.00%					0	0	0	22,971	55,611	58,916	58,916	58,916	64,189
(h) Cumulative Incremental Property Taxes to City					0	0	0	22,971	78,581	137,497	196,413	255,329	319,518
Summary Other Districts													
Incremental Property Taxes to Other Taxing Districts			Tax Rate	5.34800%	0	0	0	191,427	463,439	490,900	490,900	490,900	534,920
Cumulative to Other Taxing Districts					0	0	0	191,427	654,868	1,145,845	1,636,025	2,127,005	2,662,732
Incremental Property Taxes to School District 65				2.53500%	0	0	0	90,772	218,756	232,816	232,816	232,816	253,655
Cumulative to Other Taxing Districts					0	0	0	90,772	310,520	543,344	776,160	1,008,976	1,262,631
Incremental Property Taxes to High School District 202				1.75000%	0	0	0	62,663	161,706	160,721	160,721	160,721	176,107
Cumulative to Other Taxing Districts					0	0	0	62,663	214,369	375,090	535,811	696,532	871,639

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Lower Range Assumptions
 1890 Maple Avenue
 Preliminary Tax Pro Forma

Levy Year: 2010 2019 2020 2021 2022 2023 2024 2025

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	Yr. 10	Yr. 11	Yr. 12	Yr. 13	Yr. 14	Yr. 15	Yr. 16	Yr. 17	
1	Apartments	1	178	160,000.00	9,207,315	10,001,422	10,001,422	10,001,422	10,770,430	10,770,430	10,770,430	11,898,503	
2	Retail	3	18,000	150.00	2,226,185	2,397,358	2,397,358	2,397,358	2,581,692	2,581,692	2,581,692	2,780,200	
3		0	0	0.00	0	0	0	0	0	0	0	0	
4		0	0	0.00	0	0	0	0	0	0	0	0	
5		0	0	0.00	0	0	0	0	0	0	0	0	
Total EAV All Components					11,513,500	12,398,780	12,398,780	12,398,780	13,352,130	13,352,130	13,352,130	14,378,704	
I. Incremental Property Taxes:													
(a) Base EAV					1,507,372								
(b) Incremental EAV					10,006,128	10,891,408	10,891,408	10,891,408	11,844,758	11,844,758	11,844,758	12,871,412	
(c) Tax Rate 1.2830%					1.2830%								
(d), Total Est. Incremental Property Taxes City Portion					120,379	120,379	139,737	139,737	139,737	151,968	151,968	151,968	
(e) Incremental Property Taxes for Redevelopment													
Costs : 50.00%					64,109	64,109	69,868	69,868	69,868	75,984	75,984	75,984	
(f) Cumulative Incremental Property Taxes to Project					383,707	447,897	517,765	587,633	657,502	733,486	809,470	885,454	
(g) Incremental Property Taxes for City					64,109	64,109	69,868	69,868	69,868	75,984	75,984	75,984	
Costs : 50.00%					383,707	447,897	517,765	587,633	657,502	733,486	809,470	885,454	
(h) Cumulative Incremental Property Taxes to City													
Summary Other Districts													
Incremental Property Taxes to Other Taxing Districts				Tax Rate	5.34600%	534,928	534,928	602,255	602,255	582,255	633,221	633,221	633,221
Cumulative to Other Taxing Districts						3,197,860	3,732,508	4,314,842	4,897,097	5,479,352	6,112,572	6,745,793	7,379,014
Incremental Property Taxes to School District 65					2.53600%	253,655	253,655	276,097	276,097	276,097	300,265	300,265	300,265
Cumulative to Other Taxing Districts						1,516,287	1,760,842	2,046,939	2,322,136	2,598,234	2,898,499	3,198,763	3,499,027
Incremental Property Taxes to High School District 202					1.75000%	175,107	175,107	190,600	190,600	190,600	207,283	207,283	207,283
Cumulative to Other Taxing Districts						1,046,746	1,221,853	1,412,453	1,603,053	1,793,652	2,000,936	2,208,219	2,415,502

City of Evanston Land Use Change Assumptions
 1090 Maple Avenue
 Preliminary Tax Pro Forma

Levy Year: 2026 2027 2028 2029 2030

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	Yr. 18	Yr. 19	Yr. 20	Yr. 21	Yr. 22
1	Apartments	1	176	160,000.00	11,590,593	11,590,593	12,490,406	12,490,406	12,490,406
2	Retail	3	10,000	150.00	2,700,200	2,700,200	2,993,972	3,068,821	3,145,541
3		0	0	0.00	0	0	0	0	0
4		0	0	0.00	0	0	0	0	0
5		0	0	0.00	0	0	0	0	0
Total EAV All Components					14,370,794	14,378,784	15,404,377	15,559,227	15,635,947
I. Incremental Property Taxes:									
(a) Base EAV					1,507,372	1,507,372	1,507,372	1,507,372	1,507,372
(b) Incremental EAV					12,071,412	12,071,412	13,977,005	14,051,855	14,120,575
(c) Tax Rate 1.2030%					1.2030%	1.2030%	1.2030%	1.2030%	1.2030%
(d) Total Est. Incremental Property Taxes City Portion					165,140	165,140	165,140	179,325	180,205
(e) Incremental Property Taxes for Redevelopment									
Costs : 50.00%					82,570	82,570	82,570	89,662	90,143
(f) Cumulative Incremental Property Taxes to Project					968,024	1,050,594	1,133,164	1,222,827	1,312,970
(g) Incremental Property Taxes for City									
Costs : 50.00%					82,570	82,570	82,570	89,662	90,143
(h) Cumulative Incremental Property Taxes to City					968,024	1,050,594	1,133,164	1,222,827	1,312,970
Summary Other Districts									
Incremental Property Taxes to Other Taxing Districts			Tax Rate	5.34600%	600,108	600,108	600,108	747,211	761,212
Cumulative to Other Taxing Districts					8,087,120	8,765,226	9,443,331	10,190,542	10,941,754
Incremental Property Taxes to School District 65				2.63500%	326,290	326,290	326,290	354,317	356,215
Cumulative to Other Taxing Districts					3,825,318	4,161,608	4,477,898	4,832,215	5,188,430
Incremental Property Taxes to High School District 202				1.75000%	225,260	225,260	225,260	244,598	245,907
Cumulative to Other Taxing Districts					2,640,752	2,866,868	3,091,251	3,335,849	3,581,750

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Lower Range Assumptions
 1890 Maple Avenue
 Carroll Properties Development

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Avg. Initial Market Value Sq. Ft./Unit	Sq. Ft. Generating Sales Tax	Avg. Initial Sales Sq. Ft./Unit	% Sales Taxable (Local Sales Tax)	% Sales Taxable (Nonc HR Ref. Sales Tax)
1	Apartments	1	176	160,000.00	0	0	0.00%	0.00%
2	Retail	3	18,000	150.00	18,000	300	1.00%	0.20%
Totals								

Notes:

Class Codes:

Exempt	0
Industrial (6B Eligible)	1
Industrial	2
Commercial	3
Residential	4
Vacant Land	5

Preliminary estimate of residential market value

Project NOI less retail	3,134,820	
does not include real estate taxes		
Estimate of Assessor's cap rate	10.0000%	
Tax Rate		N/A
Fully loaded cap rate	10.0000%	
Estimate of FMV	31,348,200	178,114.77 per unit
Estimate of discount rate	90%	
Adjusted FMV	28,213,380	160,303.30 per unit
Assessment rate	10%	
Multiplier	2.8439	
Equalized Assessed Value	8,023,603	\$2,982 taxes per unit

City of Evanston
 1890 Maple Avenue
 General Assumptions

Sales Tax Inflation Rate (Yr. 1-10)	2.5%
Sales Tax Inflation Rate (11-25)	2.5%
Property Tax Inflation Rate	2.5%
% Inc. Prop. Tax for Project Tax Rate 2007	1.2830%
Equalizer - most recent	2.8439
Industrial Assmnt. Rate	25.0%
Commercial Assmnt. Rate	25.0%
Residential Assmnt. Rate	10.0%
Vac. Land Assmnt. Rate	10.0%
Assmnt. Rate aptmnts.	10.0%
First Levy Year	2009
First Tax Collection Yr.	2010
Annual Absorption of Units	100.0%
Local Sales Tax Rate	1.0%
Home Rule Tax	1.0%
Base Sales Taxes	0
Homeowners Exemption	0
Initial Absorption Rates:	
1	50.0%
2	50.0%
3	100.0%
4	100.0%
5	100.0%
6	100.0%
7	100.0%
8	100.0%
9	100.0%
10	100.0%

Year	Reassess. Factor	Sales Inflation Factor
2009	100.00%	100.00%
2010 *	102.50%	102.50%
2011	102.50%	105.06%
2012	102.50%	107.69%
2013 *	107.69%	110.38%
2014	107.69%	113.14%
2015	107.69%	115.97%
2016 *	115.97%	118.87%
2017	115.97%	121.84%
2018	115.97%	124.89%
2019 *	124.89%	128.01%
2020	124.89%	131.21%
2021	124.89%	134.49%
2022 *	134.49%	137.85%
2023	134.49%	141.30%
2024	134.49%	144.83%
2025 *	144.83%	148.45%
2026	144.83%	152.16%
2027	144.83%	155.97%
2028 *	155.97%	159.87%
2029	155.97%	163.86%
2030	155.97%	167.96%
2031 *	167.96%	172.16%
2032	167.96%	176.46%
2033	167.96%	180.87%
2034 *	180.87%	185.39%
2035	180.87%	190.03%
2036	180.87%	194.78%
2037 *	194.78%	199.65%
2038	194.78%	204.64%
2039	194.78%	209.76%

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Lower Range Assumptions
 1890 Maple Avenue
 Absorption Assumptions

Absorp. Year	Annual Units/Sq. Ft. Occupied				
	1	2	3	4	5
2009					
2010					
2011	176	18,000			
2012					
2013					
2014					
2015					
Totals	176	18,000	0	0	0

Component Name		Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Adj. Equalized Assessed Value	Homeowners Exemption	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Apartment		1	176	160,000.00	0.00%	0.00%	100.00%	0	10.00%	0	2.04390	0	0	0	1.203%	0
2	Retail		3	10,000	150.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
3			0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
4			0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
5			0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
6	N/A		0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
7	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
8	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
9	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
10	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
11	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
12	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
13	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
14	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
15	N/A		3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
Totals											0		0		0		0

Component Name		Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Adj. Equalized Assessed Value	Homeowners Exemption	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Apartment		1	176	160,000.00	0.00%	0.00%	102.50%	0	10.00%	0	2.04390	0	0	0	1.203%	0
2	Retail		3	10,000	150.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
3			0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
4			0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
5			0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
6	N/A		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
7	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
8	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
9	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
10	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
11	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
12	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
13	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
14	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
15	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
Totals											0		0		0		0

Component Name		Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmnt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Adj. Equalized Assessed Value	Homeowners Exemption	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Apartment		1	176	160,000.00	50.00%	100.00%	102.50%	14,432,000	10.00%	1,443,200	2.04390	4,104,316	0	4,104,316	1.203%	52,050
2	Retail		3	10,000	150.00	50.00%	100.00%	102.50%	1,303,700	25.00%	345,930	2.04390	803,012	0	803,012	1.203%	12,622
3			0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
4			0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
5			0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
6	N/A		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
7	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
8	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
9	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
10	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
11	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
12	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
13	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
14	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
15	N/A		3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
Totals									15,015,750					5,000,120		65,201	

City of Evanston Lower Range Assumption
1890 Maple Avenue
Base EAV Analysis
Estimate using 2007 EAV data

	<u>PIN</u>	<u>Base EAV</u>
1	11-18-112-045	1,477,238
2	11-18-112-046	30,134
3		
4		0
5		0
6		0
7		0
8		0
9		0
10		0
11		0
12		0
13		0
14		0
15		0
16		0
	Total	1,507,372

EXHIBIT C

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Upper Range Assumptions
 1090 Maple Avenue
 Preliminary Tax Pro Forma

Levy Year: 2009 2010 2011 2012 2013 2014 2015 2016 2017

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9
1	Apartments	1	176	240,000.00	0	0	6,156,475	12,312,949	12,936,293	12,936,293	12,936,293	13,930,972	13,930,972
2	Retail	3	10,000	150.00	0	0	903,812	1,967,623	2,067,234	2,067,234	2,067,234	2,226,185	2,226,185
3		0	0	0.00	0	0	0	0	0	0	0	0	0
4		0	0	0.00	0	0	0	0	0	0	0	0	0
5		0	0	0.00	0	0	0	0	0	0	0	0	0
Total EAV All Components					0	0	7,140,286	14,280,573	15,003,527	15,003,627	15,003,527	16,157,157	16,157,157
I. Incremental Property Taxes:													
(a) Base EAV					1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	1,507,372
(b) Incremental EAV					0	0	5,632,914	12,773,201	13,496,155	13,496,155	13,496,155	14,649,789	14,649,789
(c) Tax Rate 1.2030%					1.2030%	1.2030%	1.2030%	1.2030%	1.2030%	1.2030%	1.2030%	1.2030%	1.2030%
(d) Total Est. Incremental Property Taxes					0	0	0	72,270	163,000	173,156	173,156	173,156	187,957
(e) Incremental Property Taxes for Redevelopment Costs: 50.00%					0	0	0	36,135	81,940	86,578	86,578	86,578	93,978
(f) Cumulative Incremental Property Taxes to Project					0	0	0	36,135	118,075	204,653	291,231	377,809	471,787
(g) Incremental Property Taxes for City Costs: 50.00%					0	0	0	36,135	81,940	86,578	86,578	86,578	93,978
(h) Cumulative Incremental Property Taxes to City					0	0	0	36,135	118,075	204,653	291,231	377,809	471,787
Summary Other Districts													
Incremental Property Taxes to Other Taxing Districts			Tax Rate	5.34600%	0	0	0	301,136	602,855	721,504	721,504	721,504	703,178
Cumulative to Other Taxing Districts			2007		0	0	0	301,136	903,991	1,705,495	2,427,000	3,148,504	3,931,682
Incremental Property Taxes to School District 65				2.53500%	0	0	0	142,794	323,801	342,120	342,120	342,120	371,372
Cumulative to Other Taxing Districts					0	0	0	142,794	466,595	808,723	1,150,850	1,492,970	1,864,350
Incremental Property Taxes to High School District 202				1.75000%	0	0	0	98,576	223,531	236,103	236,103	236,103	256,371
Cumulative to Other Taxing Districts					0	0	0	98,576	322,107	558,290	794,472	1,030,655	1,287,026

City of Evanston
 1090 Maple Avenue
 Preliminary Tax Pro Forma

Levy Year: 2010 2019 2020 2021 2022 2023 2024 2025

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	Yr. 10	Yr. 11	Yr. 12	Yr. 13	Yr. 14	Yr. 15	Yr. 16	Yr. 17
1	Apartments	1	176	240,000.00	13,930,972	15,002,133	15,002,133	15,002,133	16,155,667	16,155,667	16,155,667	17,397,075
2	Retail	3	10,000	150.00	2,226,185	2,397,358	2,397,368	2,397,358	2,501,692	2,501,692	2,501,692	2,700,200
3		0	0	0.00	0	0	0	0	0	0	0	0
4		0	0	0.00	0	0	0	0	0	0	0	0
5		0	0	0.00	0	0	0	0	0	0	0	0
Total EAV All Components					16,157,157	17,399,491	17,399,491	17,399,491	10,737,349	10,737,349	10,737,349	20,170,075
I. Incremental Property Taxes:												
(a) Base EAV					1,507,372							
(b) Incremental EAV					14,649,785	15,892,119	15,892,119	15,892,119	17,229,977	17,229,977	17,229,977	18,670,703
(c) Tax Rate 1.2830%					1.2830%							
(d) Total Est. Incremental Property Taxes					107,967	107,957	203,096	203,096	203,096	221,061	221,061	221,061
(e) Incremental Property Taxes for Redevelopment												
Costs : 50.00%					93,970	93,970	101,940	101,940	101,940	110,530	110,530	110,530
(f) Cumulative Incremental Property Taxes to Project					589,765	699,744	761,692	863,640	965,608	1,076,118	1,186,648	1,297,179
(g) Incremental Property Taxes for City												
Costs : 50.00%					93,970	93,970	101,940	101,940	101,940	110,530	110,530	110,530
(h) Cumulative Incremental Property Taxes to City					589,765	699,744	761,692	863,640	965,608	1,076,118	1,186,648	1,297,179
Summary Other Districts												
Incremental Property Taxes to Other Taxing Districts				Tax Rate	5.34600%	703,170	703,170	849,593	849,593	849,593	921,115	921,115
Cumulative to Other Taxing Districts				2007	4,714,959	5,490,037	6,347,629	7,197,222	8,046,815	8,967,929	9,889,044	10,810,159
Incremental Property Taxes to School District 65					2.63500%	371,372	371,372	402,865	402,865	402,865	436,780	436,780
Cumulative to Other Taxing Districts					2,235,722	2,607,094	3,009,959	3,412,824	3,815,689	4,262,469	4,699,249	5,126,029
Incremental Property Taxes to High School District 202					1.75000%	256,371	256,371	270,112	270,112	270,112	301,625	301,625
Cumulative to Other Taxing Districts					1,643,390	1,799,769	2,077,881	2,355,993	2,634,105	2,935,630	3,237,154	3,538,679

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Upper Range Assumptions
 1890 Maple Avenue
 Preliminary Tax Pro Forma

Levy Year: 2026 2027 2028 2029 2030

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	Yr. 10	Yr. 19	Yr. 20	Yr. 21	Yr. 22	
1	Apartments	1	176	240,000.00	17,397,876	17,397,876	10,735,609	10,735,609	10,735,609	
2	Retail	3	10,000	150.00	2,780,200	2,780,200	2,993,972	3,068,021	3,145,541	
3		0	0	0.00	0	0	0	0	0	
4		0	0	0.00	0	0	0	0	0	
5		0	0	0.00	0	0	0	0	0	
Total EAV All Components					20,178,076	20,178,076	21,729,500	21,804,430	21,881,150	
I. Incremental Property Taxes:										
(a) Base EAV					1,507,372	1,507,372	1,507,372	1,507,372	1,507,372	
(b) Incremental EAV					10,670,703	10,670,703	20,222,208	20,207,058	20,373,778	
(c) Tax Rate 1.2030%					1.2030%	1.2030%	1.2830%	1.2830%	1.2830%	
(d) Total Est. Incremental Property Taxes					239,646	239,545	239,545	269,451	260,411	
(e) Incremental Property Taxes for Redevelopment										
Costs : 50.00%					119,773	119,773	119,773	129,725	130,208	
(f) Cumulative Incremental Property Taxes to Project					1,416,951	1,536,724	1,656,496	1,786,222	1,916,427	
(g) Incremental Property Taxes for City										
Costs : 50.00%					119,773	119,773	119,773	129,725	130,208	
(h) Cumulative Incremental Property Taxes to City					1,416,951	1,636,724	1,866,496	1,786,222	1,916,427	
Summary Other Districts										
Incremental Property Taxes to Other Taxing Districts				Tax Rate	5.34600%	998,136	998,136	998,136	1,081,079	1,085,081
Cumulative to Other Taxing Districts				2007		11,008,294	12,806,430	13,804,566	14,885,645	15,970,726
Incremental Property Taxes to School District 65					2.63500%	473,302	473,302	473,302	512,633	514,630
Cumulative to Other Taxing Districts						6,699,332	6,072,634	6,545,936	7,058,569	7,573,100
Incremental Property Taxes to High School District 202					1.75000%	326,737	326,737	326,737	353,009	355,199
Cumulative to Other Taxing Districts						3,866,416	4,192,164	4,518,891	4,872,779	5,227,978

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Upper Range Assumptions
 1890 Maple Avenue
 Carroll Properties Development

Component Name	Project Description	Class Code	Sq. Ft./ # Units	Avg. Initial Market Value Sq. Ft./Unit	Sq. Ft. Generating Sales Tax	Avg. Initial Sales Sq. Ft./Unit	% Sales Taxable (Local Sales Tax)	% Sales Taxable (None HR Ref. Sales Tax)
1	Apartments	1	176	240,000.00	0	0	0.00%	0.00%
2	Retail	3	18,000	150.00	18,000	300	1.00%	0.20%
Totals								

Notes:

Preliminary estimate of residential market value

Class Codes:				
Exempt	0	Project NOI less retail	3,134,820	
Industrial (6B Eligible)	1	does not include real estate taxes		
Industrial	2	Estimate of Assessor's cap rate	7.5000%	
Commercial	3	Tax Rate		N/A
Residential	4	Fully loaded cap rate	7.5000%	
Vacant Land	5	Estimate of FMV	41,797,600	237,486.36 per unit
		Estimate of discount rate	90%	
		Adjusted FMV	37,617,840	213,737.73 per unit
		Assessment rate	10%	
		Multiplier	2.8439	
		Equalized Assessed Value	10,698,138	\$3,976 taxes per unit

PRELIMINARY - FOR DISCUSSION PURPOSES ONLY

City of Evanston Upper Range Assumptions
 1890 Maple Avenue
 General Assumptions

Sales Tax Inflation Rate (Yr. 1-10)	2.5%
Sales Tax Inflation Rate (11-25)	2.5%
Property Tax Inflation Rate	2.5%
% Inc. Prop. Tax for Project Tax Rate 2007	1.2830%
Equalizer - most recent	2.8439
Industrial Assmnt. Rate	25.0%
Commercial Assmnt. Rate	25.0%
Residential Assmnt. Rate	10.0%
Vac. Land Assmnt. Rate	10.0%
Assmnt. Rate aprtmnts.	10.0%
First Levy Year	2009
First Tax Collection Yr.	2010
Annual Absorption of Units	100.0%
Local Sales Tax Rate	1.0%
Home Rule Tax	1.0%
Base Sales Taxes	0
Homeowners Exemption	0
Initial Absorption Rates:	
1	50.0%
2	50.0%
3	100.0%
4	100.0%
5	100.0%
6	100.0%
7	100.0%
8	100.0%
9	100.0%
10	100.0%

Year	Reassess. Factor	Sales Inflation Factor
2009	100.00%	100.00%
2010 *	102.50%	102.50%
2011	102.50%	105.06%
2012	102.50%	107.69%
2013 *	107.69%	110.38%
2014	107.69%	113.14%
2015	107.69%	115.97%
2016 *	115.97%	118.87%
2017	115.97%	121.84%
2018	115.97%	124.89%
2019 *	124.89%	128.01%
2020	124.89%	131.21%
2021	124.89%	134.49%
2022 *	134.49%	137.85%
2023	134.49%	141.30%
2024	134.49%	144.83%
2025 *	144.83%	148.45%
2026	144.83%	152.16%
2027	144.83%	155.97%
2028 *	155.97%	159.87%
2029	155.97%	163.86%
2030	155.97%	167.96%
2031 *	167.96%	172.16%
2032	167.96%	176.46%
2033	167.96%	180.87%
2034 *	180.87%	185.39%
2035	180.87%	190.03%
2036	180.87%	194.78%
2037 *	194.78%	199.65%
2038	194.78%	204.64%
2039	194.78%	209.76%

City of Evanston Upper Range Assumptions
 1890 Maple Avenue
 Absorption Assumptions

Absorp. Year	<u>Annual Units/Sq. Ft. Occupied</u>				
	1	2	3	4	5
2009					
2010					
2011	176	18,000			
2012					
2013					
2014					
2015					
Totals	176	18,000	0	0	0

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2009																
Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Adj. Equalized Assessed Value	Homeowners Exemption	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Apartments	1	176	240,000.00	0.00%	0.00%	100.00%	0	10.00%	0	2.04390	0	0	0	1.203%	0
2	Retail	3	10,000	150.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
3		0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
4		0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
5		0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
6	N/A	0	0	0.00	0.00%	0.00%	100.00%	0	0.00%	0	2.04390	0	0	0	1.203%	0
7	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
8	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
9	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
10	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
11	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
12	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
13	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
14	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
15	N/A	3	0	0.00	0.00%	0.00%	100.00%	0	25.00%	0	2.04390	0	0	0	1.203%	0
Totals									0					0		0

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2010																
Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Adj. Equalized Assessed Value	Homeowners Exemption	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Apartments	1	176	240,000.00	0.00%	0.00%	102.50%	0	10.00%	0	2.04390	0	0	0	1.203%	0
2	Retail	3	10,000	150.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
3		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
4		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
5		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
6	N/A	0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
7	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
8	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
9	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
10	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
11	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
12	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
13	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
14	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
15	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
Totals									0					0		0

Estimated Equalized Assessed Valuation for Tax Assessment Year: 2011																
Component Name	Project Description	Class Code	Sq. Ft./ # Units	Market Value Sq. Ft./Unit	% Occupied for Year	% Occupancy	Reassmt. Factor	Property Value	Assessment Level	Assessed Value	Equalization Factor	Adj. Equalized Assessed Value	Homeowners Exemption	Equalized Assessed Value	Tax Rate	Real Estate Taxes
1	Apartments	1	176	240,000.00	50.00%	100.00%	102.50%	21,840,000	10.00%	2,104,800	2.04390	6,158,475	0	6,158,475	1.203%	70,900
2	Retail	3	10,000	150.00	50.00%	100.00%	102.50%	1,303,750	25.00%	345,930	2.04390	903,812	0	903,812	1.203%	12,622
3		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
4		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
5		0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
6	N/A	0	0	0.00	0.00%	0.00%	102.50%	0	0.00%	0	2.04390	0	0	0	1.203%	0
7	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
8	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
9	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
10	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
11	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
12	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
13	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
14	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
15	N/A	3	0	0.00	0.00%	0.00%	102.50%	0	25.00%	0	2.04390	0	0	0	1.203%	0
Totals								23,031,750					7,140,286		91,610	

EXHIBIT D

Sales tax inflation factor 2.50%

1890 Maple Retail Sales Tax Analysis
 Proposed Specialty Grocery Store
 Assume 13,000 s.f. user
 and 15 year term of incentive

Project S.F. 13,000

	2009	2010	2011	2012	2013	2014	2015
Projected Sales Taxes:							
Sales Subject to 1% Local Sales Tax		15,600,000	15,990,000	16,389,750	16,799,494	17,219,481	17,649,968
Assume specialty grocer with liquor sales			2.50%	2.50%	2.50%	2.50%	2.50%
Sales Subject to 1% Home Rule Sales Tax		2,340,000	2,398,500	2,458,463	2,519,924	2,582,922	2,647,495
Assumes 85% food/drug sales and 15% subject to HR tax							
Grocery Store local sales tax 1%	0	156,000	159,900	163,898	167,995	172,195	176,500
Grocery Store home rule sales tax 1%	0	23,400	23,985	24,585	25,199	25,829	26,475
home rule							
Total	-	179,400	183,885	188,482	193,194	198,024	202,975
Base Allocations:							
City Base Year allocation	Not applicable	-	-	-	-	-	-
Net for Project and City excluding home rule tax	-	156,000	159,900	163,898	167,995	172,195	176,500
Project Allocation	-	-	-	-	-	-	-
Assume \$11/s.f. maximum amount per yr.		143,000	143,000	143,000	143,000	143,000	143,000
Assume \$11/s.f. maximum amount per yr. to developer		143,000	143,000	143,000	143,000	143,000	143,000
Cumulative		143,000	286,000	429,000	572,000	715,000	858,000
Remainder to City (1% share)		13,000	16,900	20,898	24,995	29,195	33,500
Cumulative		13,000	29,900	50,797	75,792	104,987	138,487
City Allocation 1% plus Home Rule Tax		36,400	40,885	45,482	50,194	55,024	59,975
Cumulative		36,400	77,285	122,767	172,961	227,985	287,960
Additional Tax							
Liquor Tax	6.00%						
Projected Liquor Sales		1,872,000	1,918,800	1,966,770	2,015,939	2,066,338	2,117,996
Projected Liquor Tax		112,320	115,128	118,006	120,956	123,980	127,080
Cumulative		112,320	227,448	345,454	466,411	590,391	717,471

Sales tax inflation factor 2.50%

1090 Maple Retail Sales Tax Analysis
 Proposed Specialty Grocery Store
 Assume 13,000 s.f. user
 and 15 year term of incentive

Project S.F. 13,000

	2016	2017	2018	2019	2020	2021
Projected Sales Taxes:						
Sales Subject to 1% Local Sales Tax	18,091,217	18,543,498	19,007,005	19,482,262	19,969,319	20,468,552
Assume specialty grocer with liquor sales	2.50%	2.50%	2.50%	2.50%		
Sales Subject to 1% Home Rule Sales Tax	2,713,683	2,781,525	2,851,063	2,922,339	2,995,398	3,070,283
Assumes 85% food/drug sales and 15% subject to HR tax						
Grocery Store local sales tax 1%	180,912	185,435	190,071	194,823	199,693	204,686
Grocery Store home rule sales tax 1%	27,137	27,816	28,511	29,223	29,954	30,703
home rule						
Total	208,049	213,250	218,581	224,046	229,647	235,388
Base Allocations:						
City Base Year allocation	Not applicable	-	-	-	-	-
Net for Project and City excluding home rule tax	180,912	185,435	190,071	194,823	199,693	204,686
Project Allocation	-	-	-	-	-	-
Assume \$11/s.f. maximum amount per yr.	143,000	143,000	143,000	143,000	143,000	143,000
Assume \$11/s.f. maximum amount per yr. to devel	143,000	143,000	143,000	143,000	143,000	143,000
Cumulative	1,001,000	1,144,000	1,287,000	1,430,000	1,573,000	1,716,000
Remainder to City (1% share)	37,912	42,435	47,071	51,823	56,693	61,686
Cumulative	176,399	218,834	265,905	317,728	374,421	436,106
City Allocation 1% plus Home Rule Tax	65,049	70,250	75,581	81,046	86,647	92,388
Cumulative	353,009	423,259	498,841	579,887	666,534	758,922
Additional Tax						
Liquor Tax	6.00%					
Projected Liquor Sales	2,170,946	2,225,220	2,280,860	2,337,871	2,396,318	2,456,226
Projected Liquor Tax	130,257	133,513	136,851	140,272	143,779	147,374
Cumulative	847,727	981,241	1,118,092	1,258,364	1,402,143	1,549,517

Sales tax inflation factor

2.50% 1890 Maple Retail Sales Tax Analysis
 Proposed Specialty Grocery Store
 Assume 13,000 s.f. user
 and 15 year term of incentive

Project S.F. 13,000

	2022	2023	2024	2025
Projected Sales Taxes:				
Sales Subject to 1% Local Sales Tax	20,980,266	21,504,772	22,042,392	22,593,451
Assume specialty grocer with liquor sales				
Sales Subject to 1% Home Rule Sales Tax	3,147,040	3,225,716	3,306,359	3,389,018
Assumes 85% food/drug sales and 15% subject to HR tax				
Grocery Store local sales tax 1%	209,803	215,048	220,424	225,935
Grocery Store home rule sales tax 1% home rule	31,470	32,257	33,064	33,890
Total	241,273	247,305	253,488	259,825
Base Allocations:				
City Base Year allocation	Not applicable	-	-	-
Net for Project and City excluding home rule tax	209,803	215,048	220,424	225,935
Project Allocation				
Assume \$11/s.f. maximum amount per yr.	143,000	143,000	143,000	
Assume \$11/s.f. maximum amount per yr. to devel	143,000	143,000	143,000	
Cumulative	1,859,000	2,002,000	2,145,000	2,145,000
Remainder to City (1% share)	66,803	72,048	77,424	225,935
Cumulative	502,909	574,957	652,381	878,315
City Allocation 1% plus Home Rule Tax	98,273	104,305	110,488	259,825
Cumulative	857,195	961,500	1,071,988	1,331,812
Additional Tax				
Liquor Tax	6.00%			
Projected Liquor Sales	2,517,632	2,580,573	2,645,087	2,711,214
Projected Liquor Tax	151,058	154,834	158,705	162,673
Cumulative	1,700,574	1,855,409	2,014,114	2,176,787

EXHIBIT D

M/W/EB GUIDELINES

[Attached]

**CITY OF EVANSTON SPECIFICATION FOR
MINORITY, WOMEN & EVANSTON BUSINESS
ENTERPRISE PARTICIPATION**

I. POLICY

- A. It is the policy of the City of Evanston to provide contracting and subcontracting opportunities to Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs) and Evanston Businesses Enterprises (EBEs). In complying with these policies, Bidders are required to take affirmative steps to assure that MBEs, WBEs, and EBEs are used to supply equipment, products, construction related services, and professional services. Please note: the City of Evanston references **49 Code of Federal Regulations Part 26** to evaluate compliance with the provisions of this Specification for M/W/EBE Participation.
- B. It is the policy of the City of Evanston that, in consideration of the award of this contract, the bidder shall utilize Minority, Women and Evanston owned businesses to perform no less than 25% of the awarded Contract. The City of Evanston strongly encourages a minimum 3% utilization of EBEs (**see attached Ordinance 8-O-01 for EBE definition**).
- C. The documentation identified in item IV. A must be submitted for our records.
- D. M/W/EBE Contractor "Self Performance": In the event an MBE, WBE, and/or EBE is awarded the contract, the firm must perform no less than 25% of the total contract work with their own resources. For example, if the contract value totals \$400,000 the MBE, WBE and/or EBE prime contractor must perform at least \$100,000 of the job with its own labor, materials, etc.

II. MBE, WBE and EBE Participation and Credit

- A. A list of firms located in Evanston is available from the City of Evanston's, Business Development Coordinator. The City of Evanston, however, makes no representation as to such firms' capabilities.

Bidders should also consult the directories and lists of certified Minority and/or Women owned firms distributed by the following agencies: the City of Chicago, the Illinois Department of Transportation, the Women's Business Development Center, the Chicago Minority Business Development Council, Cook County, the Illinois Business Enterprise Program, Black Contractors United, Federation of Women Contractors or the Hispanic American Construction Industry Association.

ALL MBE, WBE and EBE FIRMS MUST COMPLETE THE AFFIDAVIT OF MBE, WBE and EBE STATUS AND SUBMIT APPLICABLE CERTIFICATIONS.

- B. An MBE's, WBE's and EBE's participation will be credited at 100% if used as:
1. A prime contractor

2. A joint venture partner with at least 25% interest
 3. A subcontractor using its own resources
 4. An equipment lessor
- C. Material purchases from an MBE, WBE and/or EBE supplier, fabricator or manufacturer will be credited as follows:
- a. 60% of the subcontract value for materials from an MBE, WBE and EBE supplier that regularly deals the product in the normal course of business.
 - b. 100% from an MBE, WBE and/or EBE manufacturer.
 - c. 100% from an MBE, WBE and/or EBE fabricator; or from an MBE, WBE and/or EBE supplier that substantially alters or changes the material before resale to a contractor.
- D. Services such as surveying, site clean up and security will be credited at 100%.
- E. Other expenditures made to MBEs, WBEs and EBEs are subject to City approval in so far as they are allowable credits for participation in the project.

III. PRE-CONTRACT AWARD OBLIGATIONS

Bidders are required by the City of Evanston to advertise subcontracting opportunities in the Dodge Report or legal notice section of a newspaper of general circulation in the Chicago Metropolitan area such as, the Chicago Tribune or the Chicago Sun Times, for two consecutive days not less than 10 working days prior to the day of bid opening. The notice must include a definitive evaluation method for the proposals or quotations submitted by Minority, Women and Evanston firms. These criteria must not be restrictive or exclusionary (see “**Suggested Advertisement for M/W/EBE Participation**”). Please note: the requirement for advertising for M/W/EBE participation is waived if the bidder complies with the policy statement of Section I.B above without advertising.

IV. PRE-CONTRACT AWARD EVALUATION OF MBE/WBE/EBE UTILIZATION

- A. To demonstrate compliance with the City of Evanston’s MBE/WBE/EBE utilization policy, Bidders shall provide the following items with their bid.

FAILURE TO SUBMIT THE DOCUMENTATION OUTLINED IN ITEMS A.1 THROUGH A.6 SHALL CAUSE THE BID TO BE DETERMINED NON-RESPONSIVE AND REJECTED.

1. Bidder must submit a completed, signed and notarized affidavit entitled “*Letter of Intent to Comply with the City of Evanston’s M/W/EBE Policy.*” This form indicates the Bidder’s intention to utilize MBEs, WBEs and EBEs in accordance with the policy

outlined herein. This document also includes a declaration regarding the Prime's lack of controlling interest in the M/W/EBE firm.

2. *"Certificate of Publication"* setting forth the dates of publication and a copy of the Dodge Report Notice or the newspaper notice.
3. A completed, signed and notarized Schedule A entitled *"M/W/EBE Utilization Plan."* The plan includes a description, the percentage and the dollar value of the work to be performed by the scheduled MBE, WBE and/or EBE firms. Note: Schedule A should clearly demonstrate the required 25% MBE/WBE/EBE participation.
4. Completed, signed, and notarized Schedule B entitled *"Letter of Intent to Perform."* This form must be submitted for each firm listed on Schedule A and should be signed by the Bidder and the MBE or WBE or EBE. Additionally it must describe the work to be performed with the corresponding subcontract dollar amount. The information on Schedule B must match the information on Schedule A.
5. Schedule C entitled *"Affidavit of Joint Venture (MBE/WBE/EBE)"* must be submitted for a joint venture between an MBE or WBE or EBE and a non MBE/WBE/EBE. This form need not be submitted if all joint venturers are MBEs, WBEs and/or EBEs. In such a case, a written joint venture agreement between the MBE, WBE and EBE partners must be submitted. In all proposed joint ventures, each MBE, WBE and/or EBE partner must submit a copy of their current Certification Letter.
6. Completed, signed, and notarized *"Affidavit of MBE/WBE/EBE Status"* from the scheduled firms attesting that they are an MBE, WBE or EBE. *Please note that an MBE or WBE cannot receive MBE or WBE participation credit in a specialty area for which the MBE or WBE is not certified.*

COPIES OF MBE AND WBE CERTIFICATIONS FROM OTHER AGENCIES MUST BE ATTACHED TO THE AFFIDAVITS. EBE STATUS WILL BE VERIFIED BY THE CITY OF EVANSTON BUSINESS DEVELOPMENT OFFICE.

OR BIDDERS MAY SUBMIT

7. A completed *"M/W/EBE Participation Waiver Request"* and the *"Certification of Publication"* as described in item 2 above.

V. WAIVER REQUIREMENTS

- A. If the bidder has acted in accordance with the policy outlined herein, but is unable to achieve the required MBE/WBE/EBE participation, the Bidder must seek a waiver or modification of the utilization percentage by submitting *"M/W/EBE Participation Waiver Request."* The City of Evanston's Business Development Coordinator (BDC) will determine if the request shall be granted.

B. Upon request from the City, the Bidder has 10 calendar days to submit supporting documentation for the waiver request to the BDC. The Bidder's failure to provide sufficient documentation to support the waiver or modification request will cause the bid/proposal to be found non-responsive by the City and the bid will be rejected. The documentation used in the consideration of the waiver request must include but not be limited to a summary of the contact made, copies of correspondence, phone logs and certified mail receipts, etc.

C. For the MBE/WBE/EBE waiver or modification request to receive consideration, the following information must be submitted within the time frame noted above:

1. A narrative describing the Bidder's efforts to secure Minority, Women and Evanston Business Enterprise Participation prior to bid opening.
2. In instances where the Bidder has not received inquiries or proposals from qualified Minority, Women and Evanston owned businesses in response to the required advertisement prior to bid opening, the Bidder must provide a notarized affidavit attesting to this circumstance.
3. Names (of owners), addresses, telephone numbers, date and time of contact and method of contact of qualified Minority, Women and Evanston owned businesses who submitted proposals to the Bidder as a result of the advertisement but were not found acceptable. Detailed reasons and justifications for each non-acceptance must be provided.
4. Names (of owners), addresses, telephone numbers, date and time of contact of at least 15 qualified Minority, Women and Evanston owned businesses the Bidder solicited for proposals for work directly related to the advertised Bid, prior to the bid opening. (Copies of letters and proof of mailing must be attached).

The direct solicitation to businesses must include specific project information and the type of work sought.

D. To determine whether or not the Bidder should be granted a waiver request, the City may, in addition to the information provided for in V.C. above, request verification that consideration was given to the following areas while the Bidder attempted to achieve MBE/WBE/EBE participation.

1. That the work slated for MBE/WBE/EBE participation is real in scope and was selected to increase the likelihood of achieving the stated utilization percentage;
2. That potential MBEs/WBEs/EBEs were negotiated with in good faith.
3. That conditions were not imposed on MBEs/WBEs/EBEs that were not also imposed on all other subcontractors; and

4. That benefits ordinarily conferred on subcontractors for the type of work were not denied to the MBEs/WBEs/EBEs.
- E. If the Bidder has been unable to meet the 3% EBE goal, a detailed written explanation about the Bidder's efforts must be provided.

VI. POST-CONTRACT AWARD COMPLIANCE

- A. Within 15 calendar days after the Notice to Proceed has been issued to the Contractor, copies of subcontracts between the MBE, WBE EBE and the prime contractor must be submitted to the BDC.
- B. The Contractor shall utilize the MBEs, WBEs, and EBEs listed on Schedule A and submitted with the bid to provide the work, materials and/or services indicated, unless said firm(s) cannot provide the work, materials and/or services:
 1. In a timely manner for completion of the work in accordance with the project schedule;
 2. To the standards of quality set forth in the Contract documents; and/or;
 3. For the price originally quoted to the Contractor in preparing the Bid.

OR

4. Because of substantial changes (approved by the City of Evanston) in the scope of work that will materially reduce or eliminate the scheduled work for the firms listed on the Schedule A, M/W/EBE Utilization Plan.
5. A monthly M/W/EBE Participation Summary is required for projects that will exceed three months duration. The summary shall state in the upper right corner, the report number, the name of the general contractor, the project name and total cost. The report format, by columniation, should define prime contractors, their trades and the dollar amount of each executed contract. Further, M/W/EBE subcontractors shall be listed in conjunction with their primes, the dollar amount awarded for each executed contract and the M/W/EBE percentage. The dollar amount awarded to each classification, i.e., MBE/WBE/EBE should be itemized at the bottom of the Summary then aggregated to reflect the total dollar amount and percentage of MWEBE participation (see **M/W/EBE Participation Summary**).

Any and all proposed changes to the Schedule A, M/W/EBE Utilization Plan must be promptly reported to the BDC. Appropriate corresponding documentation must clearly explain the reasons for the change in accordance with the circumstances outlined in items VI. B1 to VI. B4 noted above. The explanation must set forth with particularity the Contractor's efforts to prevent any project-related delays or problems.

The documentation shall also include information on any proposed substitutions and a plan demonstrating how the Contractor intends to meet the City of Evanston's M/W/EBE policy.

The documentation will be reviewed for its acceptability and the Business Development Coordinator will outline any necessary corrective actions to be taken. If the contractor fails to initiate and complete such actions in a timely manner, the appropriate sanctions will be taken. The City of Evanston's decision regarding the Contractor's request for a change, acceptability of and corrective action to be and as taken shall be final.

If there is inappropriate non-utilization or reduced utilization, the City of Evanston will advise the Contractor, in writing, of corrective actions to be taken. Again, if the Contractor fails to initiate and promptly complete such actions, the City of Evanston will institute appropriate sanctions.

- C. All payment requests made to the City of Evanston must include a cumulative M/W/EBE *Utilization Report* on a monthly basis that will be forwarded to the M/W/EBE Business Development Coordinator. The reports must demonstrate compliance with the commitments or include an explanation as to when and how compliance will be achieved. The City may request additional information that demonstrates compliance including, but not limited to waivers of lien, invoices and delivery tickets. Failure to submit the requested information will result in the appropriate sanctions.

VII. NON-COMPLIANCE

Compliance with the MBE, WBE and EBE policy is considered at three stages: initial, interim, and final. Initial compliance includes the commitment to utilize the scheduled firms by including the required documentation at the time of bid submission. Interim compliance includes the utilization of these firms during the course of the project as verified with on site visits, monthly utilization reports, partial waivers of lien, etc. Final compliance is based upon the final amounts paid to the scheduled MBE, WBE and/or EBE as determined by all partial and/or final waivers of lien and/or cancelled checks, or other documentation as requested by the City and provided by the Contractor to indicate the scheduled firm(s) were utilized and compensated accordingly.

Repeated failure to comply with commitments to achieve MBE, WBE and EBE utilization may result in a suspension of bidding privileges with the City of Evanston. Additionally, any matters that appear to be fraudulent will be referred to the Illinois Attorney General or other appropriate law enforcement agency or agencies.

The City of Evanston maintains the right to review the books, records and files relative to MBE, WBE and EBE utilization on this contract and the Contractor agrees to promptly and fully comply with any and all such requests.

Any questions regarding MBE, WBE and EBE compliance are to be directed to Lloyd W. Shepard, Business Development Coordinator, at 847/448-8078. Assistance with identifying M/W/EBE capabilities for construction trades, architects, engineers, landscaping, etc., can be directed but not limited to M/W/EBE Construction Contractor Assistance Organizations in the attached outline.

CITY OF EVANSTON

EMPLOYMENT PROGRAM

POLICY

In an effort to achieve the City's goals for minority, female and Evanston resident participation on City contracts, the Contractor should do their best to undertake the Employment Program as outlined herein.

The program has been designed to encourage employment of minority and/or female residents of Evanston who are economically disadvantaged and/or meet the definition of unemployed or underemployed.

These individuals should be employed primarily in the construction trades, such as laborers, heavy equipment operators, carpenters, concrete finishers, truck drivers and other construction occupations necessary for the project.

PROGRAM DESCRIPTION

Employment Program

1. The contractor should endeavor to utilize minority and/or female residents of Evanston at a rate of 15 percent of the Project's total hours as regular employees and/or as new hires.
2. While employment of minority and/or female Evanston residents in non-construction occupations is encouraged, such employment hours shall not exceed two percent (2%) of the fifteen percent (15%) goal.
3. The participants in the Employment Program shall be minority and/or female residents of Evanston who are currently economically disadvantaged and/or meet the definition of unemployed or underemployed and are able to perform work tasks relative to the project. Individuals who have successfully completed a Job Training Program (including but not limited to a Job Training program on an Evanston project) should also be considered for the Employment Program. Additionally, the Contractor should solicit local social agencies such as CEDA Neighbors at Work, the Youth Job Center of Evanston and/or the Illinois Department of Employment Security (IDES) for referrals. (Please note IDES has a Job Matching System and the Contractor should contact them directly to register any job openings).
4. At the time of award, prior to the start of the contract, the Contractor must submit an estimate of the total number of hours per trade, an estimate of any new hires and a list of the planned workforce. The list should include employee name, address (if an Evanston resident), date hired, gender and ethnicity.

5. During the project, the Contractor shall submit a monthly report that summarizes employee work hours, gender and ethnicity. A sample report format has been attached. A final report should be submitted once the job is completed. Unannounced site visits by City staff will be conducted to verify the reported information.
6. The labor hours of employment shall be considered to be a normal part of the Contractor's work operations and, therefore, are considered to be included in the various unit and lump sum prices included in the Contractor's bid. As such, the costs associated with the Employment Program shall be incidental to overall project costs.
7. Wages paid to Employment Program participants shall be one hundred percent (100%) of the applicable union wage rates for journeymen or equivalent to trade employment classifications.

Any questions regarding the Employment Program should be addressed to the Business Development Coordinator at (847) 448-8078.

Employment Program, Revised 02/2005

SCHEDULE C: Affidavit of Joint Venture (MBE/WBE/EBE)

This form need not be submitted if all joint venturers are MBEs, WBEs and/or EBEs. In such a case, a written joint venture agreement between the MBE, WBE and EBE partners must be submitted. In all proposed joint ventures, each MBE, WBE and/or EBE partner must submit a copy of their current Certification Letter.

All information requested by this Schedule must be answered in the spaces provided. Do not refer to your joint venture agreement except to expand on answers provided on this form. If additional space is required additional sheets may be attached. Please note: the City of Evanston references 49 CFR Part 26 to evaluate compliance with the provisions of Schedule C: Affidavit of Joint Venture (MBE/WBE/EBE).

I. Name of joint venture: _____
Address of joint venture: _____

Phone number of joint venture: _____

II. **Identify each MBE/WBE/EBE joint venture partner(s)**

Name of Firm: _____
Address: _____
Phone: _____
Contact person for matters concerning MBE/WBE compliance: _____

III. **Identify each non-MBE/WBE/EBE joint venture partner(s)**

Name of Firm: _____
Address: _____
Phone: _____

Contact person for matters concerning MBE/WBE compliance:

Describe the role(s) of the MBE, WBE and/or EBE partner(s) in the joint venture

IV. **Attach a copy of the joint venture agreement.**

In order to demonstrate the MBE, WBE and/or EBE joint venture partner's share in the ownership, control, and management responsibilities, and the partner's risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) the contributions of capital and equipment; (2) work items to be performed by the MBE/WBE/EBE's own forces; (3) work items to be performed under the supervision of the MBE/WBE/EBE joint venture partner; and (4) the commitment of management, supervisory and operative personnel employed by the MBE/WBE/EBE to be dedicated to the performance of the project.

V. **Ownership of the Joint Venture**

What are the percentage(s) of MBE/WBE/EBE ownership of the joint venture?

MBE/WBE/EBE ownership percentage(s) _____

Non-MBE/WBE/EBE ownership percentage(s) _____

A. Specify MBE/WBE/EBE percentages for each of the following (provide narrative descriptions and other detail as applicable):

1. Profit and loss sharing: _____

2. Capital contributions:

a. Dollar amounts of initial contribution:

b. Dollar amounts of anticipated on-going contributions:

3. Contributions of equipment (Specify types, quality and quantities of equipment to be provided by each joint venture partner:

4. Other applicable ownership interests, including ownership options or other agreements which restrict or limit ownership and/or control:

5. Provide copies of all written agreements between joint venture partners concerning this project.

6. Identify each current City of Evanston contract, and each contract completed during the past two years by a joint venture of two or more firms participating in this joint venture:

VI. Control of and Participation in the Joint Venture

Identify by name and firm those individuals who are, or will be responsible for, and have the authority to engage in the following management functions and policy decisions. Indicate any limitations to their authority such as dollar limits and co-signatory requirements:

A. Joint venture check signing:

B. Authority to enter contracts on behalf of the joint venture:

C. Signing, co-signing and/or collateralizing loans:

Acquisition of lines of credit:

D. Acquisition and indemnification of payment and performance bonds:

E. Negotiating and signing labor agreements:

F. Management of contract performance. (Identify by name and firm only):

1. Supervision of field operations:

2. Major purchases:

3. Estimating:

4. Engineering:

C. Which partner will be responsible for the preparation of joint venture payrolls:

IX. **Please state any material facts or additional information pertinent to the control and structure of this joint venture**

The undersigned affirm that the foregoing statements are true and correct and include all material information necessary to identify and explain the terms and operations of named joint venture and the intended participation of each partner in the undertaking. Further, the undersigned covenants and agrees to provide to the City of Evanston current, complete and accurate information regarding actual joint venture work and the payment therefor, and any proposed changes in any provision of the joint venture agreement, and to permit the audit and examination of the books, records and files of the joint venture, or those of each partner pertaining to the joint venture by authorized representatives of the City of Evanston.

any material misrepresentation will be grounds for terminating any contract that may be awarded and for initiating action under federal and state laws regarding false statements.

Note: If after filing this Schedule C and before the completion of the joint venture's work on the project, there is any change in the information submitted, the joint venture must submit a revised version of this document to the City of Evanston either directly, or through the prime contractor if the joint venture is a subcontractor.

_____ Name of MBE/WBE/EBE Partner Firm	_____ Name of non-MBE/WBE/EBE Partner Firm
_____ Signature of Affiant	_____ Signature of Affiant
_____ Name and Title of Affiant	_____ Name and Title of Affiant
_____ Date	_____ Date

On this _____ day of _____, 20____, the above signed officers

(names of affiants)

personally appeared and known to me, are the persons described in the foregoing Affidavit, who acknowledged that they executed the same in the capacity herein above stated and for the purpose herein above contained.

IN WITNESS WHEREOF, I hereunto set my hand and seal.

Signature of Notary Public

(SEAL)

Commission Expires: _____

**LETTER OF INTENT TO COMPLY WITH
THE CITY OF EVANSTON'S
M/W/EBE POLICY**

I am _____ of _____, and have
(Title of Affiant) (Name of Firm)

authority to execute this affidavit on behalf of this firm. I _____
(Name of Affiant)

do hereby certify that:

1. This firm will endeavor to award subcontracts having a combined value of at least 25% of the total contract to MBEs, WBEs or EBEs for the procurement of equipment, materials, supplies and/or services required in the performance of this Contract.
2. Neither this firm nor its partners, directors and/or officers has a controlling interest, a conflict of interest, or any other authority to control the activities of the scheduled M/W/EBE firms.

Please note: the City of Evanston references 49 Code of Federal Regulations Part 26 to evaluate compliance with the provisions of this Specification for M/W/EBE Participation.

Signature: _____
(Signature of Affiant)

Date: _____

Corporate Seal (where appropriate)

This instrument was acknowledged before me on this _____ day of _____, by _____ as President (or other authorized officer) of _____
(Firm Name)

(Notary Public Signature)

Notary Seal

Commission Expires: _____

SCHEDULE A M/W/EBE Utilization Plan

The following firms will be utilized in accordance with the Letter of Intent to Comply:

Name of Firm	% of Participation	MBE, WBE or EBE?	Description of work	Dollar Value	Perform 100%?*
TOTAL					

*If the firm is subcontracting more than 10% of its work, an explanation must be provided.

If more than five firms are utilized, please duplicate the form and attach the additional information. (Total and notarization can appear on last page of multiple forms.)

Signed: _____

Date: _____

Corporate Seal (where appropriate)

This instrument was acknowledged before me on this _____ day of _____, by _____ as President (or other authorized officer) of _____ (Firm Name)

(Notary Public Signature)

Notary Seal

Commission Expires: _____

SCHEDULE B
Letter of Intent to Perform

I am _____ of _____, and have
(Title of Affiant) (Name of M/W/EBE Firm)
authority to execute this affidavit on behalf of this firm. I _____
(Name of Affiant)

do hereby certify that:

_____ intends to participate as a
(Name of M/W/EBE Firm)
Subcontractor on the project known as _____
(Project Description)

The Prime Contractor, _____, will award a contract to my
firm in the amount of \$ _____ for _____
(Type of Work)

This notification is pursuant to the Prime Contractor's receipt of an executed agreement
with the City of Evanston.

Signed: _____
(M/W/EBE Subcontractor)

Date: _____

Signed: _____
(Bidder/Prime Contractor)

Date: _____

Corporate Seals (where appropriate)

This instrument was acknowledged before me on this _____ day of _____, by _____ as President
(or other authorized officer) of _____
(Firm Name)

(Notary Public Signature)

Notary Seal

Commission Expires: _____

M/W/EBE PARTICIPATION WAIVER REQUEST

I am _____ of _____, and have authority to
(Title of Affiant) (Name of Firm)

execute this certification on behalf of the firm. I _____ do
(Name of Affiant)

hereby certify that this firm seeks to waive all or part of this M/W/EBE participation goal
for the following reason(s): (**CHECK ALL THAT APPLY. SPECIFIC SUPPORTING DOCUMENTATION
MUST BE ATTACHED.**)

1. No M/W/EBEs responded to our invitation to bid. _____
2. An insufficient number of firms responded to our invitation to bid. _____
3. No subcontracting opportunities exist. _____
4. M/W/EBE participation is impracticable. _____

Please provide a written explanation why M/W/EBE participation is impracticable.

Therefore, we request to waive _____ of the 25% utilization goal for a revised goal of _____%.

Signature: _____
(Signature of Affiant)

Date: _____

Corporate Seal (where appropriate)

This instrument was acknowledged before me on this _____ day of _____, by _____ as President
(or other authorized officer) of _____
(Firm Name)

Notary Seal

(Notary Public Signature)

Commission Expires: _____

SUGGESTED ADVERTISEMENT FOR MINORITY, WOMEN & EVANSTON BUSINESS ENTERPRISE PARTICIPATION*

Notice to Minority, Women and Evanston Business Enterprise

_____, _____, _____ is
(Name of Company) (Address of Company) (Telephone)

seeking qualified Minority, Women and Evanston Businesses for the City of Evanston

_____ **Project for**

subcontracting opportunities in the following areas:

All interested and qualified Minority, Women And Evanston Businesses should contact, in writing, (Certified letter, return receipt requested, Company Contact Person) to discuss the

Subcontracting opportunities. All negotiations must be completed prior to the Bid opening date

of _____.

*The advertisement must clearly state the method of evaluating the proposals or quotations, and the relative importance attached to each criterion. Bidders must uniformly and objectively evaluate the proposals submitted by Minority, Women and Evanston business in response to the advertisement based upon the evaluation criteria stated in the advertisement. The evaluation criteria must not be restrictive or exclusionary.

M/W/EBE Participation Summary

**Sample
M/W/EBE
Participation
Summary**

Name of Project: _____					Sample M/W/EBE Participation Summary		
Gen. Contractor: _____							
Total Cost of Project: _____					Monthly Report: _____		
Prime or Subcontractor	Description of Work	Total Subcontract Value (to date)	Total M/W/EBE Commitment (to date)	M/W/EBE Subcontractor	Type	Subcontract Value	
	Arch. Precast Conc.		100%		WBE		
	Masonry		100%		MBE		
	Caissons/Sheeting		13%		EBE		
	Concrete		22%		EBE		
	Structural Steel		17%		WBE		
	HM/Doors/Hdwe		100%		WBE		
	Windows/Curtainwall		100%		WBE		
	Plumbing		5%		MBE		
	Plumbing		32%		MBE		
	HVAC/Fire Protection		17%		WBE		
	HVAC/Fire Protection		5%		MBE		
	HVAC/Fire Protection		1%		MBE		
	Electrical		14%		WBE		
	Electrical		2%		WBE		
	Electrical		10%		MBE		
	Painting/VWC				EBE		
	Landscaping				EBE		
Subtotal MBE (Minority-Owned Business Enterprise)							
Subtotal WBE (Woman-Owned Business Enterprise)							
Subtotal EBE (Evanston Business Enterprise)							
Total M/W/EBE Participation							
Total M/W/EBE Participation vs. Subcontracts Awarded						%	
Total M/W/EBE Participation vs. Total Contracts Awarded						%	

8-0-01

AN ORDINANCE

**Amending Section 1-1 7-1 (B) of the "Purchase, Sale And
Lease of Real and Personal City Property Ordinance"
to Revise The Definition of "Evanston Business Enterprise"**

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

SECTION 1: That Section 1-1 7-1 (B) of the Evanston City Code of 1979, as amended, be
and it hereby is further amended, by revising the definition of "Evanston Business Enterprises", to
read as follows:

Section 1-17-1 (B): All contracts for the purchase of goods or services with entirely City
funds shall be awarded to the lowest quote/bid price or lowest
evaluated quote/bid price from a responsive and responsible Evanston
Business Enterprise ("EBE") provided the EBE's quote/bid price does
not surpass the lowest quote/bid price or lowest evaluated quote/bid
price from a responsive and responsible nonlocal business by more than
five percent (5%).

Section 1-17-1 (B)(1): An EBE shall mean an entity which is located in or has one or more
offices located in the City for a minimum of one year and which
performs a "commercially useful function".

- (a) An EBE performs a commercially useful function when it is
responsible for execution of the work of the contract and is
carrying out its responsibilities by actually performing,
managing, and supervising the work involved. To perform a
commercially useful function, the EBE must also be
responsible, with respect to materials and supplies used on the
contract, for negotiating price, determining quality and quantity,
ordering the material, and installing (where applicable) and
paying for the material itself. To determine whether an EBE is
performing a commercial useful function, the City will evaluate
the amount of work subcontracted, industry practices, whether
the amount the firm is to be paid under the contract is
commensurate with the work it is actually performing and the
EBE credit claimed for its performance of the work and other
relevant factors.

- (b) An EBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of EBE participation. In determining whether an EBE is such an extra participant, the City will examine similar transactions, particularly those in which EBEs do not participate.
- (c) If an EBE does not perform or exercise responsibility for at least thirty percent (30%) of the total cost of its contract with its own work force, or the EBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, then it is not performing a commercially useful function.
- (d) When an EBE is presumed not to be performing a commercially useful function as provided in Subparagraph 1-17-1 (B) (1) (C), the EBE may present evidence to rebut this presumption. The City may determine that the firm is performing a commercially useful function given the type of work involved and normal industry practices.

Section 1-17-1 (B)(2):

In determining whether a business has been located in Evanston for one year, the MWEBE Committee will consider the following:

- (a) Whether the vendor pays property and/or sales taxes in Evanston; and
- (b) Whether the business entity's address or the address given on the Federal and/or State income tax return is within Evanston.
- (c) The date of issuance of an Evanston Business License.

The City may waive the one-year requirement if the entity provides evidence of a substantial commitment to Evanston.

Section 1-17-1 (B)(3):

Businesses that maintain a distribution warehouse or which manufacture in Evanston will receive EBE credit of sixty percent (60%) and one hundred percent (100%), respectively. Those that do not maintain a distribution warehouse or manufacturing operation but have an office in Evanston will be considered a broker and receive a five percent. (5%) credit.

Section 1-17-1 (B)(4):

Eligibility as an EBE will be periodically reviewed and may be revoked at any time if the entity no longer meets the above requirements.

SECTION 2: That all ordinances or parts of ordinances in conflict herewith are hereby repealed.

SECTION 3: That this ordinance shall be in full force and effect from and after its

passage, approval, and publication in the manner provided by law.

Introduced: February 12, 2001

Adopted: February 26, 2001

Ends Definition of EBE

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312-567-9919 Fax
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