

**Planning & Development Committee
Special Meeting
Minutes of March 3, 2009
Council Chambers 6:00 p.m.
Evanston Civic Center**

Aldermen Present: S. Bernstein, A. Hansen, D. Holmes, L. Jean-Baptiste, E. Moran,
R. Rainey, E. Tisdahl, C. Wollin, M. Wynne

Staff Present: K. Cox, B. Dunkley, D. Marino, B. Newman, R. Russell

Presiding Official: Alderman Moran

DECLARATION OF QUORUM

Chair Moran called the meeting to order at 6:25 p.m., a quorum being present.

ITEMS FOR CONSIDERATION

(P1) Ordinance 32-O-08 Plan Commission Recommendation for a Map Amendment & Planned Development at 708 Church Street

Chair Moran asked whether there was a motion to remove from the table the Ordinance related to 708 Church Street.

Ald. Rainey moved to remove from the table the item regarding 708 Church Street. Ald. Wollin seconded the motion.

The Committee voted unanimously 9-0 to remove Ordinance 32-O-08 from the table.

Ald. Bernstein said he understands that they are proceeding pursuant to the existing ordinances, but he said they tabled it until the expiration of the vote on the Downtown Plan and he wondered why they are not taking it under the Downtown Plan as opposed to the planned development.

Chair Moran asked him to explain his question further, whereupon Ald. Bernstein said the measure has been tabled until the passage of the Downtown Plan, which has now been accomplished. He said he thought that implicit in tabling it until the expiration of the Downtown Plan was so that it would then be subject to the Downtown Plan, where previously they were excluded from the Downtown Plan, so he does not understand why they waited. The height requirement is consistent with the passage of the Plan, but the bonuses and such are different than what the planned development statute requires, or allows, or requests. That is why he said he wondered why they are undertaking this under the current ordinance instead of awaiting the passage of the enabling ordinance for the zoning so it could be undertaken at that time.

Ald. Rainey said the reason she seconded the motion to table the 708 Church Street project until the Downtown Plan was completed is because they knew all along that the Downtown Plan was going to have no legal effect on this project, however there were aldermen who were very concerned about the 708 Church Street project being in the non-existent pipeline and therefore those of them that supported tabling this matter until the Downtown Plan was completed, did so because going forward they did not want to support a project that was going to be so out of scale and so out of sync with the Downtown Plan they were getting ready to support. She warned that if this evening he was going to attempt to delay and do whatever possible to keep this matter from

being discussed in full by this Committee, then he would be doing a disservice in his golden years on the Committee. She said it is important that this Committee finally get an opportunity to express their concerns, their interests and their support if there is any, for this project. She added that it would be judicial of him to allow that to go forward. Ald. Bernstein said he is suggesting that she is cherry picking. He said he voted against the Downtown Plan for several reasons. He explained further that his question is if you are going to take the maximum height from the Downtown Plan, which is in effect what they are purporting to do, it is not without restrictions. It came with the knowledge of the six people who voted for the Downtown Plan that it would not be for free: 25 stories would be for free, which he opposed. The difference between 25 and the maximum of 36 came with the bonuses. He asked why she has changed her mind. He reminded her that back then, he did not see any reason to have a moratorium downtown and he was opposed to the fact that this was being excluded. He also reminded her that years ago there was a discussion about what was going to be included and excluded from the Downtown Plan: there were three projects, two of which never came to fruition and the third was 708 Church Street. He had said at that time that they did not need a moratorium because the reason people were clamoring for a moratorium was because of these three projects. He said he does not understand, now that they have passed the Downtown Plan, why we are getting some without the benefit of the other and he said he would hope that those who supported the Downtown Plan's consideration was dependent upon the bonus situation, which, he added, he does not like. Ald. Rainey responded that he should vote against it, to which he replied that he may, but he explained that his question is, in terms of process and appearances, his understanding was that to the extent that they decided as a Council that a height limitation was consistent with what the 708 Church applicants might ask for, they may come in and try it because they lost the 49 stories and the 38 stories which they asked for. The fall back position was not moving forward expeditiously, but he said he is not trying to belabor anything. Ald. Rainey said they have been dealing with this project for a year and if he has problems with the process, why did he wait until now to say so. She asked him to let the Committee discuss it, but he suggested discussing it in terms of the planning development process. She said they are discussing an ordinance that has not been passed: they have not codified the Downtown Plan. He agreed with this. She said when the Downtown Plan passed, they would remove it from the table if there were the votes to do so but they have voted to take it off the table now, so let's go forward. She said he is trying to discuss an ordinance that does not exist. He said he is not trying to discuss an ordinance that does not exist. What he is trying to do is ask a simple question which is why are they not waiting for the existence of an ordinance which is consistent with the Downtown Plan that they just passed. Ald. Rainey said it is because this was proposed prior to the Downtown Plan. He said he thought the purpose of tabling it was because the applicant would try to conform to the Downtown Plan if it could be conformed.

Chair Moran explained that they moved and it was accepted to hold this until they adopted the Downtown Plan so that they could go forward with the Downtown Plan process and ultimately when they adopted the Downtown Plan they would then review the proposal within the context of what the Committee had gained through the process of working on the Downtown Plan. Ald. Bernstein said that was exactly what he was asking, saying they are taking the height in the context of the Downtown Plan but not the bonus situation. So if in fact, what Ald. Moran just said is correct they should be doing it pursuant to the Downtown Plan. Ald. Moran suggested he keep that in mind while they proceed. Ald. Bernstein agreed.

PRESENTATION OF ADDENDUM OF FEBRUARY 19, 2009 TO 708 CHURCH STREET DEVELOPMENT PROPOSAL

Mr. Steve Friedland, on behalf of the development team, thanked the Committee for scheduling the special meeting to consider the 708 Church Street proposal. He said the planned development had been modified in response to the approved Downtown Plan and comments and suggestions

that the Planning & Development Committee had made as part of the review of the proposal. He said he hopes the Committee will find the modifications both responsive and acceptable.

Mr. Friedland said he thought it would be helpful to review the history of the development before reviewing the revisions in order to add some perspective on where they are at today and perhaps give the Committee a sense of the developers' perspective of the conversation the Committee just had. He said this proposal began with their submittal of a zoning analysis in April 2007, almost 2 years ago; they filed a formal planned development application in June 2007, after this Council adopted the Downtown Plan moratorium ordinance, but specifically excluded this development from the moratorium which allowed the proposal to proceed under the existing zoning ordinance. Their original proposal was for a 49 story building; after 6 Plan Commission meetings the proposal received a positive recommendation from the Plan Commission for the 49 story building. When they brought the project to the Planning & Development Committee last spring, it was clear that 49 stories was an issue for this Committee and as a result they reduced the building height to 38 stories, which was the last proposal that this Committee saw. It was at that point that they were tabled while the Downtown Plan proceeded and they followed that process and now this proposal is specifically exempt from the Downtown Plan pursuant to the City's ordinance. They have nevertheless proposed a modified building to a height of 35 stories and with setbacks that are consistent with and conforming to the form called for under the Downtown Plan.

Mr. Friedland said there would be two parts to their presentation this evening: First, Larry Booth, their architect will present the revisions and explain what they are proposing to change in the building, then Mr. Friedland will highlight some changes to their proposed public benefits which are responsive to the comments and suggestions they have heard from the Committee. Then they will be prepared to take any questions.

Mr. Booth explained the projected slides showing an aerial photo of downtown Chicago and downtown Evanston with a rendering of the finished development at 708 Church, explaining that they feel their response has been consistent with the form based zoning. He said this building centers downtown Evanston, giving it some shape and some form. The next slide was the ground floor plan showing the streetscape of retail on the frontage of Sherman, Church, and Orrington up to the condominium entrance. He pointed out the residential lobby, the parking ramp and the loading dock. He showed the ground floor perspectives explaining that Church Street has ground floor retail spaces with store windows and entrances, designed to enhance the pedestrian shopping experience. The upper stories are set back above the street wall, which is approximately the same height as the Marshall Fields building, to make the base of this building fit into the existing shopping street wall. Parking is concealed behind windows above the store entrances. The Orrington side showed the entry to the condominiums. He said the form of the building follows the form based zoning and it relates to the existing buildings downtown, pointing out that the upper stories will define it as the tallest building in Evanston. He hopes it stays the tallest building in Evanston, and he is sure that if it gets built, they will too. The first step relates to the existing bank buildings and the tallest buildings currently in Evanston. There is another step that relates to some of the midrange buildings, and the next step down is the shopping street wall. So the building is shaped to fit into the existing form of Evanston and they think that is important and that it does fit, and that it will stand the test of time. He concluded that it is a very simple, elegant building which he thinks will be a landmark and a great building, and that we will all be proud of it. He thanked the Committee.

Mr. Friedland next addressed public benefits because he said they understand that they are considering this project under the existing zoning ordinance which requires them to establish public benefits for the development approval they have requested.

He said they originally proposed purchasing the Hahn building, which is next door to 708 Church, and committed to preserve it as a public benefit. They understood from their prior meetings with the Planning & Development Committee that they did not view this commitment as a significant public benefit in the context of their proposal, especially since they were also requesting TIF funds with regard to the renovation of the Hahn Building. As a result they allowed the Hahn Building contract to lapse and furthermore, the developer is no longer requesting any TIF assistance from the City. Instead, the developer proposes to make a \$1 million donation to the City toward the rehabilitation of Fountain Square and that \$1 million donation would be in addition to all the other previously noted public benefits: 1) TIF: The project will generate significant increment to the City. They estimate that throughout the life of the TIF, the building will provide more than \$22 million of revenue for the benefit of the City, saying that this estimate takes into consideration that the building will be completed and sold later than they originally proposed, and adding that their financial projections conservatively assume a full occupation of the building by 2015. 2) The development will provide economic benefits to the City which will be achieved more immediately than the TIF proceeds: City transfer taxes associated with the sale of the building and of the condominium units to ultimate condo purchasers would generate nearly \$900,000 of revenue to Evanston. 3) Building permit fees alone will be approximately \$1.5 million, not to mention jobs that would be created through a project of this size. 4) The developer will make a contribution of \$880,000 under the City's Inclusionary Housing Ordinance and these funds will be available to the City to assist it in achieving its affordable housing goals. 5) The development is also committed to Silver LEED certification which comes at a significant expense of approximately \$3.5 to \$4 million over normal construction costs. 6) The development will continue to enhance the downtown retail core. The entire Downtown Planning process highlights more than ever that downtown Evanston is the current and future economic driver of the City. The retail space proposed for the building will build on the success of other projects and enhance the downtown retail core, thereby strengthening the Evanston economy. Many other suburban municipalities do not have the benefit of a vibrant, economically viable downtown to help drive the economic recoveries for their community. This development supports and improves the downtown retail core and will be ready to proceed immediately once the economic climate improves. In the meantime, the developer has committed to not demolish the existing 708 Church Street building until they have financing in place and are prepared to proceed with construction of the new building. 7) The final public benefit that they have always noted is that the project provides architectural quality and excellence to a significant parcel in downtown Evanston.

Mr. Friedland concluded that the Downtown Plan identifies this block as the central core of the City and they are confident that the building design matches the primary significance of the central core in downtown Evanston. He said the developers would be happy to answer any questions.

CITIZEN COMMENT

Chair Moran said there were 18 people on the public signup list. He asked the speakers to limit their time to 3 minutes. He called the speakers to the podium, 3 names at a time.

Mr. Michael Vasilko of 2728 Reese, said his hope is that the Committee will outright reject the proposal for all the right reasons. He said the majority opinion is that Evanston citizens do not want it, and that there is a cloud of impropriety that hangs over how this project found its way into the Master Plan: bias by the previous Plan Commissioner Chairman, Jim Woods and now by mayoral candidate, Mr. Oplanned developmentycke and there should be no rush whatsoever other than some of the aldermen leaving the Council, for this group to act with such haste concerning this project tonight.

Short of an outright rejection, he said he would like to draw the committee's attention to the architect's use of what is referred to as a mechanical equipment screen, saying the architect is trying to stretch the height of the building using the mechanical equipment screen to visually make the building at least two stories taller than the 35 stories. He explained that it is not clear if this is a room and there is no floor plan of the roof or the penthouse, if it is a penthouse. He added that there doesn't seem to be a need for this much mechanical system space for a building of this size considering there are other floors that deal with mechanical systems. He explained that most likely what happens in many cases like this, adding that he is an architect so he can tell the Committee how they think, you get approval on something that is 2 and a half stories taller than the building height and over time you can slip things in there for uses other than mechanical systems. He challenged the Committee to challenge the architect as to what that space is being used for. He noted that on page 13 of the submittal, there is no height listed for the penthouse screen or the penthouse, or whatever it is, and by scale, since it is not dimensioned, it would push the overall height of the building to over 410 feet versus the 385 feet that it is noted to be. He asked the Committee to look at that particular issue and get more information as to what is being proposed in that location. He thanked the Committee.

Mr. John Zbesko introduced himself, stating that he is as a candidate for 7th Ward Alderman. He said he is not there to speak for or against the proposed tower because it is too late for that: nationally the economy is in a freefall. He said some blame the regulators for not reigning in a surge in subprime mortgage lending for speculative real estate development. He said in Evanston, our regulators, the City Council, never seem to be able to say no to any major development. It continues to approve extensions and new projects with questionable economic viability. He said that businesses and people are already leaving 708 Church Street and several other properties are vacant. He said as this Council reaches the end of its term, its legacy is plain: a glut of condos, four vacant lots, one hole in the ground from a development half completed between Ridge and Oak and most likely a vacant building in the heart of downtown. He concluded that he hopes and prays the next City Council can direct a new phase of balanced economic development that leaves Evanston less prone to busts after booms. He thanked the Committee.

Ald. Wynne asked the developers for clarification on Mr. Vasilko's question about the mechanical penthouse. She said she recognizes that the City does not count mechanical penthouses in the actual height of the building, but in terms of laymen, they think when a building is deemed 385 feet, that means when they are standing on the sidewalk, that is how tall the building actually is. She asked how tall the building is with the mechanical penthouse. Mr. Tim Anderson said the mechanical screen is about 18 to 20 feet. He said this will hide the elevator overrun and any other mechanical equipment up there. He said the intent was to keep the monolithic feel of the tower by keeping them screened at the outside of the building. He added that it is consistent with other projects that have been done in the City. Ald. Wynne clarified that when someone is standing on the sidewalk, they will be looking at a building that is 405'. Mr. Anderson confirmed, to the top of the screen, that is correct.

Dr. Stamata Blanes said she is there to speak in opposition to the proposed project in its current format. She said her main issue with this project is the loss of office space. She has heard that most of the offices on the second floor of 708 Church are closed. The manager walked her around every single office and she found that it is 84% occupied and the loss of space is in the retail, not in the office space, so it is clear throughout Evanston that we have a shortage of office space. She believes if this particular developer chooses to take away that level of office space from this City he needs to come forward with a proposal more than taking away his request for the Hahn Building. She said he bought a historic building, he understands the upkeep and maintenance of that building and the cost of it and we have already spent \$300,000 at Fountain Square so she does not believe \$1 million is really a significant benefit to our City, but office space is and if you are going to place office space in Evanston, why not put it in the core, if you

are going to give it that height, she suggested giving 10 stories of office space and letting us move Evanston forward into the 20th century and a project we need. Chair Moran thanked her.

Ms. Jane Woolley said she moved back to Evanston after being away for 3 years and she is appalled at how much they are still fighting exactly the same battle. She said she was moved to come to the meeting tonight because the last time she was at her ophthalmologist in the 1800 Sherman building, he said the senior partner who was originally her doctor is not staying in Evanston because he does not want to move from that building to try to find another space in Evanston and the junior partner, who she has switched to and who she is quite reliant upon, is going to try to stay in Evanston but is not sure he can because there just is not office space in Evanston. She said she would like to know what this Council thinks it is doing, putting all of its eggs into condominiums and not maintaining doctors and lawyers in downtown Evanston. She said is going to have to go to Glenview to see her ophthalmologist if he does not find office space, and she thinks that is just not taking care of your citizens. She said that is all she has to say other than that she agrees with everything else that the citizens have said about the project tonight. She said she has never seen signs around Evanston like those she has come back to after being abroad, asking that this tower not be built and that now it seems that the citizenry just has no say. Chair Moran thanked her.

Ms. Jessica Feldman of 525 Grove, said she has a question that she wished had come from the Committee first: it was said that the building would be full in 2015, so when do the developers think they will have their funding together to do demolition, how many years will that be down the road from now and in the meantime, what really will be happening at 708 Church? It is now partially empty on the first floor. She asked whether they will offer short term leases in the interim to get it full again and whether they will try to seek retailers for those currently vacant spaces, until they get their funding, as she said she would hate to see a virtually empty building sit there for however many years it will take them to get their funding since they are moving the fill time to 2015 and it could take 3 years to build it and that is a long time from now. She said she is concerned about what is really going to be going on there in the meantime and she hopes the Committee will ask these questions.

Mr. Carl Bova of 1322 Rosalie Street said in his opinion the proposed development height is monstrous, and as others have said, it will exceed 400 feet. He said when the base height is about 25 stories he finds that leap of faith from about 250 to 275 feet to over 400 feet to be unacceptable, saying it will be visible from all points of the City, which he also finds unacceptable because he does not want to see this building whenever he looks up or outward. He said the Floor Area Ratio (FAR) of 15.48 is outrageous and completely inappropriate for a lot this size: the bulk shows up particularly at the garage levels and the very minimal locations where the setback from the garage is only about 10'. He believes the shadows and the physical barriers will be overpowering and pose an unusual question for any potential developments in the future that might be a few blocks away from this development, especially those to the north. He said most proposals include serious discussions about materials and asked when this discussion took place. He said affordable housing is a requirement, not a benefit and he is not impressed by LEED Silver, since it is about to become a requirement for the City so it is not a benefit and furthermore the developer makes no consolation for the possibility that he will not attain certification. He said the tax revenue graph looks too good to be true, and probably isn't true, as others have elaborated on in the past. He brought up the fact that numerous approved developments have been granted 2 to 3 year extensions in recent weeks and asked whether the Committee believes that this project will be built in just a few years. He said that granted that the developer has stated it might be 6 or 7 years until it is fully occupied he asked in the meantime who will be paying, saying we will be losing jobs and the City and its taxpayers will be paying. He said in the meantime we stand at a point in time when the economy is frozen and all we hear about is job creation and job preservation. He said this existing site probably provides upwards of 100 or 200 good jobs for

Evanston professionals and other workers right now and the losses of these needed social and professional services would be a permanent loss of this valuable segment of the Evanston work force. He said an office building, possibly 10 to 15 stories in height, would be far greater and more beneficial especially when it comes to jobs. He referred to one of the images indicating that there would be storage placed underground and asked if storage is allowed underground, why garage space could not be underground. He asked that this proposal be rejected for all of these reasons. He thanked the Committee. Chair Moran thanked him.

Mr. Kevin O'Connor, of 1227 ½ Isabella, candidate for 7th Ward Alderman, urged the Committee to reject this proposal saying he feels that the urgency to rush this project along before a new Council and Mayor is elected is unnecessary and curious. He said it is too bad that the developer has chosen to pay a fee of \$880,000 in lieu of including affordable housing units, and he quoted from their addendum, "Considering the high level of discretionary operating costs included in condominium association dues, we do not believe that affordable housing within the proposed project would be attractive to those pursuing affordable units." He finds it unbelievable that they know what is in the minds of people that are looking and can only afford affordable units. Regarding the TIF, he quoted from the addendum, "In the 20 years after the TIF expiration we expect this project will generate over \$114 million in real estate taxes, a large portion of which will be distributed to the school districts in the City." He said that is true, but what do we do for the 20 years in between if the City or the school districts, or the parks, or other taxing bodies, need money, saying it is a back door tax hike. He said he applauds them for donating \$1 million to Fountain Square, however they should just put a for sale sign out for spot zoning and he asked why this piece of property is more valuable than any other piece of commercial property in Evanston. He concluded the proposal is unfair and inequitable and he again urged the Committee to reject this proposal.

Ms. Judy Fiske of 2319 Sherman Avenue and a candidate for alderman of the 1st Ward said that from the beginning of this process, hundreds of Evanston citizens have stood up in meeting after meeting to ask the Committee to reject this development, saying they have correctly identified this project as a mistake and process as flawed and she asked them to do tonight what the Committee should have done last year: vote it down. She said this project is wrong for the City, wrong for the market and wrong for the future economic viability of downtown Evanston. She said for the past year she has been speaking on the need for additional office space downtown that would allow expanding businesses to remain in Evanston and she is personally aware of at least 4 growing companies that have left downtown Evanston solely because it lacks room to grow: they were her customers and told her their stories. She said Evanston doesn't need more condo towers downtown: we have enough and we're not alone. She referred to Vancouver, the "poster child" of the downtown residential movement saying that last June the City of Vancouver finally put a freeze on new condo development because during the day their downtown was vacant and she knows as a retail store owner that it is the office workers who reliably shop and dine in downtown Evanston during the day and her business spikes during lunch and after 5 with office workers. At the risk of constantly repeating herself, she said, the numbers are clear and persuasive. She said a 10 to 12 story office building would provide as much or more property tax revenue to the City as this 35 story condo and the economic benefits of the thousands of office workers who shop and dine in Evanston each day, are undeniable. As a real estate agent for 20 years, her job was presenting Evanston to potential home buyers and business owners and she said people want to invest in Evanston because there is something special here: a community that can accommodate their development yet provide a small town experience; approachable and customer service oriented businesses and pleasant, pedestrian friendly streets, and that we need to hold on to this. She said our approach to development needs to be smart to be successful and over its long history it has been this careful juxtaposition between new and old, chain store and locally owned, commercial and residential, scale and balance, that has seen downtown Evanston endure and prosper through good times and bad. She said we are in hard times again and you as a Council

must act with care as this developer asks you to bind the City to a project that is risky and unwise. She said that recently the Committee has approved extensions for several developments with the hope that the market will improve and asked the Committee not to put the city in the position of approving this development that is the riskiest of all. She warned the Committee that because they did not act swiftly to defeat this proposal, tenants have abandoned 708 Church Street and hundreds of shoppers and diners that they generated are also gone. She asked whether the Committee understood that when they heard from the Budget Director that sales tax revenue is down. She said the opportunity still exists to return some of that space to productive use and immediately regenerate some of that lost income but warned them that it will not happen without immediate action. Ms. Fiske concluded that the citizens of Evanston need the Committee to be decisive on this issue and not bind the taxpayers or the City to an imprudent development in uncertain times. She said we need income flowing back into downtown Evanston as quickly as possible and told the Committee to vote this down tonight and if they can't do that, leave it to the next Council, who will. She thanked the Committee. Chair Moran thanked her.

Mr. James Wolinski said he felt compelled to speak to the Committee because he supports this project. He said he thinks the project is a handsome building with a quality design and Mr. Klutznik and Mr. Anderson are quality developers who have shown in their work throughout Evanston that they can create a product that we can all be proud of. He said in discussions about the benefits one of the things that disturbed him about the 49 story project was the \$3 million that the developer was requesting for the rehabilitation of the Hahn Building. He said it bothered him that they were asking for the City to pay for the renovation of a building which is marginal, at best. He is glad to hear that they have dropped that request and that they are willing to donate \$1 million to our government's plaza because, while it is easy to scoff over that and say that is not enough, the City has talked about improving that plaza for the last 15 or 20 years and certainly he believes that million dollars will go a long way to making that a handsome plaza. He complimented the Council for the last 20 years on its implementation of the Downtown Plan, which was approved in 1989, which called for mixed use development, saying they have done a wonderful job in revitalizing Evanston's downtown. He explained that those of us that have been in Evanston a long time, and he was born and raised here and worked for the City for a number of years, that the Evanston of the 1950's and 60's was a grand retail place and of course Old Orchard killed that; the Evanston of the late 1970's and middle 80's was not such a great place to be, and it was not until we started getting mixed use development in downtown Evanston that the downtown started to take off again and become a destination oriented place for restaurants, theater, and entertainment. He said he realizes we are going through a rough time now, but things will come back. He said regarding the comment that we have too many condos in downtown and many of them are being rented out, "God forbid we should have renters living in condominiums!" He said he sees renters as people occupying these units and people are what we need on the streets to shop in our stores and to visit our restaurants. So to him it is good if some of the condos are being rented. He is sure they are getting an appreciable amount of money and they are bringing disposable income into the downtown.

Mr. Wolinski said he thought it would be terrific if we got an office building in downtown Evanston, as the last office building we built was at 909 Davis Street and the Mesriow Stein people demanded a heavy Evanston subsidy. He said the Methodist Board Pension office building was just for sale and is now it's become a school and is unfortunately being taken off the tax roles. He wishes the people of the professions who share a critical need for office space would come forward.

Mr. Wolinski said he does not think 708 Church has any major redeeming aesthetic qualities and taking it off the streetscape of Evanston causes no problems for those of them that still love the way Evanston has always looked. He thinks we are still quaint however some of that was lost in 1967 when the City Council approved the black tower that is the State Bank building, but he still

thinks that the Council has done a magnificent job of combining the new and the old in the downtown area, saying we have revitalization and yet we have landmark and historic buildings, so he said he is here to support this project. He believes the condominiums add to the vitality to the downtown. He said it would be nice if there was an office component to it, but this Council turned down an office component in an Optima building several years ago at 1515 Church Street. He said he does not know how much demand there is for office space but certainly there has been a demand for condos, and he thinks that Evanston is still a desirable place to live and he hopes they support this project. Chair Moran thanked Mr. Wolinski.

Ms. Muffy McAuley said she and her husband, John Leinweber, have been converting debilitated properties to live/work loft spaces for lease in Evanston for the past 15 years, principally on Evanston's west side. They also live in southeast Evanston in the Chicago/Main district. She said she is there to speak in support of the proposed 708 Church Street development because she believes that these developers have responded to City staff and the community with modifications that comply with the newly adopted Downtown Plan and that largely address the concerns over design, height and density. She said she understands that its aesthetics are very subjective, but she happens to find the revised model very attractive and preferable to what stands at that location now, so she also applauds this Council on its courage in having transformed Evanston from her earliest days as a student at Northwestern in the 1970's when it was moribund, to what is an incredibly dynamic community today, and that came from realizing that quaint comes at a very high price, but she believes there is room for both. She and her husband do adaptive re-use so they have a lot of respect for history in the edifices in Evanston. That is why their niche market is using buildings as they currently exist and bringing new life to them, but there are instances where that just won't work. She said that what has driven her to speak on this project now is the economy and that we all know at this point that when the financial core is melting down, all the parts that contribute to it are in trouble as well. She said downtown Evanston is the heart of our economy and the extremities are dangerously cold. She said a conversation with the Chicago Main Merchants' Association will confirm that and businesses on the west side are holding on by a thread and vacancies are high. In terms of office space in Evanston, this is one of her real problems with the distinction that has taken place. Evanston is not that big. It is a relatively finite geographic area and there is abundant opportunity on the west side. She knows that six or seven blocks to an el stop might seem like a long distance to some people but there has been a lot of talk about connecting the various economic hubs in Evanston, Chicago/Main, Chicago/Dempster, Central Street, the west side of Evanston, and Church/Dodge, with the downtown core area. She said they have all kinds of office space available and she will be happy to talk to anyone's doctor or architect or lawyer about some really great space that is available in the Dr. Hill community just west of Green Bay Road, in the area where Crain and Florence meet, and in southeast Evanston where there is a huge opportunity for people to relocate their offices to what are vibrant new hubs of economic activity, but those hubs are driven by the core downtown. She said she has heard a lot about density overload: she has not heard any store owners say that they have too many clients, nor of any restaurants turning customers away because it is too crowded, or about the parking garages being filled to capacity - quite to the contrary, businesses in Evanston at the center and in the outlying areas are hurting. The tax burden on property owners grows even as our property values fall. She said the other day she asked Larry Sufferdin, whether the Cook County Assessor will be revising our assessed valuations down since our property values are coming down steeply and frighteningly, and the answer to that was no, so the only possibility for home owners and business owners in Evanston to have some kind of tax relief by increasing the base and she thinks this project will help with that tremendously. She does not think that now is the time to close the door on capital investment, or reject any kind of economic stimulus, much less from a developer who has a positive track record and who has submitted to a rather cumbersome process. She has heard that we should not rush this thing through and does not believe that 2 years of process is a rush. It is not fast, in fact, Evanston has a reputation, certainly among developers, as being a difficult place to do business. Of course, she said, she and

her husband disagree with that. They think it is a wonderful place to do business, but it is not just about this project. It is about a message that you are sending out to the business community in the Chicagoland area and for that matter even regionally, to say, is Evanston open for business or do we want to tuck in our tails and stay small? She does not think we can afford to put the brakes on when communities all around us are groveling for investment dollars. She suggested doing a cost benefit analysis before we send these people who are going to invest in our community away emptyhanded. Ms. McAuley concluded that she supports this project, she lauds the Committee for their courage in having seen beyond quaint to fusion for Evanston's economic vitality and she hopes that they support this. She thanked the Committee. Chair Moran thanked her.

Ms. Diane LeQuar of 1516 Hinman Avenue thanked the Committee for all the time and energy they have put into the Planning & Development Committee and the Council. It is hard work and we need their wisdom and their courage, just as Muffy had said, but she urged the Committee not to approve the ordinance. She said the vast majority of public input about this planned development project and about the Downtown Plan in general have emphatically said no to the addition of an even taller tower at the center of downtown. And quite frankly, she said, approval would make it seem as if that citizen input has counted for nothing. She said this building is not going to save Evanston financially and it looks like spot zoning for the benefit of a single developer. She does not believe the public benefits enumerated in the proposal are sufficient to justify the enormous variances required and that there is a risk that the Hahn Building will come down and we will be looking at a hole for years, a situation that we are not unfamiliar with. While there has been a lot of work on this Committee and the Council and by City staff to improve mixed use development, the list of currently stalled projects should serve as fair warning: The Eastwood on Central Street, the Kendall College site project, the project at Main and Chicago, the ones on Oak Street and Maple Street, the Sienna development, all of which were promised to the citizens as great additions by strong development teams to provide housing stock and revenue to the City. She said we must not ignore the current signs at our peril, we have to have the wisdom to say at what point we are pushing the limits of what the town can handle and what will be to Evanston's benefit. Ms. LaQuar concluded that a quick decision to give away this spot in the heart of Evanston's downtown would be a mistake and she urged the Committee to be careful when they vote and keep all of their constituents in mind, and she thanked them again for their work, saying she understands that it is not easy. Chair Moran thanked her.

Mr. Mark Sloane of 2512 Hartzell Street and a candidate for 6th Ward Alderman, said that the City really needs to consider performance bonds for all development, especially going forward. He understands that the developers have made a commitment not to start construction until they have financing in place, but businesses go out of business daily, and as we see now, financing gets pulled daily, and to have a performance bond in place that allows the City to step in and find another developer to build won't cost anything and is an insurance policy we need if we are going to take on this type of project.

Mr. Sloane continued saying he he thinks the Committee is doing a disservice to the developer by taking this on since they are less than 40 days away from a new Council, which at least four of them will no longer be on, and if he is elected to the Council he will ask the Council to take a look at the last 6 months' worth of decisions that have been made by the previous Council, to at least take ownership and know that they are doing the right thing going forward. He thanked the Committee. Chair Moran thanked him.

Mr. Jonathan Perman, the Executive Director of the Evanston Chamber of Commerce, said he is not here to discuss architecture, aesthetics, zoning or the Downtown Plan, which has already been approved. He said opinions about the proposed building's density, height, and look, are value judgments so any one of us may be right or wrong. He explained that this project presents relatively little risk for the City and that the risk is on the developers and their financing arms. If

the City is able to put in place a performance bond or other guarantees to make sure that we don't have a hole in the ground, he thinks that will satisfy a great deal of the concerns that have been raised tonight and it is within the Committee's power to do that and structure it in such a way that the building does not come down before construction is about to begin.

Mr. Perman said this project represents a tremendous amount of financial resources for the City, though it does not solve all of the financial problems that the City faces today and in the future. He said it could be a major contributing factor in helping overcome some of the systemic issues Evanston is facing now and will continue to face over the next several years. Several analyses have been done and even taking very conservative numbers you are looking at well over 20 to 25 million dollars of new revenue coming into this community only through the end of the TIF and beyond the end of the TIF it goes in a very upward pattern. The other criticism about the financials is that this is money that is going into the TIF. He explained that yes, it is going into the TIF and it happens that the City has created a stellar record at managing TIFs, but more importantly, that money can be used to offset a growing number of liabilities and costs that are in the TIF such as the Sherman Avenue parking garage which right now is not meeting its debt service and operations costs as were anticipated, which, without that additional money would be borne by the general fund by the taxpayer.

Mr. Perman said there is not a lack of office space currently in downtown Evanston, or within Evanston. He said he wishes he could say different. He wishes he could say we were absolutely tight and there is no place to put people, but the fact is that right now we have a fair amount of empty space and the Chamber has provided the City with inventory for that on a number of occasions. The Chamber does a lot of work in transfer of businesses who are leaving a building or a lease, but are staying within Evanston and that opportunity is certainly there with regard to the 708 Church building. He said this project does provide a great deal of new job opportunity, not just during construction, but afterwards in terms of permanent jobs and permanent dollars beyond the tax revenue that is generated because it will create new forms of wealth in this community and that is very important when you look at the full stream of revenues that the City can buy into. He thanked the Committee. Chair Moran thanked him.

Mr. Gene Servillo of 319 Wesley said the volume of response from the citizenry does not represent a majority. If you want to have a referendum, let's do it. But just because people come out and talk about things, doesn't mean that they represent any number of people from the City of Evanston. There are people who have other opinions. He said he would like to see the development go forward. He thanked the Committee. Chair Moran thanked him.

Mr. Ron Fleckman of 1657 Church Street said he has sat through close to 2 years of hearings on this project and has heard lots of comments made for and against. He said he was not intending to, but his reason for speaking this night is to very strongly support the project. When he actually heard earlier that this project has been in the approval process for close to 2 years, he was shocked and then to hear from some of the folks in opposition of the project ask what the rush is, he thought that it does not make any sense. Regarding the comments about an empty hole, he believes the developer made a commitment to not do anything with the Hahn building until they are ready to build, which put the thought into his mind that since everyone is talking about the need for inexpensive retail and office space, Class B space, we have an opportunity in this interim period until the economy gets out of the doldrums, to create an incubator-like setting, where with the vacancies in the retail space of the building could be opened to local people with start up businesses at a reduced rent, get them to a point where they are a growing concern and then move them to some of the other available space around town. Mr. Fleckman said the donation of \$1 million may seem trivial because we are looking at trillion dollar budgets and hundreds of billions of dollars in bailouts, but a million dollars is a lot of money and it seems to him it is also a lot of money to focus into Fountain Square and he had the thought that if there is a concern about

affordable office space in town, why not take that million dollars and use it as a rent subsidy. Let it go to help other startup retail or other businesses get in. It is a million dollar fund that could be used to grow the City.

Mr. Fleckman said regarding the comment by someone who hadn't been in town for a number of years and was amazed by the number of signs opposed to the tower, said he remembers 10 years ago when the movie theater development was going to happen and there were 10 times the number of signs out and the discussions at those times were the world is going to come to an end, stop the malling of Evanston. He said if the movie theater is an example of what a tremendous amount of opposition speaks for, he is not sure the opposition was right then and he does not think it is right now. He said he hopes for Evanston's sake, that the economy turns around and the banking world comes back but if it doesn't, what is the risk to Evanston? The developers will have purchased the building and they will be sitting with a building that is filled with Class B office and retail space. So if the economy, God forbid, does not do anything, we have that space. They are not taking it down. People can use it and there will be a need for it. So he does not understand what the risk is to Evanston. He could understand if they were going to tear it down and there would be a hole in the ground, but they are keeping a viable property open until something that is more viable can take its place. So, he is totally in support of this project, he thinks there are a ton of reasons for it and he thinks the City has absolutely no risk. He thanked the Committee. Chair Moran thanked him.

Ms. Katie Stallcup of 144 Greenwood Street said she is proud to be opposed to this project. It was conceived in 2007, what we now know to be the height of the speculative real estate bubble. The project was wrong for Evanston and didn't make sense then and it certainly does not make sense now. She said it is clear on a worldwide basis that building more and more residential units is not the path to financial stability for our City or any municipal entity and at this point it is very hard to imagine when this project could even get started. She said the developers have repeatedly, seriously misjudged the economics of the housing market so she sees no reason to take seriously their estimates of a positive impact on the financial situation of the City of Evanston at some point in the distant future. She thinks that there should be no rush to approve this project. She said speakers before her have pointed out that there will be changes in the City Council in fairly short order and it is clear that the financial situation of the country and that the lending markets will not allow this project to get started any time in the foreseeable future and she thinks they should vote not to approve the project at this time. She thanked the Committee. Chair Moran thanked her.

Ms. Emily Gaul of 807 Church Street, across the street from 708 Church Street, said she would like to speak in behalf of the hundred residents that live in her building. She said they are all horrified for this building and they pray and ask, if you could imagine if it were next door to you, please either vote against it or wait until the next Council is elected. She thanked the Committee. Chair Moran thanked her.

Mr. Glenn Gray of 807 Davis said he was there to speak in opposition to the project. He said he was confused on the process so he asked the Aldermen about the process that they have all witnessed. He asked the 6 Aldermen who voted for the Downtown Plan to explain the reason behind voting to create all these rules and a downtown core and effectively one location and now to ignore those rules that they worked on for 2 years to determine and create, and vote to allow a 35 story building that would only qualify for 26 stories under rules that they passed last week. He said he is really concerned and confused as to why they would go through 2 years of making a Downtown Plan establishing a core, and then turning around and ignore that process, such as Ald. Bernstein had alluded to. He asked that each one of them to stand up and explain their reasons so that maybe they would understand the concept behind establishing new rules, setting up a downtown core, and then turning around and saying we don't need that downtown core. He

thanked the Committee. Chair Moran thanked him.

Ms. Beth Stephan of 418 Dempster Street said she opposes the construction of this building for many reasons. She said she does not understand the vote of the Council and she does not understand the rush. She was very surprised the last time she stood before the Committee when the 3 people that opposed this stood up and gave their reasons but the people who voted for it did not and she thinks that is wrong when there has been so much time spent by the Committee, the developers and the citizens. She said she feels they owe it to the citizens so they understand what they are thinking. She said developers right now, because of the financial situation are looking at the dark side of the moon. They do not know what their future is and she is sure these gentlemen (the developers) are very, very worried about their future. She said the Council is living in a bubble that has passed and that is the bubble of the construction of the City and where we are now: that bubble is not going to come back. It never will come back unless another 25 years passes and we go into a different economic cycle. We are at a bottom of a cycle that has ended and we are facing a new economy. We don't know what that economy is going to be. We have no idea, not one of us. They don't, I don't, you don't. So she said she made up some questions in thinking about this: where is this market going to go? What market are we going to have? Is it going to come back in 2 years, next year, or in 3 years? And if that market comes back in 3 years, how do you know what the City benefits should be for construction of a building? What do you know your tax situation will even be in the future? How do you know? She said the next Council is going to be living in the new world. She told the Committee that they are still living in the old world and they are basing their decisions on an old world. She said the developers are basing their decisions on an old world but they're hopeful, and this is good. She said that is why we have developers, but they are taking a big risk. She told the Committee they are taking a big risk, saying we all have taken risks and that some of us have taken very, very drastic risks. She said that probably the mortgages that were offered people in order to fill up all of these developments that have been happening for the past 10 to 15 years were highly irregular and that we may go back to the 20% down. She said she wants everyone to think now, she does not know how much they are going to be asking for their condos, whether it will be \$500,000 or \$700,000 so we have to come up with people who will have money for a 20% down payment to live in these luxury condominiums and she is wondering how quickly she could get her money back or any of these people could get their money back so they can come up with a 20% down payment. Also, she warned, it may be possible that we may not be able to write off mortgages. She asked what if the economy comes to the point where you can no longer write off a mortgage? What will that do to everyone? She thinks everyone will be a little bit shaking in their boots but, she said, it could happen - anything is possible. She said we don't know what our benefits will be from this, we don't know what kind of retail will be there. She asked whether the big boxes would come back. She asked if people think once they go bankrupt and they go out of business do they think all of our future economy is going to be able to sustain big boxes - she does not think so. She thinks that is the old economy and we are going to a new economy where everything is going to be smaller. Our banks are going to be smaller, they are going to break all those banks down and there will be small little banks. There are also going to bring in small businesses. Regarding sustainability she said the livable City that we paid all these consultants to talk about how our livable City is going to be, has not been answered because we are going into a new economy and we are going to have a whole new paradigm. And she said what the developers are suggesting is an old paradigm and we need to break things down so it's livable, small and manageable and our banks are going to be smaller and our retail is going to be smaller. She said "corporatization" is going national. She said everything that we are going to do is going to be different. She asked why the Committee doesn't wait for the new Council that is going to be coming in, there will be four of you that will be coming in and we are going to have a new era. They are going to be living in a new world. And they are going to have to make decisions on that new world. Not on the old, on the new. The new Council will have to base their decisions on a new world. She said she knows you have to project to the future to a certain extent, but please, please do not be

rushing this decision. There is absolutely no reason in the world why you have to do this now - none. And if there is a reason, she said she wants to hear it tonight, and, she said, she wants to hear it from each of them. She thanked the Committee. Chair Moran thanked her.

Mr. Dan Kelch of 804 Davis Street said he understands that this is an emotional issue and people have some very strong feelings about it, but he said one thing that has bothered him about the discussion is when people say the consultants have not listened to the community and that anyone who has voted for this project has not listened to the community. He said he finds this a little bothersome because he remembers sitting in the Parasol room and the consultant asking everyone how many of you in this room really don't want to see the 49 story tower and more than half the room raised their hands. Then he asked how many, if such a thing were to occur, would object to it. He said he felt he couldn't raise his hand but suddenly about 40% of that room raised their hands. He said he only got to participate in a few of the Downtown Planning charrettes and discussions and one of them was for small business owners primarily in the downtown, and he said there were concerns for sure but overall the majority of the small business owners were in support of this project. They had concerns but they want to trust. He also attended one for downtown property owners, though, he said, he was one of the smaller ones there, but there were some people there who had probably \$500,000 tax bills and most of them supported this project, so he has an issue with the idea that the consultants did not listen to the community. He thinks they were charged with the task of getting feedback from the whole community; all kinds of different parts of the community. He said he agrees that some people have been very active and very vociferous about their opposition but he does not think it's fair to say that there has been overwhelming opposition to this project because he has seen otherwise. He said a lot of us do not have time to do a lot of petitioning and keep up websites and blogs because we have businesses to run and he ran over to the Civic Center at the very last minute tonight because he had to take care of his business earlier and he thanked the Committee for letting him speak. He reiterated that there are a lot of people who have an opinion that are supportive of this project that are no less vested in this community than a resident. As a business owner, he has 43 employees, the majority of which are Evanston residents, a lot of them that are Evanston High School graduates, so he thinks that they are very vested in the community and that their opinions should have some weight.

On the financial part of the project, Mr. Kelch continued, about a year or so ago, some people gave a PowerPoint presentation about their financial projections of this property and how it is not going to be good. He said he certainly does not have that opinion. One of the things he has not seen talked about that really needs to be addressed is the effect of property like this on the school districts. He said he has 2 children in District 65 and everyone knows that revenue for the schools is raised through property taxes and that is the bottom line and the only way you can increase revenues for a school district is through development and a development like this is going to throw a lot of cash off for those school districts for a very long time: after every one of us has turned to dust, that building will still be throwing revenue off to the school districts. And as such, he feels that the Committee has a responsibility, even though they are not the School Board and don't control the finances of District 65 or the high school, the fact of the matter is, what the Committee does here, has great effect on the future and the financial well being of those school districts and all the kids in this community. He thanked the Committee.

Ald. Rainey said she would ask Dennis Marino to give an overview of the TIF legislation as it has to do with schools and students for Districts 65 and 202 in new buildings that are in TIF districts.

The Committee took a short break.

DISCUSSION

Ald. Jean-Baptiste moved approval of Ordinance 32-O-08 as amended. Ald. Rainey seconded the motion.

Prior to going into discussion, Chair Moran asked Mr. Ken Cox to give the Committee the amendments on this particular proposal.

Mr. Cox of the City of Evanston's Law Department said he would walk the Committee through the changes and he said as a preamble, that the changes here have been made pursuant to the amended application that was submitted very recently and they gave their presentation this evening to give the highlights of that.

Mr. Cox read the first item (on the bottom of Page 4 of the ordinance), which describes the amended application: "Whereas on Feb 19, 2009 the applicant submitted an amended application for the proposed Planned Development, seeking approval for approximately 218 dwelling units, a maximum building height of approximately 345 feet, excluding any floors of parking eligible for height deductions, pursuant to section 6-11-4-8 of the Zoning Ordinance, approximately 18,258 sq. ft. of retail space, a defined gross floor area (excluding parking, loading, storage, mechanicals and uses accessory to the building), of approximately 439,498 sq. ft., resulting in a floor area ratio (FAR) of approximately 15.14 and approximately 271 off street parking spaces enclosed within the building." And, he said, there are some changes that outline the history of the proposal which do not change the effect of the ordinance.

Mr. Cox explained the next substantive change (on Page 6,) in Section 4 B, explaining that Section 4 outlines the site development analysis granted to the Planned Development. B has been changed to read: "To allow for 271 off street parking spaces pursuant to section 6-3-6-5 (D) of the Zoning Ordinance. Table 16-B in Section 6-16-3-5 of the Zoning Ordinance establishes that the Planned Development, as proposed, would require a minimum total of 398 off street parking spaces." He explained that the ordinance previously indicated that there were 399 spaces required however, and, he said, he would look to the zoning administrator to confirm this, due to the reduction in height, taking into account storage space which should not have originally counted towards the square footage, it reduced the parking requirement of parking by one space.

Mr. Cox continued to the next change (on Page 7) in Section 5B, explaining that Section 5 indicates the public benefits that are necessary that the Council must find exist in order to grant exceptions to site development allowances. They may exceed site building allowances provided that 2/3 of the City Council votes to grant them. They made reference previously to the Hahn Building, and the developer has removed any direct reference to the Hahn Building from their proposal: "Preservation and enhancement of historic resources that significantly contribute to the character of the City: "The applicant has agreed to donate \$1 million to the City for the renovation of the Fountain Square public space."

Mr. Cox continued: Section C, which previously made reference to the Hahn Building now reads, "Use of design, landscape, or architectural features to create a pleasing environment or other special development features. The tall, slender tower, setback from the 4-story base, relates well to the surrounding development in downtown Evanston and will be a strong visual landmark for the downtown. Its design will create dramatic images for those who approach the downtown, but will minimize the visual impact on pedestrians and motorists in the downtown. The setback also serves to minimize the effect of wind on pedestrians' experience in the downtown. The architecture of the building's base, which includes entrances with canopies, relates strongly to traditional storefronts and the scale of commercial development in the downtown. The slender

tower, with vertical articulation on the east and west faces, inset balconies, horizontal bands at approximately every tenth floor, and harmonious colors of glass and aluminum skin, is subtly articulated and will provide an elegant addition to the downtown skyline of the City. And, the future residents of the tower's dwelling units will enhance the City's move towards a downtown environment that is active and productive round the clock.

Mr. Cox continued: The next amendment of (Page 8) Section 6, which grants the proposal exceptions to site building allowances. Section 6A: "To allow a floor area ratio (FAR) of 15.14. Section 6-11-4-6 (C), establishes a maximum permitted FAR of 4.5 in the D3 District. Section 6-11-1-10 (C) 2(b) allows a site development allowance that increases the maximum FAR for residential Planned Developments in the D3 District of 3.5 to a total of 8.0.

Mr. Cox read the Final portion on page 10, section 7H, explaining that Section 7 outlines the conditions upon which of the City Council granting a special use: "The applicant shall donate \$1million dollars to the City for the renovation of Fountain Square public space before the City may issue a temporary certificate of occupancy for any portion of the proposed Planned Development."

Mr. Cox said that concludes the amendments to the ordinance pursuant.

Chair Moran thanked Mr. Cox.

Ald. Wollin said she has looked up the market analysis of office space in the downtown area, and she said the City has had a lot of research done on it, as well as U.S. Equities who presented their office space analysis to the Economic Development Committee, which she attended. She said we do have vacancies, even close to downtown as well as was pointed out in other parts of the City, in all classes, A, B and C, so office space is in fact available.

Ald. Wollin asked whether the developer was willing to provide short term leases to keep occupancy in the building until such time that they are ready for demolition, to which Mr. Jim Klutznik answered yes.

Ald. Wollin said she does agree, especially when she looks at the strategies they have tried to take with affordable housing, that this is not the location for affordable housing to be on site, and she thinks that in their long discussions of condominiums and their responsibilities that these kinds of condominiums are not on site available for affordable housing however, she said, \$880,000 for our affordable housing fund is in fact a significant amount of money in this time when people are facing foreclosures. She said the Housing Task Force is trying to devise a strategy to put that money and those sites to good use and she thinks it is appropriate to put it in this particular project.

Ald. Wollin said she is concerned about the look of the entire block from Sherman to Orrington and asked whether the developer would consider lengthening the streetscape as far as planters and trees to go the whole length of both Sherman and Orrington with the exception of the driveways, from Church Street to Davis Street, all the way down to Fountain Square. Mr. Tim Anderson clarified that she meant from the south boundary of their site at 708 Church Street up to Fountain Square. He said their goal would be to have a more unified vision for the block as a unified development and the \$1 million dollar donation to Fountain Square would help in that regard and he would be open to doing that streetscape in front of the Hahn Building and the Fountain Square building. He would like to understand the complete obligations of them as a development team but yes, he thinks they would be willing to do that.

Ald. Wynne asked a question that one of the speakers raised regarding the timeline they are

envisioning. They said they thought it would be fully occupied in 2015, so, she asked what they are assuming would be the steps before that. Mr. Anderson clarified that by 2015 they meant that was the date it was paying taxes, so there is typically a year delay from when the taxes show up on the tax roles, so they don't expect to see the market returning any time until 2010 in terms of the availability to do pre-sales. They do not see construction starting until 2011, which means it is probably around 2011 to 2013 to build the building, which means first occupancies could take place in 2012, but it would take, estimating conservatively, 2 years to fill out the building. So 2014 would be the time frame when the building would be fully occupied and on the tax roles in 2015, so, he said, they did make a conservative estimate in their revenue projections. She asked what their economic benchmarks are that make them think the market will be turned around enough for presales in 18 months, given the fact that the DOW fell below 7,000 yesterday. He said if he asked anybody in this room, including himself, he would never have guessed that that is where the DOW would be at today. Ald. Wynne said it might be 2000 points lower in a year. He agreed and said he can't say for sure, but their projection is that currently there is approximately 11 months of inventory for sale housing in the Chicago area and that is at a very low absorption level. The absorption levels that are currently occurring are 80% below what they were 2 years ago. He said he believes the current absorption is about 7000 units a year and normal is about 3000. She asked what the number of units is available in the market he is talking about. He said he does not know off hand. She asked him how then he can predict when all those units will be absorbed. He said what he was trying to do is to give is an overview of what the overall market is, not the Evanston market, which they did do a market study on. So what they are saying is that any increase in absorption levels will make the inventory go down very quickly to a 4 or 5 month inventory, which is a traditional norm for inventory. He thinks that will be established when the bottom of the market is established. Currently foreclosures and short sales have not had the bottom of the market be solid and established, which they expect to happen towards the end of 2009, based on a Tracy Cross report and a Hanley Wood Report of which he said he would be happy to give her a copy. Ald. Wynne said she would like a copy.

Ald. Wynne asked how they define the bottom of what is going on now in the housing market. He said it is when values are no longer attacked and they start to increase, and that it is expected to be a gradual increase. She asked what makes them think that that will happen. Mr. Anderson said he is not the market feasibility expert so he can't necessarily speak to what their methodology is, but they looked at current pricing and absorption levels, and they are saying as prices are solidified, there will be potential for growth. There is a pent up demand. They have not had any structural movement in the for sale housing market in the last year and a half. He explained that structural movement means that people have a need to change their living situation for whatever reason, and we have not seen any of that movement in the market place, that happens in normal times.

Ald. Wynne clarified that based on the reports that the housing market will hit its bottom at the end of 2009, then the supply will be a 5 month supply and then they will start to be able to make presales. He said that he had said that they would start to be able to make pre sales in 2010, but he really could not tell you today, given all the variables in the market where everything is going. No one can. He said they hired the best prognosticators in the City of Chicago and they cannot tell you exactly where it is going because it is very difficult right now. She said she is not trying to pin him down to anything she is just trying to figure out what their projected time line is and how much variability they see in it. Mr. Anderson said when they looked at the back end of the project, they looked at the possibility of it not starting until late 2011 or 2012, which would not change any of the financial projections they have given to the City.

Ald. Wynne asked Mr. Bill Dunkley, regarding the original issue that was raised by Ald. Bernstein, if they reversed the order of this and had the Downtown Plan ordinance enacted, what the requirements would be of the building as proposed under the new Downtown Plan ordinance.

Mr. Dunkley said that is a very difficult question to answer on short order, especially because we do not have any changes to the zoning ordinance. There are detailed recommendations in the plan. There are certain requirements to achieve requested bonuses and those are all at the recommendation level. As was mentioned, there is a maximum FAR that is allowed with bonuses that is about 8.5 for this district, which again is at recommendation level and has not gone through the whole scrutiny that we would normally do in adopting anything into the zoning ordinance. It also recommends a maximum height of 385' and that excludes any deductions that we currently have. It is an actual, real height. There is a maximum width with bonuses. Which bonuses would be applicable, again has not been established. He said it looks as if there are probably four which could possibly be applicable to this particular project: two regarding open space, one regarding sustainability and the last, regarding the percentages that could be applied. How that would be determined, again, he said, we don't know. He said they plan to start revising the zoning ordinance in April of this year.

Mr. Dunkley said regardless of any legislation that is passed from here on out, this project must be valued in terms of the standards and guidelines that are in affect on the day that the project application was presented so the adopted Downtown Plan may help to inform hypothetical decisions about what we might do, should this project have been submitted in the future, but it was submitted approximately a year and a half ago and it is standard legal procedure that we do not apply future changes to ordinance to projects that were submitted previously.

Ald. Wynne said she understands that but under the current ordinance that it is coming in under the planned unit development, it is a give and a take between the developer and the Council so she wants to understand what we would be requiring them to give us if they came in under the new ordinance because we can certainly negotiate with them and ask them for those things: There is nothing stopping us from asking them for those things that we are planning to ask any other developer who came in and proposed this 6 months from now.

Ald. Wynne requested that Mr. Dunkley provide her with a memo describing all the bonus requirements that we would ask of a developer in the future that we can ask of this developer now, under our planned unit development. She said we're not legally bound by that but there is nothing stopping us from asking them to put that on their public benefit list, just like we have negotiated with them on a number of other issues.

Ald. Holmes asked Mr. Anderson for further clarification on the question that Ald. Wollin asked about the streetscape on the end of the 708 building to the end of Fountain Square at Davis, because he mentioned the \$1million for the Fountain Square and she would see those as two separate things so she said she wanted to make sure they were clear on that. Mr. Anderson said she is right and they are two separate things.

Ald. Tisdahl asked how short a short term lease would be. Mr. Anderson said it depends on the timing as to when they are going to need the property, based on financing they can get. It could be anywhere from 6 months to a year with a chance to renew it if necessary. Ald. Tisdahl asked if he was thinking it would not be more than a year, to which Mr. Anderson replied that they would start with a year.

Ald. Tisdahl asked what would happen to the amount of TIF money that they project to be available for the City if they can not start building until 2011 or 2012, to which Mr. Anderson replied that it would not modify their projections of TIF.

Ald. Rainey said a project of this kind needs to have some ability for Evanston residents to secure guaranteed work so she moved to amend the ordinance to require the developer to secure between 5 and 10 positions during the course of the development and that the Bristol project employment

agreement be used as a model. She said she understands that we cannot require 10 jobs like we did there because we are not committing funds for this project, but she would like to use this as a model.

Mr. Cox clarified:

Ald. Rainey moved no less than 5 positions be guaranteed during the course of this development and that the Bristol project employment agreement be used as a model.

Ald. Jean-Baptiste seconded the motion.

Mr. Cox said the amendment will be available for Ald. Rainey's review before it is voted upon again.

The Committee voted unanimously 6-3 to pass the motion for no less than 5 positions to be guaranteed to Evanston employees during construction.

Ald. Rainey said an opponent to the project recommended that given what happened to the City at 1800 Sherman Ave., where a property-tax exempt entity bought a building that was generating over a million dollars in taxes, which happened to have been an increment in that TIF district, the recommendation was that we apply a covenant to this property that it cannot be sold to a property tax exempt entity.

Ald. Rainey moved that if this property stating that it cannot be sold to a property tax exempt entity. Ald. Jean- Baptiste seconded the motion.

Ald. Rainey gave an example of the building in the Research Park TIF, known as 1800 Sherman, which was a very profitable office building providing in excess of \$1 million a year to that TIF district. Along came Northwestern University, who purchased the property, and with the exception of a few lease holds, that property is now tax exempt by virtue of the fact that it is owned by Northwestern University. She said it would be awful if Northwestern University or some other property tax exempt entity bought it. She said she could add if a full payment in lieu of tax was made to the proposed amendment, but she did not want to muddy the water.

Mr. Cox said he cannot say with absolute certainty that restricting the alienability of property in such a manner is entirely possible and he can't recall the particular projects at the moment, but one planned development indicated that if a property tax exempt entity were to acquire it and were to continue the special use granted by that ordinance, that they would be required to make payments in lieu of taxes.

Ald. Rainey said she would be happy to accept that as part of her motion.

Ald. Rainey moved that if a prop tax exempt entity were to purchase the property it must make a payment in lieu of the exempt taxes to all the taxing bodies. Ald. Jean-Baptiste seconded the motion.

Mr. Cox explained that it is a condition on the planned development: If they did not build and operate the planned development as described in the ordinance, then the ordinance and special use would dry up and evaporate so at that point the condition would not attach. However if they were to acquire it after the building were built, it would seem extremely unlikely that they would then demolish the property and operate something else on the site, they would continue the operation of the planned development and would then have to pay in lieu of taxes.

Ald. Rainey said she would accept his watered down version of her amendment if it would be taken seriously by a future purchaser, if that future purchaser would have that intent. She clarified that it would not then be a covenant, it would be part of the ordinance.

The committee voted unanimously 9-0 to amend the ordinance as moved.

Ald. Bernstein asked Mr. Cox what triggers the payment of \$1 million and the \$880,000 and whether it is to be the procurement of a building permit. Mr. Cox answered that the \$1 million for Fountain Square, per the draft ordinance here indicates before the City issues a temporary Certificate of Occupancy for any portion of the planned development. Ald. Bernstein clarified that that is well beyond the procurement of a building permit. Mr. Cox said he did not recall when the \$880,000 affordable housing contribution would occur. Mr. Cox said the LEED certification is listed as a condition. In Section 5G on page 8, "the applicant shall seek LEED Certification at silver level or higher. Ald. Bernstein pointed out that it does not compel them to obtain it. Mr. Cox said buildings can only be certified after they are built. But, Ald. Bernstein said, we are going to historical times so we are talking about planned development under our old schedule so he is looking at drawing units in excess of 122 more than what the statute provides for, he is looking at parking spaces in the amount of 127 less than what is required, a FAR in an extraordinary amount of 10.64 more than what is allowed under the current ordinance, and the omission of loading docks from 5 down to 2. He said there are many things they are getting benefits for and he would like to make certain that we get that which we area entitled under the planned development.

Ald. Bernstein continued that this is a very speculative project and he said he has indicated that height doesn't bother him. He told Mr. Booth that he really likes the looks of this building, but he doesn't know, in this economy, what we are hoping for or thinking about because he recollects in Sherman Plaza in the very height of the greatest market that we had, it still took 8 years to develop that project, so now he does not know how long it will take. He confirmed with Mr. Marino that the TIF expires in 2018. He said if he were a tenant in the building and he was offered a 6 month or a year lease with the knowledge that construction was imminent, he does not know that he would be there and his sense is that in the short term you are asking the assessors to reduce the taxes based on a cash of income basis because you are not going to have much revenue produced in that space and he is concerned about that, among these other things. Basically, these things are hope and in the event, for whatever reason the developer does not get financing, none of this money comes forward and the property goes back on the roles for sale. This is the bottom line. What we have been led to believe up here, as evidenced by the homes around the community, is that it is a very difficult time and you (the developers) are to be credited for being as ambitious as you are.

Ald. Bernstein said they mentioned a unified vision for the block and he would love to see this whole block developed. He said Mr. Robinson's building and the corner are in play. When this goes, and the Committee is trying to strike the best deal it can make, he needs guarantees, not just hopes, that they are going to be at least consistent with what the taxes are generating now at least in the short term, because he does not know how they are coming up with a \$20 million figure for TIF since he has calculated \$12 million which is 3 years times \$4 million. Mr. Anderson said full occupancy is 100% but you are still getting significant income when you are less than 100%. Ald. Bernstein said he does not doubt that but he is asking how much we will lose in the short term if tenants vacate the building because they want to find more security. He said they are going to get a reduction and he is wondering, over time, when we will catch up to that number.

Ald. Bernstein said many of the comments heard this evening resonated: He said this is not a new world. This is the same pair of pants with a different belt. He said he has no problem voting on this because as he has said many times he will not apologize for what they have done

downtown. But what they have done downtown is consistent with the kinds of things he is asking the developer to do now. He told the developer that the City is giving them a lot, especially in light of the fact that they recently passed a Downtown Plan that would demand more of them, and would actually preclude them from getting some of this. He voted against the Downtown Plan in part because it will not allow us to have this discussion: When we enact that plan, the developer is going to come in at 25 stories as of right, they are going to come in up to 35 with the bonuses, all of which are going to be catalogued, the citizens are not going to have any comment, and the Committee is not going to have any comment.

Ald. Bernstein said the City cannot ask the developer not to contest the taxes because that would be ludicrous, unless they want to tell us they're not going to contest the taxes. He asked what the taxes are and Ald. Rainey responded that they were a little over \$214,000 in 2008. Ald. Bernstein asked if the developer would guarantee the City not less than \$214,000, to which Mr. Anderson answered that that is not what they proposed because on the back side there is a significant benefit for this project when it does happen. Currently the building is about 80% leased in the upstairs office space and as the contract purchaser, they have advised the seller to extend leases through September of 2010 so they can maintain that income stream and maintain the tax revenue on the property. Ald. Bernstein asked them if they do not intend to reduce the taxes then, to which Mr. Anderson replied that he does not know where the taxes are going to go, nor do they know where the income is going to go. On the backside, the tax revenue benefits of the development far outweigh the increment that may be lost in a vacancy issue in the property.

Ald. Bernstein said the construction cost of a parking space is about \$35,000 and confirmed with the developer that we are giving them the ability to not build 127 of those spaces. Mr. Anderson replied that under the existing zoning, the parking allowances they are requesting under their plan are consistent with other planned developments that have been done in downtown. Ald. Bernstein said the consultants thought the Downtown Plan had too stringent a requirement anyway.

Ald. Bernstein said there are 122 more units than the density allows now. To him, those are all things that they can quantify and they should be able to negotiate. There is nothing to guarantee a performance bond because they are not going in the ground until 2011. Ald. Bernstein said Ms. McAuley said something that resonated about the message given to the community and it is true, but for all the years predating the downturn in the economy our downtown retail has had a lot of vacancies. Ald. Bernstein said he is not saying we need office space but it is the developer who is taking the risk. He wants a guarantee to the extent that the City can get it, that the City gets as much out of this deal as the developer is getting. Hopefully the developer will make a lot of money and the City would like to share in those proceeds. He wondered what we can do until the units are occupied.

Ald. Hansen prefaced her remarks in response to the comment that this is being decided in haste of judgment, that this project has been in process for at least 2 years and she does not think they are making a hasty judgment about anything and for those who remarked that they should let the new Council do this, when she got elected, her job was for four years, she did not stop doing this job when she decided not to get re-elected, and this has been on our docket for 2 years and it is her responsibility as part of her job to make this decision. She said if you want to say the new Council should make this decision, you are also talking about the budget for no property tax increase, the Climate Action Plan, and the Multi-modal Transportation Plan that hopefully this Council will be able to vote on. She said that these two years have allowed her a lot of time to think about it, to read emails from citizens and hear them speak, but she has also talked to a lot of people who don't normally go to Council and make citizen comment. She is trying to do the best job she can with the task that she was given almost 4 years ago, and to that end she said she has a few questions.

Ald. Hansen confirmed with Mr. Anderson that the developers are willing to extend the streetscape as provided in the drawing of their proposal, down to Fountain Square.

Ald. Hansen moved to amend the ordinance to include that the developer extend their streetscape on the Orrington and Sherman sides, down to Fountain Square. Ald. Rainey seconded the motion.

The Committee voted unanimously 9-0 to adopt the amendment.

Ald. Hansen said regarding the LEED certification that has been discussed in the Green Building Ordinance, that there should be a penalty structure if at the end, Silver LEED certification is not obtained.

Mr. Cox said in order to amend the ordinance he will research the language to insert in the amendment.

Ald. Jean-Baptiste suggested Ald. Hansen make the motion, it is seconded, they vote and direct staff to develop the language with the Environment Board people.

Ald. Hansen moved that we amend this ordinance to include language that if Silver LEED certification is not met, there are penalties assessed against the developer for not meeting that LEED certification, and that staff bring any proposed language to the Committee. Ald. Jean- Baptiste seconded the motion.

Ald. Bernstein asked that a number be included. Mr. Marino said the city of Seattle has a system to address this issue and staff will check into it and come back to the Committee with it.

The Committee voted unanimously 9-0 to adopt the amendment to the ordinance with the penalty if Silver LEED certification is not obtained.

Chair Moran confirmed that it is adopted and that Mr. Cox will put the recommendations in the revision. Mr. Cox said the next time this ordinance is up he will either be in front of this Committee or the Council as a whole, and he will have all of these amendments included in the text and they will be able to see them and if the staff recommendation regarding the penalty provision does not meet with the Committee's approval they can amend it at that point as well.

Ald. Hansen said the plan appears to reflect a loss of on street metered parking spaces along Orrington. She asked for the exact number of the loss of those spaces, to which Mr. Anderson replied that there is a net loss around the site of 4 spots: they are moving 7 on Orrington and picking up 3 on Sherman, so there is a net loss of 4 spaces. She asked Mr. Marino what the cost is associated with lost metered parking spaces, to which Mr. Marino replied that Parking Systems has devised a formula that was recently applied to the Emerson property, and it works out to approximately \$4,600 per year for 2 meters lost at that location (\$2,300 per lost meter, per year).

Ald. Hansen moved to amend the ordinance to include a cost associated with the loss of the 4 parking spaces.

She asked that Mr. Dunkley verify that it is 4 spaces that we are losing.

Mr. Cox explained that the most recent use of this was at the 1890 Maple project. The provision was for an annual payment of \$4,500 for the loss of 2 metered parking spaces, which is \$2,250 per lost meter, paid on an annual basis and if there was no end date, it was essentially in perpetuity. He also pointed out that the provision as applied to 1890 Maple was that the fee

should be adjusted in the future should the district wherein the parking meters existed, changed, so he will use that language.

Ald. Wynne said the fee that is charged is based on how much that meter is actually producing per year on average. So if you are in an outlying business district and you take a meter out, it is not the same fee. The Parking Department figures out how much revenue is generated by that meter on average and that is the payment. Mr. Marino said he confirmed that with Ricky Voss (of the Parking Department) today. There is a formula that is distinct.

Ald. Wollin said they had previously discussed removing the parking ramp that goes down the middle of Orrington. That would put more parking spaces back on Orrington when in fact that project comes to fruition. Ald. Wynne said she has been thinking about that as well, and she believes they had said that they couldn't do it, they wanted it removed from the planned development ordinance and they had asked the City to pay for it. She said she could not remember whether they took it out. Mr. Marino said he would check the documents. Ald. Wollin said she thought they had reached an agreement of some kind of partial payment. Ald. Hansen asked staff to verify whether that condition is still there.

Ald. Hansen moved to include an annual payment for the 4 on-street metered parking spaces to be removed, to end when those parking spaces are established across the street on Orrington. Ald. Rainey seconded the motion.

Ald. Wynne asked Ald. Hansen why she would let the developers off the hook when they are removing these parking spaces on that side of the street permanently, saying if we add more parking spaces across the street, that is to our benefit. She said she does not know when we will ever take the ramp out because the City does not have the money for it. The point of the formula is that if you take parking meters off the street as part of your planned development, you pay for the right to do that forever.

Ald. Hansen said she accepts this modification to her motion to include the payments for perpetuity.

The Committee voted unanimously 9-0 to adopt the amendment stating that the developer will pay, in perpetuity, an annual fee for the 4 parking meters to be removed from Sherman Avenue.

Ald. Hansen said regarding the retail side, many people spoke about the ability of our local retailers to be able to come back into this new development if it is feasible for them. She said the developers have stated that they would help the retailers and people in these office spaces.

Ald. Hansen moved to amend the ordinance to provide the right of first refusal, or first opportunity for those occupants of the existing building to be able to move into the retail spaces in the new development. Ald. Bernstein seconded the motion.

The Committee voted unanimously 9-0 to adopt the amendment.

Ald. Tisdahl said there are currently on the market 400 unsold condos and that does not comprise all the ones that would be on the market if condos were selling. People have told her that they have taken their condos off the market because they are not selling. If the market improves she believes there will be many more condos on the market. When condos foreclose, other condo owners have to pick up the association fees which can create a tipping point in some buildings, when people who have carefully budgeted themselves are put into foreclosure for having to pick up these unaccounted for association fees. She said the idea of adding 218 units to an over-

saturated market is unwise. Saying the laws of supply and demand still work pretty well, she does not see the economic sense in this. She said there are wonderful building permit fees and transfer taxes and all sorts of TIF money if all of these projections come to fruition, but she is not expecting the market to improve noticeably by 2010. She hopes she is wrong, but she is not seeing the economic projections as those that are in favor of it see and if these units are built it will take longer for other people to sell their units, some of whom desperately need to sell. She said she will be voting no for these reasons.

Ald. Rainey asked for clarification of new construction office space. She asked Dennis or Bill whether they have been approached by developers or asked to do zoning analysis regarding any office buildings, to which Mr. Marino answered that they had not in the last year, and probably longer. She said she loves office buildings, she thinks they are great looking, but if nobody comes to us wanting to build an office building, it seems to her that the market is not there. She asked Mr. Marino if he knows of any office construction or inquiries in the surrounding area, to which Mr. Marino replied, not in the past year. He added that there was some office construction in the Edens corridor further north. Otherwise, office construction in the past 3 years was built to suit for a specific client and there hasn't been very much of that in the suburbs during this period.

Ald. Wynne said she is voting no on this project for some of the reasons that Ald. Tisdahl raised and she also hopes she is wrong about the economy. She also does not see that this is the correct site no matter what the building height for a residential building with just retail on the bottom, explaining that we have any number of sites in our downtown where we could build architecturally interesting residential buildings, where the residents would be living in our charming, wonderful downtown. If you substituted an office building in those same locations 2 or 3 blocks from this site, it would not be as successful as office space would at this site. Office space is not interchangeable with residential, so the idea that residents with their dollars to spend in our downtown only has to be in this location, does not make sense to her. There are other locations that ring this area where we could have those same residents with their same dollars coming to our downtown as opposed to having office space, and she agrees with Ald. Rainey that maybe we have not had any new construction of office space, but we are hearing that this office space is still occupied and that people are having a hard time finding office space. She has an example in her ward, she said where just north of the Jewel Foods where the Tom Roszak project replaced a Duxler's, a car wash and a rent-a-car with 137 residential units. She said they were sorry to see Duxler go. The Roszak project was welcomed into the ward, but the Chicago/Dempster merchants have told her many times since that building has been fully occupied, and it was built 8 years ago, that their business dropped precipitously. She said 137 resident households can buy just so many meals at Blind Faith, special objects at the Shaker store and antiques at our antique stores. She said that Duxler's brought customers in from Glencoe, Morton Grove and Chicago over and over again and got them out of their cars and all of those people shopped at our destination retail and then they went home to all those communities and told people about the tremendous destination retail that we have at Chicago and Dempster. Without that economic draw, our merchants have never really recovered. They are all operating on a thread and many of them have gone under. The lesson she learned from that is that residential condos, no matter how luxurious, have a limited value in terms of economic engine: You must have something that draws a wider circle of people in and gets them out of their car. So to her, building on the most prime block in our downtown something as limited as residential with just retail, which will be expensive retail on the bottom, lacks foresight. She said she believes we are currently experiencing an economic revolution and we do not know where it is going to end up. We are still in the churn and no one's feet have touched the ground and someone said the whole idea of this project was conceived at the height of the real estate market when that model was working for us. We don't know whether that model will work for us again. So to her, approving this project is locking the City into an old economic model and taking away the ability of someone to think creatively about that site in whatever the new economic world is.

She believes we are looking backwards. She referred to Mr. Wolinski's comment that Evanston continues to evolve: First we were a shopping mecca, then we were a headquarter city, then we hit some doldrums and then we became a charming residential downtown. We don't know what the next economic wave is, but everything she has heard is that this economic drought is going to be a long one and when we come out of it, we will all be thinking differently and she thinks we already are. She does not want that new development world to come on us and have our best lot tied down under the old model.

Finally, Ald. Wynne said, she does not think the City is getting enough from the developer for this. You have many fewer parking spaces, and even if we do have excess in our City parking garages right now, we did not build those to subsidize their building. We built those for office spaces. She addressed the developers, saying they are getting 3 times the FAR and what are we getting back for it? They have many more units, much more height and what we are getting back is a \$1 million donation to Fountain Square, and Silver LEED certification because the transfer tax and the permit fees are not ongoing revenue. We are going to get an increase on property taxes but she does not see that as a benefit because we could change our whole zoning code and raise the height of all development and get a lot more real estate tax. She said if this building is successful, they will make a lot of money on it and for all the extra density, the way too few parking spaces and the many more units, she does not see that we are getting very much back from them, and we should be, just for that FAR alone. That is why, she said, she cannot support this building. She concluded that she hopes the economy turns around for all of us, but does not see it happening and for that reason is voting no.

Ald. Rainey said one of the things that has always concerned her in this town is the concept that short is beautiful. She said she looks up and down Chicago Avenue and saying she means no disrespect to Ald. Wynne, she sees some of the ugliest buildings. Ald. Wynne said she agrees with her. But, Ald. Rainey said, they are a result of Ald. Wynne's leadership because she supported those projects. Ald. Rainey continued, for example, the building that replaced the Dominick's is the result of citizens upset about a tall building and that is what we got. Ald. Wynne argued that it was built as of right, to which Ald. Rainey said it was built as of right because the developer threw up his hands and said he cannot deal with this anymore and he is going to do what the law allows and spread this stuff all over the property and it is going to look as ugly as sin and he just didn't care any more. Ald. Wynne argued that there was no tall building proposed for that site, and that people wanted a taller building and they asked to have a taller building, but that developer only builds townhouses. Ald. Rainey said that is not many peoples' recollection and that she has never ever once, in her life, interrupted her on the Council floor. Ald. Wynne said she is just clarifying a fact and Ald. Rainey said she appreciates that, but asked her to wait until she is finished. Ald. Rainey said whoever is responsible for 1930 Ridge should be ashamed and that it all had to do with not wanting a tall building.

Ald. Rainey said the proposed building at 708 Church has a sense of beauty about it and she thinks it is a gorgeous building. One of the problems she has with those who say this is the old world and we're going to the new world, and she said she noticed that Ald. Wynne had picked up on Ms. Stephan's comments about old world and new world, most of which Ald. Rainey said she did not understand, but she said she does understand that if we approve this project and the world turns as we all know that it has in the past, and we have all learned from the past that we have had bad times but things seem to always come around, this cannot last forever, not with the trillions of dollars being committed to enhance our economy. She believes it cannot last and if it does we are all in trouble, and an approval of this will have absolutely no bearing on us because there won't be anything built, there won't be anything torn down, we will be in no worse shape.

Ald. Rainey said if what people are saying about this economy is true, then anybody who is in this building now would be foolish to move. They should stay there as long as they can, and she

does not see that as a negative. If we don't approve this and the economy improves, we are all going to be looking very foolish. We will have missed our opportunity. Ald. Rainey said she believes the approval of this project will enhance the opportunities for the redevelopment of the Hahn Building and hopefully the redevelopment of the Fountain Square building, if not its demolition. She believes that the approval of this project, because it is such an amazing effort, will bring much revenue to our community and that it will send a message to the development community and to the moral of everybody interested in this town, that Evanston is moving forward. She said we have nothing to lose by approving it and everything to lose by not approving it. She thinks this is our opportunity to really make a statement about our hopes and dreams for this economy without any loss to us whatsoever.

Ald. Jean-Baptiste said this project has characterized the Committee's relationship with the activists in the community around issues of development and he appreciates all of the interactions. Criticisms are meant to move us forward and he believes the developers have responded to our constituents' concerns. It started out as a 49 story proposal, approved by the Plan Commission. The developer, listening to the concerns of the Council and the constituents decided to bring it down to 35 stories, so the interaction has been productive and has moved the process forward, so he does not think anyone can say they have not been heard. Addressing the citizens, he said they may not have won every argument, but people have listened and some of the concerns the citizens expressed have been taken into account.

Ald. Jean-Baptiste said some of the concerns expressed were not necessarily well founded, for example, the loss of office space at 708 Church. We have been told many times how people have been abandoning 708 Church, that all the professionals have moved, and nothing is going on there. He said Dr. Stamata Blanes, who is one of the advocates against this project has admitted that she went there personally and found out that the office space is occupied at 85% and that is relatively healthy, especially for a building that is threatening to be demolished. He said it does not mean the occupants will stay up to the brink of demolishing the building - they will look for other options but when they do look for options, Jonathan Perman indicates that there is plenty of space and people are finding options within the City. Ms. McAuley said within the City of Evanston, which is relatively small, there is office space if we look a little further than just the downtown.

Ald. Jean-Baptiste said when people say how ugly this building is, and referred to Mr. Bova's comment of how it will haunt him, Ald. Jean-Baptiste said the thing that haunted him was the west side of Sherman, for years. Looking at that entire block, going into that garage, which was falling down on all of us, and all the stores that were around there and when he saw the rendering of the building that is there now he said it looked like a dream. He did not think they could make it look so beautiful. It has turned out to look really nice and he thinks this developer can do a great job, so he foresees that the east side of the street will enhance the beauty of that block, so he argued that we are not going to be haunted by something that is physically unpleasing to us. Regarding one of the citizens' comments who said it is office workers who shop downtown, it doesn't mean that condo owners hurt our business. He said the sales tax revenue comes from the kind of market that has been created downtown, of restaurants, theaters, bookstores, etc. and life downtown does not end at 5:00, so that is not something we should worry about.

Addressing the concern for permanent loss of jobs, Ald. Jean-Baptiste said most of those professionals who rent office space at 708 Church are not giving up their professions, they may have to move within the town and we hope that they stay in town. He said since Border's closed on Orrington, that block has been dead. The manager of 708 Church told him he had to find a strategy to get service providers on that side of the street because retail was suffering, so he thinks they will see a positive change with this new building.

Ald. Jean-Baptiste said when Ald. Wynne was talking about the loss of revenue he does not

believe she was thinking of the TIF. We stand to gain significantly if this project is successful. And if it is for some reason delayed, we will gain less but he does not think we will suffer significantly. He said the risk is more on the developer than on anyone else and by the time you get ready to build if you have the financing, it will be on the developer and the banks. The City will have had the best set of conditions prior to a developer going forward, in that they must have their financing before they demolish the old building, which we have not had promised to us by any other entity in the City before.

Ald. Jean-Baptiste continued, regarding the parking concession that we have granted the developer, he does not feel we can lose. If we bring new residents to that building, given the parking concessions to the developer, our garages then will be fuller and more active and will bring in more revenue. So he understands the concern about giving something to the developer, but he thinks we get something back. This is a quality developer that will bring an extra level of life and pizzazz downtown and we are all hopeful as to which direction the economy will go. It is tough and many of us could get into deep analysis about what we think, but there are plenty of experts trying to turn it around.

Ald. Jean-Baptiste concluded that the last 23 months have not been in vain because there has been a lot of effort on the part of the developer to try to accommodate the concerns of the community and overall we will have been enriched by this project. He is looking forward to a Fountain Square that has some redeeming value because if you go there now or during the spring or summer, you don't know what the purpose is. Ald. Jean-Baptiste concluded that he thinks it is a worthwhile project and he is voting for it.

Ald. Wollin said she was at a conference of the International Council of Shopping Centers about a year ago and sitting at a round table of city officials and developers from all over the country, discussing development in each of their cities, the fellow from Wisconsin said the only place he would go, out of all the places represented in the room, is Evanston, Illinois. You have everything we want: traffic orientation, a gorgeous lake front, a vibrant dynamic city, an intelligent, educated population, and a good labor force and there is no reason why a developer would not want to go to Evanston. She said she was astounded. Other people at the table said to her that there must be many developers clamoring at your door, to which she replied, not really, but we do have all the ingredients that we need to have a vibrant, dynamic downtown. We have letters from business people, a letter from the 202 Board of Education saying that the Downtown Plan is the basis of our fiscal development and the fiscal health of the City, and it should be supported. We have the Multimodal Transportation Plan that tells us that we don't need as many parking places because we have a transit oriented community. We are trying to get people to use their bicycles, walk and take trains and not use their cars as much, which is one of the reasons that the Downtown Plan is calling for fewer parking spaces. The retailers need people living in the area to provide customers. She said she is not an economic expert, nor is anyone else at the podium, but she believes we have the ingredients in this town to reach out to the creative class and to people who are culturally diverse, tolerant, willing to experiment with new kinds of retail and businesses and that is what we are and that is the future of Evanston. She said we need intelligent new entrepreneurs coming to town. She mentioned this at the forum and a computer technology group that is coming in for a conference was trying to decide between Schaumburg and Evanston and she said you've got to be kidding – there is no choice – of course you have to come to Evanston. 350 computer specialists are coming to the Orrington Hotel at the end of April to have a conference and this is the kind of new talent we need to attract to town.

Ald. Wollin concluded that she always respected Mr. Booth's work tremendously and she thinks this is a very attractive building. She said maybe you will be able to see it but what a beautiful thing to be able to look at – this kind of architecture in our city. She said she has no qualms at all about supporting this project. She thinks it is one of the best things coming and we are lucky to

have people that are willing to pour investment into Evanston and to take the risk, and for a developer of this quality to come to this city and say they are willing to predict a successful future for the downtown of this city is a marvelous kind of acclamation that we should be grateful for. There are towns that are dying to have this kind of investment in their downtown and they don't. We do and we have to be ready to utilize the strengths of our City to be able to bring it into a more prosperous future, so she is proud to be able to support this project.

Chair Moran said he is going to vote for this project because he is a buyer in the stock of Evanston. It is a fabulous town. The best decision he ever made was in May of 1973 to move here when he graduated from law school. He has raised his family here and they have been here for 36 years and he expects to be here for a lot longer. We have great developers here. We have a great architect and a beautiful product that is being offered to us. This single project is going to tell the world that Evanston is not only a great place now but it is going to become greater as time goes by. We are going to have an even more vibrant downtown. If you look at the entire Downtown Plan, there was much focus on a few areas, but he looked at the whole plan and he had tremendous faith in the process that they pursued. It is a beautiful plan. He said we have a great future and if there is any reason that anybody would doubt it, all they had to do was come to this meeting and see the quality of the proponents of this project which promises \$136 million in increased revenue over a 30 year period and with the struggle over the last 6 months with the news that we have an unfunded pension liability of \$145 million, to turn that down would be a most difficult thing to do and he would question the wisdom of such a decision. We are now going to be a force. This comment about the new world that we are in, yes there is always a new world but there are constants in our world.

Chair Moran said that 15 or 20 years ago he and a large number of other people in Evanston said we have something here that people haven't fully discovered yet. We were looking forward to a timeline when baby boomers who live north and northwest of here are going to be approaching their retirement years, and will not stay in their homes. Not everyone is going to move to Streeterville or State Street, or Michigan Avenue and he thinks a lot of people looked at Evanston as a tremendous model. There are people who won't want to live in a downtown environment but they still want a sophisticated environment, a place where culture, beauty, parks, the lake, access to the City, great transit oriented systems, characteristics that nobody else has and people will come here to Evanston. They will buy residential real estate in Evanston in downtown and it will be another renaissance for Evanston and that is what it is.

Chair Moran continued that we are very lucky to have this development team. We know them well. They developed Sherman Plaza under some real challenges that they had to overcome. They were faithful, they were determined and they made it happen and we do not have to look any further than that project. Chair Moran said 15 years ago he and Steve Engelman, when they were on the Economic Development Committee, said they were going to send out an RFP to the world to tell people to come and redo the block between Sherman and Benson and Davis and Church because it was a horrible mess. The Osco was on the corner, the crumbling garage, the empty Woolworth's, a surface parking lot, the old Chamber building - and people said they were crazy, what did they mean, send out an RFP, they don't even own the land. They did it anyway and it didn't happen right away, but about three years later, Jim Klutznik and Tim Anderson came along and they had a plan and they executed it. There were a lot of challenges but they did it. He said this is a challenging plan, especially in these times, but he is confident that they can execute on this plan. If he did not feel that way, he would not be voting the way he is tonight. But he knows they can and he has confidence in them. They will do it and this is going to be a beautiful project.

Chair Moran said he is the City's representative to an agency called SWAANC, the Waste Management Agency of Northern Cook County, the board of which is made up of city managers

and mayors or alderpeople from 23 north and northwest communities. At one of their monthly meetings about 3 months ago, all of them said if he can't get that building passed in downtown, please send those people over to us because we would love to have this project - all of them. And he said no, we want it because we know what value it will bring to town.

Chair Moran concluded by saying he will add his voice to those who have gone before in saying that he hopes that you who have had difficulties with this project, that you will appreciate that you have exerted positive influence on this process. This is a different project than the one that first came to us and you have responsibility and you have been faithful and you have expressed your particular concerns and in his opinion it has had a positive impact on this project. He thinks everyone has done good work. He is very pleased that we have reached this juncture and he looks forward to going forward in the Council and advocating for this project, he thinks it will be a tremendous success and will lead to further successes for the City of Evanston.

Ald. Hansen responded to the question of why she voted for a central core, saying she voted for it because we don't have the luxury of being a community like Glenview, where they had the opportunity with open land to redevelop and make a huge success out of it. She knows it is almost a bad word to compare Evanston to Chicago, but we are more like Chicago in that we have no open space and any redevelopment that is going to come, is going to come upon areas and properties that are already developed. She said she has always believed that any height should be downtown, not in our outlying districts or in our neighborhoods and that is why she voted for a central core. That being said, a year ago she was ready to vote against this project and tonight she was sitting on the fence because the single biggest issue about this project was the height and the revised proposed height of 35 stories is reflective of the discussion that this Committee had about a height in the central core. She did not like the original proposal of the Hahn Building and that has been removed. The contribution towards renovating Fountain Square, she is not willing to shake a stake at because the contractor did a great job of renovating Fountain Square, but it is old and the replacement pieces for it are hard to find and it is very costly to continue to fix it time and time again. She sees this contribution as something to allow us to rebuild Fountain Square on the property that we have now.

Ald. Hansen said, again in all the time she has had to think about this, she has looked around our downtown and she sees the theater district and the risk and the vote that the Councils before her were willing to make and the investment into the theater district, which has really become the heart of our downtown. She said she looks at Sherman Plaza which Alderman Jean-Baptiste made some comments about and she remembers the Sherman Plaza site as a haven for criminal activity. The way the garage was, the way the block looked, people were crossing the street to go somewhere else and what we have there now is a vast improvement from what was there before. She does not think any of those two projects have hurt downtown, Evanston, or our economy. Mr. Marino said before that no one is clamoring at the doors of the Civic Center to build office space in the downtown or in the city of Evanston. If these developers don't sell the units in order to build this project and it is not built, what do we have? We have what is already there. We haven't lost anything, in her opinion. She said she thought of some things that would make this work for her, which are the amendments that she made earlier, and for those reasons she is willing to support this project.

Ald. Holmes said regarding the comments about a rush to judgment and quick decisions, she does not think 23 months is in any way quick to work on this project. She said she has read so many different pieces of material, she has read hundreds of emails, she has answered many, many phone calls from people who are opposed and people who really do support the project. She said regarding the height issue, when we voted for the Downtown Plan, she said she could vote very clearly and without any questions about 35 floors because she took it back to her ward and they had a meeting with the developers and she feels very confident from the residents that she tries to

represent, that that was a good compromise. She said she would love to see this project go from Church to Davis because that is the way she would envision it, but she does appreciate the offer to extend the streetscape and the reason she asked for clarification on it is because she thinks we have to have a vision of how it is going to look. She appreciates that the developer will provide an extension of the streetscape that is from Church to Davis on both Orrington and Sherman and thinks it will make a very big difference in the downtown area.

Ald. Holmes said she would support this project because she thinks it is best for Evanston. She said she does not have a crystal ball so she has no idea about the economy but she does have something that our President has tried to say to us which is that we have to be hopeful and she does have the hope that things are going to change and that we will be able to move ahead.

Ald. Holmes said since she is one of those people who may or may not be on the next Council, she wanted to say that you have a responsibility, which she takes very seriously, when you sit in this chair, to make decisions that are good for the community and she would not like to leave something that they have worked on for 23 months, to another Council, so she thinks they would be remiss if they did not vote it up or down. She intends to support it.

Ald. Holmes called for the question of the amended ordinance. Ald. Rainey seconded it.

The Committee voted by majority 6-3 in favor of the motion for introduction of the ordinance, as amended.

ADJOURNMENT

The meeting was adjourned at 10:10 p.m.

Respectfully submitted,

Bobbie Newman