

STATE OF THE CITY ADDRESS

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FEBRUARY 22, 2008

HOTEL ORRINGTON

Fifteen years ago at this forum I talked about the tremendous growth that was to take place in Evanston. If you who were here then, 1993, you recall the first two major new structures completed in downtown Evanston were the Transportation Center and the Library. The downtown is now bustling with activity that has generated more foot traffic than ever. We have what I call a walkable urban downtown center where people want to live. It appears that Evanston's new population is attracted to our diverse life style, cultural offerings, restaurants, and our reach out and touches transportation. Our crowded sidewalks seem to blossom with people who reflect friendliness but also safety. People want to live here. But, Evanston didn't just grow on its own. Many employees spent the major portion of their lives creating Evanston, their dream city, with their own handiwork. Now many have left or will be leaving by June enticed by early retirement. I thank them for their contribution, the sacrifices they made for a job well done, their dedication and skill, and their spending evenings at City Hall away from their children and spouses. They were the ones that were the brick and mortar that did the spade work. I just cannot thank you enough. Please join me in applause for them.

Today I'd like to spend the limited time I have left on three issues: snow removal, the proposed new structure at 708 Church Street, and property tax increase as related to requirements of the police and fire pensions.

- SNOW REMOVAL

Please believe me, the City did the very best it could. First, and absolutely essential to the operation of any department, the City had hired very competent staff who knew how to deal with emergencies. It was February 15th that Streets and Sanitation Superintendent sent a report informing us that meteorologists stated our area received twice the amount of snow that falls in a normal winter. Since December 1 we had 50 inches of snow and 30 events of freezing rain, sleet and/or snow. Salt suppliers could not keep up with demand and our salt supply was depleted. At an excess cost to the City, trucks came from Cleveland, Ohio, to deliver 200 tons of salt. Crews from traffic, water, sewer and forestry were added to streets and sanitation. Beginning January 30th, they worked 12 hour shifts except for one 24 hour rest period. Their job made almost impossible because our streets were covered with frozen rain and frozen melted snow. Yet, crews were able to plow a portion of some of our residential streets, haul away over 300 loads of snow from the business area, and, where equipment would fit, went into residential streets to break up and remove ice. Centers of residential streets were scraped and entrances receive sand.

Concern centered on attempts to conserve sand and salt because of their scarcity and the unlikelihood that more could be

purchased when needed. Yet our city crews continued to spend time alternating among plowing, salting, sanding and patching potholes. Fortunately the crews were able to open the entrances to alleys so that garbage could be picked up. Of course plow priorities had to be set resulting first to attention to primary thoroughfares. I am proud of the manner in which crews rose to an emergency the likes of which present employees had never seen. If Suzette Eggleston and David Jennings are present please stand.

708 PROPOSED CHURCH STREET BUILDING

In all of my almost 15 years as your Mayor I have never had as many people speak to me about any issue as I have about 708 Church Street. There is a request from the owner for a planned development and a map amendment change of zoning from D2 to D3 downtown retail core zoning district, the building of a 49 story residential towers with 218 dwelling units and use of TIF funds among other allowances. The offer as required was presented first to the Plan Commission that voted approval, 4-3, but with conditions. The dissenting three members wrote a minority report which has been distributed to Council.

This matter has not as yet been considered by the Council Planning and Development Committee nor the City Council. City departments were asked to study the proposal and submit their assessment to the Plan Commission which they did. The developer also submitted a letter in which its response pertained to the “downtown planning process and public benefits”. Pertinent statements were:

1. “our project has the potential of achieving... Tif increment...”,
2. “absolute benefit to the city’s affordable housing efforts,
3. “Commitment to preserve the Hahn building,
4. “Assist the City in the redevelopment of Fountain Square ...by. A...contribution....,
- 5.”Commit to achieve Silver Leed Certification for the project.”
6. “...design.....of architectural quality.....by the public benefit guidelines.”

The idea for that building in Evanston is quite innovative. We are land locked thus limited in our ability to continue conditions for economic growth as has been done in the past 15 years. The building speaks to the possibility of enlarging our residential openings, office space and other entrepreneurial ventures that will continue our economic growth. We have been spawners of businesses but after they grow we can’t accommodate them nor intervene with essentials to keep them in Evanston in spite of high taxes. Such a building isn’t going any where. That doesn’t mean that that is sufficient reason to give a green light to the building when it cannot be built as of right. Developers must go through the required process of a planned development which allows for scrutiny by citizen committees, staff, and the public before the Council votes. I might add here that criticism expressed to me has mainly been against the height and change of zoning. I’ve heard none against a building conforming to D2 zoning.

Some comments received:

Fire department requires 1. “redundancy systems” water and power, 2, a “robust elevator”. Public works had concerns pertaining to 1. Water and sewer, streets and sidewalks, traffic and parking and 2. Concern that trash is stored and covered within the development and

“not on the public way.”, 3. suggested an existing shadow study be examined because of the building height. Preservation Commission report to come’. Focus Development “respectful of the Hahn building” also wrote: “We have contracted to purchase the Hahn building.....enhance the building’s retail, and storefront, appearance”. Requesting a TIF subsidy of \$3,000,000. A message from the director of community development to the city manager on February 6 stated that “there are several conditions, public benefits and downtown planning process,...which should receive additional consideration” and can be found in section 7 of the draft ordinance. There is so much more that I could share with you but time does not permit it. The information is available to you. Reasonable people can disagree. There is a middle ground at 708 Church Street. I am confident the City Council will strive to obtain it.

Property taxes

Our revenues do well because of small businesses need to find ways to attract more. We have a home grown resident, educated at Northwestern University, has the largest minority infrastructure engineering firm in the Midwest with 80 employees but his offices are located at 22 W. Monroe in Chicago and Indianapolis. Why can’t we entice him here?

We need to enable more of Evanston’s diverse population to participate in our revenue growth. Evanston faces and will continue to face competition for business. There are other regions that are out performing Evanston for new jobs, workers, and investments. We have had some success but there remain opportunities. It is the investment made by the private sector and the jobs they create that will bring the needed revenue. We must stimulate the business in our community to expand. In order to maintain the Evanston we have we must generate more revenue. We must find ways to stimulate more revenues for the businesses we already have. We cannot afford to kill the goose that laid the golden egg - our restaurants - by mandates that will force patrons of our restaurants to go elsewhere as you know our property taxes are raised because of funding of the fire and police pensions. We have had to bond to meet pension obligations and we remain in debt to the detriment of our Moody rating. The 2008 tax levy increase for the pensions required to fund the minimum annual required contribution is \$3,842,949 over the 2007 levy. Without this large increase in pension requirements, the tax levy would have increased only 2.5% for general fund operations, well below the consumer price index. The City Manager will recommend the use of 1.5 million in fund balance to reduce the overall property tax levy increase. If approved the total property tax levy will increase less than 5% levy over the 2007 levy for all levies including the general fund, debt service levies and pension levies assuming all cuts discussed thus far remain.

Pension funding is a major problem for many communities. So much so that major organizations are seeking help from the state legislators. The problems are:

Cities need to find a balance that ensured retirement pensions without overburdening taxpayers. Evanston’s transfer tax was defeated which reflected unwillingness on the part of citizens to tax themselves further. Evanston will have to cut services and divert money to fund pensions, a sacrifice we should not have to make. If we don’t fully fund our Moody rating is decreased. To preserve services needed by the general public, organizations that are studying the effect of this matter on the general public are telling the state legislators that unless cities get some relief safety staff may have to be cut or privatized.

Understand cities have no control over pension benefit increases. It is all done by our state legislatures who are lobbied heavily and have mandated very generous pension benefits that have to be paid by municipalities without any approval from them. Here in Evanston firefighters took us to court and used monies to which our taxpayers had contributed to sue us. They can continue to do so unless a concerted effort by citizens can find a way to stop it. For example, pensioners get disability benefits without doctor's agreement on the disability. Funds are invested without professional investment management.

On a brighter note, we have approved a lakefront master plan, Ridge Avenue is to be resurfaced, streets and sanitation won 5 thousand dollars for its participation in the Cans for Cash Contest, and if firemen and policemen want to live in Evanston the Evanston Housing Corporation of which the City is a part has a First Time Home Buyer's program. You may have owned a home somewhere else, but if not in Evanston you qualify. It provides as little as 3% down, 97% financing, 30 year fixed rate mortgage and reduced payments for the first 5 years.

Yes, we are all about creating the most livable city in America. Why? Because we are wise enough to include our citizens in our planning and deliberations. I thank you for your continuing participation that makes us all look good.