

**VILLAGE Of RIVER GROVE
NORTHEAST TIF DISTRICT
REDEVELOPMENT PLAN AND PROJECT**

Prepared By:

Kane, McKenna and Associates, Inc.

Prepared For:

The Village of River Grove Illinois

February 2021

Preliminary Draft Dated February 18, 2021

TABLE OF CONTENTS

| | | |
|------|---|----|
| I. | Introduction..... | |
| | A. The Redevelopment Plan | 3 |
| | B. Summary | 4 |
| II. | Redevelopment Project Area Legal Description..... | 6 |
| III. | Redevelopment Project Area Goals and Objectives | 7 |
| | A. General Goals of the Village..... | 7 |
| | B. Specific Objectives for the RPA | 8 |
| | C. Redevelopment Objectives | 9 |
| IV. | Evidence of the Lack of Development and Growth within RPA and Assessment of Fiscal Impact on Affected Taxing Districts | 10 |
| | A. Evidence of the Lack of Development and Growth Within the Redevelopment Project Area | 10 |
| | B. Assessment of Fiscal Impact on Affected Taxing Districts..... | 10 |
| V. | TIF Qualification Factors Existing in the Redevelopment Project Area | 11 |
| | A. Findings..... | 11 |
| | B. Eligibility Survey | 11 |
| VI. | Housing Impact Study Findings..... | 12 |
| VII. | Redevelopment Project | 12 |
| | A. Redevelopment Plan and Project Objectives | 13 |
| | B. Redevelopment Activities | 14 |
| | C. General Land Use Plan | 15 |
| | D. Additional Design and Control Standards for Community Development in the Village | 15 |
| | E. Estimated Redevelopment Project Costs | 16 |
| | F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute | 26 |
| | G. Nature and Term of Obligations to be Issued | 26 |
| | H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area..... | 27 |
| | I. Anticipated Equalized Assessed Valuation (EAV)..... | 27 |

Preliminary Draft Dated February 18, 2021

| | | |
|-------|--|----|
| VIII. | Description and Scheduling of Redevelopment Project | 28 |
| A. | Redevelopment Project | 28 |
| B. | Commitment to Fair Employment Practices and Affirmative Action..... | 29 |
| C. | Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs..... | 30 |
| IX. | Provisions for Amending the Tax Increment Redevelopment Plan and Project | 31 |

LIST OF EXHIBITS

EXHIBITS

| | | |
|-----------|---|------------------------|
| Exhibit A | - | Boundary Map |
| Exhibit B | - | Legal Description |
| Exhibit C | - | TIF Eligibility Report |
| Exhibit D | - | Existing Land Use Map |
| Exhibit E | - | Future Land Use Map |

I. INTRODUCTION

The Village of River Grove (the “Village”) is a mature residential community located in Cook County, Illinois, approximately twelve (12) miles west and slightly north of the City of Chicago’s. The Village is traversed by the Des Plaines River and is bordered generally by the Village of Franklin Park to the west, the Village of Melrose Park on the southwest, the Village of Elmwood Park on the east, the City of Chicago to the northeast, and the Cook County Forest Preserve District property on the northwest and southeast.

This Village was incorporated in 1888, and is the oldest incorporated Village in Leyden Township. The municipality developed from a rural setting in the late 1880’s to a residential community of 10,227 by 2010. The Village is land locked with little room for expansion as three-fourths of the Village is occupied by either cemeteries or forest preserve land. These (2) two uses serve to limit the potential for expansion and highlight the need to address redevelopment needs through an appropriate planning process. Currently, the Village has had some limited commercial and residential development. As a result, it is essential to Village officials that appropriate actions are taken to protect and where possible, expand the commercial base for the community.

The proposed Northeast Tax Increment Finance District (the “Northeast TIF”) discussed in this Redevelopment Plan and Project Plan is generally bordered by, Belmont Avenue to the north, 80th Avenue to the east, O’Connor Drive to the south and generally extending west to the boundary of certain school property right of way located west of said property) (the “Study Area” or “Northeast TIF District”).

The Village of River Grove encourages controlled growth within the community through the use of the Village’s Zoning Ordinance and map and the soon to be adopted Area Land Use Plan created specifically for this area, which are intended to guide River Grove’s evolution and development in the near future. In terms of redevelopment, the Village seeks to attract and encourage mixed use development.

The Village contains a diverse mix of industrial, commercial and residential uses. The Village is essentially landlocked by bordering municipalities. Given limited opportunities for redevelopment, the Village is focusing attention on areas that can increase the local tax base and provide revenues (including sales taxes) to the community. These conditions highlight the need to address redevelopment needs through appropriate planning processes.

The Northeast TIF contains institutional uses and contains three (3) tax parcels, four (4) buildings and twenty-three (23) acres of land (as of the 2019 tax year). The Northeast TIF has diminished, over the years, in due to the age of its structures, related obsolescence, underutilized structures and land-locked nature. These factors taken in combination tend to limit the opportunities for redevelopment of the site.

Conditions of, lack of community planning, obsolescence, deterioration of site improvements and structures, inadequate utilities and excessive vacancies are evidenced throughout the area and have been documented pursuant to site visits and Village records.

The age associated all of these structures and related site improvements, including changing market conditions and surrounding competition, has contributed to the conditions as defined by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.3 et seq., as amended (the “TIF Act” or the “Act”) such as lack of community planning, excessive vacancies, inadequate utilities, deterioration and obsolescence.

Recognizing the strategic location and economic significance of the Northeast TIF, the Village is taking a proactive step toward encouraging creative approaches for adaptive reuse of property within the Northeast TIF through private investment and the use of tax increment financing. The Village believes that the Northeast TIF should be redeveloped in a coordinated and planned basis consistent with the highest quality standards of design that would result in the revitalization of the Northeast. The Village seeks to attract and encourage mixed use commercial and retail uses to locate within the Village as part of its ongoing economic development planning. Through the establishment of the Northeast TIF, the Village would implement a program to continue to redevelop the Northeast TIF; in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long term of the TIF.

A. The Redevelopment Plan

The Village recognizes the need for implementation of a strategy to revitalize the property within the boundaries of the Northeast TIF and to stimulate and enhance private development. The enhancement of private investment is a key component of the strategy. The needed private investment may only be possible if tax increment financing (“TIF”) is adopted pursuant to the terms of the TIF Act.

Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Existing conditions, such as those associated with properties located within the Northeast TIF, that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Northeast TIF will benefit the Village and all the taxing districts, which encompass the area in the form of a significantly expanded tax base.

The designation of the area as the Northeast TIF will allow the Village to address area deficiencies:

- Address long term vacancies and obsolescence of current uses.
- Enhance development in order to bring current tax exempt property to the tax rolls.
- Significantly improve physical conditions by encouraging redevelopment and new uses.
- To develop a strong positive image and appearance, that establishes a unified and sense of place.
- Provide needed improvements or facilities, including, but not limited to, recreational improvements storm and sanitary sewer improvements, and roadway improvements.

The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of the Northeast TIF. Therefore, the Village, with the assistance of Kane, McKenna and Associates, Inc., has undertaken to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of the proposed Northeast TIF makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the Northeast TIF will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to operation of viable residential and mixed uses within the area.

Pursuant to the Act, the Northeast TIF includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1 ½ acres.

Through this Redevelopment Plan and Project, the Village will serve as the central force for marshalling the assets and energies of the private sector for a cooperative public-private redevelopment effort. Ultimately, the implementation of the Northeast TIF will benefit the Village and all the taxing districts which encompass the Northeast TIF in the form of a stabilized and expanded tax base and creation of new commercial opportunities within the Village as a result of new private development in the area.

B. Summary

The Village, through legislative actions as required by the Act, finds:

- That the Northeast TIF as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the Northeast TIF need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;
- That public/private partnerships are necessary in order to achieve development goals;
- That the Northeast TIF Redevelopment Plan and Project conforms to the Village's Area Land Use Plan (including any amendments thereto)

- That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and development would not reasonably be expected to be achieved; and
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the Northeast TIF for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found, and certified by the Village, in connection to the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the Northeast TIF will not result in the displacement of 10 or more inhabited residential units and that the Northeast TIF contains less than seventy-five (75) inhabited residential units. Therefore, *this Plan does not include a Housing Impact Study.*

The redevelopment activities that will take place within the Northeast TIF will produce benefits that are reasonably distributed throughout the Northeast TIF and are tenable only if a portion of the improvements and other costs are funded by TIF.

II. NORTHEAST TIF AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit B.

III. NORTHEAST TIF GOALS AND OBJECTIVES

The following goals and objectives are presented for the Northeast TIF in accordance with the Plan.

The Northeast TIF will achieve a healthy balance of residential and mixed-use growth and redevelopment. The area will be redeveloped for mixed residential/commercial uses and will thrive with sidewalks and public spaces coming alive. The Northeast TIF will become a revitalized area benefiting the entire community.

After the Plan is adopted, the Village and its partners will actively respond to community input and comments gathered during the planning process. Together, they will launch a concerned campaign to achieve the goals and objectives of the Plan.

Lacking specific direction and a clear vision, development in the Northeast TIF is currently uncoordinated. The Northeast TIF will provide better direction for future development and improve coordination between the Village, developers and investors.

When the Plan is adopted the Village will have the opportunity to “allow for various housing types and densities, reduce distances between housing, workplaces, retail businesses, and other destinations; encourage more compact development; strengthen neighborhood character; and promote pedestrian and bicycle friendly environments”. This future development would accommodate mixed uses including residential uses and public facilities.

A. General Goals of the Village

The general goals of the Village relating to the redevelopment of the properties within the Northeast TIF include to:

- 1) Encourage a complimentary and market driven series of mixed use developments that are organized to provide a variety of housing options and goods and services throughout the community.
- 2) Sustain and enhance the area and improve and augment the area’s overall land uses.
- 3) Encourage continued occupancy and redevelopment of mixed and residential uses in the Northeast TIF.
- 4) Encourage aesthetically pleasing and functionally designed mixed use, and residential area environments in order to maintain an attractive environment within the larger residential community.
- 5) Improve the overall physical conditions of the area.
- 6) Attract new development opportunities.

- 7) Improve pedestrian and vehicular circulation.
- 8) Strengthen the Village's overall tax base.
- 9) Increase tax revenues for the Village through the expansion of the tax base rather than through raising current tax rates.

B. Specific Objectives for the RPA

Northeast TIF designation will allow the Village to:

- 1) Encourage the redevelopment of obsolete and/or underutilized buildings or sites.
- 2) Assist in coordinating redevelopment activities within the Northeast TIF in order to enhance new uses and in a manner that conforms to the fiscal and economic development policies of the Village and its common interests with overlapping tax districts.
- 3) Expand and improve existing roadways and infrastructure, where necessary, to serve parcels located within the Northeast TIF.
- 4) Provide for land assembly, site preparation, grading, and excavation, where necessary, of property located within the Northeast TIF.
- 5) When Village financial resources are used to support economic development activities, ensure that these funds are leveraged to maximize economic benefits for the Village.
- 6) Ensure that new development is financially responsible for the proportionate share of Village funded services and other public investments that are required as a result of the development.
- 7) Coordinate redevelopment activities within the Northeast TIF in a manner that conforms to the fiscal and economic development policies of the Village and its common interests with overlapping tax districts.
- 8) Identify viable market opportunities for existing structures and for parcels within the Northeast TIF.
- 9) Pursue opportunities for the reconfiguration of off street parking lots, structures and the establishment of shared parking agreements to meet parking demands within neighborhood commercial areas in a coordinated and efficient manner.
- 10) Reduce or eliminate negative factors present within the Northeast TIF.

- 11) Provide for an attractive overall appearance of the area and to coordinate redevelopment with adjacent land uses.

C. Redevelopment Objectives

The purpose of the Northeast TIF designation would allow the Village to pursue the following objectives within the Northeast TIF:

- 1) Assist in coordinating redevelopment activities within the Northeast TIF in order to provide a positive marketplace signal and to conform to recent Village planning efforts.
- 2) Encourage redevelopment of underutilized property over a reasonable time period.
- 3) Enhance the necessary infrastructure and related improvements in order to support the redevelopment of the parcels.
- 4) Improve existing roadway service, and ingress/egress to parcels surrounding the Northeast TIF, where necessary.
- 5) Provide for the necessary site preparation, demolition, site remediation if warranted, grading, and excavation of property located within the Northeast TIF.
- 6) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the physical appearance and overall quality of life within the Northeast TIF and contribute to the economic development of the area.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE NORTHEAST TIF AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth within the Northeast TIF

As demonstrated in Exhibit C of this Plan, the Northeast TIF would qualify as a “blighted area” as defined in the Act. Properties within the Northeast TIF would not likely experience coordinated redevelopment without the designation of the Northeast TIF.

The proposed Northeast TIF exhibits various conditions which, if not addressed by the Village, would eventually worsen. For example, structures and site improvements reflect obsolescence, deterioration, inadequate utilities; deleterious layout, excessive vacancies, environmental remediation and lack of community planning. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on most of the affected taxing districts. In fact, the action taken by the Village to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project will have a positive impact on the affected taxing districts by addressing the current property tax status of the area.

Given that there is the potential for new mixed use, residential and retail development, the Village has made allowances in this Redevelopment Plan and Project to provide the flexibility for distributions to such school districts and library districts taxing districts and will follow the guidelines provided by the Act to compensate the districts at levels dictated by the precise increase in students. Additionally, should the Village achieve success in attracting private investment which, though not anticipated, does result in the demonstrated need for increased services from any other taxing district, the Village would consider declaring sufficient TIF related surpluses, which funds are neither expended or obligated for redevelopment activities, as provided by the Act, to assist such taxing districts in paying the costs for any increased services.

Any surplus special tax allocation funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the Village, after all TIF eligible costs either expended or incurred as an obligation by the Village have been duly accounted for through administration of the special tax allocation fund to be established by the Village as provided by the Act. The exception to this provision will be to the extent that the Village utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the school districts and library districts. In such cases, the Village will provide funds to offset the costs incurred as prescribed by the Act.

V. TIF QUALIFICATION FACTORS PRESENT IN THE REDEVELOPMENT PROJECT AREA

A. Findings

The Northeast TIF was studied to determine its qualifications under the TIF Act. It was determined that the area as a whole qualifies as a TIF district under Illinois law based on blighted area factors. Refer to the TIF Qualification/Designation Report, (Exhibit C) which is attached as part of this Plan.

B. Eligibility Survey

The Northeast TIF was evaluated, from time to time, over a period from June, 2020 through the date of this Redevelopment Plan and Project by representatives of KMA. Analysis was aided by certain reports and information obtained from the Village and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for the proposed Northeast TIF.

VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA

Findings

The Northeast TIF was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The Village has found that the area will not displace ten (10) or more residents and that the Northeast TIF contains less than seventy-five (75) inhabited residential units, thus a housing impact study is not required to be completed. If at a later date, the Village does decide to dislocate more than ten (10) inhabited units, then the Village must complete a housing impact study and amend the TIF Plan.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The Village proposes to realize its goals and objectives of encouraging the development of the Northeast TIF and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the attraction of users to redevelop existing structures, as well as vacant parcels or underutilized parcels that are, or may become available, and the redevelopment of mixed uses within the Northeast TIF.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction and widening of current streets);
 - ii. Utility improvements (including, but not limited to, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
 - iii. Signalization, traffic control and lighting;
 - iv. Off-street parking (structured and/or grade);
 - v. Landscaping, streetscape and beautification; and
 - vi. Improve public facilities.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of certain buildings or sites through necessary rehabilitation and improvement of structures if necessary.
- 6) By exploring and reviewing job training programs in coordination with any Village, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the Village will implement a coordinated program of actions, including, but not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired by the Village. Properties owned or acquired by the Village may be assembled and reconfigured into appropriate redevelopment sites. It is expected that the Village would facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of its acquisition costs. Such land may be held or disposed of by the Village on terms appropriate for public or private development, including the acquisition of land needed for construction of public facilities or improvements. Relocation activities may also be undertaken by the Village.

Public Improvements

The Village may, but is not required to provide, public improvements in the RPA to enhance the immediate area and support the Redevelopment Plan and Project. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as flood control and sanitary and storm sewer systems;
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for new residential mixed-use or retail/commercial uses, including parking facilities.

Rehabilitation/Taxing District Capital Costs

The Village may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to Village code provisions.

Improvements may include exterior and facade related work as well as interior related work.

Interest Rate Write-Down

The Village may enter into agreements with owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects is paid for on annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The Village may assist facilities and enterprises located within the NORTHEAST TIF in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School District Tuition and Library District Costs

The Village will provide for the payment of eligible tuition and library district costs as provided for in the TIF Act.

C. General Land Use Plan

Existing land use generally consists of institutional and recreational uses. Future land use would include mixed uses consisting of residential, and mixed-use. Existing and future land uses are shown in Exhibits D and E attached hereto and made a part of this Plan. The proposed uses will conform to the Area Land Use Plan.

D. Additional Design and Control Standards for Community Development in the Village of River Grove

The appropriate design controls, as set forth in the Area Land Use Plan and Zoning Ordinance, shall apply to the RPA.

E. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the TIF statute, and any such costs incidental to this Redevelopment Plan and Project. Private investments, which supplement “Redevelopment Project Costs”, are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project includes:

1. Costs of studies and survey, development of plans and specification, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, “redevelopment project costs” shall not include lobbying expenses;
 - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;

5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of “welfare to work” programs implemented by businesses located within the redevelopment project area;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district’s increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

- a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

- (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
- (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
- (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.

c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply.

Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this

paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

11. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. Payment in lieu of taxes;
13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code.
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to this Act may not exceed 30% of the (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any

property assembly costs and any relocation costs incurred by a municipality pursuant to this Act;

- e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated

with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
17. None of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman.
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. “Historic Resource” means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special

Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

**VILLAGE OF RIVER GROVE
NORTHEAST REDEVELOPMENT PROJECT AREA
ESTIMATED PROJECT COSTS**

| <u>Program Actions/Improvements</u> | <u>Estimated Costs</u> |
|---|----------------------------|
| 1. Land Acquisition, Assembly and Relocation Costs | \$ 2,000,000 |
| 2. Demolition, Site Preparation, Environmental Cleanup And Related Costs | \$ 20,000,000 |
| 3. Public Infrastructure and public facilities and improvements (including capital costs for Village related improvements and taxing districts) | \$ 15,000,000 |
| 4. Rehabilitation Costs | \$ 500,000 |
| 5. Interest Costs Pursuant to the Act | \$ 2,000,000 |
| 6. School or Library District Payments Pursuant to the Act | \$ 25,000,000 |
| 7. Planning, Legal, Engineering, Administrative and Other Professional Service Costs | \$ 5,000,000 |
| 8. Job Training | <u>\$ 500,000</u> |
| TOTAL ESTIMATED COSTS | <u>\$70,000,000</u> |

(A) All project cost estimates are in year 2021 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The line item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the Northeast TIF, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

Pursuant to the Act, the Village may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the proposed Northeast TIF, and vice versa.

F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

“Redevelopment Project Costs” specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the Village Board, only to leverage and commit private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the Northeast TIF over and above the initial equalized assessed value of each such lot, block, tract or parcel in the Northeast TIF in the 2019 tax year for the Northeast TIF. TIF revenues may be shared between adjacent, contiguous TIF districts, all as provided for in the Act.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

The Village may also direct incremental revenues from the Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities in conformance with the provisions of the Act and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan.

G. Nature and Term of Obligations to Be Issued

The Village may issue obligations secured by the tax increment special tax allocation fund established for the Northeast TIF pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to the Illinois State statutes.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Northeast TIF. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the Northeast TIF in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the Village may determine.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent equalized assessed valuation (EAV) for the 2019 tax year of the property within the Northeast TIF is \$0.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Northeast TIF over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Northeast TIF will be approximately \$50,000,000 to \$55,000,000.

VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses are conformant to the Area Land Use Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the Northeast TIF may be acquired and assembled into an appropriate redevelopment site, including relocation activities.

Demolition and Site Preparation: The existing improvements located within the Northeast TIF may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare sites for desired redevelopment projects.

Rehabilitation: The Village may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the Northeast TIF.

Landscaping/Buffering/Streetscaping: The Village may fund certain streetscape or landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses, including adjacent residential uses.

Public Facilities/Taxing District Costs: The Village may fund certain recreational facilities or public improvements and taxing district costs as provided for in the Act.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the Village. Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking may be constructed that would be available to the general public.

Utility services may also be provided or relocated in order to accommodate redevelopment.

Public Improvements: Recreational facilities related improvements, community facilities and/or related public improvements may be funded by the Village as provided for in the Act.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the NORTHEAST TIF and enhance its redevelopment may be constructed.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the NORTHEAST TIF as allowed under the Act.

Professional Services: The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself from annual tax increment revenue if available.

Tuition Payments to School and Library District: The Village may fund payments to the school district and library district pursuant to the provisions of the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the Village and any private developers, both entities will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices, which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the year of adoption of an ordinance designating the Northeast TIF. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year of the initial adoption of the ordinance approving the Northeast TIF.

IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.

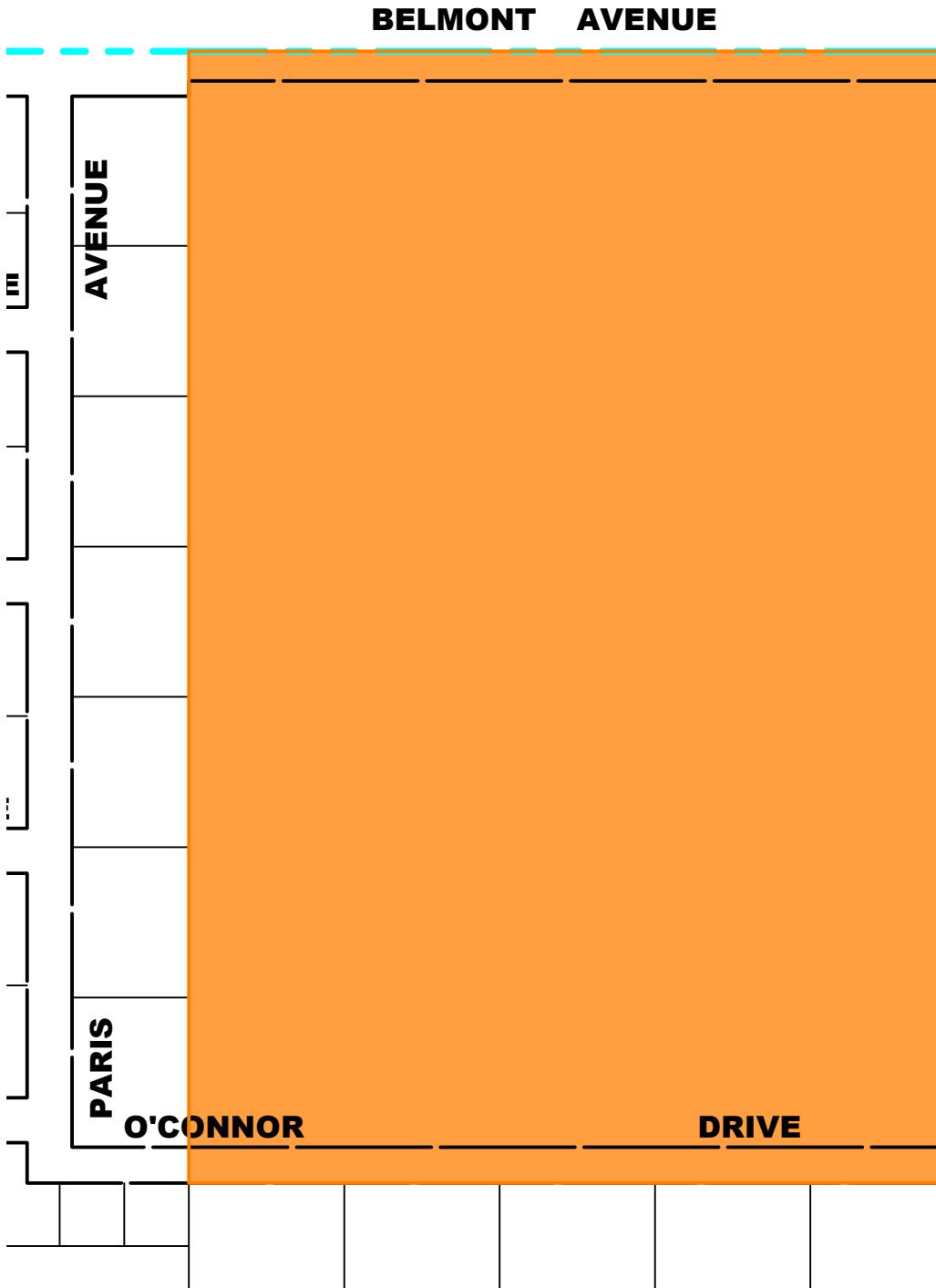
EXHIBIT A
BOUNDARY MAP



EXHIBIT A

NORTHEAST T.I.F.

PROPOSED T.I.F. BOUNDARY



LEGEND OF SYMBOLS



PROPOSED T.I.F. BOUNDARY



CIVIL Engineers
Municipal Consultants
Established 1911

7900 Roosevelt Road
Westchester, IL 60154-2702
Phone: 708-655-0302
www.ghancock.com

EXHIBIT B
LEGAL DESCRIPTION



INCORPORATED 1888

EXHIBIT B

NORTHEAST T.I.F LEGAL DESCRIPTION

THAT PART OF THE NORTHEAST FRACTIONAL QUARTER OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 26; THENCE WEST ALONG THE NORTH LINE OF SAID SECTION A DISTANCE OF 840 FEET; THENCE SOUTH ON A LINE PARALLEL TO THE EAST LINE OF SAID SECTION A DISTANCE OF 1260 FEET; THENCE EAST ON A LINE PARALLEL TO THE NORTH LINE OF SAID SECTION, A DISTANCE OF 840 FEET TO THE EAST LINE OF SAID SECTION; THENCE NORTH ALONG SAID EAST LINE OF SAID SECTION TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

TIF ELIBILITY REPORT

Preliminary Draft Dated February 18, 2021

**VILLAGE OF RIVER GROVE
NORTHEAST TIF DISTRICT
REDEVELOPMENT PROJECT AREA
ELIGIBILITY REPORT**

A study to determine whether all or a portion of an area located in the Village of River Grove qualifies as a “blighted area” as set forth in the definition in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared For: Village of River Grove, Illinois

Prepared By: Kane, McKenna and Associates, Inc.

February, 2021

**VILLAGE OF RIVER GROVE
NORTHEAST TIF DISTRICT
REDEVELOPMENT PROJECT AREA
ELIGIBILITY REPORT**

TABLE OF CONTENTS

| <u>SECTION</u> | <u>TITLE</u> | <u>PAGE</u> |
|-----------------------|--|--------------------|
| I. | Introduction and Background | 1 |
| II. | Qualification Criteria Used | 3 |
| III. | The Study Area | 8 |
| IV. | Methodology of Evaluation | 9 |
| V. | Qualification of Proposed Area Findings of Eligibility | 14 |
| VI. | Summary of Findings and Overall Assessment of Qualification | 15 |

MAP

Proposed Northeast TIF District Boundary Map

EXHIBIT 1

Tax Parcel Information

I. INTRODUCTION AND BACKGROUND

In considering the designation of the proposed Northeast TIF Redevelopment Project Area (“Northeast TIF”), the Village of River Grove (the “Village”) has authorized the study of the area (“Study Area”) to determine whether it qualifies for consideration as a redevelopment project area (“TIF” or “TIF District”) pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the “TIF Act” or “Act”). Kane, McKenna and Associates, Inc. (“KMA”), has agreed to undertake the study of the area. The properties are generally bordered by, Belmont Avenue to the north, 80th Avenue to the east, O’Connor Drive to the south and generally extending west to the boundary of certain school property right of way located west of said property.

The Northeast TIF includes approximately 23 acres of land, three (3) tax parcels and four (4) buildings, as well as adjacent right of ways. The area consists of Holy Cross High School (“Holy Cross”), the former Brothers’ Residence (“Residence”), Guerin College Preparatory High School (“Guerin Prep”) (formerly Mother Guerin High School) and a Sisters’ Convent (“Convent”).

The structures and site improvements within the proposed Northeast TIF were found to have various qualification factors that would enable the Village to designate it as the Northeast TIF, and these factors include: deterioration, obsolescence, inadequate utilities, excessive vacancies, lack of community planning and environmental remediation.

OBJECTIVES

The Village’s redevelopment plan objectives are to enhance mixed use residential opportunities by:

- Increasing mixed use development opportunities.
- Improving physical conditions by expanding streetscape improvements to the project area, upgrading infrastructure, and providing other improvements.
- Enhancing open space within the project area.
- Developing a strong positive image and appearance, which establishes a unified and clearly defined sense of place.
- Providing needed improvements or public facilities, including, but not limited to, parking and circulation improvements.

The Village has made a determination that it is highly desirable to promote the redevelopment of the proposed Northeast TIF area. The Village intends to create and implement such a plan in order to increase tax revenues associated with any redevelopment activities and to increase the community's tax base.

The Village is favorably disposed toward supporting redevelopment efforts in this area. The Village has determined that redevelopment takes place through the benefit and guidance of comprehensive economic planning by the Village. Through this coordinated effort, the area is expected to improve. Development barriers, inherent with current conditions within the area, which impede economic growth under existing market standards, are expected to be eliminated.

The Village has determined that redevelopment currently planned for the area may only be feasible with public finance assistance. The creation and utilization of a TIF redevelopment plan is intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the area.

The use of TIF relies upon induced private redevelopment in the area thus creating higher real estate value that would otherwise decline or stagnate without such investment, leading to increased property taxes compared to the previous land-use (or lack of use). In this way the existing tax base for all taxing districts is protected and a portion of future increased taxes are pledged to attract the needed private investment.

II. QUALIFICATION CRITERIA USED

With the assistance of Village Staff, Kane, McKenna and Associates, Inc. examined the Study Area from June 2020 to the date of this report, and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the TIF Act. The relevant sections of the TIF Act are found below.

The TIF Act sets out specific procedures, which must be adhered to in designating a redevelopment project area. By definition, a “Redevelopment Project Area” is:

“an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a blighted area, or a combination of both blighted area and blighted area.”

BLIGHTED AREA

The Act defines a “blighted area” as follows:

(1) If improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:

(A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration: With respect to buildings, defects including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up: The Proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of Community Planning: The Proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) Lagging or Declining EAV: The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for the proposed area characterized as “blighted-vacant” in the event that structures are demolished prior to TIF designation. Per the statute, such an area meets state standards provided that:

If vacant, the sound growth of the redevelopment project area is impaired by a combination of two or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:

- 1) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.
- 2) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
- 3) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
- 4) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- 5) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for – or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for – the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- 6) The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

TIF Qualification Factors for a Vacant Area (Stand-Alone Factors)

In accordance with the TIF Act, KMA assessed the following stand-alone factors to determine qualification as a redevelopment project area for the proposed area characterized as “blighted-vacant”. Per the statute, such an area meets state standards provided that:

If vacant, the sound growth of the redevelopment project area is impaired by one or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:

- 1) The area consists of one or more unused quarries, mines, or strip mine ponds.
- 2) The area consists of unused railyards, rail tracks, or railroad rights of way.
- 3) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
- 4) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
- 5) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
- 6) The area qualified as a “blighted area” immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

III. THE STUDY AREA

The Study Area is generally bordered on the north by Belmont Avenue, 80th Avenue on the east, O'Connor Drive on the south, and generally extending west to the boundary of certain school property right of way located west of said property.

IV. METHODOLOGY OF EVALUATION

In evaluating the proposed Northeast TIFs' potential qualification as a TIF, the following methodology was utilized.

- 1) Site surveys of the area were undertaken by representatives from KMA. Site surveys were completed for each tract of land (based upon Sidwell blocks) within the area.
- 2) KMA completed the exterior evaluation of structures, as part of the review. Additionally, site data, local history (discussions with Village staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning) were reviewed. KMA reviewed the area in its entirety. Village redevelopment goals and objectives for the area were also reviewed with Village staff. A photographic analysis of the area was conducted and was used to aid this evaluation.
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act criteria factors of specific structures and site conditions on the parcels.
- 4) The area was examined to assess the applicability of the different factors, required for qualification for TIF designation under the TIF Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The area was examined to determine the applicability of the thirteen (13) different improved blighted area factors for qualification for TIF designation under the TIF Act. In addition, in the event that structures are removed prior to TIF designation due to health and safety concerns, the qualification review also includes the "vacant" blighted area finding as part of this report.

V. QUALIFICATION OF PROPOSED AREA FINDINGS OF ELIGIBILITY

As a result of KMA's evaluation of the area included in the proposed Northeast TIF and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the proposed Northeast TIF as a "blighted area".

BLIGHTED AREA FACTORS (MUST INCLUDE FIVE OR MORE ADDITIONAL FACTORS REGARDING IMPROVED PROPERTY)

1. Lack of Community Planning

According to the TIF Act, an area suffers from a lack of community planning if the area was developed prior to or within the benefit of a community plan.

The area's lack of community planning is evidenced specifically by land use issues. The lack of buffering between residential and institutional and poor ingress/egress, reflect the historically single-use development that occurred within the area.

In addition to the historical land use inadequacies, there are certain impediments for future redevelopment including coordinated ingress/egress.

In summary, modern development of the improved areas within the TIF District should discourage the mixing of conflicting land-uses without sufficient land platting or coordination of uses, and provide buffers to adjacent residential areas, establish appropriate land development ratios, and set other restrictions to prevent problems that arise out of incompatible uses.

The TIF designation will serve to improve overall coordination redevelopment for all the parcels. Also lacking until recent years has been effective and sustained economic development plans and strategies intended to address coordinated redevelopment for the TIF District.

2. Obsolescence

Obsolescence is seen in the deterioration of certain site improvements, older buildings and vacancies. As noted, all of the structures are over 35 years in age (constructed in 1960s). The combination of age, special uses, and observed deterioration potentially reduces the basic function of the buildings and impacts any adoptive reuse. These conditions have a negative “spill-over” effect on the area and may potentially deter neighboring property owners from reinvesting in their properties.

Access to the site is limited, and the improvements were designed as special (single) use facilities – the two Holy Cross and Guerin Prep buildings, adjacent Residence and Convent.

Since the closure of Holy Cross and the Residence in 2003 those buildings have remained largely vacant. The adjacent Guerin Prep and Convent closed as of mid-2020, thus adding an additional two buildings to the already vacant campus.

The facilities were designed for a single use, specific to educational needs. Classroom, office, gymnasium, cafeteria, and locker space have limited applicability for replacement uses that are non-institutional. In addition, the physical condition of the buildings has deteriorated, and reuse options are further limited by the size of the existing facility and deterioration that is present. As a result, the structures are ill-suited for the original use and have fallen into disuse.

3. Deterioration of Site Improvements and Structures

Deterioration can be evidenced in major or secondary building defects. For example, such defects include but are not limited to, defects in building components such as windows, gutters, doors, brick, mortar and stucco. Many of the structures and site improvements exhibited various degrees of deterioration which require repairs, upgrades and replacement.

With respect to surface improvements, deterioration was found throughout the TIF District related to driveways, parking lots with extensive cracking and potholes (in need of repair and patching), and the need for resurfacing and restriping.

Several building components exhibit deterioration.

The Holy Cross buildings conditions include:

- Deteriorating sealants/caulk at windows and door frames;
- Trim or frame components that require repair or replacement;
- Tuckpointing and/or concrete repairs required throughout;

The Residence conditions include:

- Deteriorating sealants/caulk at windows and door frames;
- Trim or frame components that require repair or replacement;
- Tuckpointing and/or concrete repairs needed throughout;
- Repairs needed at the garage and driveway;

The Guerin Prep conditions include:

- Deteriorating sealants/caulk at windows and door frames
- Repairs needed to roof;

The Convent conditions include:

- Deteriorating sealants/caulk at windows and door frames;
- Repairs needed at the garage and driveway;

Overall, Holy Cross and the Residence evidence distressed conditions due to prolonged vacancy resulting in poor exterior conditions.

4. Inadequate Utilities.

A finding of inadequate utilities is present if utilities are shown to be of insufficient capacity to serve current or proposed uses in the TIF, or are deteriorated, antiquated or obsolete, or are lacking within the area.

Review of the properties and improvements within the proposed TIF by the Village's consulting engineer, noted the following conditions:

The Village maintains emergency water supplies with its neighboring communities of the Villages of Franklin Park and Elmwood Park. The capacity of connections is insufficient to provide significant supply and would only be ancillary to any output the water pumping station would be able to provide. The Village has explored the upgrading of these connections and establishing other connections with additional suppliers and locations to provide for an adequate emergency water supply.

The water distribution system consists of pipes of various size, age, and material composition to provide water to its consumers. The pipes within the TIF were primarily constructed in the 1960's. In addition to supplying water for consumption, the other primary function of the system is to provide water to aide in the suppression of fires. The proposed TIF area is located at the along a dead end of the Village water system on O'Connor Drive. The site's proximity to the pump station will allow adequate pressure to be maintained with the area regardless of the demand. In order to provide adequate fire protection and a commercial/residential demand the recommendation is to extend a water main loop

along the west side of 80th Avenue and the south side of Belmont Avenue. We would also anticipate based on the size of the land that if used for residential development that additional internal water mains within that development would be needed for domestic and fire protection demands.

Sewer System

The Village has two distinctly defined sewer systems that service the proposed TIF area. One system is comprised of separate sanitary and storm sewers and is a designated “Separate Sewer Area” by the Metropolitan Water Reclamation District of Greater Chicago (“MWRDGC”).

Sanitary Sewer System

The sanitary sewer for this portion of the Village is conveyed through a lift station and force main to the Des Plaines Interceptor Sewer owned and maintained by the MWRDGC. The Village’s current system terminates on O’Connor Drive at 80th Avenue and on Paris Avenue at Belmont Avenue. The sewer system on either O’Connor Drive or Paris Avenue would likely need to be increased in size to meet additional peak loading from the development of the proposed TIF area. Additionally, if the final development plan of the site is determined to have a significant increase in residents or a more intensive water consumption commercial development the development will result in a need to increase both the capacity of the wet well and pumps station conveyance capacity, which in turn may require the need to address the size of the mile-long force main currently serving the area. If developed as a residential development there could be a capacity impact and need for review of existing improvements. A review of the sewers on O’Connor and Paris Avenue to the lift station is currently being completed and based on other sewers within the area the system is in fair condition with only small sections of pipe repair currently needing attention, which is to be expected based on the age of the pipe.

Storm Sewer System

The storm sewer system is currently undersized to handle the current practice of being able to convey the “10-Year” event runoff from the sites within the Proposed TIF. Based on the size of the proposed TIF area and size of the existing parcels within the proposed TIF, stormwater management will need to follow the Cook County Watershed Management Ordinance. The site will have a restricted release of 0.20 cfs/acre of the development and stormwater detention facilities will need to be constructed within the site. The area is tributary to an existing stormwater detention facility located in Elmwood Cemetery, which release is controlled through a pump station to convey the runoff to the Des Plaines River through a 1½ mile long force main. The existing detention facility in Elmwood Cemetery is the limiting component on the system as it cannot be expanded. Additional storage may be required by the within the proposed TIF area above what is required by the

MWRDGC Watershed Management Ordinance to mitigate the limitations of capacity on the downstream storm sewer system facilities.

Roadway Related

80th Avenue is located along the east side of the proposed TIF area and is under the jurisdiction of the Village of Elmwood Park. The roadway serves as an access to the residential area south of Belmont Avenue. The intersection of Belmont Avenue and 80th Avenue is controlled by a traffic signal. The roadway condition is considered good condition and consist of a lane of traffic in each direction. The development of the site may require intersection improvements at 80th Avenue and Belmont Avenue to provide capacity to address potential additional traffic volume through the intersection. Discussions on how additional traffic flows onto 80th Avenue need to be addressed with the Village of Elmwood Park. Potential upgrades to the traffic signal and resurfacing of the roadway and the implementation of traffic calming to help address the increased traffic volume due to redevelopment activity.

5. Excessive Vacancies

Both Holy Cross and the Residence buildings within the Northeast TIF have been vacant since 2003 (the gymnasium facility is used intermittently). The Guerin Prep building closed in June 2020 - the Convent was vacated by the Sisters in June, 2018 but used on a limited bases until June, 2020. The proposed Northeast TIF encompasses approximately 23 acres, and the vacancy of all the structures has an adverse impact based on the overall size of the facilities and visibility within the area.

6. Environmental Remediation

The Act states that if “a study conducted by an independent consultant recognized as having expertise in environmental remediation” has determined a need for clean-up of hazardous water or substances required by State or federal law, then the factor is present.

The owner provided a report prepared by EPI (Environmental Protection Industries), a recognized expert in asbestos building inspection and abatement to examine all four (4) of the buildings. The report prepared by EPI indicated that various building materials including caulk and sealing and tile and floor sheeting) contained asbestos. Recommendation by EPI required appropriately trained personnel as part of the demolition of the structures to undertake removal in conformance with all government regulatory and safety procedures including an appropriate abatement work plan.

Vacant: Blighted Area Findings

Through its analysis of conditions related to the former campus structures, KMA found sufficient evidence in place to determine that vacant land would meet the eligible requirements for designation as a “blighted improved area”, immediately prior to becoming vacant, pursuant to the Act. This property included four (4) commercial structures as described above. KMA determined by, methods that included but were not limited to, site surveys and visits, interviews with Village staff and officials, ownership, and Cook County data, that the proposed area made up of the former campus buildings, as a whole, was found to evidence six (6) out of the thirteen (13) qualification factors in support of finding as a “blighted improved area”, as stated in the Act, immediately prior to that site becoming vacant.

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to a proposed designation of the Study Area by the Village as a TIF District:

1. The area is contiguous and is greater than 1½ acres in size.
2. The area qualifies as a “blighted area” including findings as to both “improved” and “vacant” areas. A more detailed analysis of the qualification findings is outlined in this report.
3. All property in the area would substantially benefit from the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

These findings, in the judgment of KMA, provide the Village with sufficient justification to consider designation of the area as a TIF District.

The area has not benefited from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to business attraction as well as the coordination of redevelopment efforts for modern uses. These efforts will be important to the area’s continued improvement and the addition of new tax base (in comparison to the current exempt uses).

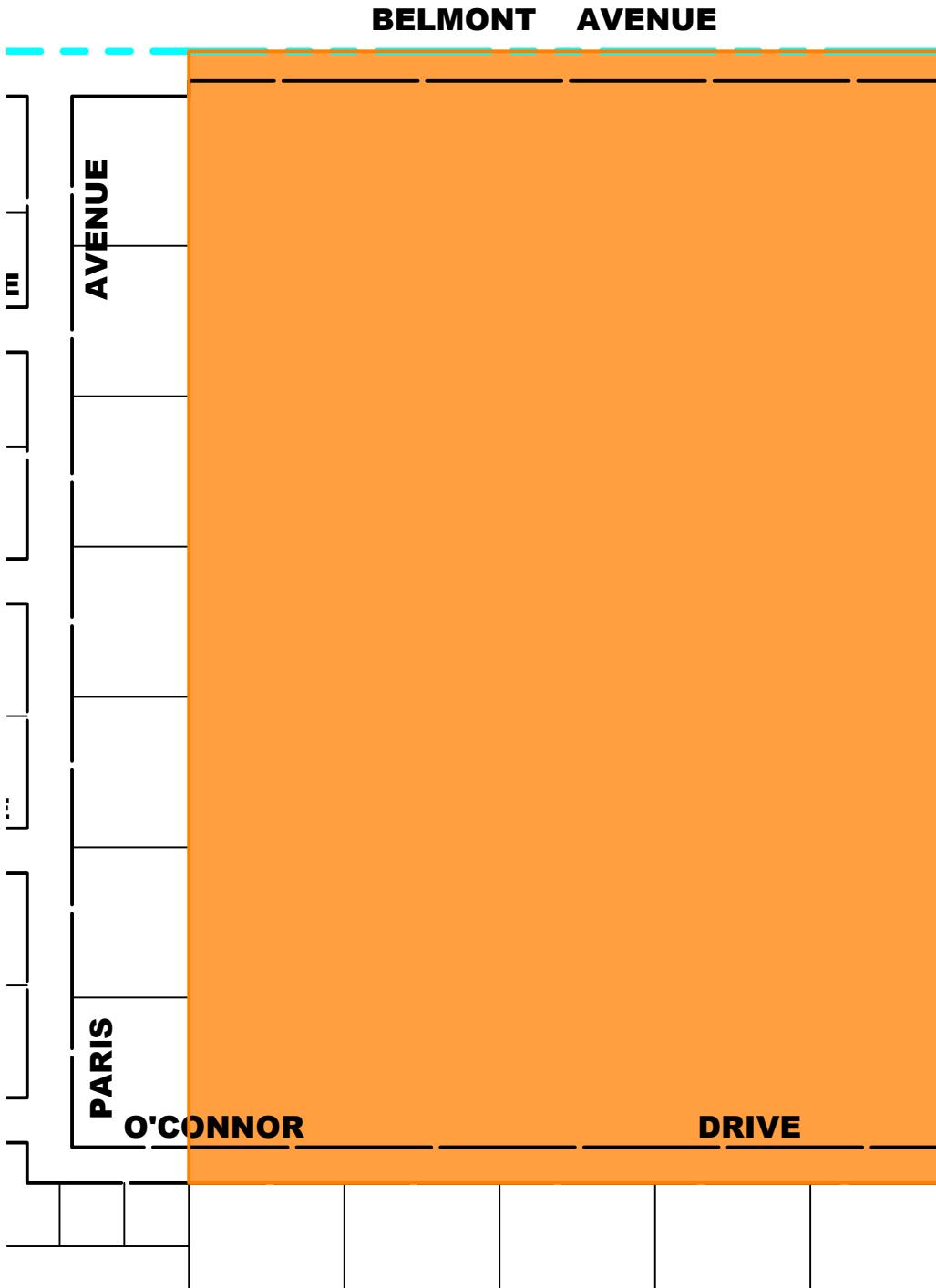
PROPOSED NORTHEAST TIF DISTRICT BOUNDARY MAP



EXHIBIT A

NORTHEAST T.I.F.

PROPOSED T.I.F. BOUNDARY



LEGEND OF SYMBOLS



PROPOSED T.I.F. BOUNDARY



CIVIL Engineers
Municipal Consultants
Established 1911

7900 Roosevelt Road
Westchester, IL 60154-2702
Phone: 708-655-0302
www.ghancock.com

EXHIBIT 1

Tax Parcels for Area

List of Tax Parcels

12-26-200-005
12-26-200-013
12-26-200-014

EXHIBIT D
EXISTING LAND USE MAP



INCORPORATED 1888

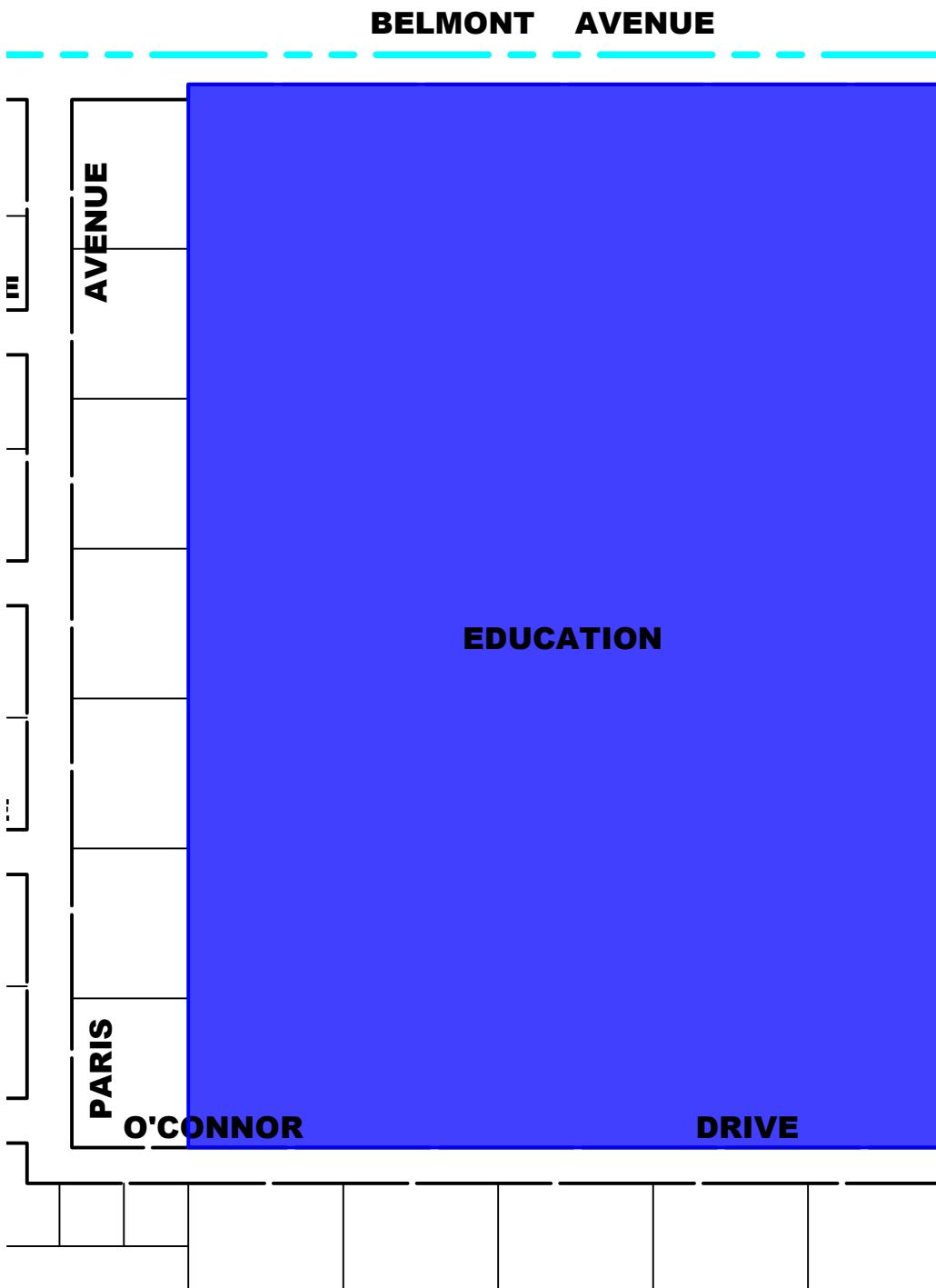
EXHIBIT D

NORTHEAST T.I.F.

EXISTING LAND USE MAP



(NOT TO SCALE)



LEGEND OF SYMBOLS



EDUCATION DISTRICT



CIVIL Engineers
Municipal Consultants
Established 1911

7900 Roosevelt Road
Westchester, IL 60154-2762
Phone: 708-655-0302
www.hancockco.com

EXHIBIT E
FUTURE LAND USE MAP



INCORPORATED 1888

EXHIBIT E

NORTHEAST T.I.F.

FUTURE LAND USE MAP



(NOT TO SCALE)

