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**CITY OF ELMHURST  
CHURCH ROAD/LAKE STREET  
TAX INCREMENT FINANCING  
REDEVELOPMENT PLAN AND PROJECT**

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**Prepared By:**

**Kane, McKenna and Associates, Inc.**

**Prepared For:**

**The City of Elmhurst, Illinois**

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## **I. INTRODUCTION**

The City of Elmhurst (the “City”) is a mature community located in Du Page County, Illinois, adjacent to the Village of Bensenville on its north, the Villages of Northlake, Berkeley and Hillside on its east, the Villages of Oak Brook and Oakbrook Terrace on its south, and the Villages of Villa Park and Addison on its west.

The City was incorporated in 1882. The municipality has a population of 44,454 according to an updated Census in 2015. The City has vehicular access to Chicago and its greater metropolitan area via the Tri State Tollway (I-294), the extension of the Eisenhower Expressway (I-290) and the Reagan Tollway (I-88); as well as State Routes 20 (Lake Street), 38 (Roosevelt Road), 64 (North Avenue), and 83 (Kingery Highway). The City is also served by the Metra rail service (Union Pacific West commuter line) and PACE bus routes.

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

The City currently utilizes its Comprehensive Plan including its Zoning Map and the City’s Zoning Ordinance (and any amendments thereto) to coordinate economic development. The City intends to attract and encourage light industrial, commercial and mixed use users to locate, upgrade, expand and/or modernize their facilities within the City as part of its ongoing economic development planning. A necessary strategy for the City in pursuing new mixed use, commercial, and light industrial development will be to eliminate certain existing adverse conditions within some portions of the community, and to find new means to strengthen and further diversify the City’s tax base.

The area discussed in this Church Road/Lake Street Redevelopment Plan and Project (the “Plan” or the “Redevelopment Plan and Project”) is the proposed Church Road/Lake Street Redevelopment Project Area (the “Redevelopment Project Area”, the “RPA” or the “TIF District”). The RPA is a contiguous area approximately bounded by Grand Avenue on the west, frontage parcels along Lake Street on the south, except for the area between Oaklawn Avenue and Church Road that extends south to Armitage Avenue, York Street on the east, and Industrial Drive and Fullerton Avenue on the north (including frontage parcels north of Lake Street west of Church Road. Adjacent rights of way are also included.

According to the data available from Du Page County and the Addison Township Assessor’s Office the RPA is approximately two hundred (200) acres in size excluding rights of way and contains approximately one hundred fifteen (115) tax parcels including approximately sixty six (66) buildings. The RPA consists primarily of commercial and industrial uses with limited institutional and residential uses. Sixty-three percent (63%) of the structures within the RPA are in excess of thirty-five (35) years in age. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Section II.

The advanced age associated with many of these structures, as well as the site improvements and public infrastructure that surround them, has led to the adverse conditions as defined by the Tax Increment Allocation Redevelopment Act of Chapter 65 ILCS Section 5/11-74.4 et seq., as amended (the "TIF Act" or the "Act") such as deterioration, obsolescence, and deleterious land use.

Additional conditions that contribute to negative influences within the RPA include inadequate utilities and lack of community planning which are evidenced throughout the area and have been documented pursuant to site visits by Kane, McKenna and Associates, Inc. (KMA), as well as City, County and Township records. These conditions also result in an overall lack of new private sector investment which is further evidenced by a lag in growth of the equalized assessed value (EAV) for the RPA when compared to the EAV growth for the rest of the City in three of the last five tax years.

On balance, the combination of these negative factors limits the opportunities for private reinvestment within and around the RPA. Such factors potentially suppress the value of future development and weaken the potential for business growth limiting employment and contributing to the lack of sustained investment in the area.

If there is coordination of land uses by the City, using TIF Act authority, the RPA would become better positioned for redevelopment. Accordingly, under this Redevelopment Plan and Project and as part of its comprehensive economic development planning, the City intends to attract and encourage commercial, industrial, mixed residential use and retail uses to locate, upgrade, expand and/or modernize their facilities within the City. Through the establishment of the RPA, the City would implement a program to redevelop key areas within the City; in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long term.

#### **A. The Redevelopment Plan**

The City recognizes the need for implementation of a strategy to revitalize existing commercial and industrial properties within the boundaries of the RPA and to stimulate and enhance new commercial, retail and mixed use development. Business retention and expansion are key components of the strategy to promote private development within strategically critical commercial areas of the City. The needed private investment in the RPA may only be possible if tax increment financing (TIF) is adopted pursuant to 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 RPA, that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts, which encompass the area in the form of a significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the City to address area deficiencies including (but not limited to):

- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement adjacent commercial and industrial land uses;
- Provision of roadway and traffic improvements within the area, including a comprehensive review of ingress and egress requirements that satisfy area circulation, parking and connections to major arterials;
- Entering into redevelopment agreements in order to further the redevelopment of underutilized properties;
- Coordinating and providing adequate parking and separation of loading/unloading areas for all redevelopments;
- Improving area appearance through rehabilitation of structures, landscape, streetscape and signage programs;
- Coordinating land assembly in order to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

The area on the whole would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of the Redevelopment Plan and Project, herein. The City, with the assistance of KMA, has prepared this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the RPA 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 the retention, expansion and attraction of commercial, industrial, retail and mixed residential use development into the City in general and the RPA in particular.

Pursuant to the Act, the RPA 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 1½ acres.

Through this Redevelopment Plan and Project, the City will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts, which encompass the RPA in the form of a stabilized and expanded tax base, the retention of existing businesses, the creation of new businesses and the creation of new employment opportunities within the City as a result of induced private sector investment within the area.

**B. Summary**

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

- That the RPA 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 RPA 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 determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the Comprehensive 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 RPA 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.

Additionally, the City finds that it may be useful, desirable, and necessary for the City to assemble land into parcels of sufficient size to encourage development consistent with current standards.

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

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

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres.

**II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

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

### **III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES**

The following goals and objectives are presented for the RPA in accordance with the City's Comprehensive Plan, Zoning Ordinance and Zoning Map which are considered the City's comprehensive planning process (including any amendments thereto).

#### **A. General Goals of the City**

- 1) Encourage a complimentary and market driven series of commercial developments that are organized to provide a variety of goods and services throughout the community.
- 2) Encourage aesthetically pleasing and functionally well designed retail and commercial shopping area environments.
- 3) Expand and maintain a strong employment base in the City which expands the overall standard of living.
- 4) Strengthen the City's overall tax base.
- 5) Improve Elmhurst's ability to attract and retain high quality employers.
- 6) Increase tax revenues (property and sales tax revenues) for the City through the expansion of the tax base rather than through raising current tax rates
- 7) Maintain the City's high quality of infrastructure to support existing businesses and residential uses and encourage reinvestment.
- 8) Maintain and determine adequate parking facilities to serve land uses throughout the City.

#### **B. Specific Objectives for the RPA**

- 1) Encourage the redevelopment of obsolete and/or underutilized buildings.
- 2) Expand and improve existing roadways and infrastructure, where necessary, to serve parcels located within the RPA.
- 3) Provide for land assembly, site preparation, grading, and excavation, where necessary, of property located within the RPA.
- 4) When City financial resources are used to support economic development activities ensure that these funds are leveraged to maximize economic benefits for the City.

- 5) Ensure that new development is financially responsible for the proportionate share of City funded services and other public investments that are required as a result of the development.
- 6) Coordinate redevelopment activities within the RPA in a manner that conforms to the fiscal and economic development policies of the City and its common interests with overlapping tax districts.
- 7) Identify viable market opportunities for existing structures and for parcels within the RPA.
- 8) 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.
- 9) Require adequate buffering and screening between residential areas and adjacent commercial, industrial or institutional uses, including parking facilities and loading areas.

**C. Redevelopment Objectives**

The purpose of the RPA designation will allow the City to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to recent City planning efforts;
- 2) Reduce or eliminate the negative factors present within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality public improvement projects within the RPA; and
- 5) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the overall quality of life within the RPA and contribute to the economic development of the City as a whole.

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

**A. Evidence of the Lack of Development and Growth Within the RPA**

As documented in Exhibit C of this Plan, the RPA has suffered from a lack of development and would qualify as a conservation area. In recent years, the area has not benefited from sustained private investment and absent intervention by the City, properties within the RPA would not be likely to experience coordinated redevelopment.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually worsen. For example, structures and site improvements reflect obsolescence, deterioration, inadequate utilities; deleterious layout; lack of community planning; and experienced a lag in the growth of the EAV when compared with the remainder of the City for three of the last five years. These various conditions discourage private sector investment in business enterprises.

**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 City 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 arresting inflation adjusted declines in assessed valuations.

Given that there is the potential for new retail, commercial and mixed use development, the City has made allowances in this Redevelopment Plan and Project to provide the flexibility for distributions to such 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 City 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 City 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 City, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act. The exception to this provision will be to the extent that the City utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the Elmhurst Community Unit School District 205 (District 205). In such cases, the City will provide funds to offset the costs incurred by District 205 in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act.

**V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

**A. Findings**

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF District under Illinois law based upon conservation area factors. Refer to the Qualification Report, (Exhibit C) which is attached as part of this plan.

**B. Eligibility Survey**

The RPA was evaluated, from time to time, over a period from November, 2015 through the date of this Redevelopment Plan and Project by representatives of KMA. Analysis was aided by certain reports obtained from the City of Elmhurst and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for the proposed RPA.

**VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA**

**Findings**

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The City has found that the area will not displace ten (10) or more residents and that the RPA 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 City does decide to dislocate more than ten (10), then the City must complete a housing impact study.

## **VII. REDEVELOPMENT PROJECT**

### **A. Redevelopment Plan and Project Objectives**

The City proposes to realize its goals and objectives of encouraging the redevelopment of the RPA 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 retention and expansion of existing businesses, and the attraction of users to redevelop existing industrial and commercial structures, as well as vacant parcels or underutilized parcels that are, or may become available, within the RPA.
- 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, stormwater 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. 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 through necessary rehabilitation and improvement of structures.
- 6) By exploring and reviewing job training programs in coordination with any City, 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 City will implement a coordinated program of actions, including, but not limited to, site preparation, clearance, acquisition, 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 purchase or the exercise of eminent domain. Properties owned or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. It is expected that the City 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 City 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 City.

### **Public Improvements**

The City 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 mixed use or retail/commercial uses, including parking facilities.

### **Rehabilitation**

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to City code provisions. Improvements may include exterior and facade related work as well as interior related work.

### Interest Rate Write-Down

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

### Job Training

The City may assist facilities and enterprises located within the RPA 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;
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

### School District Tuition Costs

The City will provide for the payment of eligible tuition costs as provided for in the TIF Act.

### **C. General Land Use Plan**

Existing land use generally consists of a mix of primarily industrial and commercial/retail uses, and institutional and recreational uses. Existing and future land uses are shown in Exhibits D and E attached hereto and made a part of this Plan. The proposed land uses will conform to the City's Comprehensive Plan (including any amendments thereto).

### **D. Additional Design and Control Standards for Community Development in the City of Elmhurst**

The appropriate design controls, as set forth in the City's Comprehensive Plan, Zoning Ordinance and Building Codes (including any amendments thereto) 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 Act, 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 include:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, 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 not 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 91<sup>st</sup> 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 City 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 City, are set forth in a written agreement by or among the City 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 the Act may not exceed 30% of the total (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 the 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. After November 1, 1999, 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 on the next page. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

**CITY OF ELMHURST  
CHURCH ROAD/LAKE STREET REDEVELOPMENT PROJECT  
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs and Relocation Costs	\$15,000,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$10,000,000
3. Utility Improvements including, but not limited to water system, storm/flood control system, sanitary sewers and road and rights-of-way improvements	\$10,000,000
4. Public facilities and (including approved capital costs for City and parking improvements)	\$ 8,000,000
5. Rehabilitation Costs	\$ 2,500,000
6. Interest Costs Pursuant to the Act	\$ 1,500,000
7. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 5,000,000
8. Job Training	\$ 500,000
9. School District Tuition Costs Pursuant to the Act	<u>\$2,500,000<sup>1</sup></u>
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$55,000,000</b>

(A) All project cost estimates are in year 2016 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 RPA, 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.

<sup>1</sup> See Section VII, sub-paragraph E9.

Pursuant to the Act, the City 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 RPA, and vice versa.

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

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment 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 City Council, 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 RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2015 tax year for the RPA.

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 City 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 City may also direct incremental revenues from the Church Road/Lake Street 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 City may issue obligations secured by the Special Tax Allocation Fund established for the Church Road/Lake Street Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its home rule powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years after the year of adoption of the ordinance approving the Church Road/Lake Street Redevelopment Project Area. 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 and Project, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA 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 City may determine.

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

The most recent estimate of equalized assessed valuation (EAV) for tax year 2015 of the property within the RPA is approximately \$28,654,330.

**I. Anticipated Equalized Assessed Valuation (EAV)**

Upon completion of the anticipated private development of the Church Road/Lake Street Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Church Road/Lake Street Redevelopment Project Area will be within a range of approximately \$78,000,000 to \$80,000,000.

## **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 conform to the City's Comprehensive Plan (including any amendments thereto). 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 RPA may be acquired and assembled into an appropriate redevelopment site.

**Demolition and Site Preparation:** The existing improvements located within the RPA 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 the site for desired redevelopment projects.

**Rehabilitation:** The City may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the RPA.

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

**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 City. 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 City. 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 the renovation or expansion of buildings.

**Traffic Control/Signalization:** Traffic control or signalization improvements that improve access to the RPA 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 City 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 RPA as allowed under the Act.

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

Tuition Payments to School Districts: The City may fund payments to the school 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 City and any private developers, both will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City 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 the compliance requirements of applicable state and federal regulations.

The City 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**

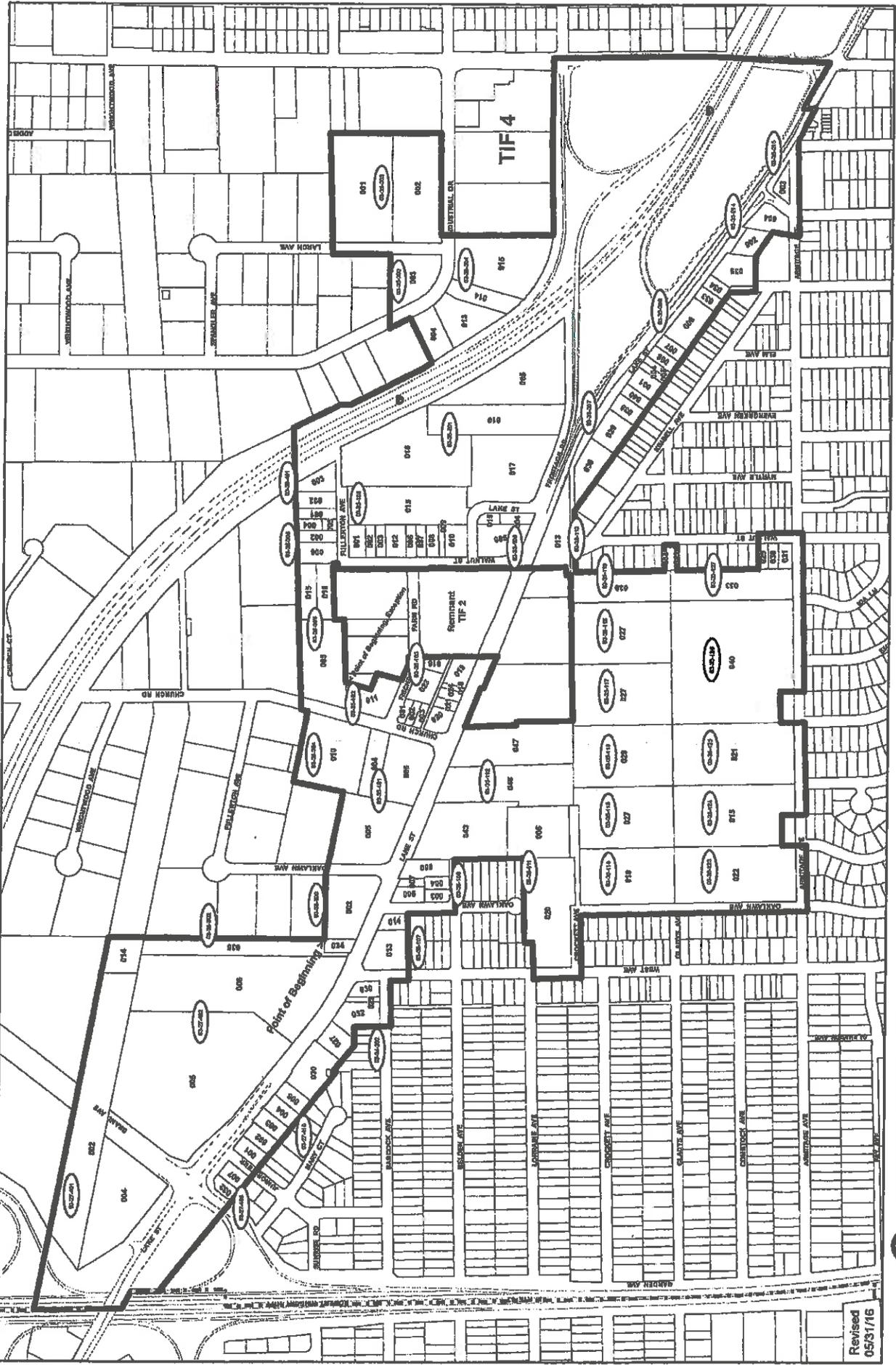
This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the year of adoption of an ordinance designating the RPA. The actual date for such completion and retirement of obligations shall not be later than 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 RPA.

**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**

# Church Road and Lake Street TIF District



Revised  
05/31/16



**EXHIBIT B**  
**LEGAL DESCRIPTION**

## Elmhurst Church Road and Lake Street TIF District Legal Description

That part of Sections 26, 27, 34 and 35 of Township 40 North, Range 11, East of the Third Principal Meridian described as commencing at the Northwest corner of Lot 20 in Mourekson Industrial Center Unit-One, recorded as Document R68-6176 on February 19, 1968, said Northwest corner being on the East line of Lot 2 in Fischer's Assessment Division, recorded as Document 928140 on June 22, 1959, thence Northerly along said East line, and said East line extended, to the Southeast corner of Lot 1 in said Fischer's Assessment Division, thence Northwesterly along the South line of said Lot 1, and said South line extended, to the centerline of Illinois Route 83, thence Southerly along said centerline to the Southerly Right-of-Way line of Lake Street, thence Southeasterly along said Southerly Right-of-Way line to the Easterly Right-of-Way line of said Illinois Route 83, thence Southerly along said Easterly Right-of-Way line of said Illinois Route 83 to its intersection with the Northwesterly extension of the Southwesterly lot lines of Lots 4 and 5 in Block 3 of Elmhurst Sunny Fields, recorded as Document 440629 on August 12, 1942, thence Southeasterly along said Southwesterly line, said Southwesterly line extended, and the Southwesterly lot lines of Lots 1 through 6, inclusive, in Block 4 of said Elmhurst Sunny Fields, to the West line of Lot 26 in Block 1 of Second Addition to Elmhurst Gardens, recorded as Document 188545 on February 14, 1925, thence Northerly along said West line to the Northwest corner of said Lot 26, thence Southeasterly, thence Easterly along the Northerly lines of Lots 22 through 26, inclusive, in said Block 1 to the Northeast corner of said Lot 22, thence Southerly along the East line, and East line extended, of said Lot 22 to the Southerly Right-of-way line of Babcock Avenue, thence Easterly along said Southerly Right-of-way line to the Northeast corner of Lot 1 in Block 2 of said Second Addition to Elmhurst Gardens, said Northeast corner being on the Westerly Right-of-way line of West Avenue, thence Southerly along said Westerly Right-of-way line to its intersection with Westerly extension of the South line of Lot 8 in Block 4 of Lake View Manor, recorded as Document 195193 on June 24, 1925, thence Easterly along said South line, and said South line extended, to the Southeast corner of Lot 1 in said Block 4, said Southeast corner being on the Westerly Right-of-way line of Oaklawn Avenue, thence Southerly along said Westerly Right-of-way line, and said Westerly Right-of-way line extended, to its intersection with the Westerly extension of the North line of Lot 1 in Carey's Oaklawn Resubdivision, recorded as Document R2002-122566 on May 7, 2002, thence Easterly along said North line, and North line extended, to the West line of Lot 13 in West Lakes Farms, recorded as Document 155001 on April 8, 1922, thence Southerly along said West line to the North line of Lot 6 in Zakos' Mac Cormac College Subdivision, recorded as Document R2001-027887 on February 20, 2001, thence Westerly along said North line to the East line of Lot 1 in said Zakos' Mac Cormac College Subdivision, thence Southerly along said East line to the Southeast corner of said Lot 1, thence Westerly along the South line of said Lot 1, and said line extended Westerly, to the Westerly Right-of-way line of West Avenue, thence Southerly along said Westerly Right-of-way line to its intersection with the Westerly extension of the North line of Block K in Elmhurst Estates, recorded as Document 171281 on November 6, 1923, thence Easterly along said North line, and North line extended, to the Westerly Right-of-way line of Oaklawn Avenue, said Westerly Right-of-way line being the East line of Blocks K and L in said Elmhurst Estates, thence Southerly along said Westerly Right-of-way line to the Northeast corner of Lot 67 in Emery Manor Park Unit No. 4, recorded as Document 701525 on November 20, 1953, said Northeast corner being on the Southerly Right-of-way line of Armitage Avenue, thence Easterly along said Southerly Right-of-way line to its intersection with the Southerly extension of the centerline of that part of Highview Avenue vacated by Ordinance O-26-78, recorded as Document R78-118604 on December 12, 1978, thence Northerly along said centerline, and centerline extended, to its intersection with the Westerly extension of the North line of Lot 19 in Block N of said Elmhurst Estates, thence Easterly along said North line, and North line extended, to the East line of said Lot 19, thence Southerly along said East line,

and East line extended, to the Southerly Right-of-way line of said Armitage Avenue, thence Easterly along said Southerly Right-of-way line to its intersection with the Southerly extension of the centerline of that part of Highland Avenue vacated by said Ordinance O-26-78, thence Northerly along said centerline, and centerline extended, to its intersection with the Westerly extension of the North line of lot 20 in Block P of said Elmhurst Estates, thence Easterly along said North line, and North line extended, to the East line of said Lot 20, thence Southerly along said East line, and East line extended, to the Southerly Right-of-way line of said Armitage Avenue, thence Easterly along said Southerly Right-of-way line to the Northwest corner of Lot 1 In Emery Manor Park Unit No. 1, recorded as Document 663133 on September 24, 1952, said Northwest corner being on the Easterly Right-of-way line of Walnut Street, thence Northerly along said Easterly Right-of-way line to its intersection with the Easterly extension of the South line of Lot 16 in City of Elmhurst Walnut St. Resubdivision, recorded as Document R79-25351 on March 30, 1979, thence Westerly along said South line, and South line extended, to the Westerly line of said City of Elmhurst Walnut St. Resubdivision, thence Northerly along said Westerly line to the South line of Lot 17B in said City of Elmhurst Walnut St. Resubdivision, thence Easterly along said South line to the East line of said Lot 17B, thence Northerly along said East line, and East line extended, to the North line of Lot 17A in said City of Elmhurst Walnut St. Resubdivision, thence Westerly along said North line to the West line of said City of Elmhurst Walnut St. Resubdivision, thence Northerly along said West line to the North line of Lot 1 in said City of Elmhurst Walnut St. Resubdivision, said North lot line being the Southerly Right-of-way line of Crockett Avenue, thence Easterly along said Southerly Right-of-way line to the Northeast corner of Lot 31 In Block B in said Elmhurst Estates, thence Southeasterly along the Northeasterly line of Lots 17 through 31, inclusive, in said Block B in Elmhurst Estates, Lots 1 through 5, inclusive, in Hancock's Resubdivision, recorded as Document R77-50694 on June 27, 1977, and Lots 19 through 37, inclusive, in Block A of said Elmhurst Estates, to the Northeast corner of said Lot 19 in Block A, thence Southerly along the East line of said Lot 19 to its intersection with the South line, extended Westerly, of Lot 3 in Pollard's Subdivision, recorded as Document R76-36669 on June 10, 1976, thence Easterly along said South line of said Lot 3 to the Southeasterly corner of said Lot 3, said Southeasterly corner being the Southwesterly corner of Lot 1 In Sather's Subdivision, recorded as Document R66-12334 on April 11, 1966, thence Southeasterly along the Southerly line of said Lot 1 to the Southeasterly corner thereof, thence Southwesterly along the Easterly line of Stone Gate Terrace Condominium, recorded as Document R72-50409 on August 23, 1972, and said Easterly line extended South, to the Southerly Right-of-way line of Armitage Avenue, thence Easterly along said Southerly Right-of-way line to the Northerly line of Monti Builder's Assessment Plat, recorded as Document R83-55637 on August 15, 1983, thence Southeasterly along said Northerly line to the Northeast corner of said Monti Builder's Assessment Plat, thence Northerly along the Northerly extension of the East line of said Monti Builder's Assessment Plat to the Northerly Right-of-way line of Lake Street, thence Southeasterly along said Northerly Right-of-way line to the Westerly Right-of-way line of York Street, thence Northerly along said Westerly Right-of-way line to the Southerly line of Lot 5 in Elmhurst Industrial Park Unit No. 1, recorded as Document R65-2240 on January 22, 1965, thence Westerly along the Southerly line of Lots 5 through 7, inclusive, in said Elmhurst Industrial Park Unit No.1 to the Westerly line of said Lot 7, thence Northerly along said Westerly line of said Lot 7, and Westerly lot line extended to the Northerly Right-of-way line of Industrial Drive, thence Easterly along said Northerly Right-of-way line to the East line of Lot 31 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along the East line of Lots 31 and 27 in said Elmhurst Industrial Park Unit No. 1, to the North line of said Lot 27, thence Westerly along said North line of said Lot 27, and North line extended, to its intersection with the East line of Lot 43 in said Elmhurst Industrial Park Unit No. 1, said East line being the Westerly Right-of-way line of Larch Avenue, thence Southerly along said Westerly Right-of-way line to the Northerly line of Lot 32 in said Elmhurst Industrial Park Unit No. 1, thence Westerly along said North line, and North line extended, to the Northeasterly line of Lot 11 in said Elmhurst Industrial Park Unit No. 1, thence Southeasterly along said Northeasterly line to the Southeast corner of said Lot 11, thence Southwesterly along the Southeasterly

line of said Lot 11 to the Southwest corner of said Lot 11, said Southwest corner being on the Northerly Right-of-way line of Interstate Highway 290, thence generally Northwesterly along said Northerly Right-of-way line to its intersection with the North line, extended Easterly, of Davison's Assessment Plat, recorded as Document 694525 on September 9, 1953, thence Westerly along said North line, and North line extended, to the North line of Lot 1 in Subdivision of Lot 1 of West Lake Farms, recorded as Document 161541 on December 20, 1922, thence continuing Westerly along said North line, the North line of Lot 2 in said West Lakes Farms, and said North line extended, to the Westerly line of Church Road, thence Southwesterly along said Westerly Right-of-way line to the Northerly line of Lot 4 in said Mourekson Industrial Center Unit-One, thence Westerly along said Northerly line its intersection with the Westerly line of said Lot 4, thence Southerly along said Westerly line of said Lot 4, and said lot line extended Southerly, to the Northeasterly corner of Lot 1 in said Mourekson Industrial Center Unit-One, thence Northwesterly along the Northerly line of said Lot 1 to the Northwest corner of said Lot 1, thence Northwesterly to the Northeast corner of said Lot 20 in said Mourekson Industrial Center Unit-One, thence Northwesterly along the Northerly line of said Lot 20 to the point of beginning, including all Rights-of-way herein contained,

excepting from the aforesaid that part of Sections 26 and 35 of Township 40 North, Range 11, East of the Third Principal Meridian described as commencing at the Northwest corner of Lot 2 in City of Elmhurst T.I.F. Subdivision "A", recorded as Document R96-16459 on January 31, 1996, thence Easterly along the North line of said Lot 2, the North line of Lot 1 in Hawthorne Avenue and Thomas Street Subdivision, recorded as Document R96-186756 on November 15, 1996, and the North line of Lot 3 in said West Lake Farms, to the West line of Lot 1 in Sakash's Consolidation Plat, recorded as Document R99-22074 on January 27, 1999, thence Northerly, thence Easterly along the lot line of said Lot 1, thence Easterly along said North line extended, to the centerline of that part of Walnut Street vacated by Ordinance O-66-2012, recorded as Document R2012-177403 on December 13, 2012, thence Southerly along said centerline to the Northerly Right-of-way line of Fullerton Avenue, thence Westerly along said Northerly Right-of-way line, extended, to the Easterly lot line of said Lot 1 in Sakash's Consolidation Plat, said Easterly line being the Westerly Right-of-way line of Walnut Street, thence generally Southerly along said Westerly Right-of-way line to the Southeast corner of Lot 1 in Blanche's Resubdivision, recorded as Document R98-29661 on February 18, 1998, thence generally Westerly along the South line of said Blanche's Resubdivision to the Southwest corner of Lot 2 in said Blanche's Resubdivision, thence Northerly 332.48 feet to the South line of the North 300 feet of Lot 11, as measured on the East line thereof, in said West Lake Farms, thence Westerly 20 feet, thence Northerly along the West line of said East 20 feet, to the Southerly Right-of-way line of Lake Street, thence Southeasterly along said Southerly Right-of-way line to its intersection with the Southerly extension of a line described as 16.74 feet normally West and parallel with the East line of vacated Hawthorne Avenue, said vacation by Ordinance O-01-97, recorded as Document R97-068305 on May 14, 1997, thence Northerly along said parallel line, and said line extended, to its intersection with the Northerly Right-of-way line of Fischer Farm Road, said Northerly Right-of-way line being the South lot line of said Lot 1 in said Hawthorne Avenue and Thomas Street Subdivision, thence generally Northwesterly, thence Northeasterly along said lot line to the Southeast corner of said Lot 2 of said City of Elmhurst T.I.F. Subdivision "A", thence Northwesterly, thence Northeasterly along said Lot 2 to the point of beginning of the exception, including all rights-of-way herein contained,

all in DuPage County, Illinois.

**EXHIBIT C**  
**TIF QUALIFICATION REPORT**

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**CITY OF ELMHURST  
TIF QUALIFICATION REPORT  
CHURCH ROAD/LAKE STREET TIF DISTRICT**

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**A study to determine whether all or a portion of an area located in the City of Elmhurst qualifies as a conservation area as set forth in the definition in the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-3, et seq., as amended.**

**Prepared For: City of Elmhurst, Illinois**

**Prepared By: Kane, McKenna and Associates, Inc.**

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**May, 2016**

**CITY OF ELMHURST  
QUALIFICATION REPORT  
CHURCH ROAD/LAKE STREET TIF DISTRICT  
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**EXHIBIT 1**

Proposed TIF Boundary Map

**EXHIBIT 2**

Tax Parcel List

## **I. INTRODUCTION AND BACKGROUND**

In the context of planning for the Church Road/Lake Street proposed Redevelopment Project Area (the "RPA", or "Study Area") under the provisions of the Illinois "Tax Increment Allocation Redevelopment Act", Ch. 65 ILCS Section 5/11-74.4-1 et. seq. of the Illinois Compiled Statutes, as amended (hereinafter referred to as the "Act"), the City of Elmhurst (the "City") has authorized the study of the RPA in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing District (the "TIF" or "TIF District"). Kane, McKenna and Associates, Inc. ("KMA") has agreed to undertake the study of the RPA.

The RPA is a contiguous area approximately bounded by Grand Avenue on the west, frontage parcels along Lake Street on the south, except for the area between Oaklawn Avenue and Church Road that extends south to Armitage Avenue, York Street on the east, and Industrial Drive and Fullerton Avenue on the north (including frontage parcels north of Lake Street west of Church Road. Adjacent rights of way are also included.

According to the data available from Du Page County and the Addison Township Assessor's Office the RPA contains approximately one hundred fifteen (115) tax parcels including approximately sixty six (66) buildings. Sixty three percent (63%) of the structures within the RPA are in excess of thirty-five (35) years in age.

The RPA exhibits characteristics of deterioration, inadequate utilities, and obsolescence that are often indicative of properties that evidence age and/or under-utilizations. Valuations have also been impacted by under-utilization as well as the economic downturn.

Further, because much of the RPA was developed in an era before the City actively practiced modern land use planning, the RPA suffers from adverse impacts associated with a lack of community planning and deleterious land use and layout. The RPA did not have the benefit, over the last several decades, of developing under the guidelines of an economic development plan. Lake Street and the tollway effectively limit access to frontage parcels located in the south part of the RPA, and the parcels east of Walnut Street (south along Lake Street) also evidence limited access. Certain parcels located southeast of Grand Avenue also demonstrate limited access while large uses located north of Lake Street could benefit from coordinated access/egress and parking.

Narrower depth in lot sizes along both Lake Street and Fullerton Avenue limit redevelopment options and coordinated parking and access/egress points are required. Many of the surface improvements within the Study Area were found to have varying degrees of deterioration. Sidewalks, streets, driveways, and parking lots exhibited pavement cracking and uneven surfaces.

The equalized assessed valuation (EAV) of properties in the Study Area was found to decline in four (4) of the last five (5) years. The qualification factors discussed within this TIF Qualification Report (the "Report") qualify the RPA as a conservation area, as that term is hereinafter defined pursuant to 65 ILCS 5/11-74.4-3 et. seq., as amended.

The City believes that the RPA can be a candidate for redevelopment if the qualification factors discussed in this report are mitigated. Further, the City believes that the use of TIF can mitigate these negative obstacles that currently impede redevelopment. Further from a planning standpoint, the redevelopment of the proposed RPA compliments efforts the TIF District.

**The City does not plan to dislocate ten (10) or more inhabited residential units as part of this redevelopment effort and the RPA contains less than seventy-five (75) inhabited residential units. As such, pursuant to the TIF Act, as amended, the City is not required to prepare a housing impact study. If at some point in the future, the City dislocates more than ten (10) inhabited residential units, or amends the RPA to include more than seventy-five (75) inhabited residential units then the City must amend this document and complete a housing impact study.**

### **Objectives**

The City's redevelopment objectives propose to ameliorate to the extent possible the negative impact of the qualification factors which are prevalent in much of the Study Area and enhance retail, commercial and mixed use opportunities where appropriate. To achieve these objectives the City proposes the following guidelines:

- To encourage redevelopment within the RPA that will address the piecemeal development practices, older building conditions and vacancies, and attract new land uses which are consistent with the existing uses and provide an enhanced tax base to support the entire City;
- To implement coordinated development/design practices as set forth in the City's Comprehensive Plan;
- To assist site assembly and preparation in order to provide for the reuse of properties for this stated purpose; and
- To coordinate area redevelopment and to improve access to sites.

The City's general economic development goals are to enhance commercial and mixed use opportunities within the City and the RPA. Given the City's goals as well as the conditions described in this Report, the City has made a determination that it is highly desirable to promote the redevelopment of the RPA. Without an implementation plan for redevelopment, City officials believe current conditions will worsen. The City intends to create and implement such a plan in order to restore, stabilize and increase the economic base associated with the RPA which will not only increase tax revenues associated with the RPA but also benefit the community as a whole.

Because of the conditions observed in the RPA and the required coordination of future land uses, the City enthusiastically supports the foregoing redevelopment objectives. The City has determined that redevelopment should take place through the benefit and guidance of comprehensive planning for economic development controlled by the City. Through this coordinated effort, the RPA is expected to improve. Development barriers, inherent with current conditions within the RPA, which impede economic growth under existing market standards, are expected to be eliminated.

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

The use of TIF relies upon induced private redevelopment in the RPA creating higher real estate value that would otherwise decline or stagnate without such investment. The result of such investment will lead to increased property taxes compared to the previous land-use (or lack of use). In this way the existing tax base for all tax 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 City staff, Kane, McKenna and Associates, Inc. examined the RPA November of 2015 to the date of this report, and reviewed information collected for the RPA to determine the presence or absence of appropriate qualifying factors listed in the Act. The relevant sections of the Act are found below.

The 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 conservation area, or a combination of both a blighted area and conservation area."

Under the Act, "Conservation Area" is defined as any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is not yet a blighted area, but because of a combination of three (3) or more of the following factors, may be considered as a Conservation 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 have 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, 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) Lag in EAV: The total equalized assessed value of the proposed redevelopment project area has declined 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 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 for which information is available.

### **III. THE PROPOSED RPA**

The RPA is a contiguous area approximately bounded by Grand Avenue on the west, frontage parcels along Lake Street on the south, except for the area between Oaklawn Avenue and Church Road that extends south to Armitage Avenue, York Street on the east, and Industrial Drive and Fullerton Avenue on the north (including frontage parcels north of Lake Street west of Church Road. Adjacent rights of way are also included.

According to the data available from Du Page County and the Addison Township Assessor's Office the RPA contains approximately one hundred fifteen (115) tax parcels including approximately sixty six (66) buildings. Sixty three percent (63%) of the structures within the RPA are in excess of thirty-five (35) years in age.

The RPA described herein meets the eligibility requirements for designation as a Conservation Area under the Act. All of the parcels were examined to determine the number of structures aged thirty-five (35) years or greater, as required under the Conservation Area criteria of the Act. It was determined by site surveys, Du Page County, Addison Township Assessor, and City input that sixty three percent (63%) of the structures in the RPA were thirty-five (35) years or greater. Furthermore, the RPA as a whole was found to evidence six (6) qualification factors. The minimum required for a finding of a Conservation Area is that fifty-percent (50%) or more of the structures are thirty-five (35) years old or greater and there is present three (3) qualification factors dictated by the Act.

It was further found that the required qualifying factors are reasonably distributed throughout the RPA. KMA and the City reserve the right to make additional findings in connection with this report prior to the adoption of the TIF District. Thus, the report is subject to revisions to the extent such revisions are allowable prior to any action by the City to adopt the TIF District, as permitted in accordance with the Act.

#### **IV. METHODOLOGY OF EVALUATION**

In evaluating the RPA's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the RPA were undertaken by representatives from KMA. Site surveys were completed for each parcel within a block (based upon tax parcel blocks), within the area.
- 2) Exterior evaluation of structures was completed noting such conditions as deterioration, obsolescence, excessive vacancies, and deleterious land use and layout. Additionally, 2009 through 2015 tax information from the Du Page County Clerk's Office, Sidwell parcel tax maps, site data, local history (discussions with City officials and staff), and an evaluation of area-wide factors that have affected the RPA's development (e.g., lack of community planning, and lag or decline in equalized assessed value) were reviewed. KMA studied the RPA in its entirety. City redevelopment goals and objectives for the RPA were also reviewed with City staff. A photographic recording and analysis of the RPA 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, qualification factors of specific structures and site conditions on the parcels.
- 4) The RPA was examined to determine the applicability of age, plus the thirteen (13) other qualification factors for TIF designation as a Conservation Area under the Act. Evaluation was made by reviewing the information from the site surveys and other relevant information collected for the RPA and determining how it measured when evaluated against the qualification factors.

**V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY**

Based upon KMA’s evaluation of parcels in the Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are present to support qualification of the proposed TIF District as a Conservation Area. These factors are found to be clearly present and reasonably distributed throughout the Study Area, as required under the TIF Act. In addition to age at least three other qualifying factors must be present to a meaningful extent throughout the RPA.

**A. Threshold Qualification**

1. Age. Based upon site surveys, City data, Du Page County and Addison Township data, approximately sixty three percent (63%) of the structures in the RPA were found to be thirty-five (35) years of age or older.

**Summary of Findings**

<b>Maximum Possible Factors Per Statute</b>	<b>Minimum Factors Needed to Qualify per Statute</b>	<b>Qualifying Factors Present in TIF District</b>
13	3	6 - Obsolescence - Deterioration - Inadequate Utilities - Deleterious Land Use and Layout - Lack of Community Planning - Decline or Lag in EAV

**B. Other Conservation Factors (must include three or more factors)**

1. Obsolescence. The Act states that obsolescence is the condition or process of falling into disuse or structures that have become “ill-suited” for their original use. The RPA exhibits both functional and economic obsolescence.

Functional obsolescence is exhibited in part by a number of the commercial tenant spaces which are currently partially vacant or underutilized. Age of the existing structures adds to this finding as well as the fact that most tenant spaces along Lake Street and Fullerton Avenue lack adequate access for separate loading and unloading areas and adequate parking. Generally, the existing loading and unloading activities are currently combined with the ingress and egress of customers due to shallow lot sizes or requirements for parking. Multiple curb cuts are present along the Study Area; this condition increases the likelihood of slowing traffic flow on Lake Street.

Economic obsolescence is demonstrated by the age of structures, and the growth of EAV for the Study Area (each of these factors is discussed separately below). This condition also has the potential to cause a negative spill over for the surrounding area and may deter other property owners from reinvesting in their own properties.

2. **Deterioration.** The Act defines 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, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Approximately sixty percent (60%) of the parcels displayed signs of deteriorated conditions including, but not limited to, damaged fascias, doors, windows, and entryways, rotting wood, and missing mortar which require repairs, upgrades and replacement. In addition, surface cracking of pavement areas, potholes and depressions in roadway and parking areas, weeds protruding through paved and concrete areas and loose gravel in parking areas and driveways was present.

3. **Inadequate Utilities.** The Act states that this factor is present when underground or overhead utilities such as storm sewer and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services 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.

The City's Public Works and Engineering staff reviewed the condition of the City infrastructure in the RPA and undertook the following analysis.

**Storm Sewer System/Drainage:**

This area generally drains to the east to Addison Creek, through a system of closed pipes and open ditches and the Southwest portion flows to Salt Creek. There is limited on site detention for almost all of the properties in the area. The area experiences flooding during major rainfall events at the intersection of York Street and I-290, closing some of the ramps and York Street. A recent engineering study completed by Christopher B. Burke Engineering, Ltd. developed a plan that would allow 7 acre-feet of additional storage to be constructed in the infields of the expressway ramps would provide relief to the flooding on York and some surrounding areas.

**Roadways:**

Larch Avenue and Industrial Drive are both concrete streets in poor condition, and both experience heavy truck traffic daily. It was constructed in the 1960's and has not had any major work on it since then. Larch Avenue was constructed in 1960's and has not had any major work on it. Fullerton Avenue, Walnut Street, and the Lake Street Frontage Road are all concrete streets in fair condition and the last time they were rehabbed was prior to 1979. All of these streets are heavily used by trucks accessing the property in the area. Eastbound Lake Street Frontage road is an asphalt Street in poor condition. Some of the residential roadways adjacent to the park land and businesses are unimproved and need to be recommended with curb and gutter and brought to City standards.

**Pedestrian Access:**

This entire TIF area has limited pedestrian access and would benefit by new sidewalk/pedways.

**Watermains:**

The water mains in this area range in size from 6 inch to 12 inch, and may need to be upsized and/or extended depending on the type of development that is constructed. This area also experiences a large number of main breaks.

**Sanitary Sewers:**

This area is served by two separate sanitary sewer lift stations, one for the properties south of I-290 and one of the areas north of I-290. Depending on the type of development constructed it may force the upgrading of one or both sanitary sewers and there is a sanitary sewer force main that need to be replaced along with relining of other sanitary sewer lines in the area.

4. Deleterious Land Use or Layout. The Act refers to deleterious land use or layout as 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.

Additionally, there are certain issues pertaining to ingress/egress. Many of the businesses and along Lake Street have little space for ingress/egress and limited parking. A majority of the businesses have shallow parcel depths that do not afford much room for loading, unloading, or parking, in comparison to modern uses. Additionally, the execution of turns into commercial establishments is difficult since (a) vehicles have to slow rapidly to execute the turn, (b) turns need to be made into a tight space due the narrow/shallow parking lots and (c) entering the parking lot areas customers need to avoid closely situated cars already parked in the narrow lots (or which may be backing up to leave the store).

5. Lack of Community Planning. The Act refers to lack of community planning as 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.

According to City staff, much of the development that has occurred within the Study Area took place in a period of time prior to the City adopting its amended Comprehensive Plan and Zoning Ordinance and before the City followed its existing comprehensive planning procedures.

The City adopted its first city wide comprehensive plan in 1990, followed by a comprehensive amendment to its zoning ordinance in 1992. Prior to 1990, smaller scale or area specific plans were in place to guide development on a less coordinated, comprehensive basis. In 2009, the City updated the 1990 comprehensive plan and this effort serves as the basis for coordinated planning within the City. The Zoning Ordinance has also been amended several times.

Until recently, effective and sustained economic development plans and strategies intended to address the coordinated redevelopment of the entire Study Area have been lacking. This is not to say that improvements did not take place over the years, but that they were implemented without the guidance of a master plan directed toward long-term benefit for the Study Area as set forth in the updated City Comprehensive Plan. A lack of such efforts has contributed to the evolution of conservation area factors currently present within the Study Area. As noted above sixty three (63%) of the buildings were constructed prior to both the 1990 and 2009 comprehensive plan initiatives.

6. Decline or Lag in EAV. The Act refers to lag in EAV as 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

The total Equalized Assessed Value (“EAV”) of the Study Area and has lagged behind the CPI for three (3) of the last five (5) and has declined for three (3) of the last five (5) years. In addition the Study Area EAV has lagged behind the City EAV for three (3) of the last five (5) years. A summary of this analysis is presented in the table below.

<u>Year</u>	<u>2010 EAV</u>	<u>2011 EAV</u>	<u>2012 EAV</u>	<u>2013 EAV</u>	<u>2014 EAV</u>	<u>2015 EAV</u>
Total TIF EAV	33,894,010	35,111,670	31,486,310	29,141,290	27,450,650	28,654,330
Pct. Change		3.59%	-10.33%	-7.45%	-5.80%	4.38%
Balance of City EAV	2,245,250,356	2,118,518,042	1,897,518,042	1,785,629,448	1,786,848,673	2,005,454,117
Pct. Change		-5.64%	-10.44%	-5.90%	0.07%	12.23%
CPI		3.20%	2.10%	1.50%	1.60%	0.1%

Source: DuPage County Clerk’s Office and Assessor’s Office, Addison Township, US Bureau of Labor Statistics.

## **VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION**

The following is a summary of relevant qualification findings as it relates to the potential designation of the RPA by the City as a TIF District:

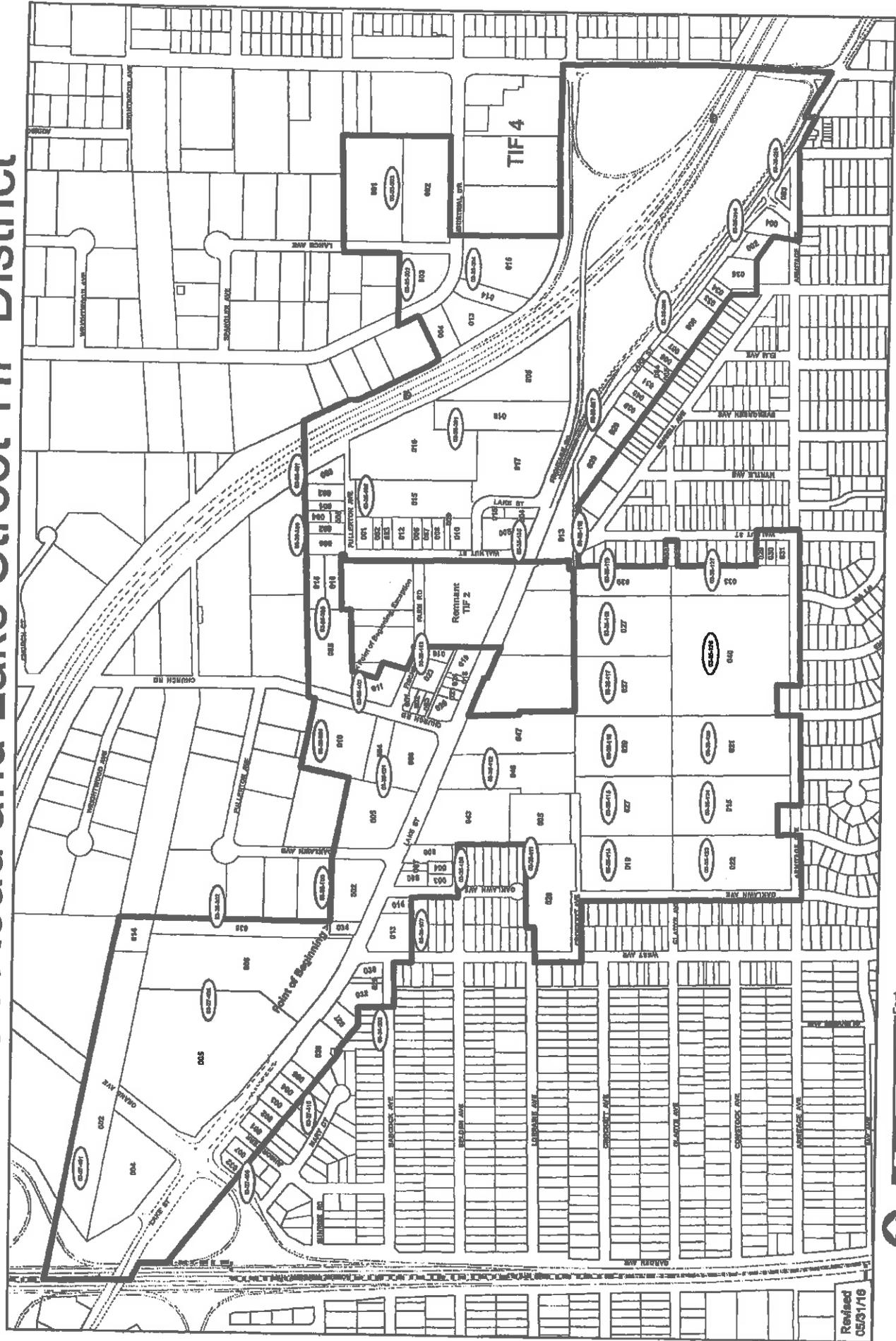
1. The RPA is contiguous and is greater than 1½ acres in size.
2. The RPA qualifies as a Conservation Area. A more detailed analysis of the qualification findings is outlined in Section V of this report.
3. All property in the RPA would substantially benefit by the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the RPA, including the City, has been impaired by the factors found present in the RPA.
5. The RPA 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 City with sufficient justification to consider designation of the RPA as a TIF District.

The RPA has not benefited from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to the improvement of infrastructure and property maintenance as well as the coordination of redevelopment efforts for modern uses. These efforts will be important to the RPA's continued improvement and preservation of tax base.

**EXHIBIT 1**  
**PROPOSED TIF BOUNDARY MAP**

# Church Road and Lake Street TIF District



Revised  
05/31/16

EXHIBIT 1: Boundary Map

**EXHIBIT 2**  
**TAX PARCEL LIST**

Parcel_ID	2010 EAV	2011 EAV	2012 EAV	2013 EAV	2014 EAV	2015 EAV
03-26-305-015	35,690	35,690	32,080	32,980	32,320	32,970
03-26-305-016	170,000	170,000	165,000	170,630	167,210	163,730
03-26-306-002	37,430	37,430	33,640	31,500	30,870	31,480
03-26-306-004	11,360	11,360	10,210	9,560	9,370	9,560
03-26-306-005	24,370	24,370	21,910	20,520	20,110	12,510
03-26-306-006	19,810	19,810	17,810	19,240	18,860	19,240
03-26-401-001	37,410	37,410	33,630	31,490	30,860	31,470
03-26-401-002	209,640	209,640	188,450	176,480	172,950	176,410
03-26-401-003	31,170	31,170	28,020	26,240	25,720	26,230
03-35-105-001	69,710	69,710	54,220	35,030	34,330	35,020
03-35-105-002	26,740	26,740	24,040	22,510	22,060	22,500
03-35-105-003	40,480	40,480	31,730	21,020	20,600	21,010
03-35-105-006	62,500	69,480	62,450	58,490	51,320	58,660
03-35-105-007	62,500	51,310	46,120	43,200	36,340	40,960
03-35-105-008	40,910	40,910	36,770	34,440	33,750	34,430
03-35-105-009	19,090	19,090	17,160	16,070	15,750	16,070
03-35-105-010	127,490	125,000	101,240	90,010	74,010	85,000
03-35-105-012	238,240	238,240	214,150	200,560	196,550	200,480
03-35-106-004	67,380	67,380	60,570	56,720	49,590	45,700
03-35-106-005	317,700	317,700	285,580	267,450	262,100	267,340
03-35-112-013	0	0	0	0	0	0
03-35-201-005	559,860	559,860	503,260	471,300	461,880	471,120
03-35-201-010	1,065,570	1,065,570	957,840	897,020	879,090	896,670
03-35-201-015	734,990	525,000	449,900	357,410	308,600	308,600
03-35-201-016	1,320,750	1,457,120	1,309,810	1,226,640	1,202,110	1,059,670
03-35-201-017	980,180	1,051,560	1,041,090	1,162,430	1,233,700	1,258,380
03-35-202-003	759,070	759,070	682,330	506,600	487,000	560,340
03-35-203-001	830,830	830,830	746,840	699,420	685,430	699,140
03-35-203-002	2,451,910	2,451,910	2,204,020	2,064,060	2,022,780	2,225,060
03-35-204-004	977,890	977,890	879,030	823,210	806,740	633,010
03-35-204-013	158,740	158,740	142,690	133,630	130,960	133,580
03-35-204-014	104,160	104,160	93,630	87,680	85,930	87,650
03-35-204-015	1,619,510	2,011,780	1,562,570	1,540,080	1,734,880	2,222,620
03-35-207-029	953,170	1,063,720	998,210	916,350	898,030	696,270
03-35-207-038	40,730	40,730	36,610	34,290	33,600	34,270
03-35-207-039	529,250	434,960	417,850	386,430	372,330	361,900
03-35-208-004	104,580	104,580	94,010	88,040	86,280	88,000
03-35-208-005	15,660	15,660	14,080	13,190	12,930	13,190

Parcel ID	2010 EAV	2011 EAV	2012 EAV	2013 EAV	2014 EAV	2015 EAV
03-35-208-006	66,450	66,450	59,730	55,940	54,830	55,930
03-35-208-007	98,840	98,840	88,850	83,210	81,550	83,180
03-35-208-008	134,140	185,940	167,150	91,460	89,630	91,420
03-35-208-031	152,780	152,780	137,340	128,620	126,050	128,570
03-35-208-033	27,260	27,260	24,500	22,940	22,480	22,930
03-35-208-034	26,670	26,670	23,970	22,450	22,000	22,440
03-35-208-035	213,230	213,230	191,670	179,500	175,910	179,430
03-35-208-040	41,240	41,240	37,070	71,200	69,780	71,180
03-35-214-002	192,590	192,590	173,120	162,130	158,880	162,060
03-35-214-004	184,110	184,110	165,500	155,000	151,900	154,940
03-35-215-003	31,510	31,510	28,320	26,520	25,990	26,510
03-35-103-001	17,420	17,420	15,660	14,670	14,380	14,670
03-35-103-002	305,840	305,840	274,920	190,700	252,320	206,400
03-35-103-003	17,420	17,420	15,660	14,670	14,380	14,670
03-35-103-016	30,270	30,270	27,210	25,840	24,970	25,470
03-35-103-018	14,260	14,260	12,820	12,010	11,770	12,010
03-35-103-019	384,240	384,240	345,390	323,460	317,000	323,340
03-35-103-020	335,300	297,640	286,750	249,860	238,980	340,300
03-35-103-021	14,940	14,940	13,430	12,580	12,330	12,580
03-35-103-023	82,170	76,220	68,520	64,170	62,890	64,150
03-35-103-024	20,870	20,870	18,760	17,570	17,220	17,560
03-35-107-014	109,610	109,610	98,530	92,280	90,430	92,240
03-35-108-003	98,560	81,610	73,360	68,700	67,330	70,610
03-35-108-004	19,140	19,140	17,210	16,120	15,800	16,120
03-35-108-006	81,070	81,070	72,880	68,250	66,890	68,230
03-35-108-007	30,880	30,880	27,760	26,000	25,480	25,990
03-35-108-008	205,680	205,680	184,890	173,150	169,690	173,090
03-35-112-043	1,165,600	1,165,600	1,047,760	981,230	961,600	958,710
03-35-112-046	609,170	609,170	547,580	555,850	544,730	475,430
03-35-112-047	519,760	519,760	467,220	486,810	477,070	682,260
03-26-302-014	940	940	4,290	4,020	3,940	4,020
03-26-302-034	30,870	30,870	27,750	25,990	25,470	25,980
03-26-302-035	246,220	246,220	221,330	207,280	203,130	207,190
03-27-401-002	7,020	7,020	32,060	30,020	29,420	30,010
03-27-401-004	911,220	911,220	819,100	767,090	733,890	865,590
03-27-402-005	3,209,250	3,209,250	2,884,790	2,701,610	1,620,430	1,937,130

Parcel_ID	2010 EAV	2011 EAV	2012 EAV	2013 EAV	2014 EAV	2015 EAV
03-27-402-006	1,275,680	1,275,680	1,146,710	1,073,900	724,100	738,580
03-27-406-007	110,890	110,890	99,680	45,850	44,930	45,830
03-27-406-032	95,510	95,510	85,860	80,410	78,810	80,390
03-27-410-001	615,280	383,880	255,870	239,620	234,830	239,520
03-27-410-002	21,250	21,250	19,100	17,890	17,530	17,880
03-27-410-003	204,970	204,970	184,250	172,550	169,100	172,480
03-27-410-004	80,460	80,460	72,330	67,740	66,390	67,720
03-27-410-005	138,050	138,050	124,100	116,220	113,900	116,180
03-27-410-027	375,470	375,470	337,510	316,080	309,760	315,960
03-27-410-030	586,140	586,140	523,880	493,430	483,560	493,230
03-34-202-029	19,170	19,170	17,230	16,140	15,820	16,140
03-34-202-030	84,490	84,490	75,950	71,120	69,700	71,000
03-34-202-032	222,200	222,200	199,740	187,060	183,320	196,380
03-35-107-013	382,430	1,024,600	988,430	608,270	596,110	608,030
03-26-305-005	320,000	320,000	308,760	290,010	260,000	290,000
03-35-102-011	536,130	536,130	481,930	451,330	442,310	451,160
03-26-304-010	1,230,010	1,230,010	1,105,660	1,035,450	1,014,740	1,035,030
03-35-101-004	180,470	180,470	162,220	151,920	148,880	151,860
03-35-101-006	861,880	1,069,910	959,120	898,220	880,260	897,870
03-35-101-005	1,064,670	1,272,700	1,141,410	1,068,930	1,047,560	1,068,520
03-35-100-002	995,850	995,850	895,170	838,330	821,560	837,990
03-35-111-005	0	0	0	0	0	0
03-35-111-020	0	0	0	0	0	0
03-35-114-019	0	0	0	0	0	0
03-35-115-027	0	0	0	0	0	0
03-35-116-029	0	0	0	0	0	0
03-35-117-027	0	0	0	0	0	0
03-35-118-027	0	0	0	0	0	0
03-35-119-039	0	0	0	0	0	0
03-35-119-038	0	0	0	0	0	0
03-35-123-022	0	0	0	0	0	0
03-35-124-015	0	0	0	0	0	0
03-35-125-021	0	0	0	0	0	0
03-35-126-040	0	0	0	0	0	0
03-35-127-033	0	0	0	0	0	0
03-35-127-043	0	0	0	0	0	0

City of Elmhurst  
Proposed Church Road Lake Street TIF

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Parcel_ID	2010 EAV	2011 EAV	2012 EAV	2013 EAV	2014 EAV	2015 EAV
03-35-127-029	0	0	0	0	0	0
03-35-127-030	0	0	0	0	0	0
03-35-127-031	0	0	0	0	0	0
TIF Total EAV	33,894,010	35,111,670	31,486,310	29,141,290	27,450,650	28,654,330
Pct. Change (Yr. to Yr.)		3.59%	-10.33%	-7.45%	-5.80%	4.38%
City Total EAV	2,279,144,366	2,153,797,013	1,929,004,352	1,814,770,738	1,814,299,323	2,034,108,447
Balance of EAV	2,245,250,356	2,118,685,343	1,897,518,042	1,785,629,448	1,786,848,673	2,005,454,117
		-5.64%	-10.44%	-5.90%	0.07%	12.23%
CPI		3.20%	2.10%	1.50%	1.60%	0.10%

**EXHIBIT D**  
**EXISTING LAND USE MAP**

# Church Road and Lake Street TIF District

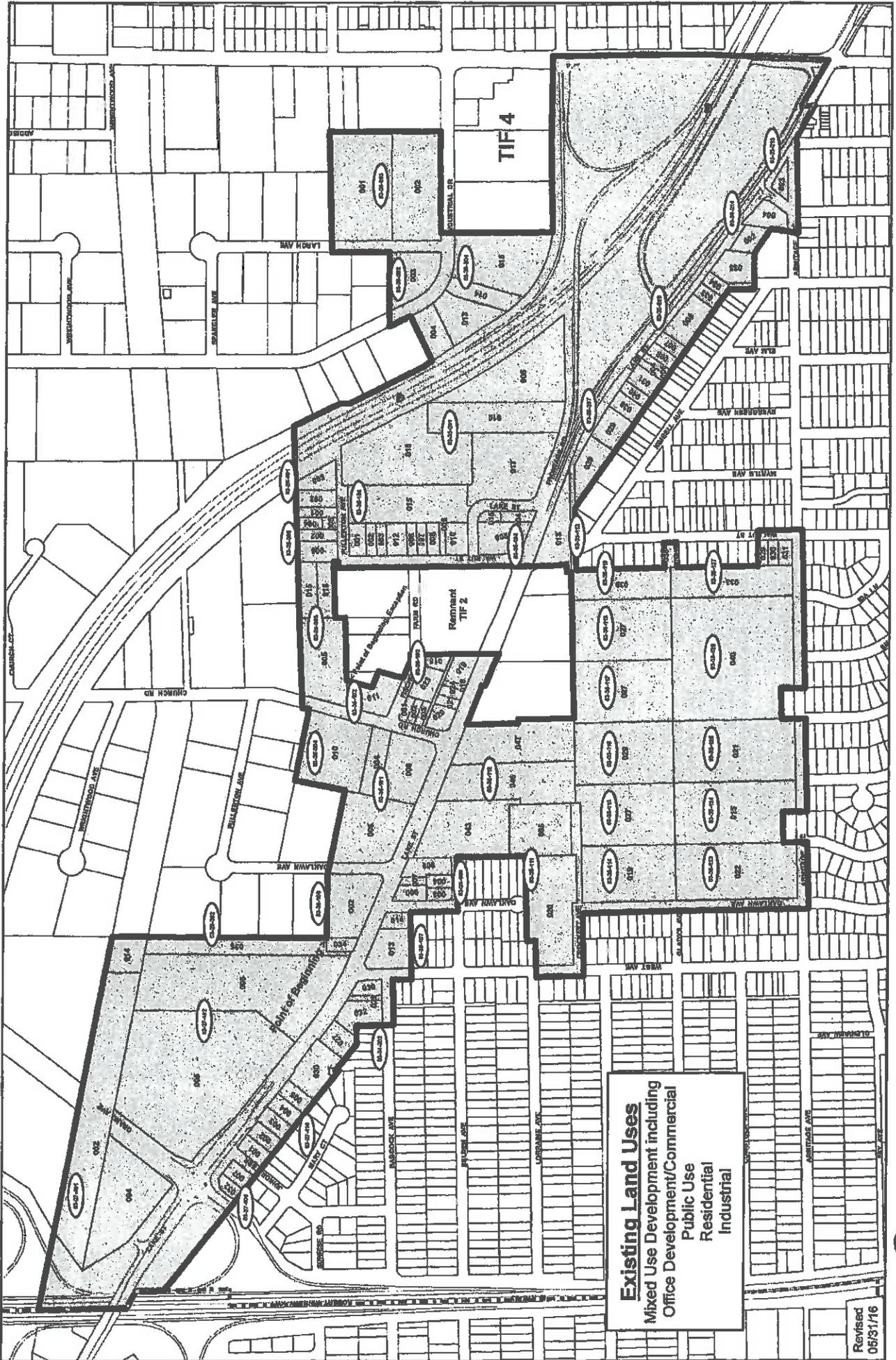
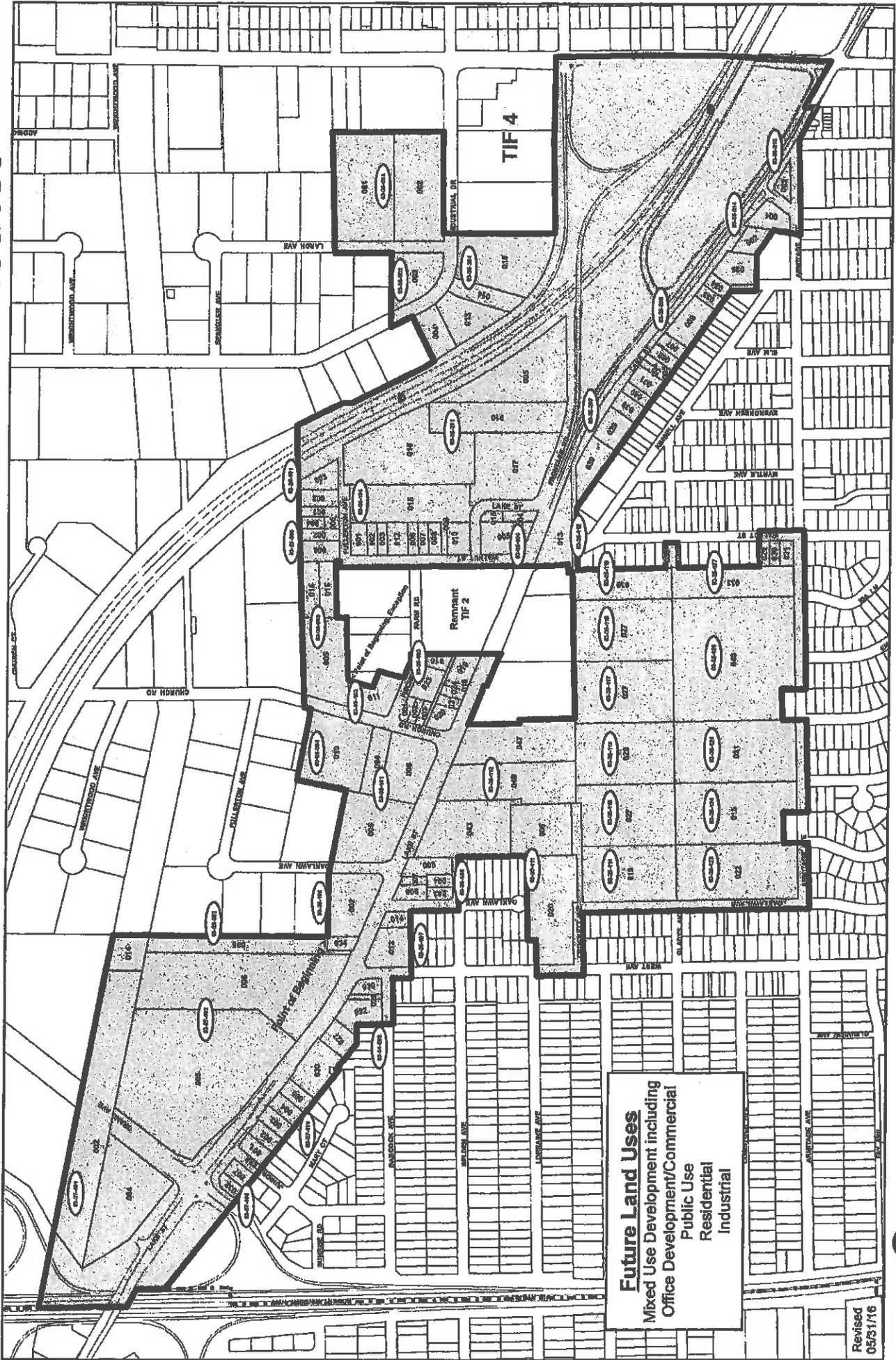


EXHIBIT D: Existing Land Use Map

**EXHIBIT E**  
**FUTURE LAND USE MAP**

# Church Road and Lake Street TIF District



**Future Land Uses**  
 Mixed Use Development including  
 Office Development/Commercial  
 Public Use  
 Residential  
 Industrial



Revised  
05/31/16