

Angie A. Kelly
DuPage County Clerk

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SEP 18 2012

O-50-2012

**AN ORDINANCE OF THE CITY OF ELMHURST,
DUPAGE AND COOK COUNTIES, ILLINOIS, APPROVING A TAX INCREMENT REDEVELOPMENT
PLAN AND REDEVELOPMENT PROJECT FOR THE
NORTH YORK STREET
REDEVELOPMENT PROJECT AREA**

Ray A. Kelly
DuPage County Clerk

WHEREAS, it is desirable and in the best interest of the citizens of the City of Elmhurst, DuPage and Cook Counties, Illinois (the "City"), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan and Project") within the municipal boundaries of the City and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Mayor and City Council of the City of Elmhurst (the "Corporate Authorities") called and conducted a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act on August 6, 2012; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Illinois Department of Commerce and Economic Opportunity (f.k.a. Department of Commerce and Community Affairs of the State of Illinois) by certified mail on June 14, 2012, by publication on July 12, 2012 and July 19, 2012 and by certified mail to taxpayers within the Area on July 23, 2012; and

WHEREAS, on June 12, 2012, notice was provided by mail to all residential addresses that, after a good faith effort, the City determined were located within 750 feet of the Area; and

WHEREAS, the City did heretofore convene a Joint Review Board as required by and in all respects in compliance with the provisions of the Act; and

WHEREAS, the Joint Review Board met on July 2, 2012 to review the public record, planning documents and proposed ordinances approving the Plan and Project and consider whether the Plan and Project and Area satisfy the requirements of the Act; and

WHEREAS, on July 2, 2012, the Joint Review Board considered and approved a resolution recommending approval of the Plan and Project and the designation of the Area by the City; and

WHEREAS, the Plan and Project set forth the factors that caused the proposed Area to qualify as a "conservation area" and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that have caused the proposed Area to qualify as a "conservation area" as defined in the Act; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan and Project; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and

improvements thereon in the proposed Area would be substantially benefited by the redevelopment of the Area pursuant to the Plan and Project; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conforms to the comprehensive plan of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Elmhurst, DuPage and Cook Counties, Illinois, as follows:

Section 1. Findings. That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

b. Conditions exist which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a "conservation area" and as defined in the Act.

c. The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan and Project.

d. The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

e. As set forth in the Plan and Project it is anticipated that the redevelopment of the Area will be completed within twenty-three (23) years after the Area is designated and that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan and Project shall be retired not later than December 31 of the year in which payment to the municipal treasurer is made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which this Ordinance approving the Plan and Project is adopted by the Corporate Authorities.

f. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed redevelopment of the Area pursuant to the Plan and Project are included in the proposed Area.

g. The implementation of the Plan and Project will not result in the displacement of residents from 10 or more inhabited residential dwelling units.

h. The Area does not contain 75 or more inhabited residential dwelling units.

Section 2. Plan and Project Approved. That the Plan and Project, which were the subject matter of the public hearing held August 6, 2012 are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

Section 3. Invalidity of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 4. Superseder and Effective Date. All ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage and approval in the manner provided by law.

ADOPTED this 4th day of September, 2012, pursuant to a roll call vote as follows:

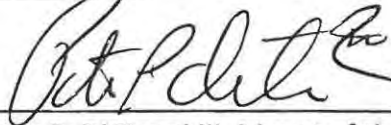
AYES: 11

NAYS: 1

ABSENT: 2

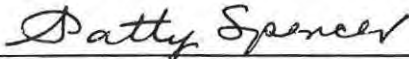
ABSTENTION: _____

APPROVED by me this 4th day of September, 2012.



Peter P. DiCianni III, Mayor of the City of
Elmhurst, DuPage and Cook Counties, Illinois

ATTESTED and filed in my office,
this 4th day of September, 2012.



Patty Spencer, Clerk of the City of Elmhurst,
DuPage and Cook Counties, Illinois

FILED

SEP 18 2012


DuPage County Clerk

COUNCIL ACTION SUMMARY

SUBJECT: An Ordinance of the City of Elmhurst, DuPage and Cook Counties, Illinois,
Approving a Tax Increment Redevelopment Plan and Redevelopment Project for
the North York Street Redevelopment Project Area

ORIGINATOR: City Manager/City Attorney

DESCRIPTION OF SUBJECT MATTER:

The attached Ordinance approves the Redevelopment Plan and Project for the North York Street Tax Increment Financing District. This Ordinance is the first of three ordinances which must be adopted by the City Council in order to establish the North York Street Tax Increment Financing District.

EXHIBIT A

Legal Description

That part of Sections 25, 26, 35 and 36 of Township 40 North, Range 11, East of the Third Principal Meridian and Sections 1 and 2 of Township 39 North, Range 11, East of the Third Principal Meridian described as commencing at the intersection of the Northerly corporate boundary of Elmhurst, said Northerly boundary being the centerline of Grand Avenue, with the Westerly lot line, extended north, of Lot 75 in Elmhurst Industrial Park Unit No. 2, recorded as Document R65-24614 on July 9, 1965, for a place of beginning, thence Easterly along said centerline of Grand Avenue to the Easterly right-of-way line of York Street, thence Southerly along said Easterly right-of-way line to the North line of Lot 2 of York Gardens, recorded as Document 456519 on December 3, 1943, thence Easterly along said North lot line to the East line of said Lot 2, thence Southerly along said East line to the Northwest corner of Lot 11 in Block 3 of Country Club Highlands Subdivision Unit 3, recorded as Document 877616 on April 25, 1958, thence Southeasterly along the Northerly line of said Lot 11, extended, to the Easterly right-of-way line of Wilson Street, thence Southwesterly along said Easterly right-of-way line to its intersection with the North line, extended Easterly, of Lots 12 through 24, inclusive, in Block 3 of said Country Club Highlands Subdivision Unit 3, thence Westerly along said North line to the West Line of said Lot 24, thence Southerly along said West line, extended, to the South line of Lot 4 in said York Gardens, thence Westerly along said South line to the Easterly right-of-way line of York Street, thence Southerly along said Easterly right-of-way to the South lot line of York Meadows Condominiums, recorded as Document R80-05482 on January 22, 1980, thence Easterly along said South lot line to the East lot line, extended Northerly, of Lot 20 in Block 12 of H.O. Stone and Co.'s Elmhurst Addition, recorded as Document 161539 on December 20, 1922, thence Southerly along said East lot line, extended, to the South lot line of Lot 10 in Block 37 of said H.O. Stone and Co.'s Elmhurst Addition, said South lot line being the North right-of-way of Crestview Avenue, thence Easterly along said North right-of-way line to the East right-of-way line of Michigan Street, thence Southerly along said East right-of-way line to the South lot line of Lot 15 in Block 54 of said H.O. Stone and Co.'s Elmhurst Addition, thence generally Westerly along the Northerly right-of-way line of Interstate 290 to the East right-of-way line of York Street, thence Southerly along said East right-of-way line to the Northerly right-of-way line of Lake Street, thence Southeasterly along said Northerly right-of-way line to the East right-of-way line, extended Northerly, of Elmcrest Avenue, thence Southerly along said East right-of-way line to the North line, extended Easterly, of Lot 5 in Block 1 of Robertson's Addition to Elmhurst, recorded as Document 92032 on October 30, 1907, thence Westerly along said North lot line to the East right-of-way line of York Street, thence Southerly along said East right-of-way line 300 feet, thence Easterly 155 feet, thence Northerly 50 feet to the North line of Lot 7 in Block 1 of said Robertson's Addition to Elmhurst, thence Easterly along said lot line, extended, to the East right-of-way line of Elmcrest Avenue, thence Southerly along said East right-of-way line and right-of-way line extended, to the South right-of-way line of Fremont Avenue, thence Westerly along said South right-of-way line 120 feet to the west line of the east 25 feet of lot 2 in Owners division of Block 2 of Robertsons Addition to Elmhurst, recorded as Document 258941 on June 4, 1928, thence Southerly along said west line 150 feet to the south line of lot 2, , thence Easterly along said line 25 feet to the southeast corner of lot 2, thence Southerly 90 feet along the west line of the east 50 feet of lot 5 to a point on the North line of Robertson's Second Addition to Elmhurst, recorded as Document 95683 on January 20, 1909, said point being 250 feet East of the Northwest corner of said Robertson's Second Addition to Elmhurst, thence Westerly along said North line to the East line of Lot

49 in said Robertson's Second Addition to Elmhurst, thence Southerly along said East lot line, extended, to the North line of Paul J. Lowe Resubdivision, recorded as Document R96-024157 on February 14, 1996, thence Westerly 42 feet to the northwest corner of lot 1, thence Southerly along the west line 165 feet to the south west corner lot 1, thence Easterly along south line 92 feet in said Paul J. Lowe Resubdivision to the East line of Lot 26 in said Robertson's Second Addition to Elmhurst, thence Southerly along said lot line 50 feet to the North line of the Resubdivision of Robertson's Second Addition to Elmhurst, recorded as Document 111786 on April 23, 1913, thence Westerly along said North line to the West line of Lot 11 in said Resubdivision, thence Southerly along said West line to the North right-of-way line of Columbia Avenue, thence Southeasterly to the Northwest corner of Lot 7 in said Resubdivision, thence Southerly 296.75 feet along the West line of Lots 7 and 8 in said Resubdivision, thence Southeasterly 38.83 feet to a point on the Northerly right-of-way line of North Avenue, said point being 22 feet Easterly of the Southwest corner of said Lot 8, thence Southeasterly to the Northwest corner of Lot 30 in Block 1 of Fairview Addition to Elmhurst, recorded as Document 110851 on February 7, 1913, thence Southerly along the West line of Lots 30 and 29 in said Block 1 to the South line, extended Easterly, of Lot 2 in said Block 1 of Fairview Addition, thence Westerly along said South line, and South line extended, to the East right-of-way line of York Street, thence Southerly along said East right-of-way line to the North line, extended Easterly, of Lot 25 in Hahn's Subdivision, recorded as Document 47483 on December 8, 1891, thence Westerly along said North lot line, extended, to the West line, extended Southerly, of Lot 16 in said Hahn's Subdivision, thence Northerly along said West lot line to the South right-of-way line of Hahn Street, thence Westerly along said South right-of-way line, extended, to the West right-of-way line of Addison Avenue, thence Northerly along said West right-of-way line to the Northerly right-of-way line of North Avenue, thence Easterly along said North right-of-way to the West line of Lot 7 in Block 1 of Albert D. Graue's Subdivision of North Elmhurst, recorded as Document 86803 on February 23, 1906, thence Northerly along said West line of Lot 7, extended, to the South right-of-way line of Fremont Avenue, thence Northwesterly to the Southwest corner of Lot 9 in North Elmhurst Third Addition to the Village of Elmhurst, recorded as Document 97862 on August 9, 1909, thence Northerly along the west line of Lots 9 and 8 of said North Elmhurst Third Addition to the Southwest corner of Lot 5 of "County Clerk's Assessment Division of Lots 1 and 2 of the Plat of North Elmhurst Third Addition to the Village of Elmhurst", recorded as Document 233179 on April 8, 1927, thence Northerly along the West line, and West line extended, of Lots 1 through 5, inclusive, in said County Clerk's Assessment Division to the Northerly right-of-way line of Lake Street, thence Southeasterly along said Northerly right-of-way line to the West right-of-way line of York Street, thence Northerly along said West right-of-way line to the South line of Elmhurst Industrial Park Unit No. 1, recorded as Document R65-2240 on January 22, 1965, thence Westerly along said South line to the West line of Lot 7 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along said West lot line, extended, to the North right-of-way line of Industrial Drive, thence Easterly along said 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 to the East line of Lot 26 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along said East line, extended, to the Northeast corner of Lot 22 in said Elmhurst Industrial Park Unit No. 1, thence Northerly to the Southwest corner of York Grand Estates Unit Number One, recorded as Document 426473 on July 23, 1941, thence Northerly along the West line of said York Grand Estates Unit Number One, extended, to the Southwest corner of Lot 2 of Klefstad's Elmhurst Subdivision, recorded as Document R93-172175 on August 4, 1993, thence Easterly 266.01 feet to the Southeast corner of said Lot 2, thence continuing Easterly 292.27 feet along the South line of Lot 23 in

Addison Township Supervisors Assessment Plat No.5, recorded as Document 465944 on August 9, 1944, thence Northerly to a point on the South line of Peter's 2nd Subdivision, recorded as Document R69-11385 on March 18, 1969, thence Westerly along said South line 33 feet, thence Northerly 33.75 feet, thence Westerly 134.35 feet to the Southwest corner of said Peter's 2nd Subdivision, thence Northerly along the West line of said Subdivision 161.76 feet to the North Line of Peter's Subdivision, recorded as Document R68-41940 on September 11, 1968, thence Westerly along said North line 124.78 feet to the East line of said Lot 2 in said Klefstad's Elmhurst Subdivision, thence Northerly along said East line of Lot 2 233.96 feet to the Northeast corner of said Lot, thence West along the North line 277.13 feet to the most Westerly East line of Lot 1, thence North along the East line to the Northwest corner of Lot 1, thence West along the North line 275 feet to the Southeast corner of Lot 75 in said Elmhurst Industrial Park Unit No. 2, thence Westerly on the South line to the Southwest corner of said Lot 75, thence Northerly along the West line, and West line extended, of said Lot 75 to the place of beginning, all in DuPage County, Illinois.

EXHIBIT B

General Street Location

The proposed Redevelopment Project Area is generally described as a contiguous area the boundaries of which are approximately the parcels on the east and west sides of York Street from the alley south of Hahn Street on the South to North Avenue on the north, continues north with frontage parcels located on the east and west sides of York Street from North Avenue on the south to Lake Street on the north, continues north along only the east side of York Street from the north side of the I-290 right-of way to Crestview Avenue, at Crestview, incorporates parcels on both the east and west sides of York Street to Wrightwood Avenue, at Wrightwood, includes parcels primarily on the west side of York Street to Grand Avenue and four (4) Community Unit School District 205 parcels on the east side of York Street, and in order to maximize lot depth from York Street throughout the Study Area, and sometimes incorporates several parcels in addition to those fronting York Street and along the south side of Grand Avenue a total of 8 lots west of York Street are incorporated, and adjacent rights of way are also included

EXHIBIT C

Boundary Map

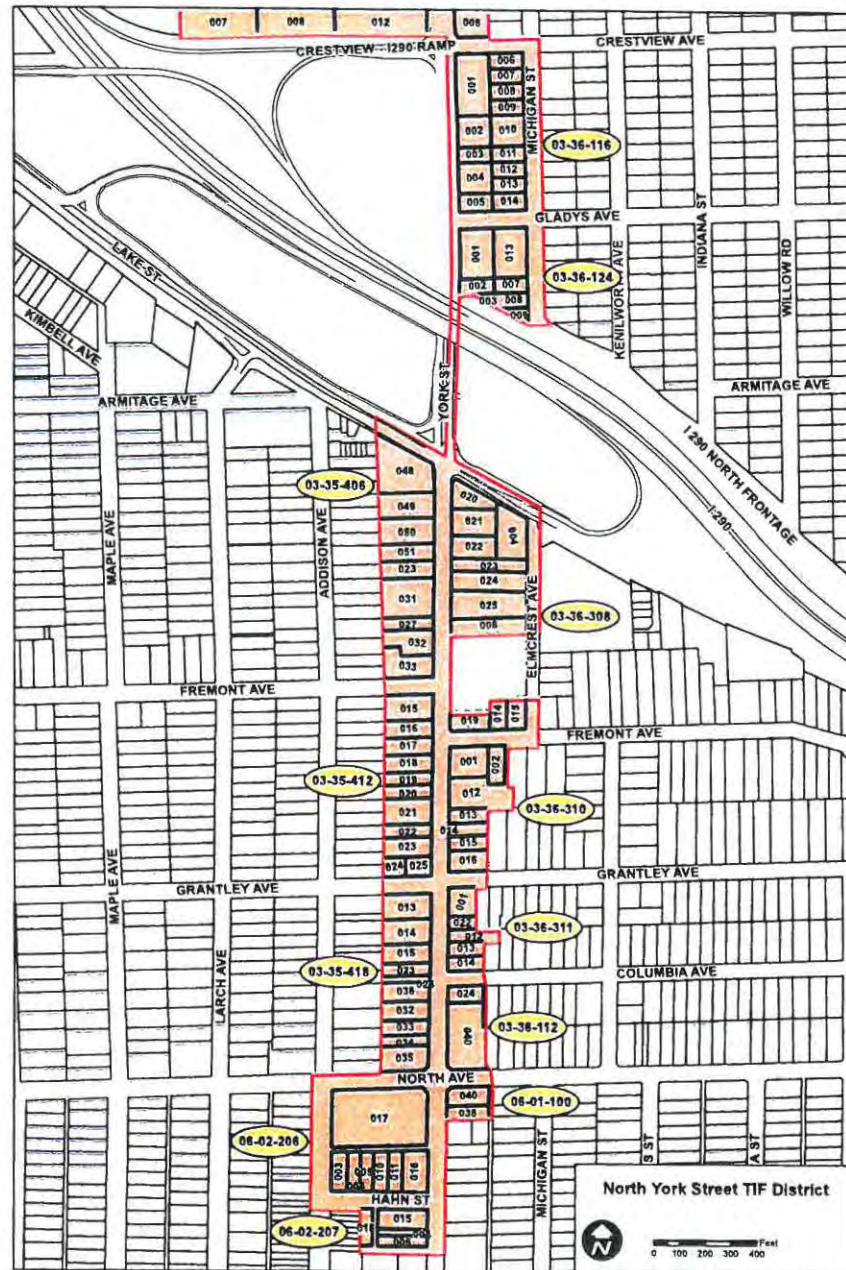


EXHIBIT D

Redevelopment Plan and Project

**CITY OF ELMHURST
NORTH YORK STREET
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT**

Prepared By:

Kane, McKenna and Associates, Inc.

Prepared For:

The City of Elmhurst, Illinois

September 2012

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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 Villages of Addison and Bensenville on its north, the Villages of Northlake, Berkeley and Hillside on its east, the Villages of Oak Brook and Oak Brook Terrace on its south, and the Village of Villa Park on its west.

The City was incorporated in 1882. The municipality has a population of 44,121 according to the 2010 Census. 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 retail, 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 retail 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 North York Street Redevelopment Plan and Project (the “Plan” or the “Redevelopment Plan and Project”) is the proposed North York Street Redevelopment Project Area (the “Redevelopment Project Area”, the “RPA” or the “TIF District”). The RPA is a contiguous area the boundaries of which are approximately the parcels on the east and west sides of York Street from the alley south of Hahn Street on the South to North Avenue on the north. The Study Area continues north with frontage parcels located on the east and west sides of York Street from North Avenue on the south to Lake Street on the north. The Study Area continues north along only the east side of York Street from the north side of the I-290 right-of way to Crestview Avenue. At Crestview, the Study Area incorporates parcels on both the east and west sides of York street to Wrightwood Avenue; at Wrightwood, the Study Area includes parcels primarily on the west side of York Street to Grand Ave and four (4) Community Unit School District 205 parcels on the east side of York Street. In order to maximize lot depth from York Street throughout the Study Area, the RPA sometimes incorporates several parcels in addition to those fronting York Street and along the south side of Grand Avenue a total of 8 lots west of York Street are incorporated into the Study Area. Adjacent rights of way are also included.

The RPA is approximately one hundred twenty seven (127) acres in size excluding rights-of-way. The RPA includes approximately one hundred seventy seven (177) tax parcels according to the data available from the Assessor's offices of Du Page County, Addison Township, and York Township. A boundary map of the RPA is attached as Exhibit 1. The RPA is legally described in Section II.

The RPA consists primarily of commercial and industrial uses with limited institutional and residential uses. The area contains approximately one hundred fourteen (114) structures, of which approximately seventy eight (78), or sixty eight percent (68%), are thirty-five (35) years of age or older; and according to City, County and Township records fifty nine (59) of these structures were constructed between 1942 and 1972. There are approximately twenty three (23) inhabited residential units in the RPA.

The advanced age associated with many of these structures, as well as the site improvements and public infrastructure that surround them, has led to a high incidence of 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 excessive vacancies 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 four 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, mixed 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 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, retail and mixed 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 2.

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 Elmhurst which expands the overall standard of living.
- 4) Strengthen the City's industrial base.
- 5) Improve Elmhurst's ability to attract and retain high quality employers.
- 6) Increase tax revenues for the City through the expansion of the tax base rather than through raising current tax rates
- 7) Maintain Elmhurst'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 physically deteriorated industrial 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 infrastructure 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 reuse 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 3 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/or redevelopment and instead has experienced physical and economic decline. Absent intervention by the City, properties within the RPA would not be likely to increase in market value.

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, excessive vacancies; 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 four 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 3) which is attached as part of this plan.

B. Eligibility Survey

The RPA was evaluated, from time to time, over a period from October of 2011 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 North York Street Redevelopment Project Area.

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) units or add seventy-five (75) or more inhabited residential units as part of an amendment, 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 light industrial and commercial structures, as well as vacant 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 (if applicable);
 - v. Landscaping 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.

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.

C. General Land Use Plan

Existing land use generally consists of a mix of primarily industrial and commercial uses, and limited institutional and residential uses. Existing and proposed land uses are shown in Exhibits 4 and 5 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 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

6. Costs of job training and retraining projects including the costs of 'welfare to work' programs implemented by businesses located within the redevelopment project area;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

- (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.
- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.

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

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

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

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

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

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

11. Relocation costs to the extent that the 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
NORTH YORK 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	15,000,000
3. Utility Improvements including, but not limited to water system, storm/flood control system, sanitary sewers and road and rights-of-way improvements	19,500,000
4. Public facilities (inclusive of approved capital costs for City and other tax districts)	15,000,000
5. Rehabilitation Programs	7,500,000
6. Interest Costs Pursuant to the Act	2,500,000
7. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	11,625,000
8. Job Training	1,000,000
9. Potential Tuition Costs Pursuant to the Act	<u>\$2,000,000</u> ¹
TOTAL ESTIMATED PROJECT COSTS	\$89,125,000

- (A) All project cost estimates are in year 2012 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 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.

¹ 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 North York Street Redevelopment Project Area, 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 2011 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 North York 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 North York 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 North York 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 2011 of the property within the RPA is approximately \$31,933,850.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the North York 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 North York Street Redevelopment Project Area will be within a range of approximately \$105 million to \$ 150 million.

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 areas 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.

Potential Payments to School or Library Districts: The City may fund payments to School District 205 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

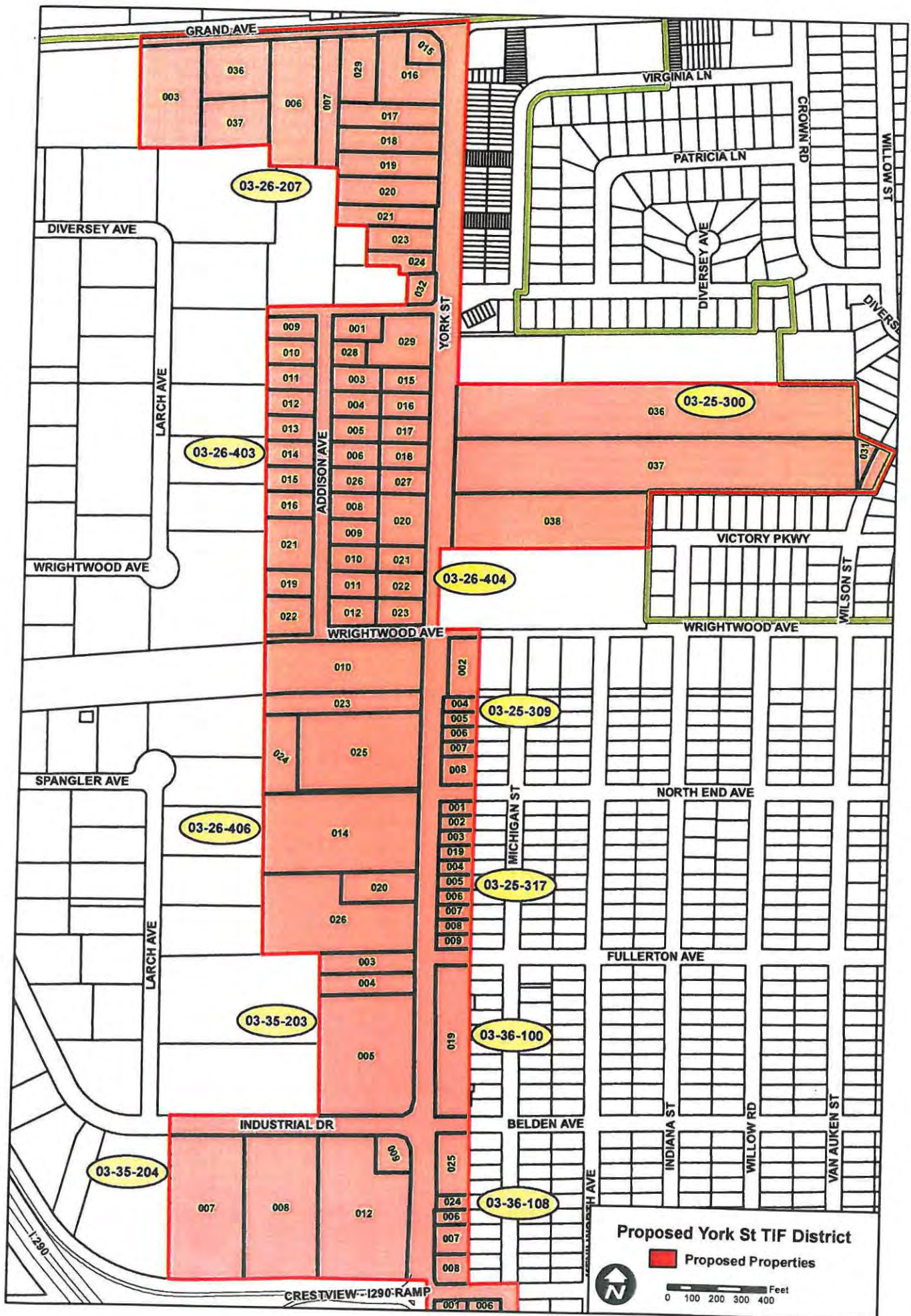
This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the year of adoption of an ordinance designating the North York Street Redevelopment Project Area. The actual date for such completion and retirement 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



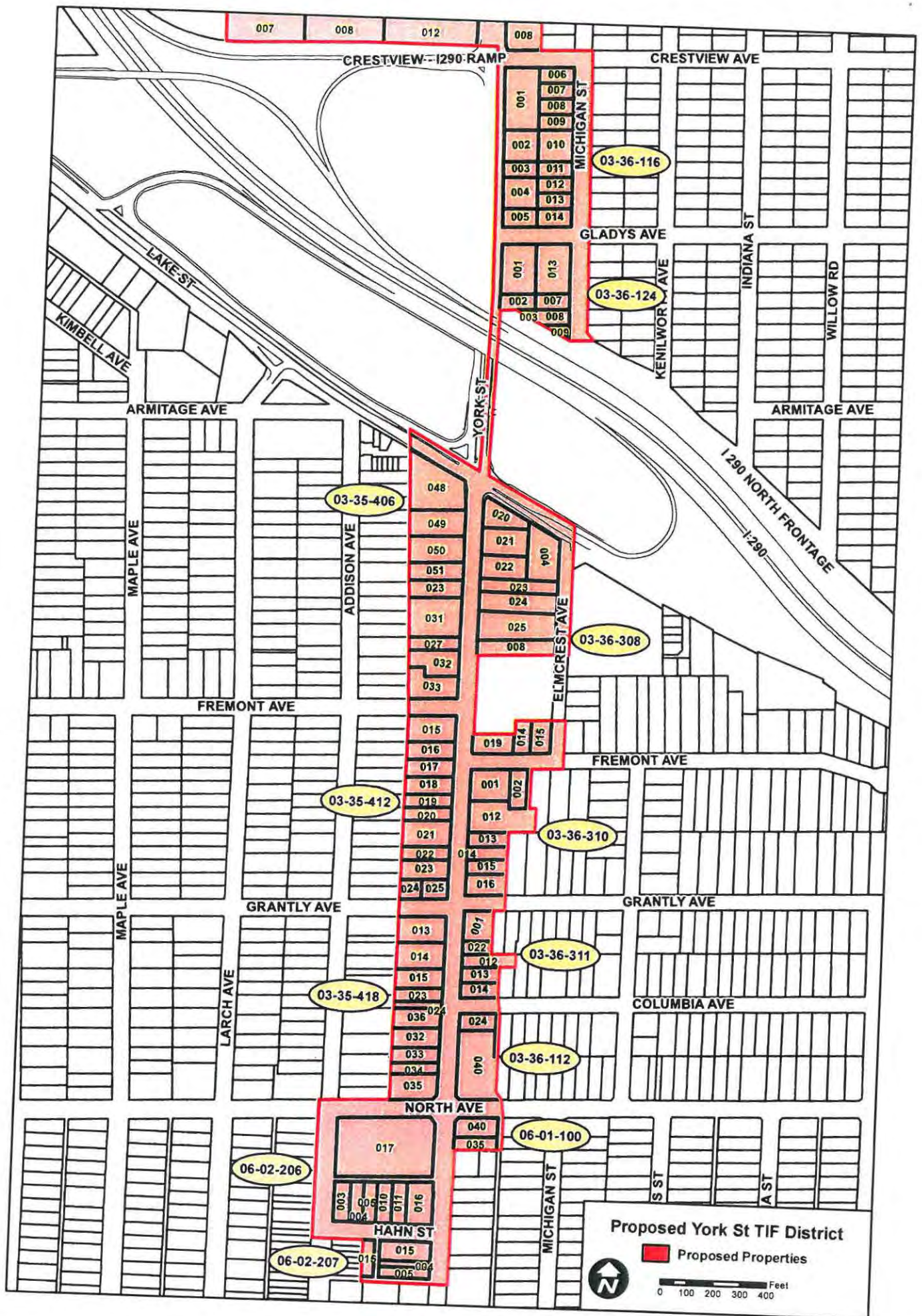


EXHIBIT B
LEGAL DESCRIPTION

Elmhurst North York Street TIF Legal Description

That part of Sections 25, 26, 35 and 36 of Township 40 North, Range 11, East of the Third Principal Meridian and Sections 1 and 2 of Township 39 North, Range 11, East of the Third Principal Meridian described as commencing at the intersection of the Northerly corporate boundary of Elmhurst, said Northerly boundary being the centerline of Grand Avenue, with the Westerly lot line, extended north, of Lot 75 in Elmhurst Industrial Park Unit No. 2, recorded as Document R65-24614 on July 9, 1965, for a place of beginning, thence Easterly along said centerline of Grand Avenue to the Easterly right-of-way line of York Street, thence Southerly along said Easterly right-of-way line to the North line of Lot 2 of York Gardens, recorded as Document 456519 on December 3, 1943, thence Easterly along said North lot line to the East line of said Lot 2, thence Southerly along said East line to the Northwest corner of Lot 11 in Block 3 of Country Club Highlands Subdivision Unit 3, recorded as Document 877616 on April 25, 1958, thence Southeasterly along the Northerly line of said Lot 11, extended, to the Easterly right-of-way line of Wilson Street, thence Southwesterly along said Easterly right-of-way line to its intersection with the North line, extended Easterly, of Lots 12 through 24, inclusive, in Block 3 of said Country Club Highlands Subdivision Unit 3, thence Westerly along said North line to the West Line of said Lot 24, thence Southerly along said West line, extended, to the South line of Lot 4 in said York Gardens, thence Westerly along said South line to the Easterly right-of-way line of York Street, thence Southerly along said Easterly right-of-way to the South lot line of York Meadows Condominiums, recorded as Document R80-05482 on January 22, 1980, thence Easterly along said South lot line to the East lot line, extended Northerly, of Lot 20 in Block 12 of H.O. Stone and Co.'s Elmhurst Addition, recorded as Document 161539 on December 20, 1922, thence Southerly along said East lot line, extended, to the South lot line of Lot 10 in Block 37 of said H.O. Stone and Co.'s Elmhurst Addition, said South lot line being the North right-of-way of Crestview Avenue, thence Easterly along said North right-of-way line to the East right-of-way line of Michigan Street, thence Southerly along said East right-of-way line to the South lot line of Lot 15 in Block 54 of said H.O. Stone and Co.'s Elmhurst Addition, thence generally Westerly along the Northerly right-of-way line of Interstate 290 to the East right-of-way line of York Street, thence Southerly along said East right-of-way line to the Northerly right-of-way line of Lake Street, thence Southeasterly along said Northerly right-of-way line to the East right-of-way line, extended Northerly, of Elmcrest Avenue, thence Southerly along said East right-of-way line to the North line, extended Easterly, of Lot 5 in Block 1 of Robertson's Addition to Elmhurst, recorded as Document 92032 on October 30, 1907, thence Westerly along said North lot line to the East right-of-way line of York Street, thence Southerly along said East right-of-way line 300 feet, thence Easterly 155 feet, thence Northerly 50 feet to the North line of Lot 7 in Block 1 of said Robertson's Addition to Elmhurst, thence Easterly along said lot line, extended, to the East right-of-way line of Elmcrest Avenue, thence Southerly along said East right-of-way line and right-of-way line extended, to the South right-of-way line of Fremont Avenue, thence Westerly along said South right-of-way line 120 feet to the west line of the east 25 feet of lot 2 in Owners division of Block 2 of Robertsons Addition to Elmhurst, recorded as Document 258941 on June 4, 1928, thence Southerly along said west line 150 feet to the south line of lot 2, , thence Easterly along said line 25 feet to the southeast corner of lot 2, thence Southerly 90 feet along the west line of the east 50 feet of lot 5 to a point on the North line of Robertson's Second Addition to Elmhurst, recorded as Document 95683 on January 20, 1909, said point being 250 feet East of the Northwest corner of said Robertson's Second Addition to Elmhurst, thence Westerly along said North line to the East line of Lot 49 in said Robertson's Second Addition to Elmhurst, thence Southerly along said East lot line, extended, to the North line of Paul J. Lowe Resubdivision, recorded as Document R96-024157 on February 14, 1996, thence Westerly 42 feet to the northwest corner of lot 1, thence Southerly along the west line 165

feet to the south west corner lot 1, thence Easterly along south line 92 feet in said Paul J. Lowe Resubdivision to the East line of Lot 26 in said Robertson's Second Addition to Elmhurst, thence Southerly along said lot line 50 feet to the North line of the Resubdivision of Robertson's Second Addition to Elmhurst, recorded as Document 111786 on April 23, 1913, thence Westerly along said North line to the West line of Lot 11 in said Resubdivision, thence Southerly along said West line to the North right-of-way line of Columbia Avenue, thence Southeasterly to the Northwest corner of Lot 7 in said Resubdivision, thence Southerly 296.75 feet along the West line of Lots 7 and 8 in said Resubdivision, thence Southeasterly 38.83 feet to a point on the Northerly right-of-way line of North Avenue, said point being 22 feet Easterly of the Southwest corner of said Lot 8, thence Southeasterly to the Northwest corner of Lot 30 in Block 1 of Fairview Addition to Elmhurst, recorded as Document 110851 on February 7, 1913, thence Southerly along the West line of Lots 30 and 29 in said Block 1 to the South line, extended Easterly, of Lot 2 in said Block 1 of Fairview Addition, thence Westerly along said South line, and South line extended, to the East right-of-way line of York Street, thence Southerly along said East right-of-way line to the North line, extended Easterly, of Lot 25 in Hahn's Subdivision, recorded as Document 47483 on December 8, 1891, thence Westerly along said North lot line, extended, to the West line, extended Southerly, of Lot 16 in said Hahn's Subdivision, thence Northerly along said West lot line to the South right-of-way line of Hahn Street, thence Westerly along said South right-of-way line, extended, to the West right-of-way line of Addison Avenue, thence Northerly along said West right-of-way line to the Northerly right-of-way line of North Avenue, thence Easterly along said North right-of-way to the West line of Lot 7 in Block 1 of Albert D. Graue's Subdivision of North Elmhurst, recorded as Document 86803 on February 23, 1906, thence Northerly along said West line of Lot 7, extended, to the South right-of-way line of Fremont Avenue, thence Northwesterly to the Southwest corner of Lot 9 in North Elmhurst Third Addition to the Village of Elmhurst, recorded as Document 97862 on August 9, 1909, thence Northerly along the west line of Lots 9 and 8 of said North Elmhurst Third Addition to the Southwest corner of Lot 5 of "County Clerk's Assessment Division of Lots 1 and 2 of the Plat of North Elmhurst Third Addition to the Village of Elmhurst", recorded as Document 233179 on April 8, 1927, thence Northerly along the West line, and West line extended, of Lots 1 through 5, inclusive, in said County Clerk's Assessment Division to the Northerly right-of-way line of Lake Street, thence Southeasterly along said Northerly right-of-way line to the West right-of-way line of York Street, thence Northerly along said West right-of-way line to the South line of Elmhurst Industrial Park Unit No. 1, recorded as Document R65-2240 on January 22, 1965, thence Westerly along said South line to the West line of Lot 7 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along said West lot line, extended, to the North right-of-way line of Industrial Drive, thence Easterly along said 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 to the East line of Lot 26 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along said East line, extended, to the Northeast corner of Lot 22 in said Elmhurst Industrial Park Unit No. 1, thence Northerly to the Southwest corner of York Grand Estates Unit Number One, recorded as Document 426473 on July 23, 1941, thence Northerly along the West line of said York Grand Estates Unit Number One, extended, to the Southwest corner of Lot 2 of Klefstad's Elmhurst Subdivision, recorded as Document R93-172175 on August 4, 1993, thence Easterly 266.01 feet to the Southeast corner of said Lot 2, thence continuing Easterly 292.27 feet along the South line of Lot 23 in Addison Township Supervisors Assessment Plat No.5, recorded as Document 465944 on August 9, 1944, thence Northerly to a point on the South line of Peter's 2nd Subdivision, recorded as Document R69-11385 on March 18, 1969, thence Westerly along said South line 33 feet, thence Northerly 33.75 feet, thence Westerly 134.35 feet to the Southwest corner of said Peter's 2nd Subdivision, thence Northerly along the West line of said Subdivision 161.76 feet to the North Line of Peter's Subdivision, recorded as Document R68-41940 on September 11, 1968, thence Westerly along said North line 124.78 feet to the

East line of said Lot 2 in said Klefstad's Elmhurst Subdivision, thence Northerly along said East line of Lot 2 233.96 feet to the Northeast corner of said Lot, thence West along the North line 277.13 feet to the most Westerly East line of Lot 1, thence North along the East line to the Northwest corner of Lot 1, thence West along the North line 275 feet to the Southeast corner of Lot 75 in said Elmhurst Industrial Park Unit No. 2, thence Westerly on the South line to the Southwest corner of said Lot 75, thence Northerly along the West line, and West line extended, of said Lot 75 to the place of beginning, all in DuPage County, Illinois.

Revised 06/01/12

EXHIBIT C
TIF QUALIFICATION REPORT

**CITY OF ELMHURST
TIF QUALIFICATION REPORT
NORTH YORK STREET TIF DISTRICT**

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.

September 2012

**CITY OF ELMHURST
QUALIFICATION REPORT
NORTH YORK STREET TIF DISTRICT
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EXHIBIT 1

Proposed TIF Boundary Map

EXHIBIT 2

Legal Description

I. INTRODUCTION AND BACKGROUND

In the context of planning for the North York 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 located in the north central portion of the City and consists primarily of commercial and industrial uses, with limited residential and institutional uses. The RPA is a contiguous area the boundaries of which are approximately the parcels on the east and west sides of York Street from the alley south of Hahn Street on the South to North Avenue on the north. The Study Area continues north with frontage parcels located on the east and west sides of York Street from North Avenue on the south to Lake Street on the north. The Study Area continues north along only the east side of York Street from the north side of the I-290 right-of way to Crestview Avenue. At Crestview, the Study Area incorporates parcels on both the east and west sides of York street to Wrightwood Avenue; at Wrightwood, the Study Area includes parcels primarily on the west side of York Street to Grand Ave and four (4) Community Unit School District 205 parcels on the east side of York Street. In order to maximize lot depth from York Street throughout the Study Area, the RPA sometimes incorporates several parcels in addition to those fronting York Street and along the south side of Grand Avenue a total of 8 lots west of York Street are incorporated into the Study Area. Adjacent rights of way are also included.

According to the data available from Du Page County, the Addison Township Assessor's office, and the York Township Assessor's Office the RPA is approximately one hundred twenty seven (127) acres in size excluding rights of way and contains approximately one hundred seventy seven (177) parcels including approximately one hundred fourteen (114) buildings with approximately twenty three (23) residential units. Sixty eight percent (68%) of the structures within the RPA are in excess of thirty-five (35) years in age.

The RPA exhibits characteristics of deterioration, vacancies, and obsolescence that are often indicative of properties that are extended well into their useful lives. As examined in November of 2011, approximately nineteen percent (19%) of the total square footage of existing commercial and industrial structures were vacant (210,600 square feet out of 1,074,000 square feet) according to data from the Addison Township Assessor's Office and the York Township Assessor's Office. Some of these vacancies have existed for several years or more.

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. The high-level of traffic along the North York Street corridor creates problematic ingress/egress within the RPA and requires the coordination of future parking needs. The RPA is also hindered by a lack of buffering between residential, commercial and industrial uses and the lack of modernized site improvements including internal circulation. Both conditions are further examples of the detrimental effects of unguided development.

The RPA is also hindered by a lack of adequately sized commercial lots in relation to present day planning standards and by inadequate loading and unloading areas due to the size of the lots and the presence of adjacent single family residential lots.

Finally, the growth of the equalized assessed valuation (EAV) of all the properties in the Study Area was found to lag behind the EAV growth of the remainder of the City for four of the last five tax 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.

Many of the surface improvements within the Study Area were found to have varying degrees of deterioration. Sidewalks, streets, driveways, and parking lots exhibited significant cracking and uneven surfaces. In addition several buildings exhibited missing or cracked mortar, the need for repairs to exterior siding/fascia and frame components.

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 North York RPA compliments efforts in the Downtown and expands the ability of the City to unify and coordinate efforts along York Street extending north to the City's boundaries.

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 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;
- To coordinate area parking facilities and to improve access to site; and
- To install the necessary infrastructure improvements for improved ingress and egress and loading and unloading areas, to add buffering to single family residential uses for the light industrial and retail/commercial areas, and to support proposed new development in accordance with modern planning standards.

The City's general economic development goals are to enhance retail/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 initially in the spring and early summer of 2011 and from October of 2011 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 located in the north central portion of the City and consists primarily of commercial and industrial uses, with limited residential and institutional uses. The RPA is a contiguous area the boundaries of which are approximately the parcels on the east and west sides of York Street from the alley south of Hahn Street on the South to North Avenue on the north. The Study Area continues north with frontage parcels located on the east and west sides of York Street from North Avenue on the south to Lake Street on the north. The Study Area continues north along only the east side of York Street from the north side of the I-290 right-of way to Crestview Avenue. At Crestview, the Study Area incorporates parcels on both the east and west sides of York street to Wrightwood Avenue; at Wrightwood, the Study Area includes parcels primarily on the west side of York Street to Grand Ave and four (4) Community Unit School District 205 parcels on the east side of York Street. In order to maximize lot depth from York Street throughout the Study Area, the RPA sometimes incorporates several parcels in addition to those fronting York Street and along the south side of Grand Avenue a total of 8 lots west of York Street are incorporated into the Study Area. Adjacent rights of way are also included.

The RPA consists of approximately one hundred fourteen (114) buildings and approximately one hundred seventy seven (177) tax parcels. The RPA is approximately one hundred twenty seven (127) acres in size excluding rights of way and includes approximately twenty three (23) inhabited residential units. The RPA is comprised predominantly of commercial and industrial uses.

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 York Township Assessor data and City input that sixty eight percent (68%) 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) additional qualification factors. The minimum required for a finding of a Conservation Area is that over fifty percent (50%) of the improved structures are thirty-five (35) years old or greater and the existence of 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 Sidwell 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, 2006 through 2011 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 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

Age. Based upon site surveys; and Du Page County, Addison Township, and York Township data, approximately sixty eight percent (68%) (approximately 78 of the 114) of the structures in the RPA were found to be thirty-five (35) years of age or older.

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.

Obsolescence is exhibited in part by a number of the retail/commercial tenant spaces which are currently vacant. Age of the existing structures adds to this finding as well as the fact that most tenant spaces along York Street 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 York Street as well as increased accidents.

York Street between Grand Avenue and I-290 generates an average daily traffic count of 23,000 vehicles and between I-290 and North Avenue an average daily traffic count of 18,300 vehicles according to the most recent data posted by the Illinois Department of Transportation on its website. This is one of the highest traffic counts within the City. In 2010 there were 129 vehicle accidents along York Street in the RPA.

The combination of the above referenced factors could limit the ability of mid to large size retailers from locating in the corridor. The combination of potential sites for redevelopment could help to alleviate these concerns, in conjunction with traffic circulation improvements potentially financed with incremental revenues.

Obsolescence is also demonstrated by higher than average vacancy rates, the age of structures, and the lag in the growth of EAV for the Study Area when compared with the rest of the City (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 fifty four percent (54%) 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 for many of the parcels.

3. Excessive Vacancies. The Act defines excessive vacancies as 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.

The Study Area contains one hundred fourteen (114) structures. Approximately twenty four (24) commercial and industrial buildings were vacant or partially vacant including approximately 210,600 square feet or nineteen percent (19%) of total commercial and industrial building square footage. Two of the vacancies (former auto related uses) are prominently located and comprise approximately 9.6 acres. Other vacancies are scattered throughout the area, but again are located along highly travelled York Street.

Prominent buildings within the TIF District that are completely or largely vacant include the following:

- The former Elmhurst Ford dealership;
- The former Elmhurst Lincoln Mercury dealership;
- The former AT&T store;
- Vacant restaurant at 476 N. York St.;
- Vacant auto related use at 856 N. York St.;
- Interspersed vacancies associated with office buildings and retail strip outlets; and
- Office space located on Industrial Drive (west of York Street)

Moreover, the buildings have been unoccupied for a lengthy duration; that is, they do not appear to be recently vacated pending a routine real estate transaction, but according to City staff, they have remained unoccupied for a substantial period of time.

In addition, the larger vacant buildings and adjacent surface improvements generally exhibit deterioration and appear to be not well maintained as occupied spaces within the Study Area. They appear to suffer from disinvestment whereby the current owners have chosen not to maintain the buildings' physical condition, in relative terms. Because of

the reduced economic activity associated with vacancies and the relatively poor physical condition – in conjunction with their prominent location along York Street or Grand Avenue, they represent an adverse influence on the overall RPA.

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.

According to Du Page County, Addison Township Assessor, and York Township Assessor records and discussions with City staff, many of the improvements found within the Study Area were built between 40 to 70 years ago. This applies to more than fifty two percent (52%) of the buildings in the area. As a result, these properties were developed during a period before the City had in place an effective community planning process to guide its zoning map and development procedures. Properties were developed with little regard to adjacent land uses, and without foresight into the intensity of commercial operations present today, in part due to the importance of automobile traffic and the need for sufficient parking. Thus, in terms of land uses, commercial, retail, industrial, and residential uses in some cases inappropriately overlap, when compared to the modern land use standards currently employed by the City, or exist in close proximity to each other with limited man made or natural buffers to separate the conflicting land uses. There are instances of single family and attached single family uses located along both York Street and Addison Street.

Additionally, there are certain issues pertaining to ingress/egress. Many of the retail businesses and offices along north York Street have little space for ingress/egress, much less “transitional” frontage roads that would separate slower moving traffic approaching a business (e.g., to park and shop or unload cargo) from faster moving traffic using north York Street purely to drive through the City. 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 retail 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.

The widening of York Street north of North Avenue to four lanes extending to Grand Avenue significantly altered the character of land uses adjacent to York Street in this area. Most previous land uses were comprised of single family uses south of I-290. These uses exhibited shallower lot sizes of primarily 130 foot lot depths bordered by primarily single family uses north to the expressway, and extending along the east side of York Street to Wrightwood Avenue. In some cases lot sizes are deeper (260 ft.) but most lots are restricted by adjacent single family residential uses.

Reuse to primarily commercial and retail land uses on smaller lots resulted in a multiplicity of commercial structures (restaurants, office/service establishments, strip centers, auto related uses) that benefited from traffic and visibility along York Street. The new uses though created pressure in relation to provisions for parking, multiple curb cuts, and buffering to adjacent residential uses (e.g., screening of trash receptacles, loading and unloading requirements, and building setbacks). Building setbacks are varied and in many cases limit parking availability as off street parking along York Street is restricted. Conversions of single family buildings to commercial uses are also present and represent uses with limited parking.

In contrast to the shallower lots described above, commercial properties located along the west side of York Street north of I-290 and approaching Grand Avenue exhibit larger footprints and deeper lot sizes. Due to the downturn in the auto industry, several large properties (the former Elmhurst Ford and Lincoln/Mercury dealerships) remain vacant. Other uses such as the moving/storage facility and Freightliner parcels, represent frontage development or "outliers" in relation to similar industrial uses located to the west. These uses are categorized by larger, special use buildings and ancillary storage yards. Given York Street visibility, these uses are not the most favorable in relation to valuation or sales tax generation.

Land uses north of Wrightwood Avenue to Diversey revert to smaller (130 ft) lot depths, again exhibiting multiple uses - restaurants, office, and auto related (rental, sales, repair). The land uses north of Diversey include deeper lot depths, but include older buildings and varied provisions for parking.

The North York area is reviewed in the City's 2009 Comprehensive Plan and the following recommendations are identified:

"Urban Design and Circulation

Streetscape improvements should be implemented along both Grand Avenue and North York Street to enhance their overall appearance and create a distinctive identity.

Because of their high traffic volumes and the strong auto-oriented functions, both Grand Avenue and North York Street will continue to have an auto-oriented character in the future. However, improvements such as coordinated signage, landscaping and decorative banners could significantly improve the appearance of the corridor, creating a more attractive environments for potential shoppers and an impressive entry into the city.

New developments along the corridor should focus on creating a high-quality commercial corridor, with parking located to the rear and attractive façade designs and use of high-quality materials encouraged.

Recommendations

1. Maintain auto-oriented uses along Grand Avenue. The City should work with the auto dealers to meet expansion and redevelopment needs.
2. Transition neighborhood commercial uses along York Street to community or regional commercial uses. Off-street surface parking should be provided to the rear of buildings.
3. Transition residential development on the southeast corner of Grand Avenue and York Street to higher-density residential development over three stories.
4. Follow the process for Planned Developments in site reuse/redevelopment of PD #1 (to be developed by the City) to encourage redevelopment of this area to occur in a cohesive manner. Suggested redevelopment uses include large format retailers.
5. Implement a streetscape program to create a pedestrian-welcome environment, as well as produce a unified image and distinctive identity for the district.
6. Construct gateway features on Grand Avenue and York Street to visually cue entrance into Elmhurst."

Source: City of Elmhurst Comprehensive Plan

In addition, planning related efforts along Addison Street (mixture of residential, industrial and commercial uses) and integration with frontage along York Street is important in order to coordinate redevelopment efforts, and potentially increase valuations. Coordinated streetscape, signage, parking, and circulation efforts are also important throughout the area and could be facilitated through the use of TIF resources.

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 fifty two (52%) of the buildings were constructed between forty (40) and seventy (70) years ago prior to both the 1990 and 2009 comprehensive plan initiatives.

6. 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 increased at an annual rate that lagged behind the balance of the City's EAV for four (4) of the last five (5) years. A summary of this analysis is presented in the table below.

Tax Year	Study Area EAV	Percent Change	Balance of the City's EAV	Percent Change
2011	\$ 31,933,850	-1.01%	\$ 2,121,863,163	-5.56%
2010	\$ 32,259,210	-10.77%	\$ 2,246,885,156	-7.38%
2009	\$ 36,152,040	-2.49%	\$ 2,425,800,963	.14%
2008	\$ 37,074,510	5.78%	\$ 2,422,316,362	9.15%
2007	\$ 35,048,420	-2.28%	\$ 2,219,260,243	11.23%
2006	\$ 35,867,880	--	\$ 1,955,153,915	--

Note: the percentage change in years where the EAV of the Study Area lagged behind the balance of the City are in bold.

Source: Du Page County Assessor's Office

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

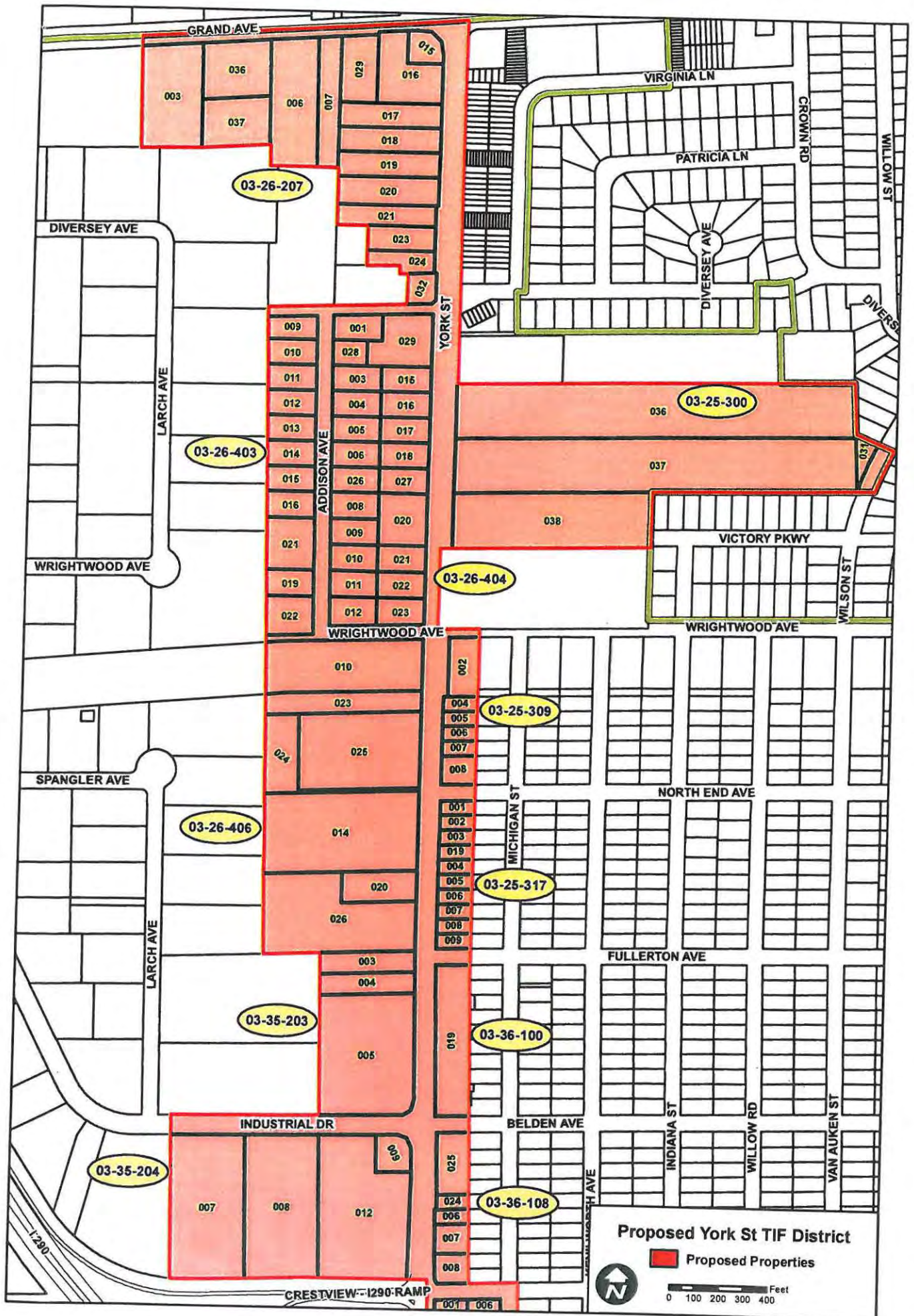
The following is a summary of relevant qualification findings as it relates to the potential designation of the RPA by the City as a TIF District:

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



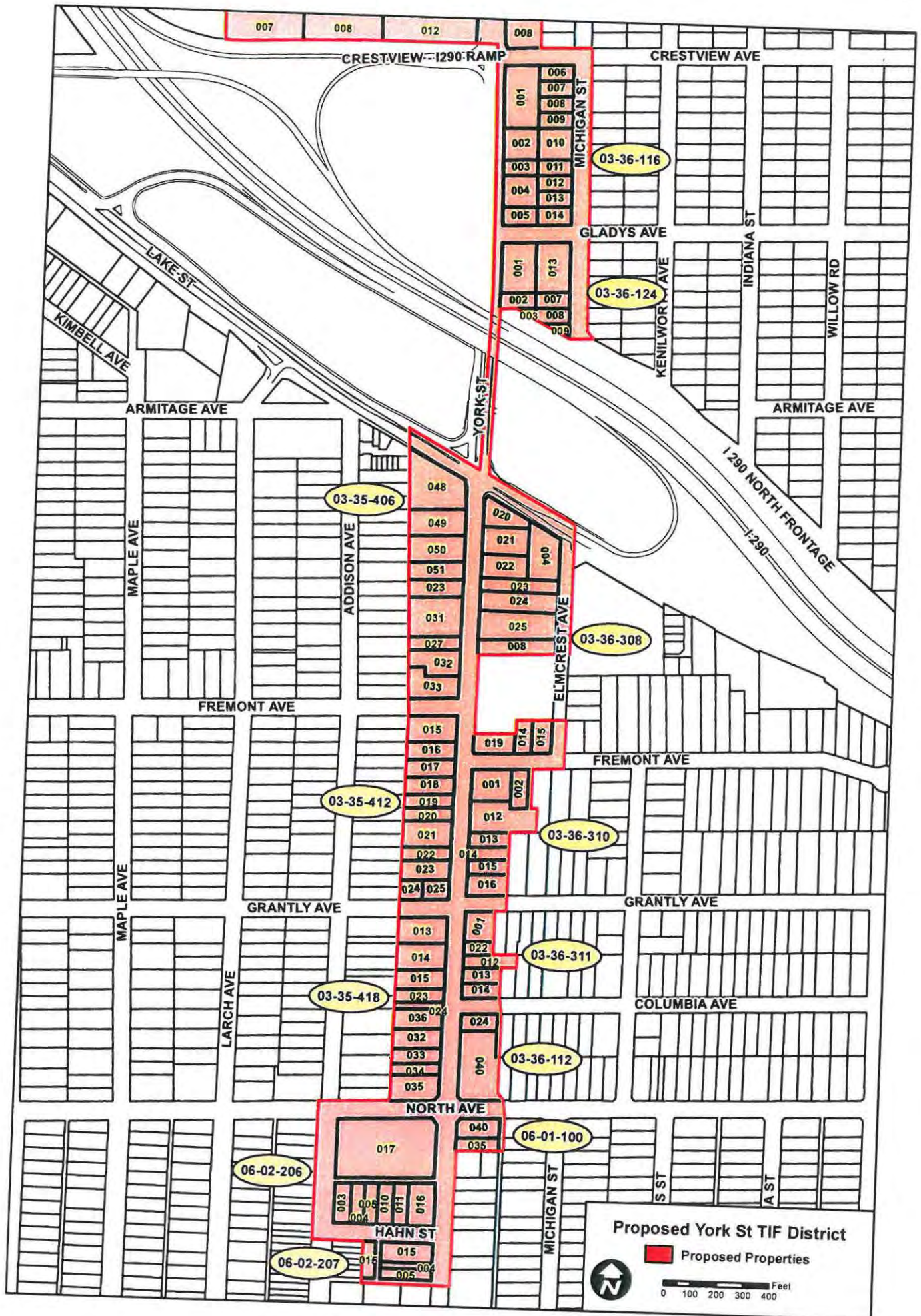


EXHIBIT 2
LEGAL DESCRIPTION

Elmhurst North York Street TIF Legal Description

That part of Sections 25, 26, 35 and 36 of Township 40 North, Range 11, East of the Third Principal Meridian and Sections 1 and 2 of Township 39 North, Range 11, East of the Third Principal Meridian described as commencing at the intersection of the Northerly corporate boundary of Elmhurst, said Northerly boundary being the centerline of Grand Avenue, with the Westerly lot line, extended north, of Lot 75 in Elmhurst Industrial Park Unit No. 2, recorded as Document R65-24614 on July 9, 1965, for a place of beginning, thence Easterly along said centerline of Grand Avenue to the Easterly right-of-way line of York Street, thence Southerly along said Easterly right-of-way line to the North line of Lot 2 of York Gardens, recorded as Document 456519 on December 3, 1943, thence Easterly along said North lot line to the East line of said Lot 2, thence Southerly along said East line to the Northwest corner of Lot 11 in Block 3 of Country Club Highlands Subdivision Unit 3, recorded as Document 877616 on April 25, 1958, thence Southeasterly along the Northerly line of said Lot 11, extended, to the Easterly right-of-way line of Wilson Street, thence Southwesterly along said Easterly right-of-way line to its intersection with the North line, extended Easterly, of Lots 12 through 24, inclusive, in Block 3 of said Country Club Highlands Subdivision Unit 3, thence Westerly along said North line to the West Line of said Lot 24, thence Southerly along said West line, extended, to the South line of Lot 4 in said York Gardens, thence Westerly along said South line to the Easterly right-of-way line of York Street, thence Southerly along said Easterly right-of-way to the South lot line of York Meadows Condominiums, recorded as Document R80-05482 on January 22, 1980, thence Easterly along said South lot line to the East lot line, extended Northerly, of Lot 20 in Block 12 of H.O. Stone and Co.'s Elmhurst Addition, recorded as Document 161539 on December 20, 1922, thence Southerly along said East lot line, extended, to the South lot line of Lot 10 in Block 37 of said H.O. Stone and Co.'s Elmhurst Addition, said South lot line being the North right-of-way of Crestview Avenue, thence Easterly along said North right-of-way line to the East right-of-way line of Michigan Street, thence Southerly along said East right-of-way line to the South lot line of Lot 15 in Block 54 of said H.O. Stone and Co.'s Elmhurst Addition, thence generally Westerly along the Northerly right-of-way line of Interstate 290 to the East right-of-way line of York Street, thence Southerly along said East right-of-way line to the Northerly right-of-way line of Lake Street, thence Southeasterly along said Northerly right-of-way line to the East right-of-way line, extended Northerly, of Elmcrest Avenue, thence Southerly along said East right-of-way line to the North line, extended Easterly, of Lot 5 in Block 1 of Robertson's Addition to Elmhurst, recorded as Document 92032 on October 30, 1907, thence Westerly along said North lot line to the East right-of-way line of York Street, thence Southerly along said East right-of-way line 300 feet, thence Easterly 155 feet, thence Northerly 50 feet to the North line of Lot 7 in Block 1 of said Robertson's Addition to Elmhurst, thence Easterly along said lot line, extended, to the East right-of-way line of Elmcrest Avenue, thence Southerly along said East right-of-way line and right-of-way line extended, to the South right-of-way line of Fremont Avenue, thence Westerly along said South right-of-way line 120 feet to the west line of the east 25 feet of lot 2 in Owners division of Block 2 of Robertsons Addition to Elmhurst, recorded as Document 258941 on June 4, 1928, thence Southerly along said west line 150 feet to the south line of lot 2, , thence Easterly along said line 25 feet to the southeast corner of lot 2, thence Southerly 90 feet along the west line of the east 50 feet of lot 5 to a point on the North line of Robertson's Second Addition to Elmhurst, recorded as Document 95683 on January 20, 1909, said point being 250 feet East of the Northwest corner of said Robertson's Second Addition to Elmhurst, thence Westerly along said North line to the East line of Lot 49 in said Robertson's Second Addition to Elmhurst, thence Southerly along said East lot line, extended, to the North line of Paul J. Lowe Resubdivision, recorded as Document R96-024157 on February 14, 1996, thence Westerly 42 feet to the northwest corner of lot 1, thence Southerly along the west line 165

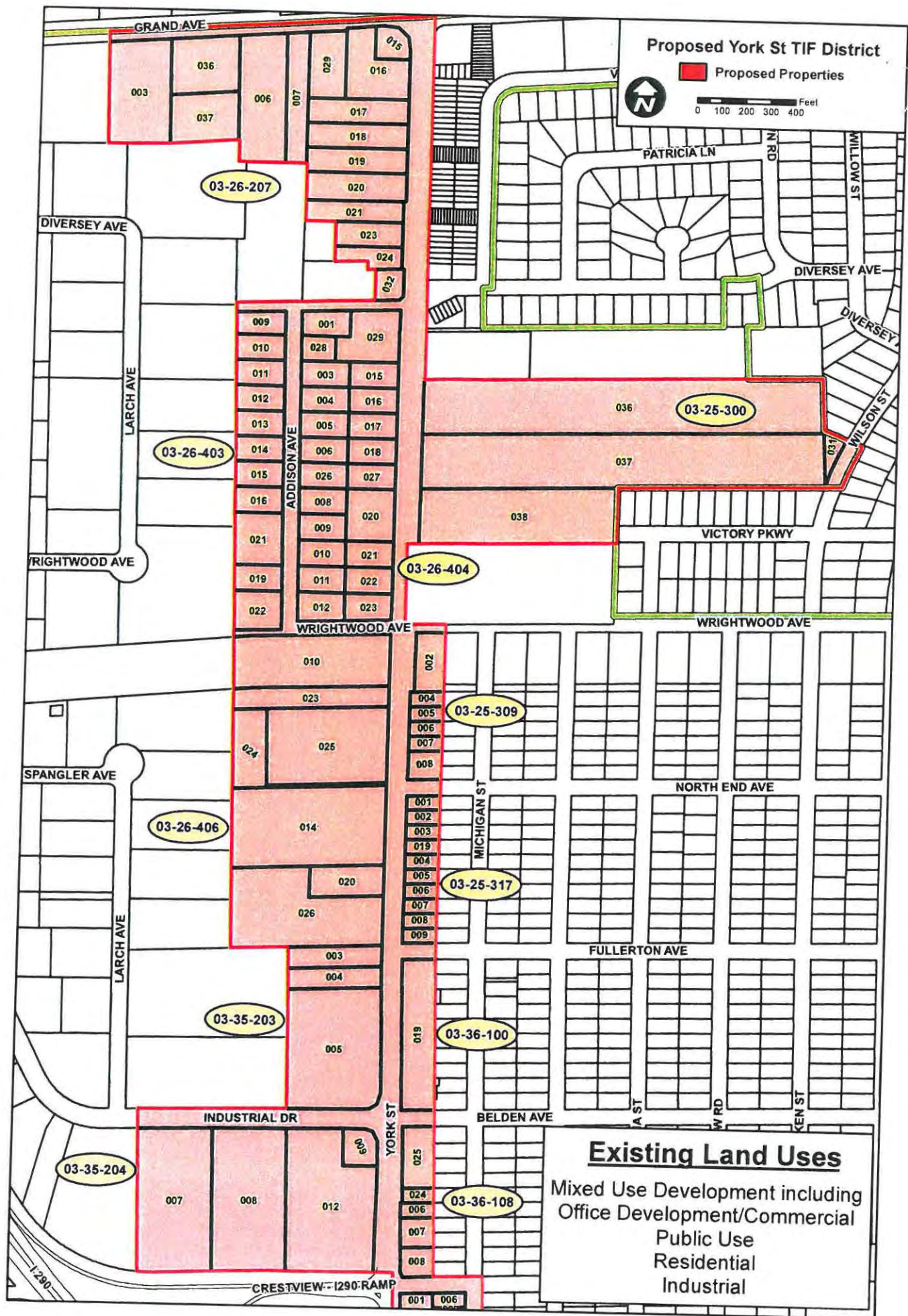
feet to the south west corner lot 1, thence Easterly along south line 92 feet in said Paul J. Lowe Resubdivision to the East line of Lot 26 in said Robertson's Second Addition to Elmhurst, thence Southerly along said lot line 50 feet to the North line of the Resubdivision of Robertson's Second Addition to Elmhurst, recorded as Document 111786 on April 23, 1913, thence Westerly along said North line to the West line of Lot 11 in said Resubdivision, thence Southerly along said West line to the North right-of-way line of Columbia Avenue, thence Southeasterly to the Northwest corner of Lot 7 in said Resubdivision, thence Southerly 296.75 feet along the West line of Lots 7 and 8 in said Resubdivision, thence Southeasterly 38.83 feet to a point on the Northerly right-of-way line of North Avenue, said point being 22 feet Easterly of the Southwest corner of said Lot 8, thence Southeasterly to the Northwest corner of Lot 30 in Block 1 of Fairview Addition to Elmhurst, recorded as Document 110851 on February 7, 1913, thence Southerly along the West line of Lots 30 and 29 in said Block 1 to the South line, extended Easterly, of Lot 2 in said Block 1 of Fairview Addition, thence Westerly along said South line, and South line extended, to the East right-of-way line of York Street, thence Southerly along said East right-of-way line to the North line, extended Easterly, of Lot 25 in Hahn's Subdivision, recorded as Document 47483 on December 8, 1891, thence Westerly along said North lot line, extended, to the West line, extended Southerly, of Lot 16 in said Hahn's Subdivision, thence Northerly along said West lot line to the South right-of-way line of Hahn Street, thence Westerly along said South right-of-way line, extended, to the West right-of-way line of Addison Avenue, thence Northerly along said West right-of-way line to the Northerly right-of-way line of North Avenue, thence Easterly along said North right-of-way to the West line of Lot 7 in Block 1 of Albert D. Graue's Subdivision of North Elmhurst, recorded as Document 86803 on February 23, 1906, thence Northerly along said West line of Lot 7, extended, to the South right-of-way line of Fremont Avenue, thence Northwesterly to the Southwest corner of Lot 9 in North Elmhurst Third Addition to the Village of Elmhurst, recorded as Document 97862 on August 9, 1909, thence Northerly along the west line of Lots 9 and 8 of said North Elmhurst Third Addition to the Southwest corner of Lot 5 of "County Clerk's Assessment Division of Lots 1 and 2 of the Plat of North Elmhurst Third Addition to the Village of Elmhurst", recorded as Document 233179 on April 8, 1927, thence Northerly along the West line, and West line extended, of Lots 1 through 5, inclusive, in said County Clerk's Assessment Division to the Northerly right-of-way line of Lake Street, thence Southeasterly along said Northerly right-of-way line to the West right-of-way line of York Street, thence Northerly along said West right-of-way line to the South line of Elmhurst Industrial Park Unit No. 1, recorded as Document R65-2240 on January 22, 1965, thence Westerly along said South line to the West line of Lot 7 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along said West lot line, extended, to the North right-of-way line of Industrial Drive, thence Easterly along said 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 to the East line of Lot 26 in said Elmhurst Industrial Park Unit No. 1, thence Northerly along said East line, extended, to the Northeast corner of Lot 22 in said Elmhurst Industrial Park Unit No. 1, thence Northerly to the Southwest corner of York Grand Estates Unit Number One, recorded as Document 426473 on July 23, 1941, thence Northerly along the West line of said York Grand Estates Unit Number One, extended, to the Southwest corner of Lot 2 of Klefstad's Elmhurst Subdivision, recorded as Document R93-172175 on August 4, 1993, thence Easterly 266.01 feet to the Southeast corner of said Lot 2, thence continuing Easterly 292.27 feet along the South line of Lot 23 in Addison Township Supervisors Assessment Plat No.5, recorded as Document 465944 on August 9, 1944, thence Northerly to a point on the South line of Peter's 2nd Subdivision, recorded as Document R69-11385 on March 18, 1969, thence Westerly along said South line 33 feet, thence Northerly 33.75 feet, thence Westerly 134.35 feet to the Southwest corner of said Peter's 2nd Subdivision, thence Northerly along the West line of said Subdivision 161.76 feet to the North Line of Peter's Subdivision, recorded as Document R68-41940 on September 11, 1968, thence Westerly along said North line 124.78 feet to the

East line of said Lot 2 in said Klefstad's Elmhurst Subdivision, thence Northerly along said East line of Lot 2 233.96 feet to the Northeast corner of said Lot, thence West along the North line 277.13 feet to the most Westerly East line of Lot 1, thence North along the East line to the Northwest corner of Lot 1, thence West along the North line 275 feet to the Southeast corner of Lot 75 in said Elmhurst Industrial Park Unit No. 2, thence Westerly on the South line to the Southwest corner of said Lot 75, thence Northerly along the West line, and West line extended, of said Lot 75 to the place of beginning, all in DuPage County, Illinois.

Revised 06/01/12

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EXHIBIT D
EXISTING LAND USE MAP



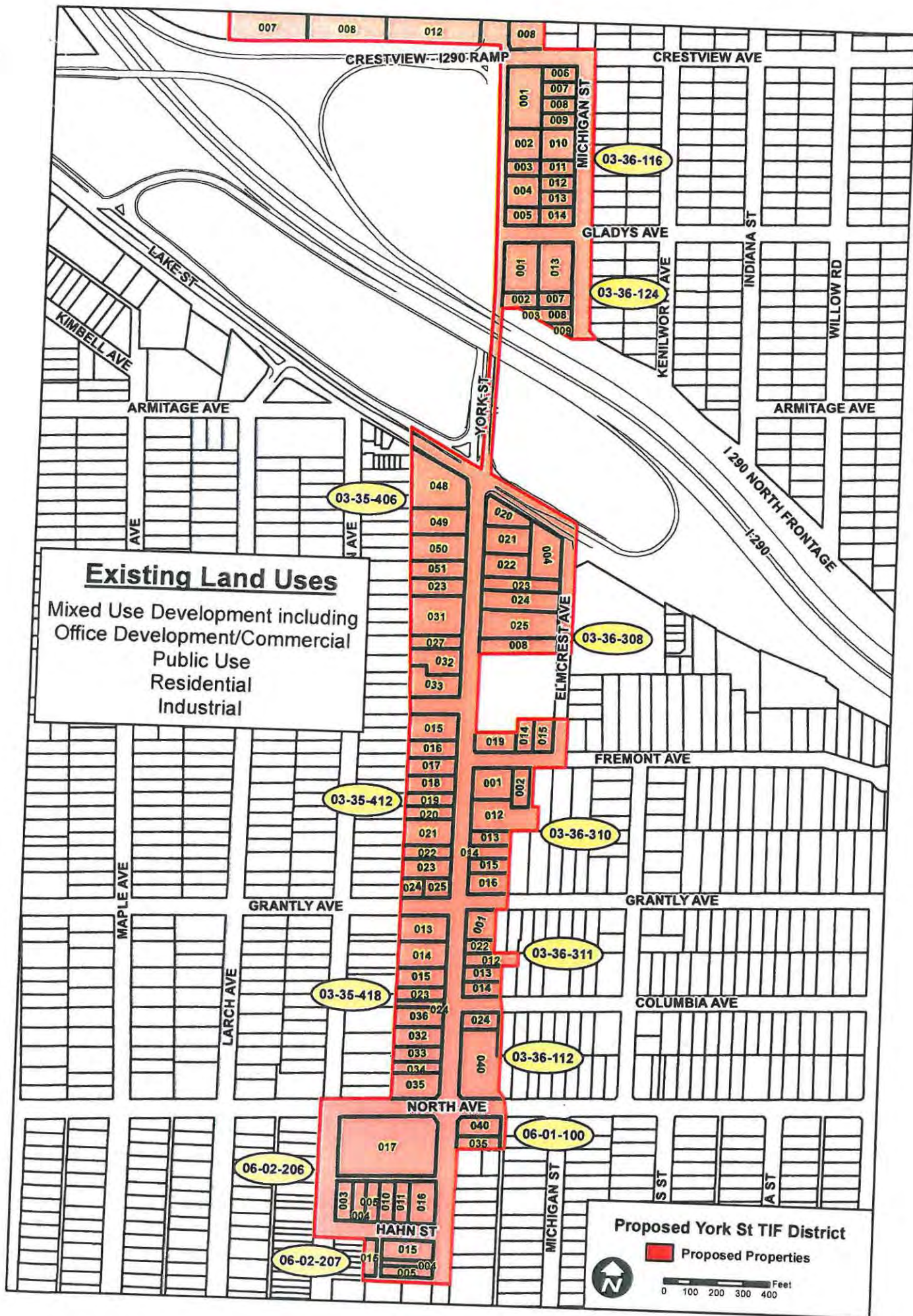


EXHIBIT E
PROPOSED LAND USE MAP

