

**AN ORDINANCE OF THE VILLAGE OF ARLINGTON HEIGHTS,
COOK COUNTY, ILLINOIS, APPROVING A TAX INCREMENT
REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT
FOR THE SOUTH ARLINGTON HEIGHTS ROAD CORRIDOR**

WHEREAS, it is desirable and for the best interests of the citizens of the Village of Arlington Heights, Cook County, Illinois, (“Municipality”), for the Municipality to adopt tax increment allocation financing pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (“Act”), for a proposed redevelopment plan and redevelopment project (“Project” and “Plan”) within the municipal boundaries of the Municipality and within a proposed redevelopment project area (“Area”) described in Section One (a) of this Ordinance, which area constitutes in the aggregate more than 1½ acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the President and Board of Trustees (“Corporate Authorities”) of the Municipality called a public hearing to be held by the Redevelopment Commission relative to the Project and Plan and to the designation of the Area as a redevelopment project area under the Act for May 27, 2020, at 7:30 p.m.; and

WHEREAS, due notice in respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, such notice being given to taxing districts having property in the Area by certified mail on April 8, 2020, by publication on May 5, 2020 and May 12, 2020, in the Arlington Heights Daily Herald, being a newspaper of general circulation within the taxing districts; and by certified mail to taxpayers within the Area on May 7, 2020; and

WHEREAS, the Redevelopment Commission has recommended that the Board of Trustees designate the boundaries of Tax Increment Financing Area as presented to the Commission and described in Exhibit A, attached hereto and incorporated herein as if set out in full by the references, entitled “Village of Arlington Heights, South Arlington Heights Road Corridor Redevelopment Plan and Project,” dated February, 2020, and that the Board of Trustees approve and adopt the Redevelopment Project and Redevelopment Plan as described in the same document; and

WHEREAS, the Project and Plan set forth factors which cause the proposed Area to be blighted, 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 which cause such area to be a “blighted area” as said term is used in the Act; 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 to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by proposed Project improvements; 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

WHEREAS, the Corporate Authorities have reviewed the proposed Project and Plan and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Redevelopment Project and Plan conform to the such comprehensive plan of the Municipality,

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF ARLINGTON HEIGHTS:

SECTION ONE: The Corporate Authorities hereby make the following findings:

(a) The Area, street location (as near as practicable) for the Area, and the map of the Area are depicted in Exhibit A attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a blighted area as defined in Section 11-74.4-3(a) of 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.

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

(e) The estimated date of completion of the entire Project is 23 years after adoption of the ordinance designating the Redevelopment Project Area; the estimated date of completion of all phases of construction of the Project is 23 years after adoption of the ordinance designating the Redevelopment Project Area; and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan shall not be later than December 31st 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 23rd calendar year in which the ordinance approving the redevelopment project area is adopted.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed area.

SECTION TWO: The Project and Plan which were the subject matter of the hearing held May 27, 2020, is hereby adopted and approved. A copy of the Project and Plan is set forth in Exhibit A attached hereto and incorporated herein as if set out in full by this reference.

SECTION THREE: This Ordinance shall be in full force and effect from and after its passage and approval in the manner provided by law and shall be recorded in the Office of the Recorder of Cook County, Illinois.

AYES:

NAYS:

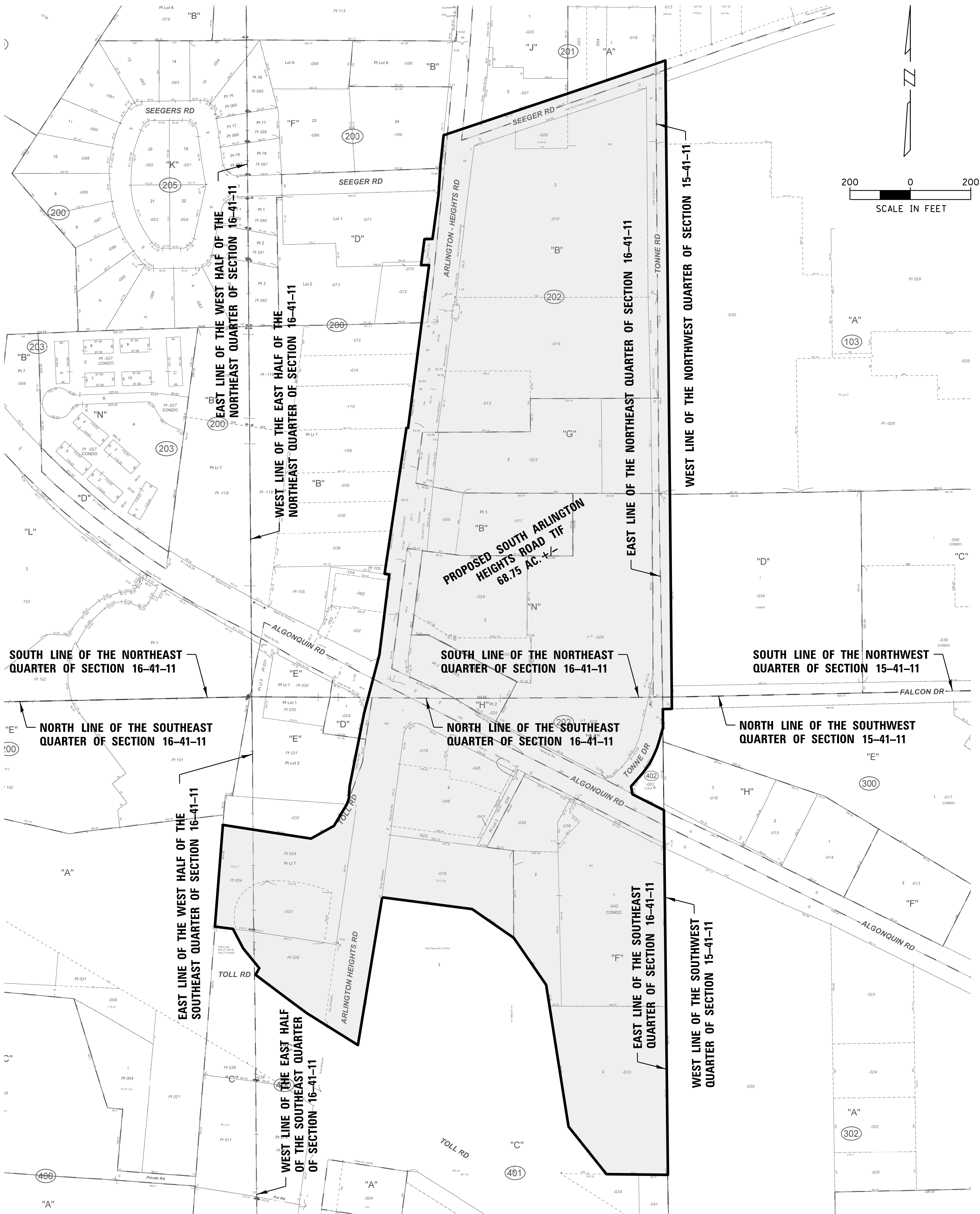
PASSED AND APPROVED this 15th day of June, 2020.

Village President

ATTEST:

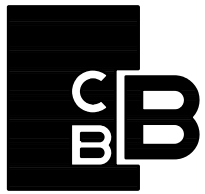
Village Clerk

LEBLB:TIF Ordinances and Resolutions:South AH Road Corridor - Approve Redevelopment Plan-Project



200 0 200
SCALE IN FEET

REVISED: 01-21-2020



CHRISTOPHER B. BURKE
ENGINEERING, LTD.
9575 West Higgins Road, Suite 600
Rosemont, Illinois 60018
(847) 823-0500

PROPOSED SOUTH ARLINGTON HEIGHTS ROAD TIF

IN
VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
PREPARED FOR
KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JRM
DWN.	AJK
CHKD.	JRM
SCALE:	1"=200'
DATE:	01-17-2020

PROJECT NO.
200033
SHEET 1 OF 1
DRAWING NO.
TIF200033A

EXHIBIT A
LEGAL DESCRIPTION – Proposed South Arlington Heights Road TIF

THAT PART OF THE WEST HALF OF SECTION 15 AND THE EAST HALF OF SECTION 16 IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT SOUTHWEST CORNER OF LOT 7 IN AUGUST BUSSE'S DIVISION IN SAID SECTION 16, ACCORDING TO THE PLAT THEREOF RECORDED MAY 15, 1928 AS DOCUMENT NUMBER 10023115;

THENCE NORTH ALONG THE WEST LINE OF SAID LOT 7 TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY, AS WIDENED AND ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DEED DOCUMENT NUMBER 21122969, RECORDED MARCH 31, 1970;

THENCE EASTERLY AND NORTHEASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED BY DEED DOCUMENT NUMBER 21122969 TO A POINT ON THE WESTERLY RIGHT- OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED;

THENCE NORTHERLY ALONG SAID WESTERLY RIGHT- OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED, TO A POINT OF INTERSECTION WITH THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SEEGER ROAD;

THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY EXTENSION AND THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SEEGER ROAD TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY RIGHT-OF-WAY LINE OF TONNE ROAD;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY RIGHT-OF-WAY LINE OF TONNE ROAD TO A POINT ON SOUTHERLY RIGHT-OF-WAY LINE OF FALCON DRIVE;

THENCE WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF FALCON DRIVE TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, SAID POINT ALSO BEING A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF TONNE DRIVE;

THENCE SOUTHWESTERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF TONNE DRIVE TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD, AS WIDENED;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD, AS WIDENED, TO A POINT ON SAID WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15;

THENCE SOUTHERLY ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15 TO THE SOUTHEAST CORNER OF LOT 2 IN SAID AUGUST BUSSE'S DIVISION;

THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 2 TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED AND ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DOCUMENT NUMBER 09093125, RECORDED NOVEMBER 19, 1995 AND DOCUMENT NUMBER 09093119, RECORDED NOVEMBER 19, 1995;

THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED;

THENCE SOUTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED, TO A POINT OF INTERSECTION WITH THE SOUTHEASTERLY EXTENSION OF THE ORIGINAL NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY COMMISSION BY DEED DOCUMENT NUMBER 16726440, RECORDED OCTOBER 15, 1956;

THENCE NORTHWESTERLY ALONG SAID SOUTHEASTERLY EXTENSION AND THE ORIGINAL NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED AND ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DEED DOCUMENT NUMBER 21139137, RECORDED APRIL 21, 1970 AND DOCUMENT NUMBER 21154328, RECORDED MAY 3, 1970;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED BY DEED DOCUMENT NUMBER 21139137 AND DOCUMENT NUMBER 21154328 TO A POINT ON THE SOUTH LINE OF SAID LOT 7 IN AUGUST BUSSE'S DIVISION;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 7 TO THE POINT OF BEGINNING.

Table A. S Arlington Heights Road TIF PIN List

08-16-202-005-0000
08-16-202-009-0000
08-16-202-010-0000
08-16-202-011-0000
08-16-202-013-0000
08-16-202-015-0000
08-16-202-022-0000
08-16-202-023-0000
08-16-202-025-0000
08-16-202-028-0000
08-16-202-029-0000
08-16-202-030-0000
08-16-400-033-0000
08-16-400-034-0000
08-16-400-035-0000
08-16-401-018-0000
08-16-401-019-0000
08-16-401-023-0000
08-16-401-030-0000
08-16-401-033-0000
08-16-401-036-0000
08-16-401-039-0000
08-16-401-042-1001
08-16-401-042-1003
08-16-401-042-1004
08-16-401-042-1005
08-16-401-042-1006
08-16-401-042-1007
08-16-401-042-1008
08-16-401-042-1009
08-16-401-043-0000
08-16-401-045-0000
08-16-401-046-0000

Date: 02/05/2020

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
S ARLINGTON HEIGHTS ROAD TIF DISTRICT
REDEVELOPMENT PLAN**

Prepared By:

**Village of Arlington Heights, Illinois
&
Kane, McKenna and Associates, Inc.**

February, 2020

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I. Introduction

The Village of Arlington Heights, Illinois (the “Village”) is a community located in the northwestern portion of Cook County approximately 25 miles northwest of the City of Chicago’s “Loop”. The Village is generally bound by the municipalities of Elk Grove Village to the south, Rolling Meadows to the southwest, Palatine to the west, Buffalo Grove to the north, Wheeling to the northeast, Prospect Heights to the east and Mount Prospect to the southeast. With a population of approximately 75,000 residents, the Village is one of the largest municipalities in the State of Illinois. The Village is situated near major regional access points (e.g. the I-290 and I-90 Interstates) and is served by public commuter rail service via Metra Rail’s Union Pacific Northwest Line. The Village is also home to the Arlington International Racecourse, a regional center for horseracing events.

The Village was incorporated in 1887 and, since this time, has expanded into a fully built-out community. In recent years, the Village has experienced a growth in new households due to decreasing family sizes and an aging population. The Village’s economic base has also reached a state of stabilization and maturation. These two conditions have shifted the Village’s focus from outward growth towards redevelopment of existing areas to maintain and strengthen the Village’s tax base. Indeed, the Village of Arlington Heights Comprehensive Plan (2015) (the “Comprehensive Plan”) emphasizes this point by including the following statement in its first paragraph,

“The Village has reached the “maturation” stage in its development growth and, therefore, faces new challenges and opportunities. Redevelopment of the village’s commercial, manufacturing and residential areas has become the predominant issue when planning for the future of the village.”

Arlington Heights Road is an arterial roadway that runs from the Village’s southern municipal boundary near the I-90 Interstate northward, through the Village’s central business district, to the Village’s northern municipal boundary with neighboring Buffalo Grove, Illinois. The Comprehensive Plan and the South Arlington Heights Road Corridor Plan (2018) (the “Corridor Plan”) identify the important role played by the southern portion of Arlington Heights Road in refocusing efforts towards redevelopment through corridor planning. The area contains several major intersections within the Village, is an entry and exit point for the I-90 Interstate and is located near the Village’s southern municipal boundary. Along with directly contributing to the Village’s overall tax base, the area is a major gateway into the Village and plays an important role in affecting the Village’s overall goals and objectives.

The Comprehensive Plan and the Corridor Plan clearly identify the important role played by the southern portion of Arlington Heights Road in achieving the Village’s general economic and community development goals and objectives. However, the plans also identify conditions which have and continue to deter private investment in the area.

Given those conditions, the Village has determined that the area as a whole would not be redeveloped in a coordinated manner without the adoption of a Tax Increment Financing Redevelopment Plan. The Village, with the assistance of Kane, McKenna and Associates, Inc.

(KMA), has commissioned this Redevelopment Plan to use tax increment financing in order to alleviate those conditions which deter private investment in the area and meet redevelopment goals and objectives.

A. Overview of Tax Increment Financing (TIF)

Tax Increment Financing (TIF) is an economic development tool which uses future tax revenues to finance redevelopment activity. In the State of Illinois an area can be designated as a TIF district if it faces certain impediments to redevelopment. At the time of designation, the equalized assessed value of tax parcels within the boundaries of the district are “frozen” for the term of the TIF district. Taxing jurisdictions that overlap that district continue to receive property taxes, but those revenues are limited to those based on the “frozen” equalized assessed values. Any property tax revenue generated from increases in equalized assessed value relative to the frozen values are deposited in a special tax allocation fund. This revenue is then used to finance redevelopment activities within the district to accomplish various community and economic development goals.

B. The Redevelopment Plan

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended (the “TIF Act” or “Act”) enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas” (65 ILCS 5/11-74.4-2(b)).

To establish a TIF district (“Redevelopment Project Area” or “RPA”), Illinois municipalities must adopt several documents including a Redevelopment Plan and an Eligibility Report. A Redevelopment Plan is any comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions which qualify the redevelopment project area as a “blighted area,” “conservation area” (or combination thereof), or “industrial park conservation area”, and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the TIF Act.

The Village has authorized KMA to study the RPA in relation to its qualification as a TIF district under the TIF Act, to prepare a TIF District Eligibility Report for the RPA and to prepare a Redevelopment Plan for the RPA.

C. Findings Pursuant to the TIF Act

It is found and declared by the Village through legislative actions as required by the Act that:

1. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this redevelopment plan;
2. The Redevelopment Plan and Project conform to the Comprehensive Plan which guides development of the Village as a whole

II. Redevelopment Project Area

A. Redevelopment Project Area Summary

The RPA is located in the southern portion of the Village and contains tax parcels with frontage along the eastern portion of Arlington Heights Rd from the I-90 Expressway to the south to Seeger Road to the north, a single tax parcel at the northwestern corner of the I-90 Expressway and Arlington Heights Road and tax parcels with frontage along the southern portion of Algonquin Road from Arlington Heights Road to the west and the extension of Tonne Drive to the east.

Existing land uses within the RPA include commercial and institutional uses.

The RPA contains approximately 33 tax parcels and is at least approximately 42 acres in size.

Please see Appendix A of Exhibit 3 for a list of the tax parcels included in the RPA and Exhibit 1 for a visual depiction of the RPA.

B. Legal Description of Redevelopment Project Area

The Redevelopment Project Area legal description is attached as Exhibit 2.

III. Redevelopment Goals

A. Village Goals

The Village has established a number of goals, objectives and strategies which would determine the kinds of activities to be undertaken within the RPA.

An important underlying document is the Village's Comprehensive Plan which, as an element of the planning process, describes the overall vision for the Village and is the foundation for Village initiatives. This planning document influences all other Village planning processes including those related to TIF. The below Table 1 summarises goals in the Comprehensive Plan that are applicable to the RPA.

Table 1. Comprehensive Plan Goals Relevant to Redevelopment of the RPA

Element	Goals/Objectives
Land Use	<ul style="list-style-type: none">- To ensure that the general land use pattern and relationships of all land uses remain or become acceptable to the present and future community- Only well planned commercial and industrial developments should be built
Population & Housing	<ul style="list-style-type: none">- To encourage construction of necessary housing to meet present and future residential needs- To maintain and improve property values-To maintain the social and economic vitality of neighborhoods-To utilize good housing redevelopment concepts in areas where rehabilitation of existing housing is not practical
Economic Development	<ul style="list-style-type: none">- To promote balanced economic growth through imaginative planning leading to a strong, vital local economy- To work closely with local businesses to promote their growth and expansion and prevent the loss of existing establishments-To facilitate redevelopment and modernization of mature business and industrial areas of the Village-To attract new business enterprises by taking full advantage of Arlington Height's location in the transportation "hub" of the Midwest, as well as its labor market, business climate, educational facilities and government resources
Thoroughfare & Transportation	<ul style="list-style-type: none">- To schedule, plan and construct necessary physical improvements including widening turning bays and other appropriate improvements if appropriate before serious problems develop- To landscape, where possible, arterial roadways; screen parking areas; improve street graphics; and the appearance of signalization and other elements related to traffic and transportation

Source: Village of Arlington Heights Comprehensive Plan (2015).

In addition to the above-state goals, the Corridor Plan identifies numerous objectives which redevelopment of the RPA may further. These include the development of tax parcels, enhancement of pedestrian improvements and improving the visual aesthetic of the area by burying/relocating overhead utility lines.

Implementation of the Redevelopment Plan and Project will facilitate the accomplishment of these and other goals described in the Comprehensive Plan and Corridor Plan. It is further expected that the Redevelopment Project will return the RPA to economically productive use; thus, accomplishing the Village's general goals regarding enhancing and strengthening the Village's tax base.

B. Redevelopment Project Area Goals

Given the potential community benefits that may be gained from redevelopment of the RPA, efforts should be made to obtain the following goals for the RPA:

1. Reduce or eliminate those adverse impacts described in the TIF Eligibility Report which deter private investment in the RPA
2. Return underutilized property located within the RPA to productive use and strengthen and enhance the Village's tax base
3. Provide for high-quality, mixed use development within the RPA that facilitates community and economic development goals including those related to affordable housing
4. Accomplish redevelopment of the RPA over a reasonable time period

These goals may be accomplished by pursuing the following objectives for the RPA:

1. Promotion of the redevelopment of underutilized property located within the RPA
2. Provision for the assembly or coordination of private and public property for viable redevelopment projects
3. Improvement of existing rights-of-way and infrastructure including, but not limited to roadways, streetscape, traffic signalization and parking improvements
4. Provision of necessary site preparation including, but not limited to, grading, demolition and environmental remediation
5. Provision of public investment that improves the physical condition and visual aesthetic of the area including those in the public realm (e.g. streetscaping) and the private realm (e.g. facades and signage)
6. Promotion of affordable housing in the Village consistent with Village policies and codes

These objectives may be pursued independently by the Village or in private partnership by entering into redevelopment agreements in order to redevelop existing property or induce new development to locate within the RPA.

IV. Evidence of Lack of Development and Growth

A. Eligibility Report

The Redevelopment Plan Area's qualification under the TIF Act was evaluated by representatives of Kane, McKenna and Associates, Inc. (KMA) from May, 2018 to the date of this draft report. Analysis was aided by certain reports obtained from the Village and other sources. Only information which would directly aid in the determination of eligibility for a TIF district was utilized.

The reported results of this evaluation are attached as Exhibit 3 of this Redevelopment Plan and Project.

B. Findings

As found in Exhibit 3 of this Redevelopment Plan and Project, the RPA has suffered from certain impediments to redevelopment. The area has been burdened with a lack of significant private investment and/or development. As a result, the RPA is not likely to experience significant development and growth without the use of Village resources.

Those factors which evidence lack of development and growth in the RPA are: (i) lagging/declining equalized assessed value (EAV); (ii) excessive vacancies; (iii) deterioration; (iv) lack of community planning; (v) inadequate utilities; and, (vi) obsolescence.

V. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a positive financial impact on the affected taxing districts. Actions to be taken by the Village to enhance the its tax base through the implementation of this Redevelopment Plan and Project will have also have a positive impact on the affected taxing districts.

Strategies will be encouraged to promote growth via private investment within the area, while specific objectives will be geared toward stabilizing the RPA's existing strengths and revitalizing the RPA's redevelopment potential.

It is anticipated that the RPA will require some increased services from affected taxing districts including the Village. Should the Village achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the Village will consider the declaration of sufficient surplus funds (which funds are neither expended nor obligated) as provided by the TIF Act, to assist affected taxing districts in paying the costs for the increased services.

Any surplus funds that may exist will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts including the Village. Prior to any surplus disbursement, all TIF eligible costs either expended or incurred as an obligation by the Village will be duly accounted for through the administration of the Special Tax Allocation Fund to be established by the Village as provided by the TIF Act.

Any impacts to school district are expected to be addressed through the utilization of payments provided by the TIF Act in connection with residential projects receiving TIF funding. Please see Section VI (D) of this report for more information regarding these payments.

VI. Housing Impact Study

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act.

A housing impact study is not required to be completed because the Village will certify that it will not displace ten or more residential units and that the RPA contains less than 75 inhabited residential units.

If later the Village does decide that it is necessary to dislocate ten or more residential units or add 75 or more inhabited residential units, then the Village must complete a housing impact study and amend the Redevelopment Plan herein.

VII. Redevelopment Project

A. Redevelopment Activities

The Village will implement a coordinated program of actions, including, but not limited to, the following actions:

Land Assembly: Property within the RPA may be acquired, assembled and reconfigured into appropriate redevelopment sites. The Village may also cover any relocation costs related to land assembly activities. A proposed acquisition map is attached as Exhibit 6 of this Plan.

Site Preparation, Clearance, and Demolition: Property within the RPA may be improved by site clearance, excavation, regrading, environmental remediation or demolition.

Public Improvements: Public improvements within the RPA may be provided or repaired to support the Redevelopment Plan and Project. Examples of such public improvements may include but are not limited to: (i) public utilities and infrastructure including roadways, water mains, sanitary sewer systems and storm sewer systems; (ii) public parking facilities; (iii) stormwater management and detention facilities; (iv) landscaping, lighting, traffic signalization; signage; and other improvements to the streetscape. Relocation of utilities or infrastructure may also be funded as determined by the Village.

Rehabilitation and Construction: Rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to Village code provisions. Improvements may include commercial signage upgrades, exterior and facade related work as well as interior related work. Construction costs relating to residential units as provided for in the Act may also be considered.

Interest Rate Write-Down: Entering into agreements with property 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.

School Tuition: Funding school tuition costs as provided for by the Act.

Job Training: Assisting facilities and enterprises located within the RPA in providing job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to; federal programs, state programs, applicable local vocational educational programs including community college sponsored programs and other federal, state, county or non-profit operated programs that are available or will be developed and initiated over time.

B. General Land Use Plan

Existing land uses consist of commercial, office and industrial land uses. Existing land uses are shown in Exhibit 4, attached hereto and made a part of this Plan.

Intended land uses in the RPA consist of office, mixed use and open space uses. Intended land uses will conform to the Village's Comprehensive Plan. Exhibit 5, attached hereto and made a part of this Plan designates the intended general land uses in the Redevelopment Project Area.

C. Additional Design and Control Standards

The appropriate design controls, including for any Planned Developments, as set forth in the Village's Zoning Ordinance, as amended, shall apply to the RPA.

D. Eligible Redevelopment Project Costs

Redevelopment project costs mean and include the sum 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 municipal 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. *Professional Services* - 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. *Marketing* - 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. *Rehab costs* - 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. *Public works and improvements* - 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. *Job training* - 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 incentives* - 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. *Capital costs* - 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. *School-related costs* - 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. *Library costs* - For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the

Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

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

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

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

11. *Relocation costs* - to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. *Payment in lieu of taxes*;
13. *Job training* - Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields

leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;

14. *Interest costs* – for 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 pertaining 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. *Day care* - 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.

The TIF Act prohibits certain costs, including the following:

Construction of privately-owned buildings - Unless explicitly stated herein the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;

Retail displacement - 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;

Historic building demolition - No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown in the below Table 2. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

Table 2. Redevelopment Project Cost Estimates

Program Actions/Improvements	Estimated Costs
Land Acquisition and Assembly Costs (including Relocation Costs)	25,000,000
Site Preparation and Demolition, including Environmental Remediation	10,000,000
Public Improvements including, but not limited to, water, storm, sanitary sewer, traffic management, and roadway and streetscape improvements	15,000,000
Rehabilitation of Existing Structures/Residential Construction Costs as provided for by the Act	5,000,000
Interest Costs Pursuant to the Act	10,000,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting and Marketing)	10,000,000
School Tuition Costs as provided by the Act	10,000,000
Job Training	1,000,000
TOTAL ESTIMATED TIF BUDGET	\$86,000,000

Notes:

(1) All project cost estimates are in 2020 dollars. Costs may be adjusted for inflation per the TIF Act.

(2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.

(3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. 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 totals of the line-items set forth above are not intended to place a total 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 total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above and all as provided for in the Act.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for public improvements and other project costs eligible under the TIF Act are to be derived principally from property tax increment revenues, and proceeds from municipal obligations, if any. Any such obligations would be retired primarily with tax increment revenues and interest earned on surplus revenue available, but not immediately needed, for the Redevelopment Plan and Project. The Village may utilize incremental revenues from contiguous TIF districts to pay for redevelopment costs within the RPA, and conversely, transfer incremental revenues from the RPA to contiguous TIFs, as provided for in the TIF Act.

Any publicly funded TIF Redevelopment Project Costs are subject to (a) approval by the Village, (b) having specific cost categories as set forth in the TIF Act and (c) pursuant to the Village's incentive policy.

The tax revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be derived from 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 2018 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 Village may from time to time deem appropriate.

F. Nature and Term of Obligations

The Village may issue obligations secured by the tax increment Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three years from the date of adoption of the ordinance approving the Redevelopment Project Area. The actual date for such 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 23rd calendar year, occurring after adoption of the ordinance which establishes the RPA.

The final maturity date of any obligations issued pursuant to the Act may not be later than twenty 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, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the Village may determine.

G. Most Recent and Anticipated Equalized Assessed Value (EAV)

The most recent estimate of equalized assessed valuation (EAV) for tax year 2018 of the property within the RPA is approximately \$24,691,570.

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three year period, it is estimated that the equalized assessed valuation of the property within the Redevelopment Project Area will range from approximately \$85,000,000 to \$100,000,000.

IX. 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.

Redevelopment projects will begin as soon as the specific private entities have obtained financing approvals for appropriate projects and such uses are conformant with Village zoning and planning requirements.

Depending upon the scope of the development as well as the actual uses,, those redevelopment activities described in Section VI may be included in each phase.

B. Commitment to Fair Employment Practices and Affirmative Action

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

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical disabilities. 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 Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, all 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.

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

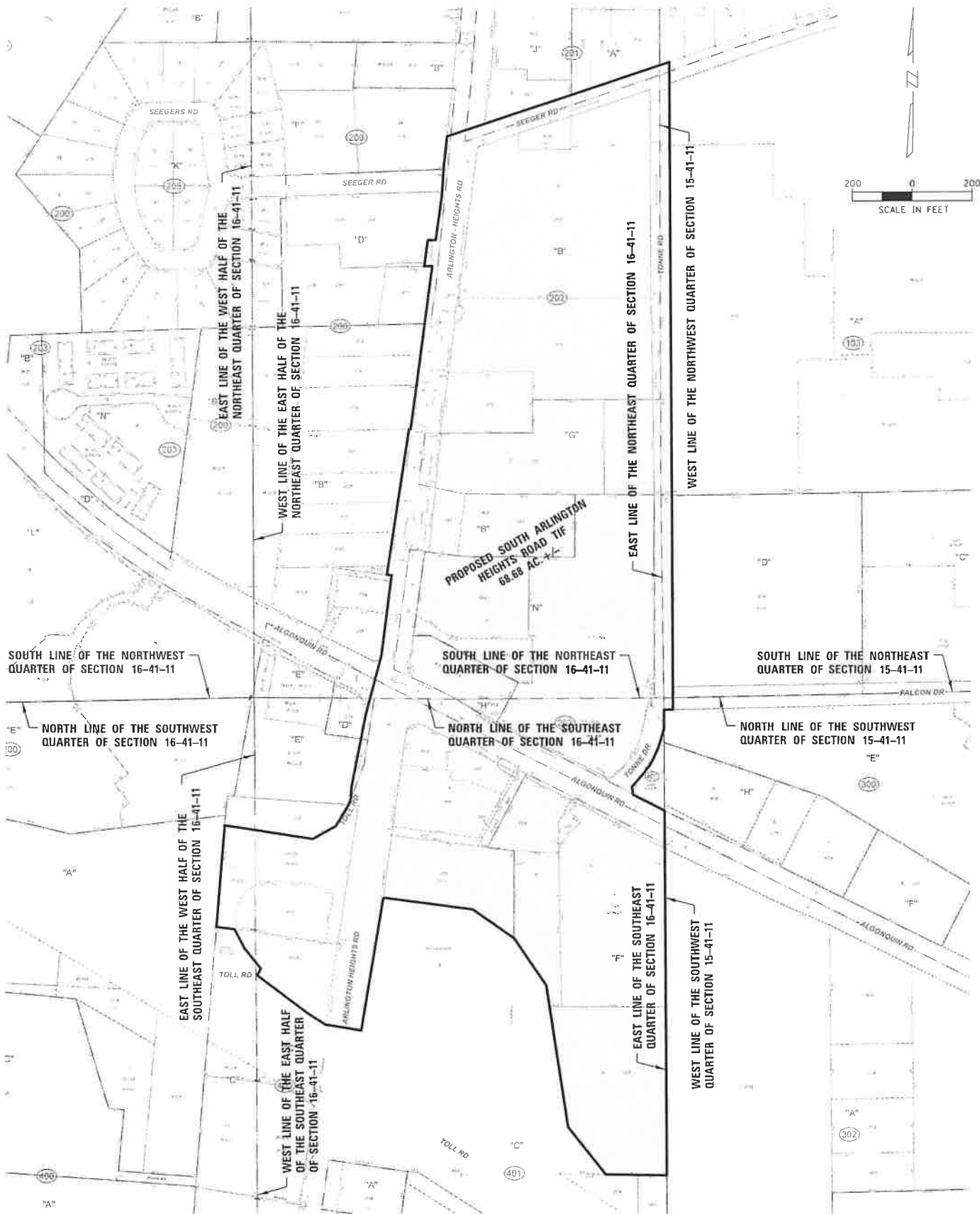
This Redevelopment Plan and Project will be completed within twenty-three years after the year of adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion shall not be later than December 31st of the year in which the payment to the municipal

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 that the ordinance approving the RPA is adopted.

X. Provisions for Amending the Redevelopment Plan and Project

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

Exhibit 1 Boundary Map



CHRISTOPHER B. BURKE
 ENGINEERING, LTD.
 9575 West Higgins Road, Suite 600
 Rosemont, Illinois 60018
 (847) 823-0500

PROPOSED SOUTH ARLINGTON HEIGHTS ROAD TIF
 IN
 VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
 PREPARED FOR
 KANE, MCKENNA AND ASSOCIATES, INC.

CALC.	JRM	PROJECT NO.
DWN.	AJK	200033
CHKD.	JRM	SHEET 1 OF 1
SCALE:	1" = 200'	DRAWING NO.
DATE:	01-17-2020	TIF 200033A

Exhibit 2 Legal Description

LEGAL DESCRIPTION – Proposed South Arlington Heights Road TIF

THAT PART OF THE WEST HALF OF SECTION 15 AND THE EAST HALF OF SECTION 16 IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:

BEGINNING AT SOUTHWEST CORNER OF LOT 7 IN AUGUST BUSSE'S DIVISION IN SAID SECTION 16, ACCORDING TO THE PLAT THEREOF RECORDED MAY 15, 1928 AS DOCUMENT NUMBER 10023115;

THENCE NORTH ALONG THE WEST LINE OF SAID LOT 7 TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY, AS WIDENED AND ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DEED DOCUMENT NUMBER 21122969, RECORDED MARCH 31, 1970;

THENCE EASTERLY AND NORTHEASTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED BY DEED DOCUMENT NUMBER 21122969 TO A POINT ON THE WESTERLY RIGHT- OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED;

THENCE NORTHERLY ALONG SAID WESTERLY RIGHT- OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED, TO A POINT OF INTERSECTION WITH THE SOUTHWESTERLY EXTENSION OF THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SEEGER ROAD;

THENCE NORTHEASTERLY ALONG SAID SOUTHWESTERLY EXTENSION AND THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SEEGER ROAD TO A POINT OF INTERSECTION WITH THE NORTHERLY EXTENSION OF THE EASTERLY RIGHT-OF-WAY LINE OF TONNE ROAD;

THENCE SOUTHERLY ALONG SAID NORTHERLY EXTENSION AND THE EASTERLY RIGHT-OF-WAY LINE OF TONNE ROAD TO A POINT ON SOUTHERLY RIGHT-OF-WAY LINE OF FALCON DRIVE;

THENCE WEST ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF FALCON DRIVE TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15, SAID POINT ALSO BEING A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF TONNE DRIVE;

THENCE SOUTHWESTERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF TONNE DRIVE TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD, AS WIDENED;

THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF ALGONQUIN ROAD, AS WIDENED, TO A POINT ON SAID WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15;

THENCE SOUTHERLY ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 15 TO THE SOUTHEAST CORNER OF LOT 2 IN SAID AUGUST BUSSE'S DIVISION;

THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 2 TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED AND ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DOCUMENT NUMBER 09093125, RECORDED NOVEMBER 19, 1995 AND DOCUMENT NUMBER 09093119, RECORDED NOVEMBER 19, 1995;

THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED;

THENCE SOUTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF ARLINGTON HEIGHTS ROAD, AS WIDENED, TO A POINT OF INTERSECTION WITH THE SOUTHEASTERLY EXTENSION OF THE ORIGINAL NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY COMMISSION BY DEED DOCUMENT NUMBER 16726440, RECORDED OCTOBER 15, 1956;

THENCE NORTHWESTERLY ALONG SAID SOUTHEASTERLY EXTENSION AND THE ORIGINAL NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED AND ACQUIRED BY THE ILLINOIS STATE TOLL HIGHWAY AUTHORITY BY DEED DOCUMENT NUMBER 21139137, RECORDED APRIL 21, 1970 AND DOCUMENT NUMBER 21154328, RECORDED MAY 3, 1970;

THENCE NORTHWESTERLY ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST TOLLWAY AS WIDENED BY DEED DOCUMENT NUMBER 21139137 AND DOCUMENT NUMBER 21154328 TO A POINT ON THE SOUTH LINE OF SAID LOT 7 IN AUGUST BUSSE'S DIVISION;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 7 TO THE POINT OF BEGINNING.

Exhibit 3 Eligibility Report

Draft Date: 02/05/2020

**VILLAGE OF ARLINGTON HEIGHTS, ILLINOIS
SOUTH ARLINGTON HEIGHTS ROAD TIF DISTRICT
ELIGIBILITY REPORT**

Prepared By:

**Arlington Heights, Illinois
&
Kane, McKenna and Associates, Inc.**

February, 2020

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Arlington Heights, Illinois (the “Village”) to conduct an analysis of certain property located in the Village for qualification under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the “TIF Act” or “Act”). The study area is addressed herein as the South Arlington Heights Road Tax Increment Finance (TIF) District (the “TIF District”, “Redevelopment Project Area” or “RPA”). KMA agreed to undertake the study of the RPA on the Village’s behalf.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the RPA:

1. *The RPA qualifies as a “conservation area”* – The RPA qualifies as a conservation area as defined under the TIF Act. Further the conservation area factors found in the RPA are present to a meaningful extent and are distributed throughout the area.
2. *The current conditions impede redevelopment* – The existence of certain conditions found within the RPA create a barrier for substantial coordinated private sector investment in the area where it is reasonable to conclude that redevelopment would not occur “but for” the use of TIF. Potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible without the use of Village planning and economic development resources.
3. *Viable redevelopment sites could produce incremental revenue* – There are viable redevelopment sites in the area which potentially can, with TIF-related assistance, be redeveloped and thereby produce incremental property tax revenue. Such revenue used in combination with other Village resources for redevelopment incentives or public improvements would likely stimulate private investment and reinvestment in these sites and throughout the RPA.
4. *TIF designation is recommended* – To mitigate conservation area conditions, promote private sector investment and foster the economic viability of the RPA, KMA recommends that the Village proceed with the TIF designation process for the entire area.

I. INTRODUCTION

The RPA is located in the southern portion of the Village and contains tax parcels with frontage along the eastern portion of Arlington Heights Rd from the I-90 Expressway to the south to Seeger Road to the north, a single tax parcel at the northwestern corner of the I-90 Expressway and Arlington Heights Road and tax parcels with frontage along the southern portion of Algonquin Road from Arlington Heights Road to the west and the extension of Tonne Drive to the east. Please see Appendix A for a list of tax parcels within the RPA and Appendix B for a detailed map of the RPA's boundaries.

Background

The Village of Arlington Heights, Illinois was incorporated in 1887. Since this time the Village has expanded to a fully built-out community. In recent years, the Village has experienced a growth in new households due to decreasing family sizes and an aging population. Additionally, the Village's economic base is characterized as balanced and matured. These two conditions have shifted the Village's focus to redevelopment of existing areas to maintain and strengthen the Village's tax base. Indeed, the Village of Arlington Heights Comprehensive Plan (2015) (the "Comprehensive Plan") emphasizes this point by including the following statement in its first paragraph.

"The Village has reached the "maturation" stage in its development growth and, therefore, faces new challenges and opportunities. Redevelopment of the village's commercial, manufacturing and residential areas has become the predominant issue when planning for the future of the village."

The Comprehensive Plan and the South Arlington Heights Road Corridor Plan (2018) (the "Corridor Plan") identify the importance of the RPA's role in refocusing efforts towards redevelopment through corridor planning. The RPA contains two of the Village's major arterials, is located on the Village's southern boundary and is an entry and exit point for the I-90 Expressway. Thus, along with directly contributing to the Village's overall tax base, the RPA is a major gateway into the Village and plays an important role in indirectly affecting the Village's overall goals and objectives.

The below Table 1 describes some, but not all, Village goals that may be furthered by redevelopment of the RPA.

Table 1. Comprehensive Plan Goals Relevant to Redevelopment of the RPA

Element	Goals/Objectives
Land Use	<ul style="list-style-type: none">- To ensure that the general land use pattern and relationships of all land uses remain or become acceptable to the present and future community- Only well planned commercial and industrial developments should be built
Population & Housing	<ul style="list-style-type: none">- To encourage construction of necessary housing to meet present and future residential needs- To maintain and improve property values-To maintain the social and economic vitality of neighborhoods-To utilize good housing redevelopment concepts in areas where rehabilitation of existing housing is not practical
Economic Development	<ul style="list-style-type: none">- To promote balanced economic growth through imaginative planning leading to a strong, vital local economy- To work closely with local businesses to promote their growth and expansion and prevent the loss of existing establishments-To facilitate redevelopment and modernization of mature business and industrial areas of the Village-To attract new business enterprises by taking full advantage of Arlington Height's location in the transportation "hub" of the Midwest, as well as its labor market, business climate, educational facilities and government resources
Thoroughfare & Transportation	<ul style="list-style-type: none">- To schedule, plan and construct necessary physical improvements including widening turning bays and other appropriate improvements if appropriate before serious problems develop- To landscape, where possible, arterial roadways; screen parking areas; improve street graphics; and the appearance of signalization and other elements related to traffic and transportation

Source: Village of Arlington Heights Comprehensive Plan (2015).

In addition to the above-stated goals, the Corridor Plan identifies numerous objectives which redevelopment of the RPA may further. These include the development of tax parcels, enhancement of pedestrian improvements and improving the visual aesthetic of the area by burying/relocating overhead utility power lines.

However, despite the RPA's advantageous location, achievement of the Village's goals and objectives are challenged by existing conditions in the RPA. These conditions are reflected by the presence of excessive vacancies, deterioration, poor traffic coordination, an overall lack of

sufficient community planning to meet contemporary development standards and the presence of inadequate utilities to serve redevelopment. These conditions have contributed to declining valuations and increasing obsolescence throughout the RPA. These existing conditions deter investment or signal an overall lack of investment.

The Comprehensive Plan and the Corridor Plan specifically identify tax increment financing as a tool to spur redevelopment and mollify conditions like those described above which impede redevelopment of the RPA. With the adequate resources, it is likely that redevelopment of the RPA could occur, that the RPA could become a significant contributor to the Village's tax base and several of the Village's overall goals could be achieved.

Determination of the “But-For”

The Village has determined that planned redevelopment for the RPA is feasible only with public finance assistance. The creation and utilization of a TIF redevelopment plan and redevelopment agreements are intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the RPA and to improve the tax base and job creation within the Village.

TIF Mechanism

The use of TIF relies upon induced private redevelopment in the RPA to create higher real estate values that would otherwise decline without such investment. By so doing, it would result in increased property taxes compared to the previous land use (and/or absence of use). In this way, the existing tax base for all tax districts would be protected and a portion of future increased taxes pledged to attract the requisite private investment.

General Scope and Methodology

KMA formally began its analysis by conducting a series of meetings and discussions with Village staff starting in May, 2019 and continuing up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for initial analysis and to gather data related to the qualification criteria for parcels included in the RPA. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF. KMA made numerous site visits to the area to examine the parcels and the conditions in the RPA. KMA also utilized the Village's most recent comprehensive plan and other Village reports.

For the purpose of the study, properties within the RPA were examined in the context of the TIF Act governing improved areas (separate provisions of the Act address non-improved or vacant areas). The qualification factors discussed in this report qualify the area as a conservation area as the term is defined pursuant to the TIF Act.

During the course of its work, KMA reported to key Village staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the Village (a) made refinements to the RPA boundaries and (b) directed KMA to complete this report and to move forward with the preparation of a Redevelopment Plan and Project for the RPA.

For additional information about KMA's data collection and evaluation methods, refer to Section IV of this report.

II. QUALIFICATION CRITERIA

With the assistance of Village staff, Kane, McKenna and Associates, Inc. assessed the RPA to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the Act are found below.

The TIF Act sets out specific procedures which must be adhered to in designating a Redevelopment Project Area. By definition a Redevelopment Project Area is:

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

Under the Act, “conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more, where certain conditions are met, as identified below.

TIF Qualification Factors for a Conservation Area

In accordance with the TIF Act, KMA performed a two-step assessment to determine if the RPA would qualify as a conservation area. First, KMA analyzed the threshold factor of age to determine if 50% or more of structures were 35 years of age or older.

If a proposed conservation area meets the age threshold, then the following factors are examined to determine TIF qualification:

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

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

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

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

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

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

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

G) Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers 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 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 are 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. Any such remediation costs would constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

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

M) Lagging or Declining EAV: The total equalized assessed value (EAV) 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.

III. METHODOLOGY OF EVALUATION

The RPA was examined to assess the applicability of the different factors required for qualification for TIF designation under the TIF Act. Data have been collected from the RPA, the Village and Cook County and used to determine relevance and severity of conditions compared against the statutory factors. Additionally, land and buildings within the RPA were examined to determine the applicability of the 13 different factors for qualification for TIF designation under the TIF Act as a conservation area. The following steps were undertaken in this process:

- 1) Site visits to the RPA were undertaken by representatives from KMA. These site visits required the area to be walked multiple times by the team while taking notes, filling out site surveys and taking photographs. The purpose of these site visits included parcel counts, address matches, the identification of current land uses and a review of building conditions, site conditions and traffic flow.
- 2) To determine if the RPA qualified as a conservation area the age of the buildings were ascertained by matching site surveys to Cook County tax and building records.
- 3) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions relevant to the qualifying factors.
- 4) KMA reviewed the 2013-2018 tax information from Cook County, parcel tax maps, site data, local history (discussions with Village staff) for an evaluation of area-wide factors that have affected the area's development to determine the presence of qualifying factors.
- 5) KMA performed EAV trend analysis to ascertain whether EAV growth in the RPA underperformed relative to EAV growth in the balance of the Village and the Consumer Price Index-All Urban Consumers.
- 6) Village staff reviewed current infrastructure in the RPA and assessed future infrastructure needs for the area as a whole.

IV. QUALIFICATION FINDINGS FOR RPA

The RPA is found to qualify as a conservation area under the statutory criteria set forth in the TIF Act. As indicated in Section II, KMA performed a two-step assessment, first finding that 50% or more of the structures within the conservation area were over 35 years of age.

Conservation Area – Age of Structures

Based upon Cook County Assessor and site survey data, at least 10 of the 17 structures in the RPA, or 59%, were 35 years in age or older as indicated in Table 2 below.

Table 2. Conservation Area Findings - Structures

Total Number of Structures in RPA	17
Total Number of Structures 35 Years or Older	10
Percentage of Structures 35yrs Years or Older	59%

Conservation Area - Factors

Based upon KMA's evaluation and analysis of each of the eligibility factors summarized in Section II, the following factors are found to be clearly present and reasonably distributed throughout the RPA, as required by the Act. These factors are summarized in Table 3 below.

Table 3. Summary of Conservation Area Findings

Maximum Factors to Qualify per Statute	13
Minimum Factors to Qualify per Statute	3
Qualifying Factors Present in RPA	6 <ul style="list-style-type: none">- Lagging/Declining EAV- Excessive Vacancies- Deterioration- Lack of Community Planning- Inadequate Utilities- Obsolescence

KMA reviewed the criteria needed to qualify an area as a conservation area, finding that six factors were present.

- 1) **Lagging or Declining EAV:** This factor is present if the total equalized assessed value of the proposed Redevelopment Project Area has declined for three the last five 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, 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.

As shown in the below Table 4, the RPA's EAV has: (i) declined for three (3) of the last five (5) years; (ii) lagged the balance of the Village's EAV for four (4) of the last five (5) years; and, (iii) lagged the CPI-U for three (3) of the last five (5) years. Just one of these measures would qualify the RPA under this factor, but the presence of all three possible conditions underscores the need for redevelopment within the RPA.

Table 4. EAV Trends for Proposed Study Area

	2018	2017	2016	2015	2014	2013
Total EAV for Proposed District TIF	24,691,570	25,375,681	25,396,969	24,295,860	23,920,540	24,238,017
EAV Change (%)	-2.7%	-0.1%	4.5%	1.6%	-1.3%	-
Village EAV (Excluding TIF)	2,894,270,693	2,921,180,233	2,871,546,678	2,422,778,402	2,480,299,229	2,453,675,469
Village EAV Change (%)	-0.9%	1.7%	18.5%	-2.3%	1.1%	-
CPI- All Urban Consumers	2.4%	2.1%	1.3%	0.1%	1.6%	-

Sources: Cook County Assessor & U.S. Census Bureau

Note: 2018 is the most recent year of which data from the Cook County Assessor is available

- 2) **Excessive Vacancies:** The Act identifies excessive vacancies as the presence of buildings that are unoccupied or under-utilized which exert an adverse influence on the area due to the frequency, extent, or duration of the vacancies.

The RPA has a history of excessive vacancies. A former banquet hall and restaurant within the RPA were vacated in 2012. Both structures remained vacant until their demolitions in 2013 and 2015 respectively. Presently, there are a number of unoccupied buildings within the RPA which exert an adverse influence on the overall area. Five of the six buildings within the RPA's boundaries that are south of Algonquin Road are vacant. These include two multi-story office buildings (including the former Daily Herald building), a former bank building, a former restaurant and a commercial/retail building. Vacancies also extend to the northern portion of the RPA where certain buildings experience vacancy rates as high as 35%. The adverse influence of these vacancies is pronounced by two conditions as described below.

The first condition that pronounces the adverse influence of the vacancies is the high degree of visibility of the buildings -all of which have frontage along either Arlington Heights Road, Algonquin Road or the I-90 Expressway. For example, the architecturally-distinct former Daily Herald building is a highly visible landmark along the I-90 Expressway. Many of the buildings are secured (i.e. "boarded up") and display closure signs. Additionally, tenant directory signs are present which draw attention to the lack of occupancy. These conditions create a negative signal to the marketplace and inhibits redevelopment activity. The second condition is the degree of deterioration around vacant structures discussed in greater detail below. The presence of this deterioration contributes

to the area's "tired" appearance and amplifies the adverse impact to the area of the presence of vacancies.

- 3) Deterioration: The Act defines deterioration as the physical decline of surface improvements, primary building components, and secondary buildings components such as doors, windows, porches or gutters. With respect to surface improvements, deterioration is determined by the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas (including but not limited to surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces).

Information collected from site surveys indicates deterioration to be present throughout the area, and is particularly pronounced in, and near, vacant sites and structures.

Surface improvements, including parking lots, curbs and walkways, exhibit such signs of deterioration as cracking/crumbling asphalt/concrete, potholes and depressions causing water retention. Some parking lots are in need of resurfacing and restriping.

Deterioration is also present in primary and secondary building components. Several exterior building surfaces require maintenance. Concrete parking improvement surfaces were found to be crumbling at the time of survey and stucco exterior surfaces were found to be exhibiting signs of water damage. Some doorways are damaged from collecting rust. Additionally, several wooden screening walls around refuse collection areas are in states of disrepair. Primary and secondary building component deterioration is pronounced in, and near, vacant sites and structures.

- 4) Lack of Community Planning: The Act states that if the proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan the factor is present. 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.

Evidence of a lack of community planning in the RPA is evidenced, in part, by an inadequate street layout, improper subdivision and parcels of inadequate shape and size to meet contemporary development standards. The presence of this factor is demonstrated by differences between existing conditions, the objectives of recent Village planning efforts and contemporary development standards.

Arlington Heights Road and Algonquin Road are both classified in the Thoroughfare and Transportation Policy Plan (October 2012) as major arterials that accommodate large volumes of high speed automobile traffic. This plan calls for limiting entries/exits to properties, encouraging shared entries/exits and locating entries/exits as far as possible from adjacent intersections. The more recent Corridor Plan (2018) also recommends the sharing of entries/exits. Within the RPA, many structures have one or two separate entries/exits despite sharing parking improvements with adjacent sites. Additionally,

entries/exits for sites adjacent to the intersection of Arlington Heights Road and Algonquin Road are located within close proximity to the intersection. These conditions cause unnecessary traffic congestion and a dangerous environment for motorists, bicyclists and pedestrians alike.

The danger of the environment is amplified by other conditions that create an environment that is unsafe for pedestrians and bicyclists. For example, the Bicycle and Pedestrian Plan (April 2017) identifies Arlington Heights Road and Algonquin Road intersection as a high crash area, experiencing over 80 crashes from 2012 to 2013. This plan also identifies the area as a high priority for modernizing pedestrian improvements such as sidewalks. Similarly, improving the environment for pedestrians was the most important item to community participants in the Corridor Plan (2018). The impact of conditions that deter pedestrian and bicyclist use will likely worsen if more mixed-uses are present and if a planned bikeway is completed.

A lack of community planning is also evidenced by the general aesthetic of the RPA. The area is in close proximity to the I-90 Expressway and is a southern gateway into the Village. Despite the importance of this location, the area lacks signage or other forms of placemaking which have become commonplace in community planning – rather, visitors are presented with buildings of varying architectural styles, ages and sizes. The Transportation and Thoroughfare Plan (October 2012) recognizes the importance of visual aesthetic by recommending that utility lines be buried where possible. The more recent Corridor Plan (2018) makes the same recommendation. The RPA would benefit from such recommendations likely resulting in an increased visual appeal that may encourage redevelopment.

The RPA's qualification under this factor is also evidenced by the shape and size of tax parcels failing to meet contemporary development standards. Several tax parcels are irregularly shaped or of insufficient size to accommodate building layouts, surface improvements and rights-of-way of contemporary development. For example, the tax parcel at the southeast corner of the Arlington Heights Road and Algonquin Road has limited points of access and is of insufficient size to advantage its prominent position. The site currently used by the Elk Grove Township Highway Department also has limited access and low visibility being located in the middle of entrance ramp to the I-90 Expressway. Smaller irregular parcels are interlaced into the larger parcel fabric of most sites throughout the RPA, complicating potential redevelopment projects.

These conditions taken together evidence an overall lack of community planning in the RPA. Development of the area has taken place in an uncoordinated manner, complicating the area's potential for meeting contemporary planning and development standards.

- 5) Inadequate Utilities: This factor is present if underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electric services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity for the Village to serve the uses in the Redevelopment Project Area;

(ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

In Spring, 2014, the Metropolitan Water Reclamation District of Greater Chicago's Watershed Management Ordinance (or "WMO") went into effect. The purpose of the legislation was to effectuate the purposes and intent of the Metropolitan Water Reclamation District Act, 70 ILCS 2605/1 et. seq., in part, by protecting existing and new development by minimizing the impacts of stormwater runoff.

Generally, the WMO requires any development that occurs on property holdings greater than 0.5 acres in size to meet certain criteria in regards to stormwater runoff, volume and detention. The WMO has been amended in recent years so that the capacity and performance of required detention controls has increased. These most recent changes went into effect in January 2020 and these more stringent criteria are expected to challenge the feasibility of many redevelopment efforts.

The Village's Engineering Division has reviewed the existing stormwater management systems within the Study Area through the use of aerial photography, the Village's historical sewer atlas and the Village's Geographic Information System. The Engineering Division has also reviewed the new and more restrictive standards for stormwater management for the Village and the Metropolitan Water Reclamation District of Greater Chicago. It is the Engineering Division's opinion that any new redevelopment in the area must comply with the newly updated WMO and the Village's stormwater standards and that redevelopment of parcels in the Study Area will require stormwater management systems in excess of what was previously required when the area originally developed. Thus, the existing stormwater controls in the Study Area are deficient and lacking in order to adequately serve redevelopment.

- 6) 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 onset of obsolescence can be measured through qualitative and quantitative means and can be described as economic obsolescence and functional obsolescence.

Both economic and functional obsolescence are evidenced by the presence of factors previously identified in this report. Building age, lagging or declining EAV, and high vacancy rates indicate the presence of obsolescence in the RPA as structures have fallen into disuse or are ill-suited for their original use (such as the former Daily Herald building or restaurant/office uses within the RPA). Findings related to deterioration in buildings and surface improvements, inadequate traffic circulation, inadequate infrastructure and the impacts of excessive vacancies all reflect the presence of obsolescence through qualitative measures.

V. SUMMARY

The following is a summary of relevant qualification findings as it relates to the Village's potential designation of the RPA.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed RPA will qualify as a conservation area. Further, the conservation area factors found in the RPA are present to a meaningful extent and are distributed throughout the area.
3. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area;
4. All property in the area would substantially benefit by the proposed redevelopment project improvements; and,
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the RPA as a conservation area.

APPENDIX A: Tax Parcels within RPA

Table A. S Arlington Heights Road TIF PIN List

08-16-202-005-0000
08-16-202-009-0000
08-16-202-010-0000
08-16-202-011-0000
08-16-202-013-0000
08-16-202-015-0000
08-16-202-022-0000
08-16-202-023-0000
08-16-202-025-0000
08-16-202-028-0000
08-16-202-029-0000
08-16-202-030-0000
08-16-400-033-0000
08-16-400-034-0000
08-16-400-035-0000
08-16-401-018-0000
08-16-401-019-0000
08-16-401-023-0000
08-16-401-030-0000
08-16-401-033-0000
08-16-401-036-0000
08-16-401-039-0000
08-16-401-042-1001
08-16-401-042-1003
08-16-401-042-1004
08-16-401-042-1005
08-16-401-042-1006
08-16-401-042-1007
08-16-401-042-1008
08-16-401-042-1009
08-16-401-043-0000
08-16-401-045-0000
08-16-401-046-0000

APPENDIX B: Boundary Map of RPA

Exhibit 4 Existing Land Use Map

Existing Land Uses

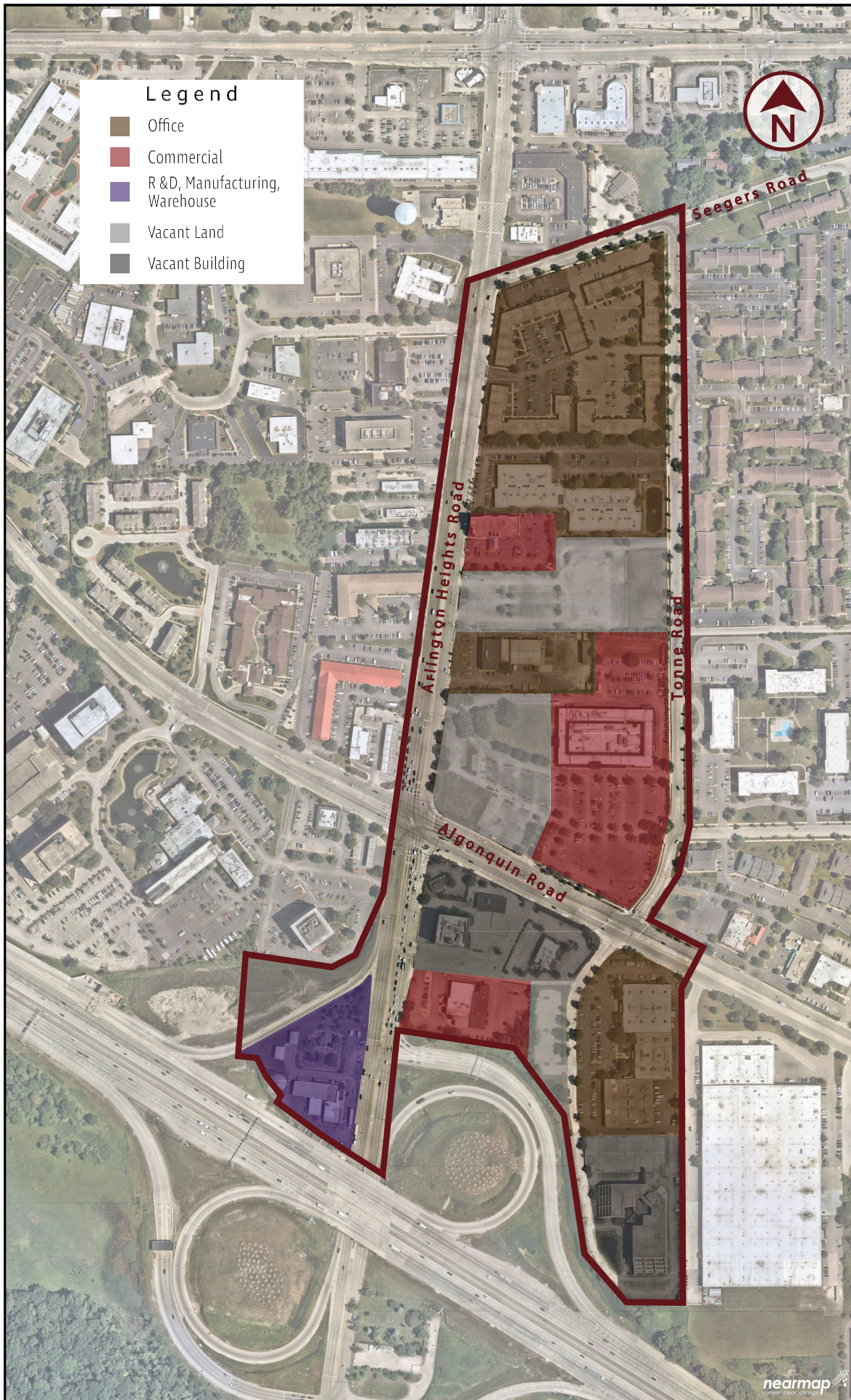


Exhibit 5 Proposed Land Use Map

Future Land Uses

The Village of
Arlington Heights
Illinois
Planning & Community Development
Prepared January 23, 2020

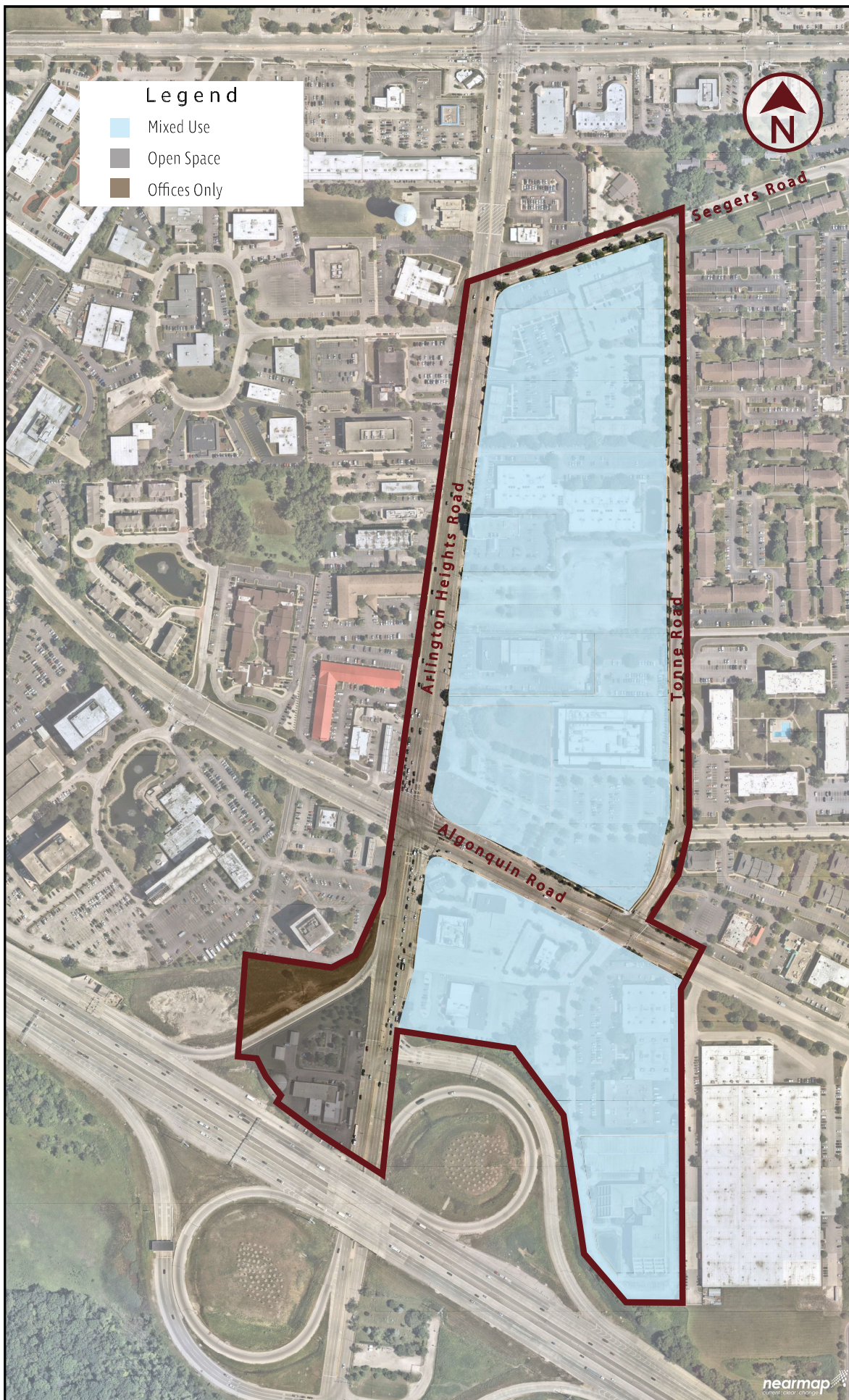


Exhibit 6 Potential Land Acquisition Map

Land Acquisition Map

The Village of
Arlington Heights
Illinois
Planning & Community Development
Prepared January 23, 2020

