
**CITY OF COUNTRYSIDE
TIF REDEVELOPMENT PLAN
PROPOSED COUNTRYSIDE COMMERCIAL TIF
DISTRICT**

"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "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 Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

Prepared by the City of Countryside, Illinois

in conjunction with

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I. INTRODUCTION

The City of Countryside (the "City") is located in southwestern Cook County, Illinois, serving a population of approximately 5,795 citizens. It is an established community approximately 18 miles southwest of the City of Chicago's "Loop."

In this report, the City proposes a Tax Increment Financing Redevelopment Plan to assist an area in overcoming a number of redevelopment barriers. Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of Countryside to conduct an analysis of the potential qualification and designation of the area as a Tax Increment Financing ("TIF") District, and to assist the City in drafting this TIF Redevelopment Plan.

TIF Plan Requirements. The City is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, *et seq.*, as amended. To establish a TIF district (otherwise known as the Redevelopment Project Area ("RPA")), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Eligibility Report.

The 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 so as 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)).

By definition, a TIF "Redevelopment Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of 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 Tax Increment Allocation Redevelopment Act.

Community Background. The City of Countryside was established in 1960. In the post World-War II era, the municipality transitioned from a rural farming community into a suburban community, reaching over 5,000 in population by 1990. Since then the population has stabilized at an estimated 5,795 as of 2008, according to the U.S. Census Bureau.

The City defines itself as "Chicago's western gateway" and indeed it serves as a major gateway from the west whether approaching by highway, arterial road, or train. It serves as a destination shopping corridor for not only residents but neighboring communities as well. It is in close proximity to the City of Chicago as well as larger suburban municipalities, such as the City of Naperville, Downers Grove, and Bolingbrook.

Aside from its western gateway location, the City has a number of important assets including its proximity to transportation facilities and the La Grange Road commercial corridor. The City is situated by near Interstate 55 (I-55) and I-294, major arterial roads, and Metra rail lines. The interstate roads also afford convenient access to both O'Hare and Midway Airports.

The Countryside Commercial TIF area has the potential for redevelopment of certain underutilized properties. Such redevelopment would build upon locational advantages and established commercial uses. As such, the City has identified a number of objectives for redevelopment, with tax increment

financing acting as a tool to achieve them. Please refer to Section III of this report for additional information about the goals, objectives and activities to support redevelopment.

The Proposed TIF District. The proposed RPA takes in the La Grange Road corridor from 55th Street to the north to Joliet Road to the south. It consists primarily of the improved areas along the eastern side of La Grange Road, as well as certain parcels along Joliet Road. As of the date of this plan, the RPA contained approximately thirty eight (38) tax parcels and approximately twenty four (24) buildings.

The proposed RPA is heavily commercial, with a concentration of automobile dealerships currently or formerly in operation along La Grange Road and Joliet Road. Although the corridor has been productive until very recently, an abrupt change in the economy as well as fast moving shift in automobile retailing toward larger, regional dealerships has resulted in several vacancies and the obsolescence of smaller, less competitive properties.

The proposed TIF District suffers from a variety of economic development impediments, as identified in the TIF Act. For example, it suffers from obsolescence and excessive vacancies. Section V of the *TIF Eligibility Report* (see Appendix 5) report identifies the following impediments to redevelopment:

- Obsolescence
- Excessive vacancies
- Lagging growth in EAV, in comparison to the City as a whole
- Deleterious layout
- Deterioration.

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

The RPA may be suitable for new development if there is coordination of uses and redevelopment activity by the City. Under this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the City intends to attract and encourage commercial and retail/mixed uses to locate, upgrade, expand and/or modernize their facilities within the City. Through the establishment of the RPA, the City would implement a program to redevelop key areas within the City and in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long run.

Rationale for Redevelopment Plan. The City recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment may only be possible if a TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Plan will benefit both the City and surrounding taxing districts, by virtue of the expected expansion of the tax base.

The City does not anticipate that area as a whole would be developed in a coordinated manner without the adoption of the TIF Redevelopment Plan. The City, with the assistance of KMA, has therefore commissioned this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future retail, commercial and retail/mixed use opportunities surrounding the area.

The designation of the area as an RPA will allow the City to pursue the following beneficial strategies:

- Coordinating land and/or building assembly in order to provide sites for more modern redevelopment;
- Enhancing area appearance through construction and rehabilitation of structures and improvements to landscape, streetscape and signage; and
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future commercial opportunities and City redevelopment projects within the RPA and/or surrounding area.
- Providing infrastructure that supports subsequent redevelopment plans for the RPA.
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA;

Through this Plan, the City will serve as the central influence for the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Myriad benefits will accrue to the area: a stabilized and expanded tax base; retention of existing businesses; entry of new businesses; new employment opportunities; and physical and aesthetic improvements related to the rehabilitation of existing structures. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing districts serving the RPA, (c) residents and property owners within the RPA, and (d) existing and new businesses.

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

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and development would not reasonably be expected to be achieved;

- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and
- That the TIF Redevelopment Plan conforms to the Countryside Comprehensive Plan, as detailed in Section III of this report.

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

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF. Other alternatives, including the designation of a Special Service Area (SSA) and Business District designation appear to be limited in usefulness, as related to the types of redevelopment activities proposed by the City.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

II. RPA LEGAL DESCRIPTION

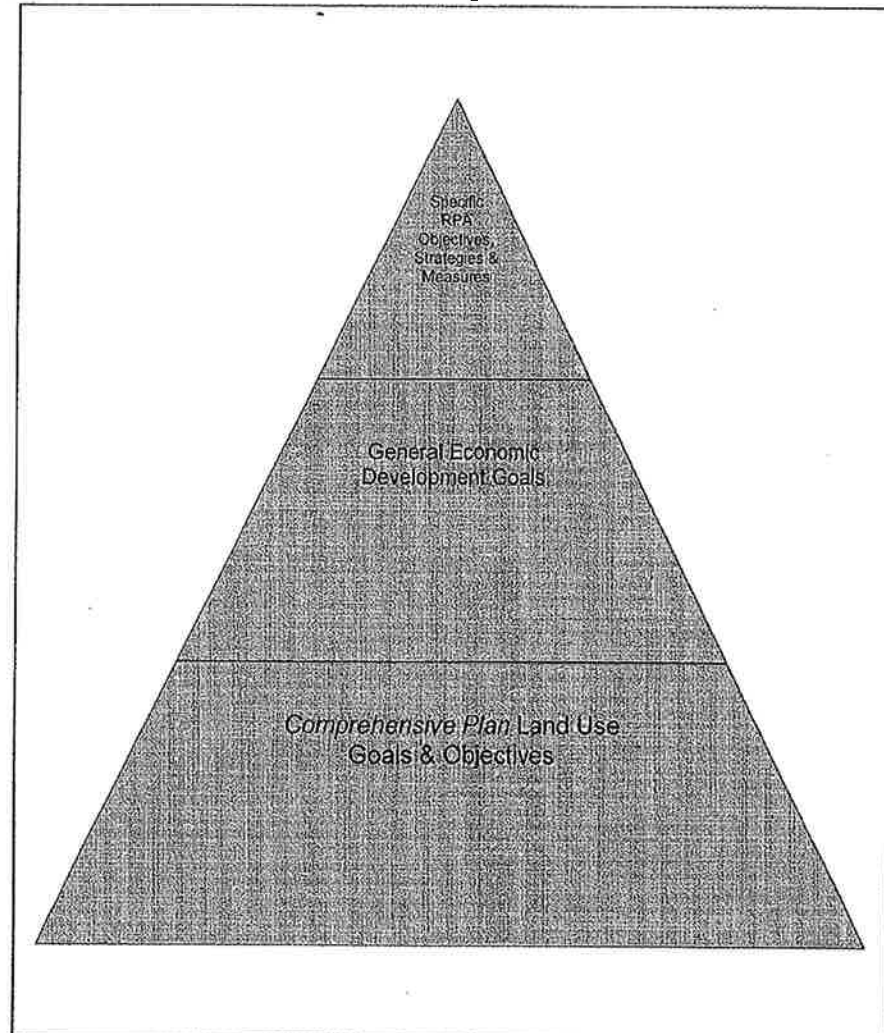
The Redevelopment Project Area legal description is attached in Appendix 1.

III. RPA GOALS AND OBJECTIVES

The City has established a number of economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the proposed Countryside Commercial TIF District. These efforts would conform to and promote the achievement of land use objectives in the City's *Comprehensive Plan*. As indicated in the exhibit below, the City's primary planning document is the *Comprehensive Plan* which describes the overall vision for the City and is the foundation for City initiatives such as the proposed Countryside Commercial TIF District. This overarching planning document influences all other City planning effort such as the TIF planning process.

Exhibit 1

Relationship of Land Use and Economic Development Plans



General Economic Development Goals of the City. Establishment of the proposed Countryside Commercial RPA supports the following City-wide goals enunciated in the *Comprehensive Plan* that would directly determine future economic development activities and influence the parameters of future redevelopment projects.

Exhibit 2

Components of *Comprehensive Plan* Applicable to Countryside Commercial RPA

Goals	Objectives (Excerpts)
Achieve a compatible and market supportable system of commercial development that is organized to provide various goods and services within the community and the greater region which Countryside serves.	1. Maintain a range of retail and service commercial activities within the City. 2. Maintain and enhance LaGrange Road Corridor as a regional automobile destination. 3. Define and designate more specific functional roles for the various commercial areas within the City distinguished by local, community, and regional serving developments. 4. Ensure that all retail, office, and service commercial activities are organized and concentrated within or near areas of similar or compatible uses. 5. Promote new commercial development and redevelopment within select locations primarily along La Grange Road, Joliet Road, 55th Street, and Plainfield Road. 6. Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete. 7. Implement regular and active property maintenance and code enforcement in commercial areas of the City.
Enhance the economic viability and productivity of the City's main commercial corridors as primary commercial activity areas.	1. Promote a healthy and mutually reinforcing mix of commercial, retail, service, limited and appropriate multi-family uses along the City's major corridors, specifically La Grange Road, Joliet Road, 55th Street, and Plainfield Road. 2. Identify and prioritize economic strategies in conjunction with commercial owners and managers to ensure economic vitality and stability in all commercial corridor areas. 3. Identify specific actions and strategies to be undertaken which will enhance economic health of the City's commercial corridor areas. 4. Encourage coordinated and shared vehicle access wherever possible. 5. Implement consistent code enforcement standards for business areas.
Develop aesthetically pleasing and functionally well-designed retail and commercial shopping areas.	1. Encourage high-quality site development and amenities in commercial areas. 2. Identify potential locations where additional private off-street parking and improvements may be appropriate and desirable along the commercial corridors. 3. Encourage the design of new commercial development to facilitate a system of pedestrian access. 4. Establish a program that reasonably and uniformly regulates signage while providing for the identification of City businesses. 5. Ensure that new development and redevelopment of private property is descriptively scale with, and complementary to, existing development. 6. Establish special design and improvement standards for commercial areas, including the scale, appearance, orientation, and overall character of new development. 7. Ensure that all new, improved and existing commercial development is effectively screened and buffered from adjacent residential uses. 8. Implement a streetscape improvement program along all commercial corridors throughout the City, including, street trees, landscaping, way finding, lighting, pedestrian amenities, and other streetscape components.

Source: City of Countryside Comprehensive Plan

Specific Objectives and Strategies for the RPA. The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would "drive" the redevelopment activities undertaken within the proposed RPA. TIF designation would allow the City to pursue the following objectives within the RPA:

- Accomplish redevelopment over a reasonable time period;
- Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Reduce or eliminate blight or other negative factors present within the area;
- Create an attractive overall appearance for the area; and
- Further the goals and objectives of the Comprehensive Plan.

Ultimately, the implementation of the Redevelopment Project would contribute to the economic development of the area and provide new employment opportunities for City residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the assembly, preparation and marketing of improved and vacant sites, while assisting private developers who would assemble suitable sites for modern development needs;
- Supporting the remediation of environmental problems to provide additional land for new development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development as well as the rehabilitation of existing properties within the RPA;
- Facilitating the provision of adequate on- and off-street parking within the RPA;
- Coordinating development in tandem with any transportation system upgrades to make the area more accessible; and/or
- Providing assistance to existing businesses to encourage expansion of current operations or upgrades to facilities.

To track success in meeting RPA-specific objectives and strategies, the City may wish to consider establishing certain performance measures that would help the City monitor the projects to be undertaken within the proposed RPA. The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). Exhibit 3 below identifies the types of performance measures the City may consider to track the performance of projects within the RPA. (Section VI of this report discusses the types of projects that the City may pursue within the RPA, with the caveat that specific projects at this point are only conceptual in nature.)

Exhibit 3

Examples of TIF Performance Measures

Measure	Examples
Input	Public investment (\$) Private investment (\$) Acres of land assembled for TIF Bond proceeds
Output/Workload	Jobs created or retained Number of streetscaping fixtures installed Commercial space created (square feet)
Efficiency	Leverage ratio (private investment / public investment) Cost per square foot of commercial space Public subsidies per job created/retained
Effectiveness	% change in assessed value (AV) in TIF versus AV in rest of City % change in AV within TIF before and after TIF creation Municipal sales taxes before and after TIF creation
Risk	Debt coverage ratio Credit ratings of anchor tenants Tenant diversification (e.g., percent of total TIF EAV attributable to top 10 tenants in commercial development)

Source: *An Elected Official's Guide to Tax Increment Financing*, Government Finance Officers Association.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS

Evidence of the Lack of Development and Growth within the RPA. As documented in Appendix 5 of this Plan, the RPA has suffered from the lack of development and would qualify as a conservation area. In recent years, the area has not benefited from sustained private investment and/or development, instead suffering economic decline. Absent intervention by the City, properties within the RPA would not be likely to gain in value.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually result in blight. For example, structures and public improvements reflect lagging EAV and obsolescence. These various conditions discourage private sector investment in business enterprises.

Assessment of Fiscal Impact on Affected Taxing Districts. It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV). In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of falling AV.

Should the City achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the City will consider the declaration of "surplus funds," as defined under the Act. Such funds which are neither expended nor obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the City. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the City – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act.

An exception to the tax-sharing provision relates to the City's utilization of TIF funding to mitigate the impact of residential redevelopment upon school and library districts. In such cases, the City will provide funds to offset the costs incurred by eligible school and the library district in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. (Refer to Section VI of this Report, which describes allowable TIF project costs.)

V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA

Findings. The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under the Act. Refer to the TIF Qualification Report, attached as Appendix 5 in this Plan.

Eligibility Survey. Representatives of KMA and City staff evaluated the RPA from October 2009 to the date of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering consultants, on-site due diligence, and other sources. In KMA's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF District.

VI. REDEVELOPMENT PROJECT

Redevelopment Plan and Project Objectives. As indicated in Section III of this Report, the City has established a planning process which guides economic development and land use activities throughout the City. Consistent with the established planning process, the City proposes to achieve economic development goals and objectives through the redevelopment of the Countryside Commercial RPA, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques (including but not limited to tax increment financing).

The project-specific objectives envisioned for the Countryside Commercial RPA are as follows:

- 1) Implementing a plan that provides for the attraction of users to redevelop underutilized land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
 - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with City standards for context-sensitive design);
 - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
 - Signalization, traffic control and lighting;
 - Off-street parking and public parking facilities; and
 - Landscaping and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation (any demolition activities would conform to City criteria for allowing demolition).
- 5) Exploration and review of job training programs in coordination with any City, federal, state, and county programs.

Redevelopment Activities. Pursuant to the project objectives cited above, the City will implement a coordinated program of actions. These include, but are not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

Site Preparation, Clearance, and Demolition

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

Land Assembly

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites. It is expected that the City would facilitate private acquisition through reimbursement or write-down of related costs, and that it would directly acquire land only if needed for construction of public improvements. Relocation may also be required and the City would conform to the provisions of the Act.

Public Improvements

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

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems, roadways, and traffic-related improvements;
- Parking facilities (on grade and parking structures); and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

Rehabilitation/Taxing District Capital Costs

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to City code provisions. Improvements may include exterior and facade-related work as well as interior-related work. Certain taxing district capital costs may also be funded pursuant to the Act, if necessary, and as provided for in the Act.

Interest Rate Write-Down

The City may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid for out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

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

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

General Land Use Plan. As noted in Section I of this report, the proposed RPA currently contains primarily commercial uses.

Existing land uses are shown in Appendix 3 attached hereto and made a part of this Plan. Appendix 4 designates intended land uses in the Redevelopment Project Area. Future land uses will conform to the Zoning Ordinance and the *Comprehensive Plan* as either may be amended from time to time.

Additional Design and Control Standards. The appropriate design standards (including any Planned Unit Developments) as set forth in the City's Zoning Ordinance and/or *Comprehensive Plan* shall apply to the RPA.

Eligible Redevelopment Project Costs. Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – Costs of studies, 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, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), 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 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
 - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
 - 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 project area or approved a redevelopment plan;
 - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – Costs including but not limited to acquisition of land and other property (real or personal) or rights or interests 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;

- (3) *Improvements to Public or Private Buildings*— Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost 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;
- (4) *Public Works*— Costs of the construction of public works or improvements, 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 November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the 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;
- (5) *Job Training*— Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) *Financing Costs*— 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 hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;
- (7) *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 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;
- (8) *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.¹ Certain library district costs may also be paid as provided for in the Act.

¹ The calculation is 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

- (9) *Relocation Costs* -- To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in lieu of taxes;*
- (11) *Other Job Training* -- Costs of job training, retraining, 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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality 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 the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
- (12) *Developer Interest Cost* -- Interest cost 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 redeveloper with regard to the redevelopment project during that year;
 - (C) if there are not sufficient funds available in the special tax allocation fund to make the payment 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)

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 the 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 the 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 the 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 districts, 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 the Act; (ii) for elementary school districts, 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 the 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) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

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) of paragraph 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. 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).²

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs 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.³

Projected Redevelopment Project Costs. Estimated project costs are shown in Exhibit 4 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. 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.

² 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) of paragraph (11) 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.

³ 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, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below 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 (the "Total Estimated TIF Budget" in Exhibit 4) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the Countryside Commercial RPA.

Exhibit 4

RPA Project Cost Estimates

Program Actions/Improvements	Estimated Costs
Land Acquisition and Relocation	\$ 4,000,000
Site Preparation	\$ 2,000,000
Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, Parking Facilities, and Road/Traffic Improvements)	\$11,700,000
Environmental Remediation	\$ 2,000,000
Rehabilitation/Taxing District Capital Improvements	\$ 2,000,000
Interest Costs Pursuant to the Act	\$ 1,450,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing)	\$ 2,000,000
Job Training	\$ 100,000
TOTAL ESTIMATED TIF BUDGET	\$25,250,000

Notes:

- (1) All project cost estimates are in 2010 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.

Sources of Funds to Pay Redevelopment Project Costs. Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the City may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the City may establish in the future. (Conversely, incremental revenues from the Countryside Commercial TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Exhibit 4 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the City Council, only to leverage and commit private redevelopment activity.

The incremental 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 the incremental increase in property taxes. The property tax increment would be 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 2009 tax year for the RPA.

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

Nature and Term of Obligations to Be Issued. The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. 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. The total principal and interest 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.

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

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the City may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

Most Recent Equalized Assessed Valuation for the RPA. The most recent equalized assessed valuation for the RPA is based on the 2009 EAV, and is estimated to be approximately \$19,639,473. It is anticipated that the estimated Base EAV for establishment of the RPA will be the 2009 EAV for all properties contained within the proposed RPA.

Anticipated Equalized Assessed Valuation for the RPA. Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA will be approximately \$55,000,000 to \$57,000,000.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Redevelopment Project. The City will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to City zoning and planning requirements, or if the City undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the City:

- Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. It is expected that the City would facilitate private acquisition through reimbursement or write-down of related costs, and that it would directly acquire land only if needed for construction of public improvements.
- Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare the site for desired redevelopment projects.
- Rehabilitation: The City may assist in the rehabilitation of buildings or site improvements located within the RPA.
- Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The City may also undertake the provision of necessary detention or retention ponds.
- Roadway/Street/Parking Improvements: The City may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.
- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.
- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

- **Interest Costs Coverage:** The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.
- **Professional Services:** The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and Affirmative Action. As part of any Redevelopment Agreement entered into by the City 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 City. The program will conform to the most recent City policies and plans.

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

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

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

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

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

VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT

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

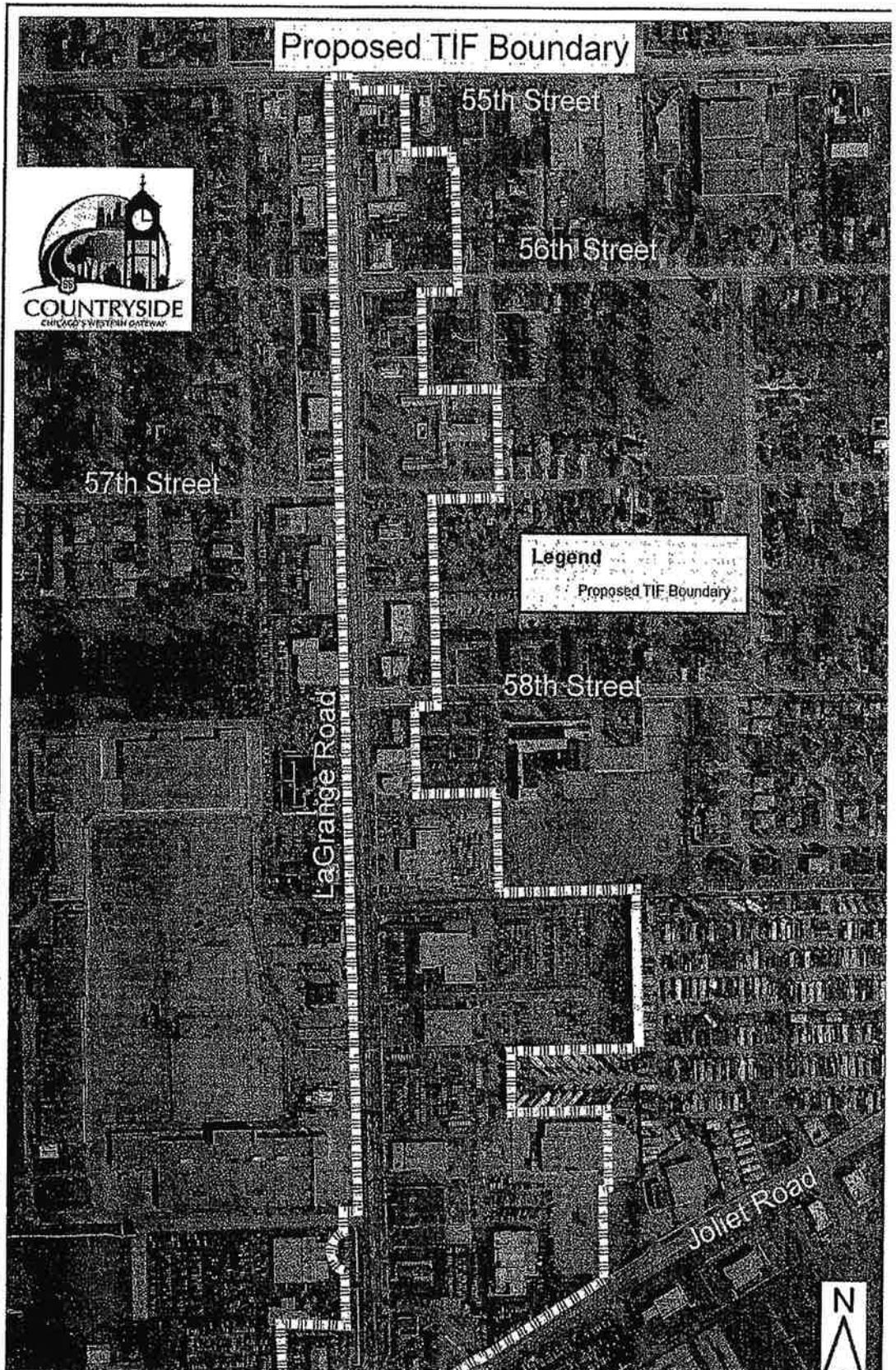
APPENDIX 1
Legal Description of Project Area

**COUNTRYSIDE COMMERCIAL T.I.F. DISTRICT
LEGAL DESCRIPTION**

THAT PART OF SECTION 16, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN BEING BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF LaGRANGE ROAD, ALSO BEING THE NORTH AND SOUTH CENTERLINE OF SAID SECTION 16, AND THE CENTERLINE OF JOLIET ROAD AS ESTABLISHED IN THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SAID SECTION 16; THENCE NORTHEASTERLY ALONG SAID CENTERLINE OF JOLIET ROAD TO IT'S INTERSECTION WITH THE SOUTH EXTENSION OF A LINE THAT IS 129.00 FEET WEST OF, AS MEASURED PERPENDICULAR TO THE EAST LINE OF THE WEST 912.00 FEET OF LOT 10 IN SCHOOL TRUSTEES SUBDIVISION, BEING A SUBDIVISION IN SECTION 16, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE NORTH 00 DEGREES 00 MINUTES 17 SECONDS WEST 322.07 FEET; THENCE SOUTH 89 DEGREES 51 MINUTES 00 SECONDS EAST 12.45 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 17 SECONDS WEST 254.24 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH 672.65 FEET OF SAID LOT 10; THENCE SOUTH 89 DEGREES 51 MINUTES 00 SECONDS WEST 116.55 FEET ALONG THE LAST DESCRIBED LINE TO A POINT ON THE EAST LINE OF THE WEST 912.00 FEET OF SAID LOT 10; THENCE NORTH ALONG THE EAST LINE OF THE WEST 912.00 FEET OF SAID LOT 10 TO THE NORTH LINE OF THE PUBLIC ROAD COMMONLY KNOWN AS 59TH STREET, IN STOUFFER'S SUBDIVISION BEING A SUBDIVISION OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 16; THENCE WEST ALONG THE LAST DESCRIBED LINE TO THE EAST LINE OF LOT 53 IN SAID STOUFFER'S SUBDIVISION; THENCE NORTH, ALONG THE SAID EAST LINE OF LOT 53 TO THE EAST EXTENSION OF A LINE THAT IS 148.592 FEET SOUTH OF THE NORTH LINE OF LOT 55 IN SAID STOUFFER'S SUBDIVISION; THENCE WEST ALONG THE LAST DESCRIBED LINE TO A LINE THAT IS 79.00 FEET WEST OF THE EAST LINE OF LOTS 55 AND 54 IN SAID STOUFFER'S SUBDIVISION; THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE SOUTH LINE OF 58TH STREET; THENCE EAST ALONG THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH EXTENSION OF THE EAST LINE OF LOTS 19, 20, 21 & 22 IN SAID STOUFFER'S SUBDIVISION, THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE SOUTH LINE OF THE PUBLIC ROAD KNOWN AS 57TH STREET IN SAID STOUFFER'S SUBDIVISION; THENCE EAST ALONG THE LAST DESCRIBED LINE TO ITS INTERSECTION WITH THE SOUTH EXTENSION OF THE EAST LINE OF LOT 1 IN AUTOBARN MADZA PLAT OF CONSOLIDATION, BEING A CONSOLIDATION IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 16; THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE SOUTH LINE OF DAVID M. OPAS RESUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. 20991969 IN COOK COUNTY, ILLINOIS; THENCE WEST ALONG THE LAST DESCRIBED LINE TO THE EAST LINE OF SILHAVY'S RESUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. 14307222 IN COOK COUNTY, ILLINOIS; THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE SOUTH LINE OF 56TH STREET; THENCE EAST ALONG THE LAST DESCRIBED LINE TO THE INTERSECTION OF THE SOUTH EXTENSION OF THE WEST LINE OF SODERBERG'S GARDENS RESUBDIVISION ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NO. 9620595; THENCE NORTH ALONG THE LAST

DESCRIBED LINE TO THE NORTH LINE OF SAID SODERBERG'S GARDENS RESUBDIVISION; THENCE WEST ALONG THE WEST EXTENSION OF THE NORTH LINE OF SAID SODERBERG'S GARDENS RESUBDIVISION TO THE EAST LINE OF THE WEST 347.21 FEET OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 16; THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE SOUTH LINE OF THE NORTH 250.00 FEET OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 16; THENCE WEST ALONG THE LAST DESCRIBED LINE TO THE EAST LINE OF THE WEST 167.00 FEET OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 16; THENCE NORTH ALONG THE LAST DESCRIBED LINE TO THE NORTH LINE OF SAID SECTION 16; THENCE WEST ALONG THE LAST DESCRIBED LINE TO THE WEST LINE OF LaGRANGE ROAD; THENCE SOUTH ALONG THE WEST LINE OF LaGRANGE ROAD TO THE NORTH LINE OF 61ST STREET AS DEDICATED BY DOCUMENT NO. 23805144; THENCE WEST ALONG THE LAST DESCRIBED LINE 25.00 FEET; THENCE SOUTH, PARALLEL WITH THE CENTERLINE OF LaGRANGE ROAD 66.00 FEET TO THE WEST LINE OF LaGRANGE ROAD AS WIDENED; THENCE SOUTH ALONG THE LAST DESCRIBED LINE TO THE SOUTH LINE OF LOT 11 IN SAID SCHOOL TRUSTEES SUBDIVISION IN SECTION 16, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE WEST ALONG THE LAST DESCRIBED LINE TO A LINE 312.00 FEET WEST OF THE CENTERLINE OF LaGRANGE ROAD; THENCE SOUTH ALONG THE LAST DESCRIBED LINE AND IT'S SOUTH EXTENSION TO THE SOUTHEASTERLY RIGHT OF WAY LINE OF JOLIET ROAD; THENCE NORTHEASTERLY ALONG THE LAST DESCRIBED LINE TO THE CENTERLINE OF LaGRANGE ROAD; THENCE NORTH ALONG SAID CENTERLINE OF LaGRANGE ROAD TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

APPENDIX 2
Boundary Map of RPA



APPENDIX 3
Existing Land Use Map of RPA

Proposed TIF: Existing Land Uses



55th Street

56th Street

57th Street

58th Street

LaGrange Road

Joliet Road

Legend

Proposed TIF Boundary

Existing Land Use: Commercial / Retail



APPENDIX 4
Future Land Use Map of RPA

Proposed TIF: Proposed Land Uses



55th Street

56th Street

57th Street

58th Street

LaGrange Road

Joliet Road

Legend

Proposed TIF Boundary

Proposed Land Uses: Commercial / Retail



APPENDIX 5
TIF Qualification Report

Prepared by Kane, McKenna and Associates

**CITY OF COUNTRYSIDE
TIF ELIGIBILITY REPORT
PROPOSED COUNTRYSIDE COMMERCIAL TIF**

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

Prepared for: City of Countryside, Illinois

Prepared Jointly by: Kane, McKenna and Associates, Inc.

and

The City of Countryside

November 2010

**CITY OF COUNTRYSIDE
TIF ELIGIBILITY REPORT**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of Countryside to conduct an analysis of the qualification of an area that would result in the establishment of the Countryside Commercial Tax Increment Finance (TIF) District. The City is pursuing the creation of the proposed TIF District as part of its strategy to promote the revitalization of key under-utilized properties (the parcels studied and analyzed in this report to be included within the TIF District) located within the City.

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

- 1) *Conservation Area* – The proposed TIF District qualifies as a “Conservation Area” as defined under the TIF Act. Overall, because of certain factors identified in this report, the area is in danger of declining toward a blighted condition. This condition prevents, or threatens to prevent, the healthy economic and physical development of properties in a manner that the community deems essential to its overall economic health. Because the majority of structures (58% or 14 of 24) are over 35 years old, the TIF District meets the statutory criteria as a Conservation Area TIF.
- 2) *Current conditions impede redevelopment* – The existence of certain blighting conditions found within the proposed TIF District present a serious barrier to the area’s successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in the overall TIF District. Without the use of City planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.
- 3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed TIF District, there are several parcels which potentially could be redeveloped and thereby produce incremental property tax revenue. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF District.
- 4) *TIF designation recommended* – To mitigate Conservation Area conditions, promote private sector investment, and foster the economic viability of the proposed TIF District, KMA recommends that the City proceed with the formal TIF designation process for the entire area.

Because the City will NOT be pursuing the redevelopment of any residential parcels, the City is not obligated to conduct a housing impact study pursuant to the Illinois Tax Increment Allocation Act (ILCS 5/11-74.4-1 *et. seq.*, as amended; hereinafter referred to as the “Act”).

I. INTRODUCTION AND BACKGROUND

In the context of planning for the proposed establishment of the Countryside Commercial Tax Increment Financing District (the "TIF District," "Redevelopment Project Area" or "RPA"), the City of Countryside has initiated the study of parcels within the proposed TIF District to determine whether they qualify for inclusion in the district. Kane, McKenna and Associates, Inc. has agreed to undertake the study of the area.

Objectives. The City's general economic development objectives are to enhance commercial and mixed use opportunities within the City, including the proposed TIF District. To achieve this overarching objective, the City has proposed the following guidelines identified in the 2004 *Comprehensive Plan - Vision for 2024* that would apply to the proposed Countryside Commercial TIF District. (Refer to Exhibit 1 below.)

Given the City's goals as well as the conditions described in this report, the City has made a determination that it is highly desirable to promote the redevelopment of the proposed RPA. Without an implementation plan for redevelopment, City officials believe adverse conditions will worsen. The City intends to create and implement such a plan in order to restore, stabilize, and increase the economic base associated with the TIF District, which will not only benefit the community as a whole but also generate additional tax revenues to support municipal services.

Exhibit 1

General Goals for Countryside Commercial TIF

Goals	Objectives
Achieve a compatible and market supportable system of commercial development that is organized to provide various goods and services within the community and the greater region which Countryside serves.	1. Maintain a range of retail and service commercial activities within the City. 2. Maintain and enhance La Grange Road Corridor as a regional automobile dealership destination. 3. Define and designate more specific functional roles for the various commercial areas within the City distinguished by local, community, and regional serving developments. 4. Ensure that all retail, office, and service commercial activities are organized by uses and concentrated within or near areas of similar or compatible uses. 5. Promote new commercial development and redevelopment within select locations, primarily along La Grange Road, Joliet Road, 55th Street, and Plainfield Road. 6. Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete. 7. Implement regular and active property maintenance and code enforcement in commercial areas of the City.
Enhance the economic viability and productivity of the City's main commercial corridors as	1. Promote a healthy and mutually reinforcing mix of commercial, retail, service and limited and appropriate multi-family uses along the City's major corridors, specifically La Grange Road, Joliet Road, 55th Street, and Plainfield Road.

primary commercial activity areas.	2. Identify and prioritize economic strategies in conjunction with commercial property owners and managers to ensure economic vitality and stability in all commercial corridor areas. 3. Identify specific actions and strategies to be undertaken which will enhance the economic health of the City's commercial corridor areas. 4. Encourage coordinated and shared vehicle access wherever possible. 5. Implement consistent code enforcement standards for business areas.
Develop aesthetically pleasing and functionally well-designed retail and commercial shopping areas.	1. Revitalize Countryside Plaza. 2. Revitalize Salem Square. 3. Encourage high-quality site development and amenities in commercial areas. 4. Identify potential locations where additional private off-street parking and loading improvements may be appropriate and desirable along the commercial corridors. 5. Encourage the design of new commercial development to facilitate a system of pedestrian access. 6. Establish a program that reasonably and uniformly regulates signage while providing for the identification of City businesses. 7. Ensure that new development and redevelopment of private property is designed in scale with, and complementary to, existing development. 8. Establish special design and improvement standards for commercial areas, guiding the scale, appearance, orientation, and overall character of new development. 9. Ensure that all new, improved and existing commercial development is effectively screened and buffered from adjacent residential uses. 10. Implement a streetscape improvement program along all commercial corridors in the City, including, street trees, landscaping, way finding, lighting, pedestrian amenities, and other streetscape components.

Source: City of Countryside Comprehensive Plan

Because of the conditions observed in the TIF District and the required coordination for future land uses, the City is favorably disposed toward supporting redevelopment efforts. The City has determined that redevelopment should take place through the benefit and guidance of comprehensive economic planning by the City. Through this coordinated effort, the TIF District is expected to improve and development barriers to be eliminated.

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

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 lack 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.

Current Land Use. The proposed TIF District is located along a La Grange Road, which is a vital arterial road and a "destination" shopping area. Despite its advantageous location, certain parcels in the area are experiencing economic obsolescence and businesses are facing increased competition from retailers outside the City limits. Several large, prominent parcels in the TIF District have become vacant, including large former automobile dealerships. This proposed TIF District would provide the City with the possibility of bringing new development to an area that has become underutilized and demonstrated growing vacancies.

The proposed TIF District suffers from a variety of economic development impediments, as identified in the TIF Act. For example, it suffers from obsolescence and lagging equalized assessed valuations (EAV). Section V of this report identifies other impediments to redevelopment.

Refer to Appendix 1 of the TIF Plan which provides a detailed map of the proposed TIF.

General Scope and Methodology. KMA formally began its analysis by conducting a series of meetings and discussions with City staff, starting in November 2009 and continuing periodically up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for the TIF District and to gather data related to the qualification criteria for properties included in the TIF District. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF District on a parcel-by-parcel basis. The field surveys and data collected have been utilized to test the likelihood that various areas located within the proposed TIF District would qualify for TIF designation.

For the purpose of the study, properties within the proposed TIF District 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 City staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the City (a) made refinements to the TIF District boundaries and (b) directed KMA to complete this report and to move forward with the preparation of an Redevelopment Plan and Project for the TIF District.

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

II. QUALIFICATION CRITERIA USED

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

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

“An area designated by the municipality, which is not less in the aggregate than 1½ 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 conservation areas.”

Under the Act, “Conservation Area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a Conservation Area. In accordance with the Illinois TIF Act, KMA performed a two-step assessment to determine if the proposed TIF District would qualify as a Conservation Area. First, KMA analyzed the threshold factor of age to determine if a majority of structures were 35 years of age or older.

If a proposed Conservation Area meets the age threshold, then following factors are to be 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 (3) 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 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) "Stagnant" 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. THE PROPOSED TIF DISTRICT

The proposed TIF District contains approximately 38 tax parcels located along the La Grange Road Corridor, which is the most prominent shopping area within the City. Parcels are generally located north of the intersection of La Grange Road and Joliet Road.

The TIF District contains improved land designated primarily for commercial purposes. The area's appearance is diminished due to the fact that certain structures are vacant. In particular, the shopping area along La Grange Road has been impacted by the turbulence in the automobile industry, which is resulting in a major consolidation of commercial outlets throughout the Chicago metropolitan area, including the City of Countryside. However, the advantageous location at the intersection of two well-traveled roads is a strong asset which would facilitate any redevelopment efforts undertaken by the City, as well as the area's proximity to, and drawing power for, residents from neighboring suburbs.

It has been determined that this TIF Eligibility Report will NOT require a Housing Impact Study, pursuant to the Act. This is because the final boundaries selected by the City will include no known residential units that could be subject to removal or relocation during the life of the proposed TIF District.

IV. METHODOLOGY OF EVALUATION

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

- 1) Site surveys of the TIF District were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Site surveys were completed for each parcel within the proposed TIF District.
- 2) KMA performed EAV trend analysis to ascertain whether EAV growth in the proposed TIF District underperformed relative to EAV growth in the remaining part of the City.
- 3) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration, and obsolescence. Additionally, KMA reviewed the following data: 2003-2009 tax information from Cook County, parcel tax maps, site data, local history (discussions with City officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., excessive vacancies, obsolescence, etc.).
- 4) Existing structures and site conditions were initially surveyed only in the context of checking against statutory criteria detailed in the TIF Act and as applied to structures and site conditions on the parcels.
- 5) The TIF District was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. Land within the TIF District was examined to determine the applicability of the thirteen (13) different Conservation Area factors for qualification for TIF designation under the Act.

V. QUALIFICATION FINDINGS FOR PROPOSED TIF DISTRICT

Based upon KMA's evaluation of parcels in the proposed TIF District and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the proposed TIF District as a Conservation Area. The factors are summarized in the table below. These factors are found to be clearly present and reasonably distributed throughout the TIF District, as required under the Act.

Exhibit 2

Summary of Conservation Area Findings

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed TIF District
13	3	6 • Obsolescence • Excessive Vacancies • Lagging EAV • Deleterious Layout • Deterioration • Environmental Clean up

Note: In addition to 5 qualifying factors above, the proposed TIF District meets the statutory age threshold of 35 years.

Finding as a Conservation Area. The TIF District 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 a majority of parcels within the Conservation Area were over 35 years of age. Based upon County Assessor and site survey data, 14 of 24 structures (58%) were over 35 years in age. The statistical data were verified by site survey evaluations of exterior structures and third party property appraisals obtained by the City.

Conservation Area Factors. As a second step, KMA determined reviewed the criteria needed to qualify an area as a Conservation Area, finding that six factors were present:

- 1) **Obsolescence.** The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. The area exhibits both economic and functional obsolescence. This is demonstrated through the literal "falling into disuse" of certain parcels that have become vacant, particularly former automobile dealerships located near the prominent intersection of La Grange and Joliet Roads as well as certain commercial uses (e.g., the former Ethan Allen store, Circuit City, and Car-X as well as an office building near 55th Street) nearby. It is further reflected in the EAV trends outlined sub-section 3) below, whereby property values within the area have failed to keep pace with overall City EAV growth.

Partly because the area is an older area (by definition being an area where a majority of structures exceed 35 years in age), certain buildings within the proposed TIF District are no longer adequate for their original use. For example, the vacant automobile dealerships, while located in a desirable location, are functionally obsolete in relation to current standards for automobile dealerships. Modern automobile retail facilities or "showrooms" – particularly showrooms for new vehicles – are much larger in overall enclosed square footage, have higher ceilings and high-end building finishes. In contrast, the vacant automobile dealerships have lower ceilings, have more modest exterior and interior finishes, and in the case of the former Dodge dealership is a relatively small facility. Additionally, the dealership service areas would need to be refurbished if re-occupied.

According to a July 2009 appraisal prepared for the City, the former Toyota "building does not meet current market standards in terms of design and appeal. The more newly constructed automotive dealership sales and service buildings consistently include a more spacious showroom that generally includes high ceilings and ample windows and skylights. The size, configuration, and interior finishes at the subject's showroom appear dated and are considered to constitute functional obsolescence." Similarly, a separate July 2009 appraisal of the Dodge dealership concludes that the facility is obsolete and has greater value (for re-use) if the buildings were to be torn down and redeveloped.

The vacant Ethan Allen store, besides economic obsolescence associated with its multi-year vacancy, reflects physical obsolescence. Per a July 2009 appraisal for the City, the physical condition of the building interior and exterior is in decline and approximately 90% of the building improvements are thereby discounted (primarily due to the fact that it is close to the end of its useful life; secondarily because of building layout and regional declines in the value of free-standing stores for furniture retailers).

Lastly, certain retail sites appear to have environmental issues as identified in "Phase I" and Phase II environmental site evaluations. In particular, the former automobile dealership at 5946 South La Grange Road has various contaminants needing remediation per a 2007 Phase II analysis of an environmental engineering firm retained by the City. In the absence of private/public reinvestment, it is more challenging to redevelop these parcels and prevent them from falling into "disuse."

Overall, these vacant structures have a disproportionately negative "spill-over" effect on the area given the size of the properties (both the buildings and the associated land areas). Absent private and public sector reinvestment, said vacancies may deter other property owners from reinvesting in their own homes and businesses. The obsolete conditions within the area thus hinder City goals to promote a more suitable mix of commercial land uses.

- 2) Excessive Vacancies. The Act states that this finding is characterized by the presence of unoccupied or under-utilized buildings that represent an adverse influence on the area. As mentioned in sub-section 1 above, prominent buildings within the TIF District are completely vacant including the following:

- The former Dodge dealership
- The former Continental Toyota dealership
- The former Mitsubishi dealership
- The former Circuit City;
- Car-X auto repair shop;
- Office building near 55th Street; and
- The former Ethan Allen furniture store.

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

Overall, vacant commercial sites account for 605,633 square feet of space or 34% of total space of 1,766,586 square feet within the proposed TIF District. The vacant buildings on these sites amount to approximately 122,000 square feet in comparison to 262,000 total enclosed building space within the TIF District (resulting in a 47% vacancy rate). In comparison, greater Chicago area vacancy rates were approximately 10% as of 2008, according to real estate management firm Marcus & Millichap, and they were forecast to reach 12% in 2009.

In addition, certain vacant buildings are deteriorated, as noted (see finding #1 above). They appear to suffer from disinvestment whereby the current owners have chosen not to maintain the building in an adequate condition for its original use. As such, they represent an adverse influence on the overall TIF District.

- 3) Lagging EAV. The EAV of the TIF District has lagged City-wide growth for four of the past five years. Please refer to Exhibit 3 below.

Exhibit 3

EAV Trends for Proposed TIF District

	2003	2004	2005	2006	2007	2008
Total EAV for TIF District	19,683,790	20,583,889	23,895,740	21,598,551	22,445,483	28,463,400
EAV Change (%)		4.57%	16.09%	(9.61%)	3.92%	26.8%
Citywide EAV (Excluding TIF)	237,395,545	250,663,644	304,091,374	300,734,390	319,549,671	377,540,000
City EAV Change (%)		5.58%	21.31%	(1.10%)	6.25%	18.1%
CPI		2.7%	3.4%	3.2%	2.8%	3.1%

- 4) Deleterious Layout. As noted in Section II, a municipality has a finding of deleterious layout or land use when there exists (a) incompatible land-use relationships, (b) buildings occupied by inappropriate mixed-uses or uses considered to be noxious, or (c) uses offensive or unsuitable for the surrounding area. Most of the problems in the area reflect incompatible uses which are caused by a combination of factors – in particular, inadequate traffic circulation and insufficient buffers between parcels. For example, the shortcomings noted in the 2004 *Comprehensive Plan* – which states that many La Grange Road sites “have inadequate parking lot screening and landscaping” to serve as a buffer – remain present to this day for the majority of uses in the area.

After the Comprehensive Plan was established, the City then adopted in 2006 a landscape ordinance that addresses certain land use/layout deficiencies. Section 5 of the landscape ordinance addressed landscaping and screening with the “intent of the landscaping as screening [being] to provide a visual barrier to certain elements of a site plan that may be considered unattractive or monotonous.” Despite these planning efforts, the deficiencies in terms of lack of landscaping buffers remain and have not been corrected on an area-wide basis.

Internal traffic circulation is a primary challenge to coordinating future land-use and promoting redevelopment, particularly for the cluster of retailers at the northwest corner of La Grange and Joliet Roads. As noted in the Comprehensive Plan, sites in the southern portion of the area such as the White Castle and Time Out restaurants “have been designed and developed to prevent cross access between these sites. Cross access between adjacent compatible commercial uses should be encouraged throughout....Cross access would improve safety and efficiency of traffic flow along La Grange Road. Barriers preventing cross access should be removed and appropriate cross access provided.”

Put differently, there is an absence of internal roads and/or frontage roads that would connect stand-alone businesses along the east side of LaGrange Road; consequently traffic is shunted to LaGrange Road and Joliet Roads (even to go short distances, e.g., to “next door” businesses). Again, despite these planning initiatives, the barriers to better traffic circulation remain unresolved. Other issues relating to access/egress (such as the number of curb cuts on major arterials) also require coordination by the City as part of redevelopment efforts.

- 5) 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).

Deterioration is primarily observed among the surface improvements. Parking lots adjacent to both vacant and occupied stores have widespread cracking as well as weeds, potholes and depressions. Because parking lots constitute a much larger percentage of overall land use than in other areas of the City RPA, the poorly maintained lots, in combination with the lack of landscaping and screens discussed above, have a negative aesthetic impact on the La Grange corridor.

Secondary evidence of deterioration was observed among certain buildings, such as the vacant Ethan Allen and Dodge buildings identified above. These building exteriors had observable deterioration; KMA and Village staff also gained access to certain buildings and found additional interior deterioration (e.g., such as water damaged ceiling tiles) present.

- 6) Environmental Clean-Up. The Act states that "the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law" and related "remediation costs (that) would constitute a material impediment to the development or redevelopment of the" RPA constitute a Conservation Area factor under the TIF Act. Phase I studies undertaken on behalf of the City indicate that the former Toyota and Dodge auto dealership sites will require both removal of asbestos material as well as potential soil removal and clean-up. In addition, the former Ethan Allen site may require asbestos removal and soil remediation based upon clean-up proposals submitted to the City. These costs, in combination with demolition costs, serve as material impediments to redevelopment for several large properties of strategic importance to the City.

VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the City's potential designation of the proposed TIF District.

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. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; 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 City with sufficient justification to consider designation of the TIF District for inclusion within the proposed Countryside Commercial TIF District.