



***CITY OF COUNTRYSIDE, ILLINOIS
COUNTRYSIDE 55th STREET
COMMERCIAL TAX INCREMENT
FINANCING (TIF) DISTRICT
TIF REDEVELOPMENT PROJECT
AND PLAN***

“Redevelopment project and 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 “conservation area,” and thereby 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 5/11-74.4-1, et. seq., as amended.

Prepared by the City of Countryside, Illinois

in conjunction with

Kane, McKenna and Associates, Inc.

July, 2019

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	REDEVELOPMENT PROJECT AREA DESCRIPTION	5
III.	REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES	6
IV.	EVIDENCE OF LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS	10
	Evidence of the Lack of Development/Growth Within the Redevelopment Project Area	10
	Assessment of Fiscal Impact on Affected Taxing Districts	10
V.	TAX INCREMENT FINANCING QUALIFICATION FACTORS PRESENT IN THE REDEVELOPMENT PROJECT AREA	11
VI.	REDEVELOPMENT PROJECT AND PLAN	12
	Redevelopment Project and Plan Objectives	12
	Redevelopment Activities	12
	General Land Use Plan	14
	Additional Design and Control Standards	14
	Eligible Redevelopment Project Costs	14
	Projected Redevelopment Project Costs	22
	Sources of Funds to Pay Redevelopment Project Costs	24
	Nature and Term of Obligations to be Issued	25
	Most Recent Equalized Assessed Valuation (EAV) for the Redevelopment Project Area	26
	Anticipated Equalized Assessed Valuation (EAV) for the Redevelopment Project Area	26
VII.	DESCRIPTION AND SCHEDULING OF THE REDEVELOPMENT PROJECTS	27
	Redevelopment Projects	27
	Commitment to Fair Employment Practices Affirmative Action	28
	Completion of Redevelopment Project and Plan and Retirement of Obligations to Finance Redevelopment Costs	28
VIII.	PROVISIONS FOR AMENDING THE REDEVELOPMENT PROJECT AND PLAN	29
	➤ APPENDIX 1: Boundary Map of the Redevelopment Project Area	
	➤ APPENDIX 2: Description of the Redevelopment Project Area	
	➤ APPENDIX 3: Current Land Use Map of the Redevelopment Project Area	
	➤ APPENDIX 4: Future Land Use Map of the Redevelopment Project Area	
	➤ APPENDIX 5: Tax Increment Financing Eligibility	

I. INTRODUCTION

The City of Countryside (the “City”) is a suburban municipality serving a population of approximately 5,895 residents (according to 2010 U.S. Census data). The City is an established inner-ring suburb of Chicago of approximately 2.83 square miles in area, situated approximately 15 miles west of Chicago’s “Loop”, within close distance to I-294 and I-55. The City is situated between the municipalities of LaGrange to the north and Hodgkins to the south, and Western Springs to the west and McCook to the east. In this document, the City proposes a tax increment financing (“TIF”) redevelopment project and plan (the “Plan” or “TIF Plan”) to enable an area within the City to overcome a number of redevelopment barriers.

Kane, McKenna and Associates, Inc. (“KMA”) has been retained by the City to assist in the preparation of the TIF Plan.

TIF Plan Requirements. The City is preparing this TIF Plan to meet the requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended (the “Act”). To establish a TIF district (also known as a redevelopment project area), Illinois municipalities must approve several documents, including a TIF redevelopment project and plan and TIF 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 in order to: “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas” (65 ILCS 5/11- 74.4-2(b)).

By definition, a TIF redevelopment project and 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 A.

Community Background. The City was first settled in the early 1830s. The area remained as a large expanse of rural farmland until the Great Chicago Fire of 1871, when the fire sent city dwellers into the west suburban Chicago region. The City remained, largely, a rural farming community until World War II, when suburban areas saw explosive growth. The City was officially incorporated in 1960. With a 1960 population of about 2,000, the City has since almost tripled its original population, primarily through annexation of surrounding residential areas. Among the first orders of business for the new City was street construction and building a water works system, both of which were developed in the 1960’s. The construction of the Stevenson Expressway (I-55) in the mid-1960’s, when combined with the heavily traveled LaGrange Rd., also created a great deal of retail and industrial growth in and around the City through the 1980.

The City is generally built-out, with little room to expand its land size. Single-family residential areas comprise one of the largest land uses in the City. Except for only a few properties, the commercial areas of the City are located along the major commercial corridors, including LaGrange Road, Joliet Road, 55th Street, and Plainfield Road. The City does not have a large amount of land dedicated to commercial use; as a result, redevelopment for such uses is important to both tax base and employment.

The Proposed TIF District. The proposed Countryside 55th Street Commercial Tax Increment Financing District (TIF) District is located along the south side of 55th Street, in the block between LaGrange Road to the west, and East Avenue to the east, along the west side of East Avenue, between 55th Street to the north and 56th Street to the south, and along the north side of 56th Street, between East Avenue to the east and a point approximately 700 feet west of East Avenue to the west. It consists of commercial (retail and service) and public and semi-public land uses, including the Helping Hand Center and City Hall/Police Station complex. A map of the TIF District is attached hereto as Appendix 1 (the “Redevelopment Project Area” or “RPA”).

The proposed TIF District is also located within one of the City’s six “Sub Area Plans”. These are areas that have been targeted for redevelopment by the City, because they are either primary determinants in how Countryside is perceived by residents and visitors alike, or they constitute portions of the City that are most likely to see change and they each contain vacant and/or underutilized properties.

The proposed TIF District suffers from a variety of economic development impediments as defined in the Act. Section V of the *TIF Eligibility Report* (see Appendix 5) identifies the impediments to redevelopment.

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

The RPA would be suitable for new development if the City is able to coordinate uses and redevelopment activity. Through this TIF Plan, and as part of its comprehensive economic development planning, the City intends to attract and encourage retail, service, and 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 parcels within the new TIF District; in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long run.

Rationale for TIF 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 would 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 and economic conditions that have discouraged intensive private investment in the past, will be eliminated. Ultimately, the implementation of the TIF Plan will

benefit both the City and surrounding taxing districts, by virtue of the expected expansion of the tax base.

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

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

The designation of the RPA as a redevelopment project area under the Act will allow the City to pursue the following beneficial strategies:

- Undertake site preparation and infrastructure that supports the TIF Plan for the RPA;
- Enter into redevelopment agreements in order to redevelop existing property and/or to induce new development to locate within the RPA;
- Establish 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; and
- Enhance area appearance through improvements to landscape, streetscape and signage.

Through this TIF Plan, the City will direct the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits are expected to accrue to the area: entry of new businesses: new employment opportunities, and physical and aesthetic improvements. Ultimately, the implementation of the TIF 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, in approving this TIF Plan, 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

- 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 TIF Plan, growth and redevelopment would not reasonably be expected to be achieved in the RPA;
- 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 this TIF Plan conforms to the *City of Countryside Comprehensive Plan – A Vision for 2024 (2004)* and, specially, the *City Hall/55th Street Sub Area Plan, as amended*.

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

It is further found, and certified by the City, in connection with the process required for the adoption of this TIF Plan pursuant to the Act, that the projected redevelopment of the RPA would not result in the displacement of the residents from ten (10) or more inhabited residential units. Therefore, *this TIF 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 is tenable only if a portion of the improvements and other costs are funded by TIF.

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

II. REDEVELOPMENT PROJECT AREA DESCRIPTION

The Redevelopment Project Area is depicted on the map, attached hereto and made a part hereof as Appendix 1, and is described (legal description, permanent index numbers and common boundary description) in Appendix 2, attached hereto and made a part hereof.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The City has established several economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the proposed TIF District. These efforts would conform to and promote the achievement of land use objectives in the comprehensive planning process (generally reflected in the *City of Countryside Comprehensive Plan – A Vision for 2024 (2004)* and, specially, the *City Hall/55th Street Sub Area Plan*), as amended.

General Economic Development Goals of the City. Establishment of the proposed RPA supports the following City-wide objectives stated in the *City of Countryside Comprehensive Plan – A Vision for 2024 (2004)* and the *City Hall/55th Street Sub Area Plan*, both as amended, that would directly determine future economic development activities and influence the parameters of future redevelopment projects.

Elements Applicable to the RPA

<i>Goal</i>	<i>Objective</i>
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.	• Promote new commercial development and redevelopment within select locations, primarily along LaGrange Road, Joliet Road, 55th Street, and Plainfield Road. • Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas, which are, or are becoming, functionally obsolete. • Define and designate more specific functional roles for the various commercial areas within the City distinguished by local, community, and regional serving developments. • Ensure that all retail, office, and service commercial activities are organized by uses and concentrated within or near areas of similar or compatible uses. • Maintain a range of retail and service commercial activities within the City.
Enhance the economic viability and productivity of the City's main commercial corridors as primary commercial activity areas.	• 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 LaGrange Road, Joliet Road, 55th Street, and Plainfield Road. • Identify and prioritize economic strategies in conjunction with commercial property owners and managers to ensure economic vitality and stability in all commercial corridor areas. • Identify specific actions and strategies to be undertaken which will enhance the economic health of the City's commercial corridor areas. • Encourage coordinated and shared vehicle access wherever possible. • Implement consistent code enforcement standards for business areas..
Develop aesthetically pleasing and functionally well-designed retail and commercial shopping areas.	• Encourage high-quality site development and amenities in commercial areas. • Establish special design and improvement standards for commercial areas, guiding the scale, appearance, orientation, and overall character of new development. • Ensure that all new, improved and existing commercial development is effectively screened and buffered from adjacent residential uses. • 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 (2004)*

TIF designation would allow the City to pursue the following objectives within the RPA:

- Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Accomplish redevelopment over a reasonable time period;
- Create an attractive overall appearance for the RPA; and
- Further the goals and objectives of the City's Comprehensive Plan and City Hall/55th Street Sub Area Plan, as amended.

Ultimately, the implementation of the TIF Plan would contribute to the economic development of the RPA 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 preparation of improved and vacant sites, by assisting private developers to assemble suitable sites for modern development needs;
- Coordinate site preparation 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 storm water and sanitary systems to facilitate the construction of new development within the RPA;
- Facilitating the provision of adequate on- and off-street parking within the RPA; and
- Fostering the rehabilitation, repair, and remodeling of existing buildings within the RPA.

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 1 below identifies the types of performance measures the City may consider to track the performance of projects within the RPA. (Section VI of this TIF Plan 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 1
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) Acres of land converted from tax-exempt to taxable
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 and vacancies (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, 2005.

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 TIF Plan, the RPA has suffered from the lack of development and would qualify as a conservation area. In recent years, the RPA has not benefited from sustained private investment and/or development. Absent intervention by the City, several properties within the RPA would not be likely to be redeveloped.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually result in blight. Those conditions include deterioration, deleterious land-use or layout, lack of community planning, obsolescence, and inadequate utilities. 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 TIF 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 TIF Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by EAV. In short, the establishment of the TIF District would protect other taxing districts from the potential downside risk of falling EAV.

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 the eligible school and the library districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q) (7.5) and (7.7) of the Act. (Refer to Section VI of this Report, which describes allowable TIF project costs).

Note: There is currently no library district impacted by the TIF District.

V. TAX INCREMENT FINANCING QUALIFICATION FACTORS PRESENT IN THE REDEVELOPMENT PROJECT AREA

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

Eligibility Survey. Representatives of KMA and City staff evaluated the RPA informally from October 2018 to February, 2019 and formally from February, 2019 to the date of this TIF Plan's issuance. Analysis was aided by certain reports obtained from the City, on-site due diligence, and other sources. In KMA's evaluation, only information was recorded which would help assess the eligibility of the proposed RPA as a TIF district.

VI. REDEVELOPMENT PROJECT AND PLAN

Redevelopment Project and Plan Objectives. As indicated in Section III of this TIF Plan, 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 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 RPA are as follows:

- 1) Implementing a plan that provides for the attraction of users to redevelop underutilized properties 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, storm water management, and water main improvement/relocation projects consisting of construction and rehabilitation);
 - Signalization, traffic control and lighting;
 - Off-street parking and public parking facilities; and
 - Landscaping, streetscaping, 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 potential actions. These include, but are not limited to, land acquisition, land disposition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary. Such activities conform to the provisions of the Act, which defines the scope of permissible redevelopment activities.

Site Preparation, Clearance, Relocation and Demolition

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

Land Assembly and Disposition

Certain properties or interests in properties in the RPA may be acquired, and properties owned by or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. The City could facilitate private acquisition through reimbursement of acquisition and related costs as well as through the write-down of its acquisition costs. Such land may be held or disposed of by the City on terms appropriate for public or private development, including the acquisition of land needed for construction of public improvements.

Public Improvements

The City may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the TIF 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

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

Interest Rate Write-Down

The City may enter into agreements with 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.

School and Library District Costs

The City may provide for payment of school district and library district costs, as required under the Act for residential components (if any) assisted through TIF funding.

General Land Use Plan. As noted in Section I of this report, the proposed RPA has primarily commercial, and public and semi-public uses.

Existing land uses in the RPA are shown in Appendix 3, attached hereto and made a part of this TIF Plan. Appendix 4, attached hereto and made a part hereof, designates future land uses in the RPA. Future land uses will conform to the City's Zoning Ordinance and the City of Countryside Comprehensive Plan - A Vision for 2024 (2004) 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, shall apply to the RPA.

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

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
 - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;

2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10- 20.12a of the School Code less any increase in general State aid as defined in Section 18- 8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

- (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.
- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply. Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this

reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

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

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

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

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be

required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

Note: There is currently no library district impacted by the TIF District

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

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

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

The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. “Historic Resource” means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

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

Estimated costs are shown on the next two pages. Adjustments to these cost items may be made without amendment to this TIF Plan, as provided for in the Act.

Projected Redevelopment Project Costs. Estimated project costs are shown in Exhibit 2 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to this TIF Plan. Each individual project cost will be reevaluated allowing for the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

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 2) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

Exhibit 2
RPA Project Cost Estimates

Program Actions/Improvements	Estimated 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	\$ 1,000,000
Costs of marketing sites within the redevelopment project area to prospective businesses, developers, and investors	\$ 500,000
Property assembly 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	\$10,000,000
Costs of rehabilitation, reconstruction or 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; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification	\$9,000,000
Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification	\$9,500,000
Costs of job training and retraining projects	\$ 100,000
Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto ²	\$ 6,100,000
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	\$ 100,000
Statutory school district payments	\$ 100,000
Statutory library district payments <i>Note: There is currently no library district impacted by the TIF District</i>	\$ 1.00

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	\$ 100,000
Payments in lieu of taxes	\$ 1,000,000
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	\$ 100,000
Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project as set forth in the Act	\$ 2,500,000
Transfers to contiguous TIF District(s) ⁴	\$10,000,000
TOTAL ESTIMATED TIF BUDGET	\$50,100,001

Notes:

(¹) All project cost estimates are in 2019 dollars. Costs may be adjusted for inflation, so long as the changes do not increase the total estimated TIF budget set out in this TIF Plan by more than 5% after adjustment for inflation from the date this TIF Plan is adopted, per the Act.

(²) In addition to the costs identified in the table above, any bonds issued to finance a phase of the TIF Plan 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 to be 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 allowing for 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 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.

(⁴) Per 65 ILCS 5/11-74.4-4(q), as amended, the City may utilize revenues, other than State sales tax increment revenue, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either: (i) contiguous to the redevelopment project area from which the revenues are received, (ii) separated only by a public right of way from the redevelopment project area from which the revenues are received, or (iii) separated only by forest preserve property from the redevelopment project area from which the revenues are received if the closest boundaries of the redevelopment project areas that are separated by the forest preserve property are less than one mile apart.

As explained below, incremental property taxes from any redevelopment project area that is contiguous to the RPA may be used to pay TIF eligible redevelopment project costs within the RPA, and incremental property taxes from the RPA may be used to pay TIF eligible redevelopment project costs within a redevelopment project area that is contiguous to the RPA.

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

TIF Plan. In addition, pursuant to the Act and this TIF Plan, the City may utilize net incremental property tax revenues received from other contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the RPA. This would include contiguous TIF districts that the City may establish in the future. (Conversely, incremental revenues from the RPA may be allocated to any contiguous TIF district(s)).

Redevelopment project costs, as identified in Exhibit 2, specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. Most development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the City, 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 2018 tax year, for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain State and federal grants or loans, certain investment income, and such other sources of funds and revenues as the 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 RPA 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 TIF Plan and the Act shall be retired not more than twenty-three (23) years after 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 TIF 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
City of Countryside 55th Street Commercial TIF – Redevelopment

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 TIF 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 Redevelopment Project Area. It is anticipated the estimated base EAV for establishment of the RPA will be the 2018 EAV. The most recent equalized assessed valuation for the RPA is based on the 2018 EAV and is estimated to be approximately \$12,630,267.

Anticipated Equalized Assessed Valuation for the Redevelopment Project Area. 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 would increase to approximately \$40,000,000 to \$45,000,00, depending upon market conditions and the scope of the redevelopment projects.

VII. DESCRIPTION AND SCHEDULING OF THE REDEVELOPMENT PROJECTS

Redevelopment Projects. 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 projects 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 TIF 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. It is expected that the City would facilitate private acquisition through reimbursement or write-down of related costs, including the acquisition of land 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 TIF 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, if any, 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.
- School District and Library District Costs: The payment of such costs, if any, may be provided pursuant to the requirements of the Act.

Note: There is currently no library district impacted by the TIF District

- 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 redevelopment projects implementation. The City may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and compliance with Affirmative Action Plans.

The City has adopted employment policies and is committed to employment practices which provide equal opportunity to all people regardless of sex, color, race, creed, ancestry, national origin, religion, sexual orientation/preference, age, marital status, handicap, medical status, military status, pregnancy, political preference, unfavorable discharge from military service as defined by law, citizenship status as defined by law or any other status or basis as may be now or hereinafter be prohibited by law. These nondiscriminatory practices will apply to all areas of employment including: recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, compensation, tenure or any terms, conditions or privileges of employment. The City shall comply with all applicable Federal, State and County laws and regulations governing employment discrimination and regulating the employment opportunities as well as any such Federal, State and County Affirmative Action Plans/Programs relevant in whole or in part to any City activity. The City shall additionally in all its activities ensure and maintain a working environment free of harassment, intimidation and coercion at all locations and in all facilities. It is herein founded and determined that fair and equal employment practices and opportunities as set forth herein is important to the continued growth and vitality of the community.

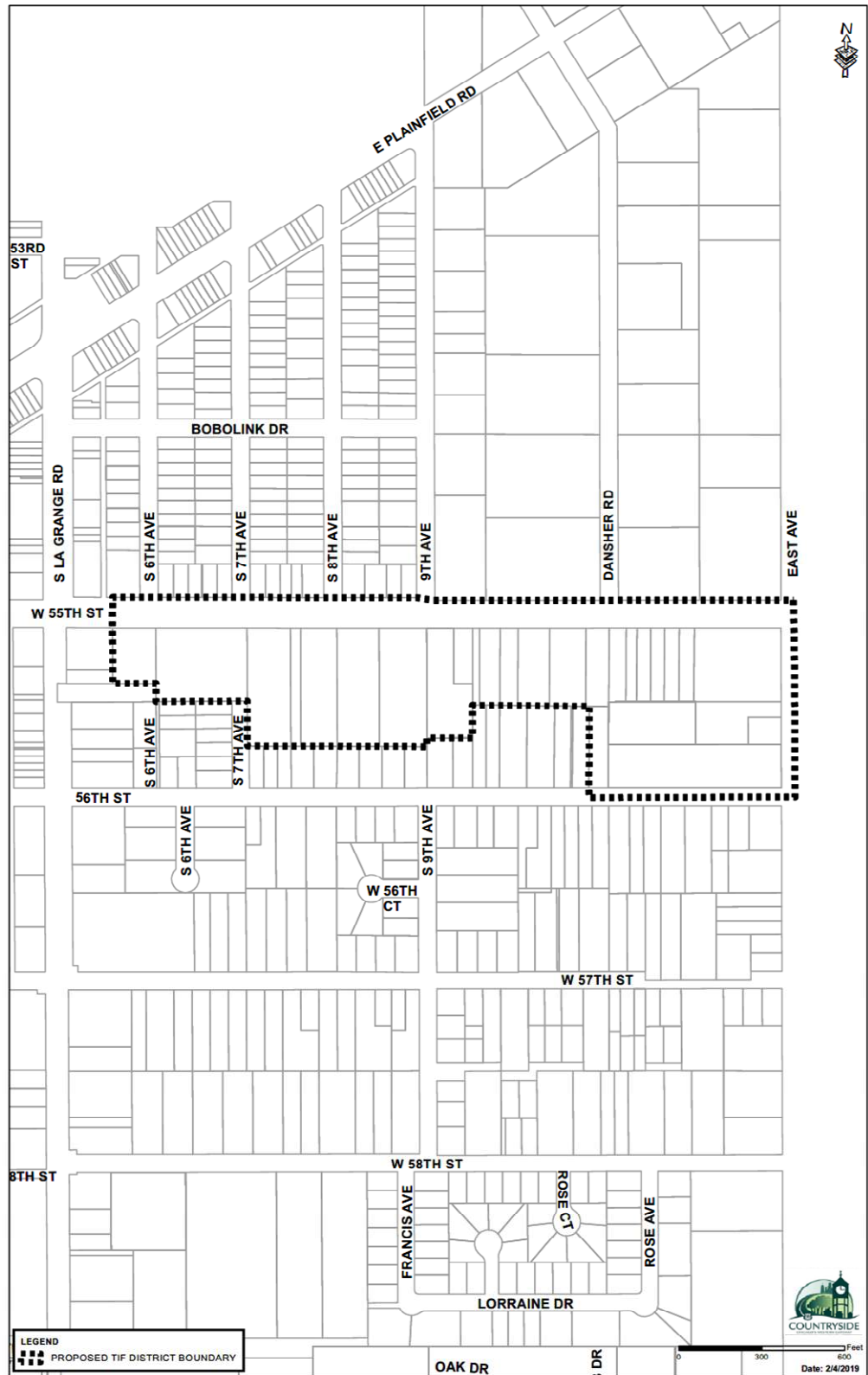
Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs. This TIF Plan and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the RPA. The actual date for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

VIII. PROVISIONS FOR AMENDING THE REDEVELOPMENT PROJECT AND PLAN

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

APPENDIX 1
Boundary Map of the Redevelopment Project Area





APPENDIX 2
Description of the Redevelopment Project Area

REDEVELOPMENT PROJECT AREA DESCRIPTION

COUNTRYSIDE 55TH STREET COMMERCIAL TAX INCREMENT FINANCING DISTRICT

LEGAL DESCRIPTION:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 9 AND THE NORTHEAST QUARTER OF SECTION 16, BOTH IN TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 55TH STREET AND THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NORTHEAST QUARTER TO THE CENTERLINE OF THE 56TH STREET RIGHT-OF-WAY; THENCE WESTERLY ALONG SAID CENTERLINE TO THE WEST LINE OF THE EAST 70.00 FEET OF LOT 3 IN VIAL'S SUBDIVISION, EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID WEST LINE, AND SOUTHERLY EXTENSION THEREOF, TO A LINE 331.99 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF SAID 56TH STREET RIGHT-OF-WAY AS SHOWN ON VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE TO THE EAST LINE OF THE WEST HALF OF LOT 4 IN SAID VIAL'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE TO A LINE 180.00 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID 56TH STREET AS SHOWN ON VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE, TO THE EAST LINE OF LOT 5 IN SAID VIAL'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE TO A LINE 481.15 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF LOTS 5 AND 6 IN SAID VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE TO THE WEST LINE OF SAID LOT 6; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF LOT 7 IN SAID VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEST LINE OF THE EAST 330.79 FEET OF SAID LOT 7; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF THE SOUTH 67.30 FEET OF SAID LOT 7; THENCE WESTERLY ALONG SAID NORTH LINE TO A LINE 200.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER; THENCE NORTHERLY ALONG SAID PARALLEL LINE, AND NORTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF 55TH STREET; THENCE EASTERLY ALONG THE NORTH LINE OF SAID 55TH STREET TO THE POINT OF BEGINNING.

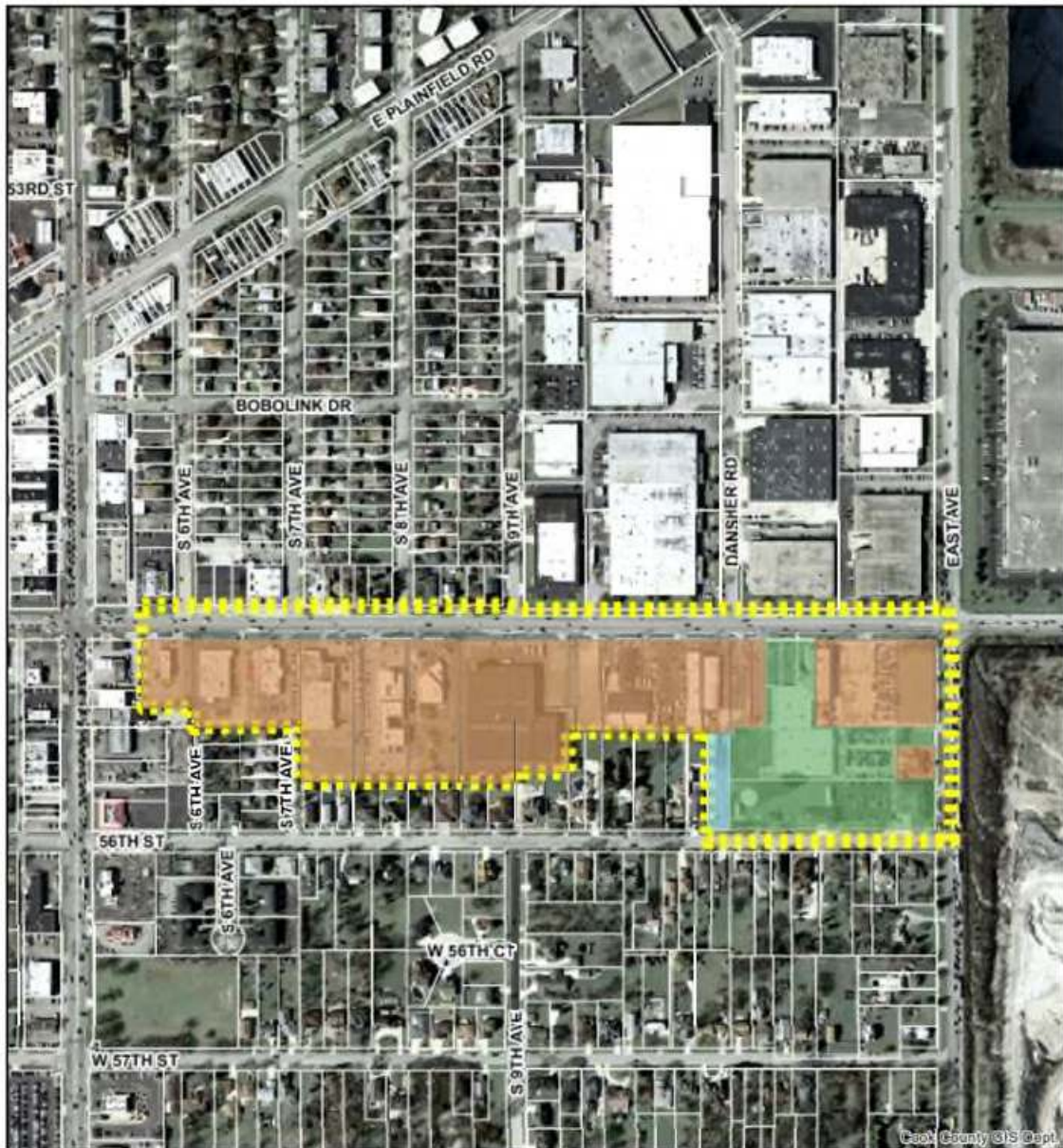
PINs: 18-16-200-038 and -042; 18-16-201-009, -021, -022, -023 and -024;
18-16-202-015, -016, -017, -022, -023, -025, -029, -034 and -035;
18-16-203-002, -003, -004, -005, -006, -007, -009, -011, -013, -014 and -015.

COMMON BOUNDARY DESCRIPTION: Generally, those parcels along the South side of 55th Street, between LaGrange Road and East Avenue; those parcels on the West side of East Avenue, between 55th Street and 56th Street; and those parcels on the North side of 56th Street, between East Avenue and a point approximately 699.4

APPENDIX 3

Current Land Use Map of the Redevelopment Project Area





LEGEND

- Commercial
- Public Land
- Residential
- PROPOSED TIF DISTRICT BOUNDARY

EXISTING LAND USE MAP



Date: 3/19/2019

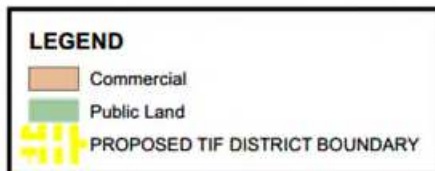
APPENDIX 4

Future Land Use Map of the Redevelopment Project Area





PROPOSED LAND USE MAP



Date: 3/19/2019

APPENDIX 5

Tax Increment Financing Eligibility Report

**CITY OF COUNTRYSIDE
TIF ELIGIBILITY REPORT
COUNTRYSIDE 55th STREET COMMERCIAL TAX
INCREMENT FINANCING (TIF) DISTRICT**

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

July, 2019

**CITY OF COUNTRYSIDE
PROPOSED 55th STREET COMMERCIAL TAX
INCREMENT FINANCING (TIF) DISTRICT**

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
	Executive Summary	
I.	Introduction and Background	1
II.	Qualification Criteria Used	5
III.	The Proposed TIF District	8
IV.	Methodology of Evaluation	9
V.	Qualification Findings for Proposed TIF District	10
VI.	Summary of Findings / General Assessment of Qualification	13
 EXHIBITS		
A	Boundary Map	
B	Description of the Redevelopment Project Area	

EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (“KMA”) has been retained by the City of Countryside (the “City”) to conduct an analysis of the qualification of an area that could result in the establishment of the Countryside 55th Street Commercial Tax Increment Financing (TIF) District (the “TIF District”). The City is pursuing the creation of this 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 proposed TIF District) located within the City, while ensuring its provision of high-quality public services for all residents of the City. The proposed TIF District constitutes one of the City’s six “Subarea Plans” targeted for redevelopment, pursuant to its 2004 *Comprehensive Plan – Vision for 2024*.

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

- 1) *Conservation Area* – The proposed TIF District qualifies as a “Conservation Area” under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.), as amended (the “Act”). 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.
- 2) *Current conditions impede redevelopment* – The existence of certain conditions found within the proposed TIF District present impediments to the area’s successful redevelopment. This is because these factors negatively impact coordinated and substantial private sector investment in the overall proposed 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 and sales tax revenue. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment throughout the proposed TIF District.
- 4) *TIF designation recommended* – To mitigate redevelopment 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 District designation of the parcels as a “conservation area”.

Because the City will NOT undertake activities that would result in the displacement of the residents from ten (10) or more inhabited residential units, the City is not obligated to conduct a housing impact study pursuant to the Act.

I. INTRODUCTION AND BACKGROUND

In the context of planning for the proposed establishment of the Countryside 55th Street Commercial Tax Increment Financing (TIF) District (the “TIF District,” “Redevelopment Project Area” or “RPA”), the City has initiated the study of parcels within the proposed TIF District to determine whether they qualify for TIF District designation. Kane, McKenna and Associates, Inc. (“KMA”) 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 goals and objectives identified in its 2004 *Comprehensive Plan – Vision for 2024* that apply to the proposed 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 remain, or even worsen. The City intends to create and implement such a plan in order to restore, stabilize, and increase the economic base associated with the proposed TIF District, which will not only benefit the community as a whole, but will also generate additional tax revenues to support municipal services.

Exhibit 1
General Goals for the Proposed TIF District

Goals	Objectives
Achieve a compatible and market supportable network of commercial development that is organized to provide a variety of 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. Define and designate more specific functional roles for the various commercial areas within the City distinguished by local, community, and regional serving developments. 3. Ensure that all retail, office, and service commercial activities are organized by uses and concentrated within or near areas of similar or compatible uses. 4. Promote new commercial development and redevelopment within select locations, primarily along La Grange Road, Joliet Road, 55th Street, and Plainfield Road. 5. Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete. 6. 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 and 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 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. Encourage high-quality site development and amenities in commercial areas. 2. Identify potential locations where additional private off-street parking and loading 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 designed in scale with, and complementary to, existing development. 6. Establish special design and improvement standards for commercial areas, guiding 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 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 proposed 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 proposed TIF District is expected to improve, and development barriers will be eliminated.

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

The use of TIF relies upon induced private redevelopment in the proposed TIF District 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, with a portion of future increased taxes pledged to attract the requisite private investment.

Current Land Use. The proposed TIF District is located along the south side of 55th Street between LaGrange Road to the west, and East Avenue to the east, along the west side of East Avenue, between 55th Street to the north and 56th street to the south, and along the north side of 56th Street between East Avenue to the east and a point approximately 700 feet west of East Avenue to the west. 55th Street is a significant arterial road and an integral part of an important retail/services area located at the intersection of 55th Street and LaGrange Road. Despite its advantageous location, some parcels in the proposed TIF District are underutilized, or have become vacant, including the foreclosure of a former retailer which occupied two significant parcels within the proposed TIF District, three vacant lots, two of which formerly contained single-family structures, and a large city-owned parking lot at the intersection of 55th Street and East Avenue. This proposed TIF District would provide the City not only with the prospect of bringing new development to an area that has become underutilized and is experiencing vacancies, but also the ability to coordinate redevelopment activities.

The proposed TIF District suffers from a variety of economic development impediments, as identified in the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 let. seq.), as amended (the “Act”). For example, it suffers from, among other impediments, obsolescence, lack of community planning, and deterioration. Section V of this report identifies other impediments to redevelopment.

Refer to Exhibit A which provides a detailed map of the proposed TIF District, and Exhibit B which provides a description of the RPA .

General Scope and Methodology. KMA informally began its analysis by conducting a series of discussions with City staff, starting in October, 2018, and formally began its analysis as of February, 2019, when a formal agreement was approved by the City Council of the City, and continuing, periodically, up to the date of this report’s issuance. The purpose of these discussions and analysis was to establish boundaries for the proposed TIF District and to gather data related to the qualification criteria for properties included in the proposed TIF District. This information was 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 within the context of the 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 Act.

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, KMA evaluated the proposed TIF District to determine the presence or absence of qualifying factors listed in the Act. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a 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 Act, KMA performed a two-step assessment to determine if the proposed RPA qualifies as a “conservation area”. First, KMA analyzed the threshold factor of age to determine if 50% or more of the structures were 35 years of age or older.

Secondly, if a proposed conservation area meets the age threshold, then the 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 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 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" or Declining EAV. The total equalized assessed value (EAV) of the 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 twenty-seven (27) tax parcels located along the south side of 55th Street, which is part of, and adjacent to, the commercial district located along LaGrange Road, as well as the west side of East Avenue and the north side of 56th Street. The parcels are generally located between LaGrange Road to the west and East Avenue to the east.

The proposed TIF District contains improved land designated primarily for commercial purposes, along with public and non-profit uses. The area's appearance is diminished due to the fact that two parcels have a vacant, deteriorating, retail structure on them, and three parcels consist of vacant land, two of which formerly contained single family residences. In particular, the commercial area along 55th Street has been impacted by a major consolidation of commercial outlets throughout the Chicago metropolitan area, including the City. The age and general condition of most structures also affects the area's appearance. However, the advantageous location between two well-traveled intersections with high traffic volumes, as well as its proximity to other retail and commercial uses, are strong assets which would facilitate any redevelopment efforts undertaken by the City.

Because the City will NOT undertake activities that would result in the displacement of the residents from ten (10) or more inhabited residential units, the City is not obligated to conduct a housing impact study pursuant to the Act.

IV. METHODOLOGY OF EVALUATION

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

- 1) Site surveys of the proposed TIF District were undertaken by representatives from KMA, 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 parts 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: 2013-2018 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., obsolescence, deterioration, etc.).
- 4) KMA initially surveyed existing structures and site conditions only in the context of checking against statutory criteria detailed in the Act, and as applied to structures and site conditions on the parcels.
- 5) KMA examined the proposed TIF District to assess the applicability of the different factors required for qualification for TIF designation under the Act. KMA evaluated parcels by reviewing the information and determining how each measured when evaluated against the relevant factors. Improved land within the proposed TIF District was examined to determine the applicability of the thirteen (13) different factors for qualification for TIF designation under the Act (referenced in Section II of this report).

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". These factors are found to be clearly present and reasonably distributed throughout the proposed TIF District, as required under the Act. These factors are summarized in the table below.

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	5 • Deterioration • Deleterious Land-Use or Layout • Lack of Community Planning • Obsolescence • Inadequate Utilities

Note: In addition to the 5 qualifying factors above, the proposed TIF District meets the statutory age threshold that 50% or more of the buildings are 35 years of age or more.

Findings for a Conservation Area Designation.

The proposed TIF District is found to qualify as a conservation area under the statutory criteria set forth in the Act. As indicated in Section II, KMA performed a two-step assessment, first finding that 77% (10 of 13) buildings within the proposed TIF District were 35 years of age or more, based upon Cook County Assessor data and City data.

As a second step, KMA reviewed the criteria needed to qualify the area as a conservation area, determining that five (5) factors were likely to be present, as follows:

Conservation Area Factors. As a second step, KMA reviewed the criteria needed to qualify an area as a Conservation Area, finding that five (5) factors were present:

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

In this instance, deterioration is primarily observed among the surface improvements. Almost all of the tax parcels' off-street parking and other surface paving in the proposed TIF District can be characterized by at least one, if not all of, these deteriorating conditions. Specifically, surface cracking and crumbling, and loose paving material is widespread, throughout most of the parcels. Weeds protruding through paving were also observed among the parcels. In addition, transitions of paving from one parcel to the next tend to be poorly defined by a lack of landscaping or screening between parcels and are deteriorated. The paving from the cracked and crumbling, abandoned driveways that served the two former residential lots remain in place, even though the structures have been removed. Because parking lots and other paved surfaces constitute a significant percentage of the overall land use in the proposed TIF District, the poorly maintained surface paving, in combination with the lack of landscaping and screening between parking lots discussed above, have a negative aesthetic impact on the two blocks along the south side of 55th Street, and on the parcels along the west side of East Avenue and the north side of 56th Street.

Secondary evidence of deterioration was observed among certain buildings, such as the vacant Pierce Chef Mart building, vacant Harry's Sports Bar, the NAPA auto store, and the Sonomatic Auto Center. These building exteriors had some observable deterioration.

2) Deleterious Land Use or Layout. The Act refers to deleterious land use or layout as the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

The entire proposed TIF District suffers from incompatible land uses. Almost all of its tax parcels back up to over twenty (22) single family residences on the south, so that the rear parking area of each commercial use is adjacent to single family lots. As an example, City staff report a history of noise complaints about one of the commercial users from residential neighbors abutting the commercial property. In addition, the depths of the adjacent residential lots vary, so that portions of the rear yards of some of the residential lots are surrounded on two or more sides by commercial parking lots. Furthermore, two residential streets run perpendicular to, and "dead-end" into the south side of the proposed TIF District. This configuration results in three of the front yards of the twenty-two (22) residential lots fronting on commercial parking areas.

The City's *2004 Comprehensive Plan – Vision for 2024* notes that many of the sites in this 55th Street subarea lack adequate parking lot screening and landscaping. Nearly all of the commercial rear parking lots are buffered from the residential lots by nothing more than dilapidated chain link fence, woven with deteriorated white screening material. Much of this fencing is overgrown with vegetation, exacerbating the aesthetic appearance of this buffering.

Secondarily, two of the buildings within the proposed TIF District are occupied by less than desirable mixed uses. In one building, the western one-third of the building is

occupied by a Pepe's Mexican restaurant, and the other two-thirds is occupied by a Napa Auto Parts retail facility. According to the City's *2004 Comprehensive Plan – Vision for 2024*, a better mixed use would consist of two restaurant/entertainment uses, or restaurant combined with commercial service, rather than retail. On the second parcel, the west side of the building is occupied by a fitness center, and the east side is occupied by an automobile window tinting business, again constituting an inappropriate mixed-use of this building.

3) Lack of Community Planning As noted in Section II, a municipality may make a finding of “lack of community planning” if the area was developed prior to or without the guidance of a community plan. This factor may be documented by inadequate street layout or “other evidence demonstrating an absence of effective community planning.”

Absence of effective community planning in the proposed TIF District is evidenced, first, by the residential uses that abut the south side of the proposed TIF District. These uses are incompatible with the commercial uses of the proposed TIF District, especially those residential properties fronting on the commercial parcels. This is exacerbated by the fact that almost all of these commercial properties were developed without adequate buffering measures/barriers to these adjacent residential parcels, which is further evidence of lack of effective community planning. Lack of site landscaping throughout most of the commercial parcels in the proposed TIF District, to either better define each individual commercial parcel, or enhance site aesthetics within the proposed TIF District, is also a reflection of a lack of community planning. Lack of community planning also appears in the irregular building setbacks throughout the proposed TIF District, and the lack of internal circulation between uses, requiring the presence of numerous curb cuts onto 55th Street. The proposed TIF District also suffers from inconsistent use of public walks in the right-of-way along 55th Street, with some parcels configured with public sidewalks, and others without.

4) Obsolescence The Act refers to obsolescence as the condition or process of falling into disuse, or structures are ill-suited for their original use.

The former Pierce Chef's Mart, which occupies two tax parcels, has fallen into disuse. It has been vacant since June 1, 2018 when it went into bank foreclosure and is in poor condition with a long history of code violations. In addition, some of its parking area is being used for storage of vehicles. The Harry's Sports Bar & Grill also closed on December, 31, 2018, and is now vacant. Further evidence of disuse within the proposed TIF District can be found in the several frontage parcels that formerly contained residential structures. Some of these parcels have remained vacant, and thus, in disuse for several years. Disuse can also be found in the parcels north of the City Hall and City office buildings. These parcels are currently being deployed primarily as a storage lot for densely packed third-party vehicles. It is also worth noting that the City Hall and City office buildings are both well over fifty years old. Their age and location might dictate their eventual relocation/replacement in order to provide more modern, updated facilities with which to efficiently deliver City services to its residents and to allow for private

redevelopment of the site. The proposed TIF District's prevalence of aged structures also contributes to the prospect of falling into disuse over the forthcoming years, unless the public and private investment opportunities are coordinated for the area.

5) Inadequate Utilities The Act states that inadequate utilities are those 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. Because they 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.

Certain utilities within the proposed TIF District have been found to be of insufficient capacity to support redevelopment within the proposed TIF District. The City's most recent water system analysis determined that the water main that runs along 56th Street between East Avenue and the west boundary line of the TIF District has insufficient "fire flows" (the flow rate at which water supply is available for firefighting purposes), and is, therefore, in need of replacement, along with its ancillary components. In addition, the proposed TIF district will be subject to the storm water detention requirements of the City and the Metropolitan Water Reclamation District (MWRD). Presently, existing storm water management facilities within the proposed TIF District are not sufficient to support the proposed redevelopment within the proposed TIF District. Either underground or above-ground storm water detention facilities will be required as part of each redevelopment project in order to comply with City and MWDR requirements.

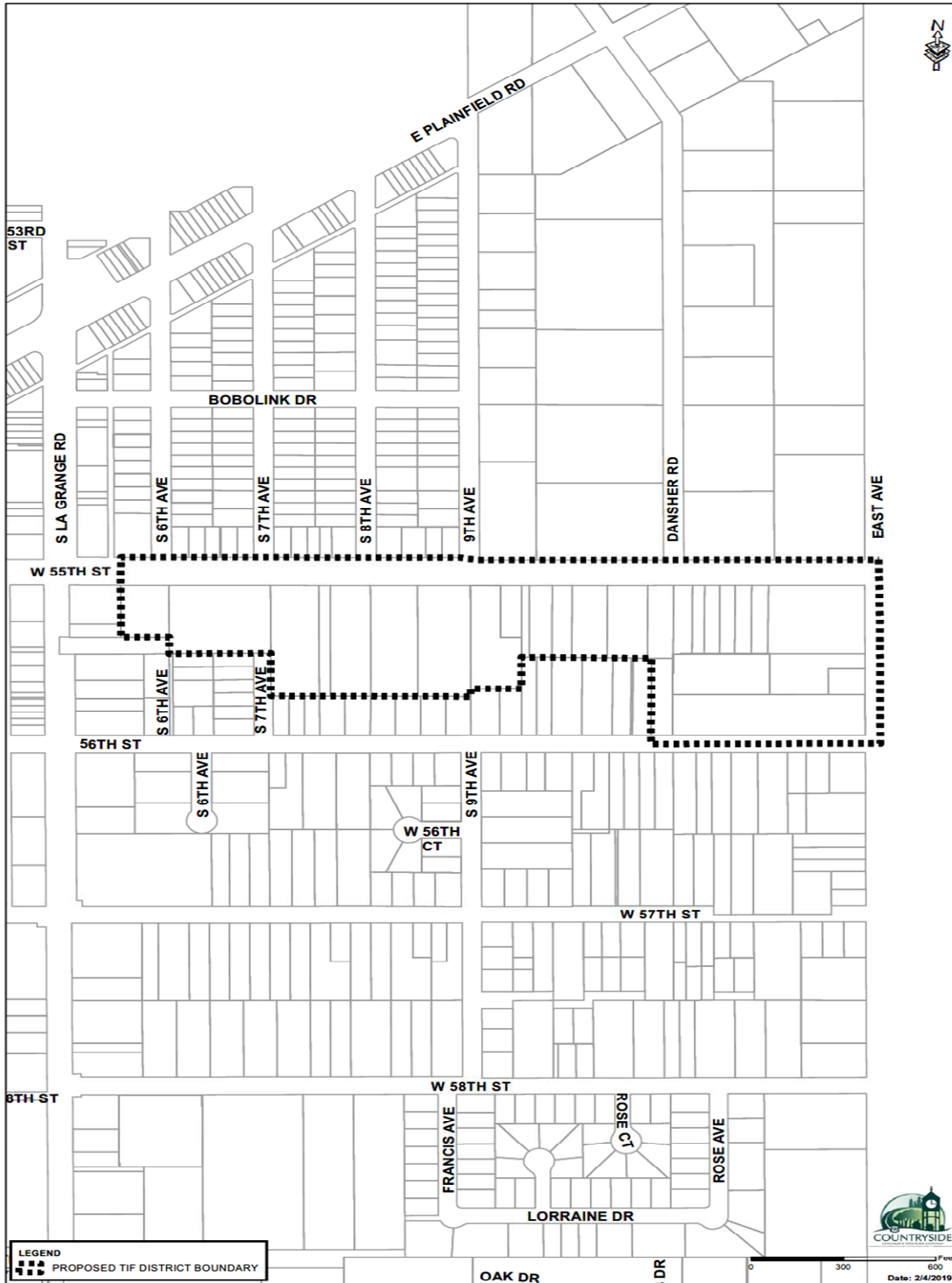
VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

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 TIF District qualifies as a conservation area under the Act. Further, the conservation area factors found in the proposed TIF District are present to a meaningful extent and are distributed throughout the proposed TIF District. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the proposed TIF District would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of the taxing districts impacted by the area of the proposed TIF District, including the City, has been impaired by the factors found present in the proposed TIF District; and
5. The proposed TIF District 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 referenced properties for inclusion within the proposed Countryside 55th Street Commercial Tax Increment Financing TIF District.

EXHIBIT A
Boundary Map of the
Proposed Countryside 55th Street Commercial
Tax Increment Financing (TIF) District





LEGEND

 PROPOSED TF DISTRICT BOUNDARY



Date: 2/1/2019

EXHIBIT B

Description of the Redevelopment Project Area For the Proposed Countryside 55th Street Commercial Tax Increment Financing (TIF) District

LEGAL DESCRIPTION:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 9 AND THE NORTHEAST QUARTER OF SECTION 16, BOTH IN TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 55TH STREET AND THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NORTHEAST QUARTER TO THE CENTERLINE OF THE 56TH STREET RIGHT-OF-WAY; THENCE WESTERLY ALONG SAID CENTERLINE TO THE WEST LINE OF THE EAST 70.00 FEET OF LOT 3 IN VIAL'S SUBDIVISION, EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID WEST LINE, AND SOUTHERLY EXTENSION THEREOF, TO A LINE 331.99 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF SAID 56TH STREET RIGHT-OF-WAY AS SHOWN ON VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE TO THE EAST LINE OF THE WEST HALF OF LOT 4 IN SAID VIAL'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE TO A LINE 180.00 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID 56TH STREET AS SHOWN ON VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE, TO THE EAST LINE OF LOT 5 IN SAID VIAL'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE TO A LINE 481.15 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF LOTS 5 AND 6 IN SAID VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE TO THE WEST LINE OF SAID LOT 6; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF LOT 7 IN SAID VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEST LINE OF THE EAST 330.79 FEET OF SAID LOT 7; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF THE SOUTH 67.30 FEET OF SAID LOT 7; THENCE WESTERLY ALONG SAID NORTH LINE TO A LINE 200.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER; THENCE NORTHERLY ALONG SAID PARALLEL LINE, AND NORTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF 55TH STREET; THENCE EASTERLY ALONG THE NORTH LINE OF SAID 55TH STREET TO THE POINT OF BEGINNING.

PINs: 18-16-200-038 and -042; 18-16-201-009, -021, -022, -023 and -024;
18-16-202-015, -016, -017, -022, -023, -025, -029, -034 and -035;
18-16-203-002, -003, -004, -005, -006, -007, -009, -011, -013, -014 and -015

COMMON BOUNDARY DESCRIPTION: Generally, those parcels along the South side of 55th Street, between LaGrange Road and East Avenue; those parcels on the West side of East Avenue, between 55th Street and 56th Street; and those parcels on the North side of 56th Street, between East Avenue and a point approximately 699.4 feet West of East Avenue, along with those portions of 55th Street, the West 1/2 of East Avenue and the North 1/2 of 56th Street adjacent thereto, in Countryside, Illinois.

**CITY OF COUNTRYSIDE
TIF ELIGIBILITY REPORT
COUNTRYSIDE 55th STREET COMMERCIAL TAX
INCREMENT FINANCING (TIF) DISTRICT**

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

July, 2019

**CITY OF COUNTRYSIDE
PROPOSED 55th STREET COMMERCIAL TAX
INCREMENT FINANCING (TIF) DISTRICT**

TABLE OF CONTENTS

<u>SECTION</u>	<u>TITLE</u>	<u>PAGE</u>
	Executive Summary	
I.	Introduction and Background	1
II.	Qualification Criteria Used	5
III.	The Proposed TIF District	8
IV.	Methodology of Evaluation	9
V.	Qualification Findings for Proposed TIF District	10
VI.	Summary of Findings / General Assessment of Qualification	13
 EXHIBITS		
A	Boundary Map	
B	Description of the Redevelopment Project Area	

EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (“KMA”) has been retained by the City of Countryside (the “City”) to conduct an analysis of the qualification of an area that could result in the establishment of the Countryside 55th Street Commercial Tax Increment Financing (TIF) District (the “TIF District”). The City is pursuing the creation of this 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 proposed TIF District) located within the City, while ensuring its provision of high-quality public services for all residents of the City. The proposed TIF District constitutes one of the City’s six “Subarea Plans” targeted for redevelopment, pursuant to its 2004 *Comprehensive Plan – Vision for 2024*.

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

- 1) *Conservation Area* – The proposed TIF District qualifies as a “Conservation Area” under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.), as amended (the “Act”). 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.
- 2) *Current conditions impede redevelopment* – The existence of certain conditions found within the proposed TIF District present impediments to the area’s successful redevelopment. This is because these factors negatively impact coordinated and substantial private sector investment in the overall proposed 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 and sales tax revenue. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment throughout the proposed TIF District.
- 4) *TIF designation recommended* – To mitigate redevelopment 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 District designation of the parcels as a “conservation area”.

Because the City will NOT undertake activities that would result in the displacement of the residents from ten (10) or more inhabited residential units, the City is not obligated to conduct a housing impact study pursuant to the Act.

I. INTRODUCTION AND BACKGROUND

In the context of planning for the proposed establishment of the Countryside 55th Street Commercial Tax Increment Financing (TIF) District (the “TIF District,” “Redevelopment Project Area” or “RPA”), the City has initiated the study of parcels within the proposed TIF District to determine whether they qualify for TIF District designation. Kane, McKenna and Associates, Inc. (“KMA”) 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 goals and objectives identified in its 2004 *Comprehensive Plan – Vision for 2024* that apply to the proposed 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 remain, or even worsen. The City intends to create and implement such a plan in order to restore, stabilize, and increase the economic base associated with the proposed TIF District, which will not only benefit the community as a whole, but will also generate additional tax revenues to support municipal services.

Exhibit 1
General Goals for the Proposed TIF District

Goals	Objectives
Achieve a compatible and market supportable network of commercial development that is organized to provide a variety of 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. Define and designate more specific functional roles for the various commercial areas within the City distinguished by local, community, and regional serving developments. 3. Ensure that all retail, office, and service commercial activities are organized by uses and concentrated within or near areas of similar or compatible uses. 4. Promote new commercial development and redevelopment within select locations, primarily along La Grange Road, Joliet Road, 55th Street, and Plainfield Road. 5. Initiate programs to encourage the improvement and rehabilitation of older commercial buildings and areas which are, or are becoming, functionally obsolete. 6. 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 and 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 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. Encourage high-quality site development and amenities in commercial areas. 2. Identify potential locations where additional private off-street parking and loading 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 designed in scale with, and complementary to, existing development. 6. Establish special design and improvement standards for commercial areas, guiding 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 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 proposed 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 proposed TIF District is expected to improve, and development barriers will be eliminated.

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

The use of TIF relies upon induced private redevelopment in the proposed TIF District 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, with a portion of future increased taxes pledged to attract the requisite private investment.

Current Land Use. The proposed TIF District is located along the south side of 55th Street between LaGrange Road to the west, and East Avenue to the east, along the west side of East Avenue, between 55th Street to the north and 56th street to the south, and along the north side of 56th Street between East Avenue to the east and a point approximately 700 feet west of East Avenue to the west. 55th Street is a significant arterial road and an integral part of an important retail/services area located at the intersection of 55th Street and LaGrange Road. Despite its advantageous location, some parcels in the proposed TIF District are underutilized, or have become vacant, including the foreclosure of a former retailer which occupied two significant parcels within the proposed TIF District, three vacant lots, two of which formerly contained single-family structures, and a large city-owned parking lot at the intersection of 55th Street and East Avenue. This proposed TIF District would provide the City not only with the prospect of bringing new development to an area that has become underutilized and is experiencing vacancies, but also the ability to coordinate redevelopment activities.

The proposed TIF District suffers from a variety of economic development impediments, as identified in the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 let. seq.), as amended (the “Act”). For example, it suffers from, among other impediments, obsolescence, lack of community planning, and deterioration. Section V of this report identifies other impediments to redevelopment.

Refer to Exhibit A which provides a detailed map of the proposed TIF District, and Exhibit B which provides a description of the RPA .

General Scope and Methodology. KMA informally began its analysis by conducting a series of discussions with City staff, starting in October, 2018, and formally began its analysis as of February, 2019, when a formal agreement was approved by the City Council of the City, and continuing, periodically, up to the date of this report’s issuance. The purpose of these discussions and analysis was to establish boundaries for the proposed TIF District and to gather data related to the qualification criteria for properties included in the proposed TIF District. This information was 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 within the context of the 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 Act.

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, KMA evaluated the proposed TIF District to determine the presence or absence of qualifying factors listed in the Act. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a 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 Act, KMA performed a two-step assessment to determine if the proposed RPA qualifies as a “conservation area”. First, KMA analyzed the threshold factor of age to determine if 50% or more of the structures were 35 years of age or older.

Secondly, if a proposed conservation area meets the age threshold, then the 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 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 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" or Declining EAV. The total equalized assessed value (EAV) of the 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 twenty-seven (27) tax parcels located along the south side of 55th Street, which is part of, and adjacent to, the commercial district located along LaGrange Road, as well as the west side of East Avenue and the north side of 56th Street. The parcels are generally located between LaGrange Road to the west and East Avenue to the east.

The proposed TIF District contains improved land designated primarily for commercial purposes, along with public and non-profit uses. The area's appearance is diminished due to the fact that two parcels have a vacant, deteriorating, retail structure on them, and three parcels consist of vacant land, two of which formerly contained single family residences. In particular, the commercial area along 55th Street has been impacted by a major consolidation of commercial outlets throughout the Chicago metropolitan area, including the City. The age and general condition of most structures also affects the area's appearance. However, the advantageous location between two well-traveled intersections with high traffic volumes, as well as its proximity to other retail and commercial uses, are strong assets which would facilitate any redevelopment efforts undertaken by the City.

Because the City will NOT undertake activities that would result in the displacement of the residents from ten (10) or more inhabited residential units, the City is not obligated to conduct a housing impact study pursuant to the Act.

IV. METHODOLOGY OF EVALUATION

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

- 1) Site surveys of the proposed TIF District were undertaken by representatives from KMA, 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 parts 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: 2013-2018 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., obsolescence, deterioration, etc.).
- 4) KMA initially surveyed existing structures and site conditions only in the context of checking against statutory criteria detailed in the Act, and as applied to structures and site conditions on the parcels.
- 5) KMA examined the proposed TIF District to assess the applicability of the different factors required for qualification for TIF designation under the Act. KMA evaluated parcels by reviewing the information and determining how each measured when evaluated against the relevant factors. Improved land within the proposed TIF District was examined to determine the applicability of the thirteen (13) different factors for qualification for TIF designation under the Act (referenced in Section II of this report).

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". These factors are found to be clearly present and reasonably distributed throughout the proposed TIF District, as required under the Act. These factors are summarized in the table below.

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	5 • Deterioration • Deleterious Land-Use or Layout • Lack of Community Planning • Obsolescence • Inadequate Utilities

Note: In addition to the 5 qualifying factors above, the proposed TIF District meets the statutory age threshold that 50% or more of the buildings are 35 years of age or more.

Findings for a Conservation Area Designation.

The proposed TIF District is found to qualify as a conservation area under the statutory criteria set forth in the Act. As indicated in Section II, KMA performed a two-step assessment, first finding that 77% (10 of 13) buildings within the proposed TIF District were 35 years of age or more, based upon Cook County Assessor data and City data.

As a second step, KMA reviewed the criteria needed to qualify the area as a conservation area, determining that five (5) factors were likely to be present, as follows:

Conservation Area Factors. As a second step, KMA reviewed the criteria needed to qualify an area as a Conservation Area, finding that five (5) factors were present:

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

In this instance, deterioration is primarily observed among the surface improvements. Almost all of the tax parcels' off-street parking and other surface paving in the proposed TIF District can be characterized by at least one, if not all of, these deteriorating conditions. Specifically, surface cracking and crumbling, and loose paving material is widespread, throughout most of the parcels. Weeds protruding through paving were also observed among the parcels. In addition, transitions of paving from one parcel to the next tend to be poorly defined by a lack of landscaping or screening between parcels and are deteriorated. The paving from the cracked and crumbling, abandoned driveways that served the two former residential lots remain in place, even though the structures have been removed. Because parking lots and other paved surfaces constitute a significant percentage of the overall land use in the proposed TIF District, the poorly maintained surface paving, in combination with the lack of landscaping and screening between parking lots discussed above, have a negative aesthetic impact on the two blocks along the south side of 55th Street, and on the parcels along the west side of East Avenue and the north side of 56th Street.

Secondary evidence of deterioration was observed among certain buildings, such as the vacant Pierce Chef Mart building, vacant Harry's Sports Bar, the NAPA auto store, and the Sonomatic Auto Center. These building exteriors had some observable deterioration.

2) Deleterious Land Use or Layout. The Act refers to deleterious land use or layout as the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

The entire proposed TIF District suffers from incompatible land uses. Almost all of its tax parcels back up to over twenty (22) single family residences on the south, so that the rear parking area of each commercial use is adjacent to single family lots. As an example, City staff report a history of noise complaints about one of the commercial users from residential neighbors abutting the commercial property. In addition, the depths of the adjacent residential lots vary, so that portions of the rear yards of some of the residential lots are surrounded on two or more sides by commercial parking lots. Furthermore, two residential streets run perpendicular to, and "dead-end" into the south side of the proposed TIF District. This configuration results in three of the front yards of the twenty-two (22) residential lots fronting on commercial parking areas.

The City's *2004 Comprehensive Plan – Vision for 2024* notes that many of the sites in this 55th Street subarea lack adequate parking lot screening and landscaping. Nearly all of the commercial rear parking lots are buffered from the residential lots by nothing more than dilapidated chain link fence, woven with deteriorated white screening material. Much of this fencing is overgrown with vegetation, exacerbating the aesthetic appearance of this buffering.

Secondarily, two of the buildings within the proposed TIF District are occupied by less than desirable mixed uses. In one building, the western one-third of the building is

occupied by a Pepe's Mexican restaurant, and the other two-thirds is occupied by a Napa Auto Parts retail facility. According to the City's *2004 Comprehensive Plan – Vision for 2024*, a better mixed use would consist of two restaurant/entertainment uses, or restaurant combined with commercial service, rather than retail. On the second parcel, the west side of the building is occupied by a fitness center, and the east side is occupied by an automobile window tinting business, again constituting an inappropriate mixed-use of this building.

3) Lack of Community Planning As noted in Section II, a municipality may make a finding of “lack of community planning” if the area was developed prior to or without the guidance of a community plan. This factor may be documented by inadequate street layout or “other evidence demonstrating an absence of effective community planning.”

Absence of effective community planning in the proposed TIF District is evidenced, first, by the residential uses that abut the south side of the proposed TIF District. These uses are incompatible with the commercial uses of the proposed TIF District, especially those residential properties fronting on the commercial parcels. This is exacerbated by the fact that almost all of these commercial properties were developed without adequate buffering measures/barriers to these adjacent residential parcels, which is further evidence of lack of effective community planning. Lack of site landscaping throughout most of the commercial parcels in the proposed TIF District, to either better define each individual commercial parcel, or enhance site aesthetics within the proposed TIF District, is also a reflection of a lack of community planning. Lack of community planning also appears in the irregular building setbacks throughout the proposed TIF District, and the lack of internal circulation between uses, requiring the presence of numerous curb cuts onto 55th Street. The proposed TIF District also suffers from inconsistent use of public walks in the right-of-way along 55th Street, with some parcels configured with public sidewalks, and others without.

4) Obsolescence The Act refers to obsolescence as the condition or process of falling into disuse, or structures are ill-suited for their original use.

The former Pierce Chef's Mart, which occupies two tax parcels, has fallen into disuse. It has been vacant since June 1, 2018 when it went into bank foreclosure and is in poor condition with a long history of code violations. In addition, some of its parking area is being used for storage of vehicles. The Harry's Sports Bar & Grill also closed on December, 31, 2018, and is now vacant. Further evidence of disuse within the proposed TIF District can be found in the several frontage parcels that formerly contained residential structures. Some of these parcels have remained vacant, and thus, in disuse for several years. Disuse can also be found in the parcels north of the City Hall and City office buildings. These parcels are currently being deployed primarily as a storage lot for densely packed third-party vehicles. It is also worth noting that the City Hall and City office buildings are both well over fifty years old. Their age and location might dictate their eventual relocation/replacement in order to provide more modern, updated facilities with which to efficiently deliver City services to its residents and to allow for private

redevelopment of the site. The proposed TIF District's prevalence of aged structures also contributes to the prospect of falling into disuse over the forthcoming years, unless the public and private investment opportunities are coordinated for the area.

5) Inadequate Utilities The Act states that inadequate utilities are those 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. Because they 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.

Certain utilities within the proposed TIF District have been found to be of insufficient capacity to support redevelopment within the proposed TIF District. The City's most recent water system analysis determined that the water main that runs along 56th Street between East Avenue and the west boundary line of the TIF District has insufficient "fire flows" (the flow rate at which water supply is available for firefighting purposes), and is, therefore, in need of replacement, along with its ancillary components. In addition, the proposed TIF district will be subject to the storm water detention requirements of the City and the Metropolitan Water Reclamation District (MWRD). Presently, existing storm water management facilities within the proposed TIF District are not sufficient to support the proposed redevelopment within the proposed TIF District. Either underground or above-ground storm water detention facilities will be required as part of each redevelopment project in order to comply with City and MWDR requirements.

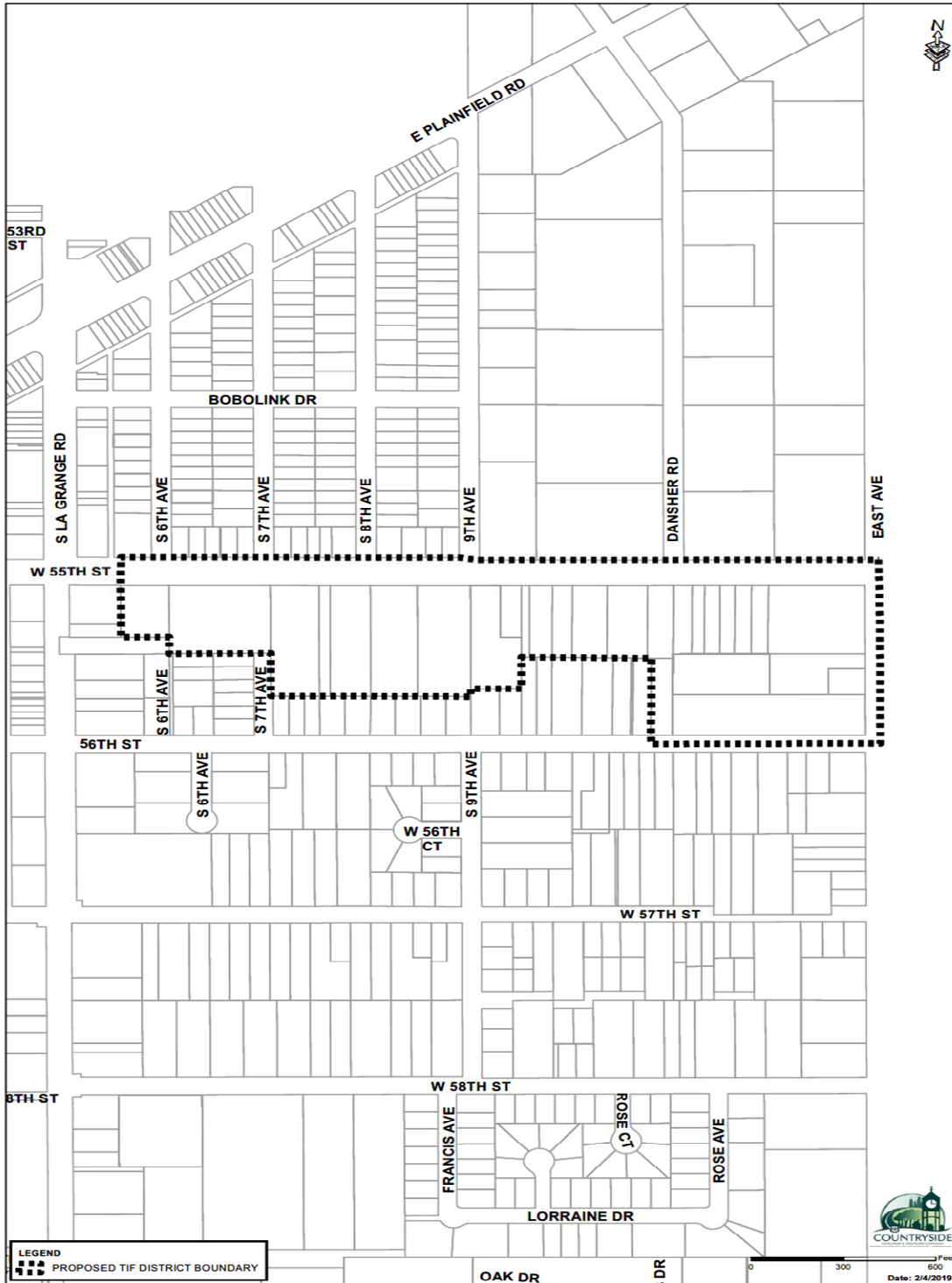
VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

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 TIF District qualifies as a conservation area under the Act. Further, the conservation area factors found in the proposed TIF District are present to a meaningful extent and are distributed throughout the proposed TIF District. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the proposed TIF District would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of the taxing districts impacted by the area of the proposed TIF District, including the City, has been impaired by the factors found present in the proposed TIF District; and
5. The proposed TIF District 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 referenced properties for inclusion within the proposed Countryside 55th Street Commercial Tax Increment Financing TIF District.

EXHIBIT A
Boundary Map of the
Proposed Countryside 55th Street Commercial
Tax Increment Financing (TIF) District





LEGEND
 PROPOSED TF DISTRICT BOUNDARY



0 300 600 Feet

Date: 2/1/2019

HI

EXHIBIT B

Description of the Redevelopment Project Area For the Proposed Countryside 55th Street Commercial Tax Increment Financing (TIF) District

LEGAL DESCRIPTION:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 9 AND THE NORTHEAST QUARTER OF SECTION 16, BOTH IN TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF 55TH STREET AND THE EAST LINE OF SAID SOUTHEAST QUARTER; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID NORTHEAST QUARTER; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID NORTHEAST QUARTER TO THE CENTERLINE OF THE 56TH STREET RIGHT-OF-WAY; THENCE WESTERLY ALONG SAID CENTERLINE TO THE WEST LINE OF THE EAST 70.00 FEET OF LOT 3 IN VIAL'S SUBDIVISION, EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID WEST LINE, AND SOUTHERLY EXTENSION THEREOF, TO A LINE 331.99 FEET NORTH OF AND PARALLEL WITH THE CENTERLINE OF SAID 56TH STREET RIGHT-OF-WAY AS SHOWN ON VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE TO THE EAST LINE OF THE WEST HALF OF LOT 4 IN SAID VIAL'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE TO A LINE 180.00 FEET NORTH OF AND PARALLEL WITH THE NORTH LINE OF SAID 56TH STREET AS SHOWN ON VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE, TO THE EAST LINE OF LOT 5 IN SAID VIAL'S SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE TO A LINE 481.15 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF LOTS 5 AND 6 IN SAID VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID PARALLEL LINE TO THE WEST LINE OF SAID LOT 6; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF LOT 7 IN SAID VIAL'S SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEST LINE OF THE EAST 330.79 FEET OF SAID LOT 7; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF THE SOUTH 67.30 FEET OF SAID LOT 7; THENCE WESTERLY ALONG SAID NORTH LINE TO A LINE 200.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST QUARTER; THENCE NORTHERLY ALONG SAID PARALLEL LINE, AND NORTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF 55TH STREET; THENCE EASTERLY ALONG THE NORTH LINE OF SAID 55TH STREET TO THE POINT OF BEGINNING.

PINs: 18-16-200-038 and -042; 18-16-201-009, -021, -022, -023 and -024;
18-16-202-015, -016, -017, -022, -023, -025, -029, -034 and -035;
18-16-203-002, -003, -004, -005, -006, -007, -009, -011, -013, -014 and -015

COMMON BOUNDARY DESCRIPTION: Generally, those parcels along the South side of 55th Street, between LaGrange Road and East Avenue; those parcels on the West side of East Avenue, between 55th Street and 56th Street; and those parcels on the North side of 56th Street, between East Avenue and a point approximately 699.4 feet West of East Avenue, along with those portions of 55th Street, the West 1/2 of East Avenue and the North 1/2 of 56th Street adjacent thereto, in Countryside, Illinois.