

ROOSEVELT ROAD/FABYAN PARKWAY TIF REDEVELOPMENT PLAN AND PROJECT

Prepared for:

The City of West Chicago

By:

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Date: July 2017

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1. INTRODUCTION

This document presents a Tax Increment Redevelopment Plan and Project (the "Plan") under the requirements of the *Tax Increment Allocation Redevelopment Act* (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act") for the Roosevelt Road/Fabyan Parkway TIF Redevelopment Project Area (the "Project Area") located in the City of West Chicago, Illinois (the "City").

The Project Area is irregular in shape and encompasses properties in the area generally bounded by Roosevelt Road on the north, the Burlington Northern Santa Fe Railroad on the south and east, and the west property lines of potential development sites generally fronting Fabyan Parkway and Roosevelt Road. The Project Area boundaries are delineated on *Figure 1: Redevelopment Project Area Boundary* in *Appendix A* and legally described in *Appendix B*. The Project Area boundaries were drawn to generally include properties with significant infrastructure improvement needs and obsolete properties with future redevelopment potential.

The Project Area contains 22 tax parcels and is approximately 161 acres in size, including rights-of-way. This includes approximately 152 acres of net land area and 9 acres of public rights-of-way. The land use pattern contains a mix of commercial uses and vacant land as defined in the Act. There are 17 buildings in the Project Area, of which 12 or 70.6% are 35 years of age or older.

This Plan responds to problem conditions within the Project Area as discussed herein and reflects a commitment by the City to improve and revitalize the Project Area. The purpose of this Plan is to encourage redevelopment and reinvestment in commercial property by making the public infrastructure investments required to support private reinvestment, thereby stabilizing the tax base of the City and other taxing districts.

The Plan summarizes the analyses and findings of the Consultant's work, which, unless otherwise noted, is the responsibility of Camiros, Ltd. (the "Consultant"). The City is entitled to rely on the findings and conclusions of this Plan in designating the Project Area as a redevelopment project area under the Act. The Consultant has prepared this Plan and the related eligibility study with the understanding that the City would rely: 1) on the findings and conclusions of the Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Plan and the related eligibility study will comply with the Act.

The Plan presents certain conditions, research and analysis undertaken to document the eligibility of the Project Area for designation as a conservation area tax increment financing ("TIF") district. The need for public intervention, goals and objectives, land use policies and other policy materials are presented in the Plan. The results of a study documenting the eligibility of the Project Area as a combination improved conservation area and blighted vacant area are presented in *Appendix C: Roosevelt Road/Fabyan Parkway TIF Redevelopment Project Area Eligibility Study* (the "Eligibility Study").

Tax Increment Financing

In adopting the Act, the Illinois State Legislature found at Section 5/11-74.4-2(a) that:

... there exist in many municipalities within this State blighted, conservation and industrial park conservation areas, as defined herein; that the conservation areas are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked;

and also found at Section 5/11-74.4-2(b) that:

... 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. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

In order to use the tax increment financing technique, a municipality must first establish that the proposed redevelopment project area meets the statutory criteria for designation as a "blighted area," or a "conservation area." A redevelopment plan must then be prepared that describes the development or redevelopment program intended to be undertaken to reduce or eliminate those conditions which qualified the redevelopment project area as a "blighted area" or "conservation area," or combination thereof, and thereby enhance the tax bases of the taxing districts which extend into the redevelopment project area. The statutory requirements are set out at 65 ILCS 5/11-74.4-3, et seq.

The Act provides that, in order to be adopted, the Plan must meet the following conditions under 5/11-74.4-3(n):

- (1) the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan;
- (2) the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality;
- (3) the redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 8 (b) of the Act is to be made

with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted);

- (4) in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area; and
- (5) if any incremental revenues are being utilized under Section 8 (a) (1) or 8 (a) (2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986 the municipality finds (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area.
- (6) certification that a housing impact study need not be performed if less than 10 residential units will be displaced (see 5/11-74.4-3 (n)(5) of the Act).

Redevelopment projects are defined as any public or private development projects undertaken in furtherance of the objectives of the redevelopment plan in accordance with the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible "redevelopment project costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed value ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate to arrive at the Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance redevelopment project costs, a municipality may issue obligations secured by Incremental Property Taxes to be generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following:

- (a) net revenues of all or part of any redevelopment project;
- (b) taxes levied and collected on any or all property in the municipality;
- (c) the full faith and credit of the municipality;
- (d) a mortgage on part or all of the redevelopment project; or
- (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under tax increment financing, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such

excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid in full.

The City authorized an evaluation to determine whether a portion of the City to be known as the Roosevelt Road/Fabyan Parkway TIF Redevelopment Project Area qualifies for designation as a redevelopment project area under the provisions contained in the Act. If the Project Area so qualifies, the City also authorized the preparation of a redevelopment plan for the Project Area in accordance with the requirements of the Act.

The Eligibility Study, attached as Appendix C, concludes that property in the Project Area is experiencing deterioration and disinvestment. The analysis of conditions within the Project Area indicates that it is appropriate for designation as a combination improved conservation area and blighted vacant area under the Act. The Plan has been formulated in compliance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

2. PROJECT AREA DESCRIPTION

The Project Area includes only contiguous parcels that are expected to substantially benefit by the proposed redevelopment project area improvements.

Community Context

Early records show that a few settlers owned property in the area of present day West Chicago as early as the late 1830s. However, the growth of the community really began when the Galena & Chicago Union Railroad arrived from Chicago in 1849. That same year, the St. Charles Branch Railroad connected St. Charles with the Galena and Chicago union, followed by the Aurora Branch line in 1850. These connections formed the first railroad junction in Illinois and gave West Chicago its first name, Junction. As train traffic grew, so did the community. By 1873, the community had taken on a substantial and permanent character and incorporated as the Village of Turner.

In 1888, a new railroad, the Elgin, Joliet & Eastern built a freight line through town. It offered free factory sites for any industry willing to locate along its right-of-way. As part of the effort to attract industry, the community changed its name to the Village of West Chicago in 1896. Area businessmen reasoned that the new name sounded more cosmopolitan and would help draw prospective factory owners. As industry located in West Chicago, bringing new jobs, the population grew.

Today, the City of West Chicago continues to be a convenient transportation hub served by three major rail lines, one of the busiest airports in Illinois and three state highways. West Chicago has a diverse, complex local economy that is matched by a diversity of business districts. The City features a traditional downtown, three commercial corridors along major highways, and a series of office and industrial parks.

Current Land Use and Zoning

The zoning classifications within the Project Area are Office/Research/Light Industrial (ORI), Manufacturing (M) and Airport (A), as shown in *Figure 2: Existing Zoning*, found in *Appendix A*. These zoning designations generally mirror the airport, ORI and commercial land use designations of the 2006 West Chicago Comprehensive Plan.

In May 2016, the City adopted the West Chicago Strategic Plan, which establishes an action agenda for improving the community. Residents cited the hundreds of undeveloped acres and infill redevelopment sites near rail lines and the airport as key growth opportunities. The Project Area is strategically located within these growth areas.

Transportation Characteristics

Primary circulation and access for the Project Area is provided via Roosevelt Road (IL 38) and Fabyan Parkway. McChesney Road is a dead end street that abuts four tax parcels, providing the sole street frontage for two of these properties.

Roosevelt Road is a state highway under the jurisdiction of the Illinois Department of Transportation that has an ADT (Average Daily Traffic) of more than 26,000 vehicles per day. Fabyan Parkway is under

the jurisdiction of the DuPage County Highway Department. The ADT at the intersection of Fabyan Parkway and Roosevelt Road is more than 46,000.

Kress Road abuts Roosevelt Road near the western edge of the Project Area. Kress Road provides access to the DuPage Airport, a rail freight yard to the north and a large industrial district to the north. The ADT of the intersection of Roosevelt Road and Kress Road is more than 32,000.

3. ELIGIBILITY OF THE PROJECT AREA FOR DESIGNATION AS A REDEVELOPMENT PROJECT AREA

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the Project Area is not likely to attract unassisted private sector investment without the creation of the Redevelopment Project Area and adoption of this Plan. In April and May 2017, studies were undertaken to establish whether the proposed Project Area is eligible for designation as a “blighted area” or “conservation area” in accordance with the requirements of the Act. This analysis concluded that the Project Area qualifies for designation as a redevelopment project area because it is a combination of an improved conservation area and a blighted vacant area in accordance with the definitions contained in the Act.

In order to be designated as a conservation area, 50% or more of the buildings within the improved portion of the Project Area must be 35 years of age or older. The Project Area contains 17 structures, 12 of which were built in 1982 or earlier, representing 70.6% of all structures. Once the age requirement has been met, the presence of at least three of the 13 conditions stated in the Act is required for designation of improved property as a conservation area. These conditions must be meaningfully present and reasonably distributed within the Project Area. Of the 13 conditions cited in the Act for improved property, the following conditions have been used to establish eligibility for designation as a conservation area:

- Obsolescence
- Deterioration
- Inadequate utilities
- Lack of community planning
- Lagging or declining equalized assessed valuation (EAV)

Vacant land represents 118 acres or approximately 81% of the net Project Area acreage. This property qualifies for designation as a blighted vacant area by the presence of the following eligibility factors (two of which are required):

- Obsolete platting
- Deterioration of structures or site improvements in adjacent areas
- Lagging or declining equalized assessed valuation (EAV)

Need for Public Intervention

The eligibility factors identified above help to illustrate the need for public intervention to prevent the Project Area from becoming blighted. For more details on the basis for eligibility, refer to [*Appendix C: Eligibility Study*](#). Despite the accessibility, traffic volumes, and availability of vacant land found within the Project Area, it has not attracted private development interest. The configuration, multiplicity of owners, obsolescence and appearance of uses within the Project Area has adversely impacted development interest. The configuration of the vacant land has also limited development potential due to the size of parcels, their relation to the Fabyan Parkway and Roosevelt Road rights-of-way and the

need to consolidate and re-subdivide land in order to accommodate contemporary commercial, industrial and office/research development. The need to extend utilities and establish an internal circulation network to accommodate development is also an impediment to private investment that would expand the tax base.

4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The preparation of this Plan was guided by a series of goals and objectives, which describe how the Plan can help improve the Project Area. The delineation of goals and objectives is based on research performed within the Project Area, which includes research performed to document the presence of conditions that qualify the area as being eligible for designation as a redevelopment project area.

A series of goals and objectives have been delineated, consisting of: 1) general goals, 2) redevelopment objectives, and 3) design objectives, as presented below.

General Goals

The following general goals describe broad statements indicating how the Plan can help improve the Project Area.

1. Continue to elevate West Chicago's competitive position as one of the prominent commercial centers and major employment hubs within DuPage County.
2. Upgrade public utilities, infrastructure and streets to serve new development.
3. Reduce or eliminate those conditions that qualify the Project Area as a combination improved conservation area and blighted vacant area while maintaining the economic vitality of the Project Area.
4. Create an environment which will preserve or enhance the value of properties within and adjacent to the Project Area, improving the real estate and sales tax base for the City and other taxing districts that have jurisdiction over the Project Area.

Redevelopment Objectives

The following redevelopment objectives describe how the Plan can be used to help foster particular types of redevelopment needed within the Project Area.

1. Encourage the development of vacant land and the redevelopment of obsolete uses in accordance with West Chicago's Comprehensive Plan and land use regulations.
2. Encourage building owners to improve existing structures and/or demolish existing structures and build new facilities.
3. Undertake streetscape enhancements and other infrastructure improvements as recommended in the West Chicago Comprehensive Plan, in order to improve the business environment in the Project Area.
4. Create jobs including permanent full-time employment as well as temporary construction jobs, and provide job training as may be authorized under the Act.

The preceding goals and objectives provide initial direction regarding priorities for making the public infrastructure improvements and investments to support private investment activity. It is anticipated that the Plan's goals and objectives will be reviewed throughout the life of the Plan and adjusted as required to successfully implement the Plan.

5. REDEVELOPMENT PLAN

The City proposes to achieve the Plan's goals through the use of public financing techniques, including tax increment financing, and by undertaking some or all of the following actions:

Property Assembly and Site Preparation

To meet the goals and objectives of this Plan, the City may acquire and assemble property throughout the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, or other available means of land acquisition. The purposes of the land assemblage are to be able to (a) sell, lease or convey property to private developers committed to locating in the Project Area, or to (b) sell, lease, or convey or dedicate the land for the construction of public improvements or facilities. The City may enter into written redevelopment agreements with developers before acquiring or conveying land to ensure that properties are developed in accordance with the goals of this Redevelopment Plan, the City's design objectives and land use goals. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

If the City elects to exercise its power to acquire real property in implementing the Plan under the Act, the City will follow its customary procedures. Acquisition of such real property as may be authorized by the City Council does not constitute a change in the nature of this Plan.

Intergovernmental and Redevelopment Agreements

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

Terms of redevelopment as part of a redevelopment project may be incorporated in appropriate redevelopment agreements. For example, the City may agree to reimburse a developer for incurring certain eligible redevelopment project costs under the Act. Such agreements may contain specific development controls as allowed by the Act.

Analysis, Professional Services and Administrative Activities

The City may undertake or engage professional consultants, engineers, architects, attorneys, and others to conduct various analyses, studies, administrative legal services or other professional services to establish, implement and manage the Plan.

Provision of Public Improvements and Facilities

Adequate public improvements and facilities are required to support future development in the Project Area. Public improvements and facilities may include, but are not limited to construction and extension of new stormwater detention facilities, new and rehabilitation of stormwater conveyance facilities, sanitary sewer facilities, domestic water service, public streets, street closures to facilitate

assembly of development sites, upgrading streets, signalization improvements, provision of streetscape amenities, parking improvements, utility improvements, property access improvement, roadway lighting, sidewalk construction and rehabilitation, and other multi-modal transportation improvements.

Financing Costs Pursuant to the Act

Interest on any obligations issued under the Act accruing during the estimated period of construction of the redevelopment project and other financing costs may be paid from the incremental tax revenues pursuant to the provisions of the Act.

Interest Costs Pursuant to the Act

Pursuant to the Act, the City may allocate a portion of the incremental tax revenues to pay or reimburse developers for a portion of interest costs incurred in connection with redevelopment activities in order to enhance the redevelopment potential of the Project Area.

6. REDEVELOPMENT PROJECT DESCRIPTION

This Plan seeks to encourage new private development by facilitating a range of redevelopment and conservation actions. Reducing the prevalence of blighting conditions, such as deterioration, inadequate utilities, obsolescence and structures below minimum code standards is essential to stabilizing and conserving the Project Area. The Plan also seeks to support development of vacant land for office, research, light industrial and other appropriate uses in accordance with the City's Comprehensive Plan and land use regulations. Public investments in infrastructure and community facilities may also be required. The redevelopment of the Project Area is expected to encourage economic revitalization within the Project Area and the surrounding area.

Public Improvements

A major impediment to the development of vacant land and redevelopment of obsolete residential and commercial uses is the lack of basic infrastructure to appropriately serve contemporary development. No water lines are currently available to serve properties on the south side of Roosevelt Road. A review of City utility records indicate that none of the improved properties within the Project Area are connected to the City's water and sewer system. These utilities will need to be extended throughout the Project Area to support new development. Public intervention is needed to assist in financing these public utilities.

The Project Area also currently lacks parcel access from Fabyan Parkway, which will need to be remedied in order to support private development within the Project Area. Because of the size and configuration of tax parcels, consolidation and re-subdivision of property will be required to support redevelopment. The construction of new street connections between Roosevelt Road and Fabyan Parkway will be a necessary component of the redevelopment project.

Property Acquisition and Land Assembly

In order to facilitate redevelopment project activities, the acquisition of property may be required. In order for the Project Area to be developed in a cohesive manner, developers and redevelopers will need to assemble properties.

Commercial Rehabilitation and Redevelopment

The improved portions of the Project Area include obsolete properties where rehabilitation of existing buildings may be appropriate. However, given the age and condition of many of these properties, development of new commercial uses may be more viable alternatives. Redevelopment is likely to require property assembly and utility extensions.

7. GENERAL LAND USE PLAN AND MAP

Figure 3: General Land Use Plan, in [Appendix A](#), identifies land uses expected to result from implementation of the Plan. The land use designation is commercial/office/research/light industrial/airport mixed use in keeping with the historic development character of the area, influence of major arterial corridors, and West Chicago's official land use designations. The mixed use designation provides guidance and flexibility in future land use policy where a variety of commercial support uses may be appropriate.

The land use plan is intended to direct development toward the most appropriate land use pattern for the Project Area and enhance the overall development of the Project Area in accordance with the goals and objectives of the Plan. Locations of specific uses, or public infrastructure improvements, may vary from the General Land Use Plan as a result of more detailed planning and site design activities. Such variations are permitted without amendment to the Plan as long as they are consistent with the Plan's goals and objectives and the land uses and zoning approved by the West Chicago Plan Commission and City Council.

8. REDEVELOPMENT PLAN FINANCING

Tax increment financing is an economic development tool designed to facilitate the redevelopment of blighted areas and to arrest decline in conservation areas that may become blighted without public intervention. It is expected that tax increment financing will be an important means, although not necessarily the only means, of financing improvements and providing development incentives in the Project Area throughout its 23-year life.

Tax increment financing can only be used when private investment would not reasonably be expected to occur without public assistance. The Act sets forth the range of public assistance that may be provided. It is anticipated that expenditures for redevelopment project costs will be carefully staged in a reasonable and proportional basis to coincide with expenditures for redevelopment by private developers and the projected availability of tax increment revenues.

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the “Redevelopment Project Costs” or “Project Budget”).

In the event the Act is amended after the date of the approval of this Plan by the West Chicago City Council to: a) include new eligible redevelopment project costs, or b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in *Table 1: Estimated Redevelopment Project Costs* or otherwise adjust the line items in *Table 1* without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

Eligible Redevelopment Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The costs of marketing sites within the Project Area to prospective businesses, developers and investors;

- c) 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;
- d) 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;
- e) 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 subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of welfare to work programs implemented by businesses located within the Project Area;
- g) 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 thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.
- i) An elementary, secondary or unit school district or public library district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- j) 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 or by Section 74.4-3(n)(7) of the Act;
- k) Payment in lieu of taxes, as defined in the Act;
- l) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the 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 the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

- m) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 1) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - 2) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - 3) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - 4) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project; (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and
 - 5) up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- n) Instead of the eligible costs provided for in (m) 2, 4 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the 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 the Act;
- o) The costs of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area, if the Project Area is located within a municipality with a population of more than 100,000. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

- p) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- q) The Act contains limitations on eligible redevelopment project costs related to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within ten miles of the redevelopment project area, but outside of the boundaries of the redevelopment project area municipality.
- r) No cost shall be an eligible project cost if used to demolish, remove, or substantially modify a historic resource, unless no prudent and feasible alternative exists. This provision does not apply to a place or structure for which demolition, removal or modification is subject to review by the preservation agency of a designated Certified Local Government.
- s) If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Redevelopment Project Cost Budget

Not every eligible project cost listed in the Act is contemplated to achieve the goals and objectives of the Plan. The eligible project cost line items that constitute the project budget of the Plan are listed in *Figure 1: Estimated Redevelopment Project Costs*. Costs may be reallocated among line items, as long as the total costs do not exceed the total set forth in this Plan or are expressly authorized under the Act.

The maximum estimated gross eligible project cost over the life of the Project Area is \$92 million. All project cost estimates are in 2017 dollars. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the City's ability to finance Redevelopment Project Costs identified above. In the event there are costs savings in certain line items, the City reserves the right to re-allocate dollars among the line items listed below. The total reflects the maximum amount the City could spend over the 23 year life of the TIF; it does not reflect any expenditures or commitments the City has made.