

VILLAGE OF WHEELING, ILLINOIS
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCE



**DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF
AMENDED REDEVELOPMENT PLAN AND PROJECT**

**ORIGINAL
November 2003**

**AMENDED
July 2007**

Original Document Prepared by: Kane, McKenna and Associates, Inc.
Amended Document Prepared by: Ehlers & Associates, Inc.

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I. AMENDMENT TO REDEVELOPMENT PLAN AND PROJECT

This report is an amendment to the Village of Wheeling, Illinois, Tax Increment Redevelopment Area, Dundee Road Corridor (Town Center) Area TIF Plan and Project. It adds additional parcels to the original Redevelopment Project Area and modifies the original budget. The addition of these parcels and modification of the budget in no way alters the Original Village of Wheeling Tax Increment Redevelopment Area, Dundee Road Corridor (Town Center) Area TIF Redevelopment Plan and Project except to add additional parcels and modify the budget.

The following parcels, constituting the Expansion Area, will be added to the Original Redevelopment Project Area to create the Expanded Redevelopment Project Area:

03-02	308-007
03-02	308-008
03-02	316-048
03-02	316-049
03-02	316-050
03-02	316-051
03-02	316-052
03-03	400-084
03-03	400-085
03-03	401-007
03-03	401-008
03-03	401-010

A review of the parcels being added to the Expanded Area concludes that the parcels being added to the Expanded Area in the Town Center Redevelopment Project Area are eligible for TIF designation as blighted for both improved and vacant land.

For improved land, five criteria of thirteen criteria are required for designation as blighted land when structures are present. The following six criteria are present and distributed throughout the Expanded Redevelopment Project Area to a meaningful extent. These same criteria are applied to the qualification of a conservation area:

- Obsolescence
- Excessive vacancies
- Inadequate utilities
- Lack of community planning
- Deterioration
- EAV of the proposed Redevelopment Project Area has declined for three of the last five years.

There are portions of several parcels that contain vacant land. These parcels include 03-03-400-084 (totally vacant); 03-03-401-010 (totally vacant); 03-03-400-085 (approximately two thirds vacant); 03-03-401-008 (approximately one half vacant); parcel 03-02-316-048 (approximately eighty percent vacant); 03-02-316-049 (totally vacant with the remains of a demolished garage); 03-02-316-050 (totally vacant); and 03-02-316-051 (totally vacant). The parcels are not being farmed.

For vacant land, the minimum of one criterion is required for designation as blighted land when land is vacant. The following one criterion is present and distributed throughout the Expanded Redevelopment Project Area to a meaningful extent.

- Flooding as certified by regulatory agency. FEMA (FEMA maps are part of discussion of vacant land criteria).

For designation as a blighted area, only one of the two sets of criteria needs to be met. In this case, the Expanded Redevelopment Project Area meets both sets of criteria. The above factors are distributed throughout the Expanded Redevelopment Project Area and are present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act.

For more details on the eligibility of these parcels, please refer to Amendment to Eligibility Section, Exhibit E of the Village of Wheeling, Tax Increment Redevelopment Area, Dundee Road Corridor (Town Center TIF) Area TIF.

The revised budget is shown in Table I, Redevelopment Project—Amended Estimated Project Costs. This budget amendment is necessary as additional projects will be undertaken in the Redevelopment Project Area making the current budget inadequate.

II. ORIGINAL REDEVELOPMENT PLAN AND PROJECT

The following pages contain the Original Redevelopment Plan and Project for the Village of Wheeling, Illinois, Dundee Road Corridor (Town Center) Area TIF. This document was published by Kane, McKenna and Associates, Inc. in November 2003. We have scanned and inserted the original document, so as to keep the integrity of the document and findings.

VILLAGE OF WHEELING, ILLINOIS
TAX INCREMENT REDEVELOPMENT AREA (TIF)
DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF REDEVELOPMENT
PLAN AND PROJECT

NOVEMBER, 2003

Prepared for : The Village of Wheeling

Prepared by: Kane, McKenna and Associates, Inc.

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I. INTRODUCTION AND BACKGROUND

Background

The Village of Wheeling (the "Village") is a community located in Cook and Lake Counties, approximately twenty-five (25) miles northwest of the City of Chicago's "Loop". The Village is generally bounded as follows: the Cook County Forest Preserves and the Village of Prospect Heights on the east, the Village of Buffalo Grove on the north, the Villages of Arlington Heights and Mount Prospect to the west, and the Villages of Prospect Heights and Mount Prospect to the south. The Village is situated proximate to (and/or incorporates) major access points including U.S. Route 45/State Route 12 (Milwaukee Avenue), State Route 68 (Dundee Road), State Route 83 (Elmhurst Road), State Highway 53 (west of the Village) and North-South Tollway 294 (east and south of the Village), Lake-Cook Road (near the north border of the Village), and Palatine Road (near the south border of the Village).

The Village was incorporated in 1894. However, the area that was to become the Village has a history that spans back to at least the 1830's when it served as an overnight stop point between Chicago and Wisconsin. The lands in and around the area were largely rural in nature, and were used as prime farmland. Over time, the Village developed from a small town that was especially well known for its landscaping nurseries into a town that became the home of various manufacturing plants, which were primarily attracted by rail transportation that ran through the community. With the development of road transportation systems for the Chicago metropolitan area, beginning after World War II, the Village began to attract residential development as one of many Chicago area suburban "bedroom" communities.

By the early 1970's, the Village's population stood at just under 15,000. This contrasts with a 2000 population of 34,496. Over that same time period, the Village's strategic position within the Chicago Metropolitan Area, and its progressive posture toward promotion of economic development, has transformed an economic and tax base that was once chiefly dependent upon residential development to a more diverse and dynamic base today. For example, the number of businesses, especially manufacturing, has more than doubled since the early 1980's.

The Village was successful in attracting all forms of newer development through much of the last quarter of the 1900's. This success has included a diverse mix of residential, commercial and industrial. Much of the most recent development has been made possible through well-planned land annexations, guided by the vision of both elected and voluntary officials, and implemented by a highly professional staff. However, the Village has now reached a stage in its development in which opportunities for growth through annexations have all but disappeared. At the same time, some of its older areas have experienced both economic and physical decline. The most prominent of these older areas are pockets of older development along the entire lengths of both the Milwaukee Avenue and Dundee Road corridors. In recent years, the Village has gradually shifted its economic development thrust away from new growth based on controlled growth via annexations (due to limited unincorporated land adjacent to Village boundaries) to increased focus on revitalization of older,

obsolete uses in its most established areas. This trend is somewhat evidenced by the Village's intensified and, so far successful, efforts to implement projects through the use of tax increment financing (TIF) within both the Crossroads and South Milwaukee Redevelopment Project Areas (RPAs), and in its most recent attempt to duplicate that success through 2003 designation of the North Milwaukee RPA. Through these RPAs now have in place strategies to revitalize the entire Milwaukee Avenue Corridor (and a relative small portion of the Dundee Road corridor), and now intends to develop similar strategies for the entire Dundee Road corridor redevelopment project area.

With the recent adoption of its Comprehensive Plan, the Village has signaled its strong intent to reposition properties located along the Dundee Road corridor as the focal point of the community. The Village believes that the central strategy to accomplish this goal will be through the development and promotion of the area under a town center concept. The use of this concept is at least twofold purpose. First, the Village hopes to compensate for the fact that the community never developed a traditional downtown area that serves as a core identity for the town. As the Comprehensive Plan states: "...Creating a strong community image is one of the challenges facing the Village...The lack of a town center that could help to establish a strong community identity (is) also identified as a major planning consideration..." A chief challenge that the Village faces in its goal to create such a town center is a lack of resources and land to develop such a concept. The Comprehensive Plan suggest at least a partial solution to the Village's dilemma when it notes that: "...With little vacant commercial property, most of the new commercial development occurring in Wheeling and the surrounding communities involves redevelopment of older commercial properties. Use of tax increment financing and other economic development incentives are among the tools being used to stimulate new commercial and residential development..." The Comprehensive Plan also cites a similar problem with respect to the development of new residential development for the Village.

In this vein, the Village is in the process of developing its strategy for the adaptive reuse of properties (to include residential, retail and commercial components) along the Dundee Road corridor for its town center development initiative (the "Town Center"), and has identified the use of TIF among the tools it will use to implement its plans. The underlying characteristics of the Town Center development will be:

1. Enhanced community transit-related assets, and the coordination of community-based services in an environment that will promote the creative use of large amounts of actual (and potential) open space area that is predominant in the area due to its location within longstanding floodway and floodplain areas. The Village intends to utilize TIF resources to assist in the implementation of this Town Center concept, which will have the benefit of both eliminating conditions of blight present in the area, and enhancing the community's tax base; and
2. Will create a core for the community that will serve to attract a mixed-use of residential and commercial development that currently does not exist there. For example, cornerstone sites to be potentially considered for future redevelopment within the Town Center planning are for potential adaptive reuse for major mixed-

use development includes the vacant Kmart parcel, the existing Wickes facility, the existing Stasek Chevrolet, Meyer Material parcel and the Orange Crush Asphalt plant. The uses on many of these sites are no longer consistent with the Comprehensive Plan.

A second component of the Village's plans to put in place the Town Center development along the Dundee Road corridor relates to its ongoing efforts to deal with severe flood conditions in this key area of the Village. All of the area targeted for the Town Center development is located either in floodway or floodplain areas. Again the Comprehensive Plan addresses this problem as follows: "...There are only a few parcels of undeveloped land in Wheeling. Most of the remaining vacant parcels are environmentally challenged areas that are either located in floodplains, floodways, wetland areas, have poor soils or are otherwise environmentally problematic sites. Consequently, most new development will occur as redevelopment...."

The Village realizes that key to its goal of creating its Town Center development will be the deployment of a comprehensive strategy to mitigate flooding conditions for the entire area. An engineering study that would help the Village to define storm water management solution, as means to ease flood-related conditions within the area, is currently underway and scheduled for completion in 2004 (the "Flood Study"). The Village anticipates that TIF-related resources will be one of the funding mechanisms it will need to rely upon to help implement the storm water management program. The Village also anticipates that such a program, in turn, will lead to sufficient flood area mitigation to result in more developable land within the area designated for the Town Center development, thereby making the concept feasible to pursue.

The Village believes this transformation of the area into a Town Center development will principally be driven by redevelopment opportunities connected with the growth in influence and traffic of the Village's Metra station. This growth is expected to result from implementation of double tracking of the North Central Metra line. To capitalize on these expected opportunities, the Village has commissioned a Metra Station Area Planning Study (the "Metra Station Study"), in partnership with the Regional Transportation Authority (RTA), which is currently underway, and is expected to be completed by the end of 2003.

The development of the Town Center concept within the RPA is one of the dominant visions that the Comprehensive Plan lays out for the future of the Wheeling community. The purpose of this Plan and Project is to address the redevelopment needs for RPA as one of the many strategies the Village must undertake to make the concept a reality.

The RPA and the Redevelopment Plan

In a manner consistent with the Comprehensive Plan, the Village's designation of land along, and/or adjacent to, the Dundee Road corridor area as a Redevelopment Project Area (the "Dundee Road (Town Center) RPA" or the "RPA") represents an effort by the Village to implement: 1) the Town Center development that will serve as a focal point that will create a new identity for the community; and 2) a strategy to put into place a comprehensive storm water management system that will serve to ease flooding conditions in a key area of the Village, and potentially increase developable and redevelopable properties that can then be utilized in connection with the Town Center development. The RPA includes certain land parcels within an area that can be generally described as follows:

Certain properties that are either located directly on (both the north and south sides of) the Dundee Road corridor, between a point just east of Wolf Road and extending to a point just west of Elmhurst, or located adjacent to such parcels. The RPA primarily contains a diverse mix of commercial, retail, institutional and unimproved uses, within area that is over 200-acres in size. The RPA is also located within an area defined as either floodway or floodplain impacted land. Additionally, the RPA contains in whole that certain approximately 120-acre land parcel that is currently the subject for planning in conjunction with the proposed Town Center development project, which will have as its focal point the existing Metra Station area under the Metra Station Study.

The major barrier to the ultimate implementation of the Town Center development is the presence of the planned project site within floodway and floodplain areas. Current floodway and floodplain regulations and restrictions would not likely permit the Village to implement its redevelopment plans for the area. Thus, a comprehensive storm water management program will be needed to ease and/or eliminate flooding conditions within the RPA if the Village is to be successful in its plans. This is particularly true for the properties located in the immediate vicinities of the Municipal and Park District complex, as well as the properties located west and east of the Post Office.

Additional barriers that are detrimental to the Village's redevelopment plan for the RPA relates to the type and condition of land uses that have developed along the Dundee Road corridor over the last 40 to 50 years. Most of this development took place during a time when the Village was without the benefit of a comprehensive plan to guide rationale and coordinated land use development. As a result of this historical, unguided development, the Village faces a severe task in attempting to transform the area under the Town Center concept. As the Comprehensive Plan cites: "...Among the challenges facing Wheeling are traffic congestion, the age and size of Wheeling's older housing stock, property maintenance and the lack of a retail identity along the Dundee Road commercial corridor, which serves as the Village's major shopping corridor..." The Comprehensive Plan goes on to indicate that such characteristics have served to create an image for the Village so that "...it is...known for unattractive and dated commercial corridors and has a history of flooding..."

In this context, the Village is also very concerned about the future of the vacant Kmart facility, and how that property can be incorporated into its overall Town Center development. As it currently sits, the Village considers it and certain nearby properties as a blight on the community. Additionally, obsolescence issues related to the existing Wickes property and the Stasek Chevrolet dealership are significant issues for the Village. Both facilities have been the subject of discussion for potential business relocation due to the existing locations becoming inadequate to meet changing demands within their respective industries.

In addition to issues of vacancy and/or obsolescence associated with the Kmart, Wickes and car dealership (and other) properties, parcels located within the RPA suffer from conditions of deterioration, deleterious layout, inadequate utilities, lack of community planning, declining (or lagging growth in) equalized assessed valuation, and adverse conditions related to chronic flooding. These factors taken together for the RPA as a whole have an adverse impact on the Village's plans to redevelop the area and to remove blighted conditions from an area within the Village, which has been designated as the focal point for its future growth and development

The Village recognizes the need for implementation of a strategy to revitalize properties within the boundaries of the RPA and to stimulate and enhance private development as an engine for the development of the Town Center development. The needed private investment may only be possible if tax increment financing (TIF) is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the "Act") Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 et seq., as amended. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Proposed Redevelopment Plan and Project will benefit the Village and all the taxing districts that encompass the area in the form of a significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the Village to address area deficiencies and exploit redevelopment opportunities as identified in the Comprehensive Plan. These include (but are not limited to):

- Establish and maintain a positive community identity along (the Village's) arterial streets;
- Enhance the Dundee Road corridor as Wheeling's "Main Street";
- Encourage new development that is compatible with the community vision;
- Make the best use of remaining vacant land and redevelopment parcels in order to provide for future needs;
- Promote high quality development; and

- Reduce the damage to private property caused by flooding.

A map of the RPA boundaries is included in Exhibit 2 and is a part of this Redevelopment Plan and Project. The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of a Redevelopment Plan and Project. The Village, with the assistance of Kane, McKenna and Associates, Inc. has commissioned this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the proposed area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to the promotion of successful retail and commercial uses within the area.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the Village will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts, which encompass the RPA in the form of a stabilized and expanded tax base, and creation of new retail and commercial services, as well as employment opportunities within the Village as a result of new private development in the area.

Summary

It is found and declared by the Village, through legislative actions as required by the Act, that in order to promote and protect the health, safety, and welfare of the public, that certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken; and, to alleviate the existing 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. Public/private partnerships are determined to be necessary in order to achieve development goals. Without the development focus and resources provided under the Act, the development goals of the Village would not reasonably be expected to be achieved.

It is found and declared by the Village that the use of incremental tax revenues derived from the tax rates of various taxing districts in the Redevelopment Project Area for the payment of redevelopment project costs is of benefit to the taxing districts. This is because these taxing districts whose jurisdictions are included in the Redevelopment Project Area would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA.

Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The legal description for the RPA is included in Exhibit A.

III. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Eligibility Survey

The Kane, McKenna and Associates, Inc. conducting ongoing evaluation the entire designated Redevelopment Project Area, with assistance by Village staff, from June through early August 2003.

Findings

The Redevelopment Project Area was studied to determine its qualification as a "blighted area" as such term is defined in the Act. A review of the qualification factors is found in Exhibit E. In summary, factors found within the RPA include, but is not limited to, the following (some factors relevant to designation for improved land and some for vacant land): declining (or lagging growth in) equalized assessed valuation, obsolescence, deterioration, lack of community planning; inadequate utilities, deleterious land use or layout, and chronic flooding.

IV. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the Village's Comprehensive Plan, as such plan has and will be amended from time to time.

General Goals of the Village (Include, but not limited to)

- 1) To make Wheeling a community with a strong and positive community image.
- 2) To make Wheeling a Village with recognizable boundaries wherein new development occurs with respect for that which already exists.
- 3) To create a land use pattern that conserves natural areas as part of Wheeling's environmental context and minimizes damage from flooding.
- 4) To promote well-maintained residential neighborhoods with a variety of housing types and price ranges.
- 5) To promote business and commercial corridors that are desirable locations for retail and commercial service activity.
- 6) To create and maintain a system of high-quality park and open space areas that meets the varying recreation and leisure interests of Wheeling residents.
- 7) To promote an efficient and effective transportation system that reinforces the community's character and promotes access to and from the metropolitan area.
- 8) To ensure a community where local tax districts work together to enhance Wheeling's image.

Specific Objectives of the Redevelopment Plan

- 1) To establish and maintain a positive community identity along arterial streets. Policies that support this objective include: a) upgrading public street infrastructure through coordinated streetscape improvement programs; b) redevelopment of obsolete commercial uses; c) working to replace the deteriorated pedestrian bridge on Dundee Road; and d) exploring opportunities to have area utility lines buried along arterial streets.
- 2) To enhance the Dundee Road corridor as Wheeling's "Main Street." Policies that support this objective include: a) encouraging community-oriented retail and commercial uses to locate along Dundee Road; b) maintaining the location of municipal facilities, the post office and other community uses along Dundee Road; c) developing a public use campus that integrates public facilities, open space and storm water detention into a strong community amenity; and d) undertaking improvements designed to make the Dundee Road corridor more inviting for pedestrians.
- 3) To identify an appropriate location for development of a town center and pursue its implementation and establish the town center as a focal point for community activity. The key policy for the Village to pursue for this goal is to plan for an appropriately scaled mixed-use environment that meets the desires of Wheeling residents for a community center environment.
- 4) To encourage new development that is compatible with the community vision. Policies that support this objective include: a) maintaining Wheeling's industrial and commercial base, but considering new uses for obsolete facilities; b) identifying alternative locations for desirable uses that are poorly located in their present sites and assist with relocation when in the best interest of the community; c) promoting development or redevelopment that is compatible with the existing or planned capacity of the transportation system; and d) reviewing closely development proposals to ensure that new development provides adequate open space and preserves natural features.
- 5) To make the best of remaining vacant land and redevelopment parcels in order to provide for future needs. Policies that support this objective include: a) identifying key redevelopment parcels and consider the use of economic incentives, infrastructure improvements and/or assistance with land assembly to encourage their redevelopment in a manner that benefits and best serves the entire Village; and b) encouraging uses that provide a positive fiscal benefit to the community and its local tax districts.
- 6) To assure that the density or intensity of future development does not overburden existing and future utility systems, roadways and services.
- 7) To reduce damage to private property caused by flooding. Policies that support this objective include: a) encouraging the use of flood prone land for public open space, recreation, wildlife

habitat and pedestrian trails; b) exploring the use of floodways and floodplains along Buffalo Creek and the Wheeling Drainage Ditch for storm water detention facilities; and c) considering storm water improvements to alter the floodplain in support of strategically important new development.

- 8) To encourage housing that promotes positive perceptions of Wheeling. A key policy consideration to support this goal is for the Village to support teardowns that result in construction of new up-scale housing.
- 9) To promote the growth and redevelopment of business and commercial areas. Policies that support this objective include: a) encouraging assembly of parcels to create larger redevelopment sites; and b) considering the use of tax increment financing and other economic development tools to spur redevelopment along commercial corridors.
- 10) To improve the appearance of existing business strips.
- 11) To develop a pathway system that connects destinations within the Village and improves links with the regional trail system. Policies that support this objective include: a) working with the Park District and others to create a "greenway" system that combines existing pathways, parks and floodplain areas into broader, integrated open space; and b) working with appropriate and private entities to establish public easements within Commonwealth Edison's right-of-way- for open space and recreational purposes.
- 12) To ensure that superior park and recreation facilities are available to Wheeling residents.
- 13) To expand Wheeling's status as a commuter rail center. Policies that support this objective include: a) continuing to work with Metra, PACE (and the RTA) to bring full commuter service to the North Central line; and b) promoting transit-oriented development throughout the Town Center area.
- 14) To provide an arterial system that facilitates through and cross-town movement of traffic.
- 15) To encourage a variety of public transit options for Wheeling residents and workers.
- 16) To establish new ways for local tax districts to work together to enhance the quality of life for Wheeling residents. Policies that support this objective include: a) supporting an outstanding educational system that provides a wide range of opportunities; b) supporting the Wheeling Park District's efforts to enhance park and recreation programs and facilities; and c) working with the Indian Trails Library and other service providers to ensure that information services needs are met.

RPA Redevelopment Goals

The purpose of the RPA designation will allow the Village to:

- a) Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal;
- b) Reduce or eliminate impediments to redevelopment activities;
- c) Accomplish redevelopment over a reasonable time period;
- d) Stimulate investment in the surrounding Village areas while, at the same time, alleviating negative impacts on adjacent residential areas; and
- e) Include the participation of the local businesses, other taxing districts and community residents in achieving redevelopment of the entire RPA.

The Redevelopment Project's implementation will serve to continue the Village's efforts to improve the physical appearance of the entire RPA (and adjacent areas) and contribute to the economic development of the area, arresting decline and stabilizing the area's tax base.

V. **EVIDENCE OF LACK OF DEVELOPMENT AND GROWTH WITHIN RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS**

A. **Evidence of the Lack of Development and Growth Within the Proposed RPA**

As found in Exhibit E of this Plan, the RPA has suffered from a lack of development. On the whole, the area has not in recent history benefited from significant private investment and/or development. As a result, the area has lagged overall in economic growth when compared to the balance of the Village. Further, the RPA is not likely to gain in value in a meaningful way without encouragement by the Village. This is in large measure due to the location of the RPA within substantial areas of floodway and floodplains. Flood control-related regulations and restrictions related to these designations have the impact of preventing or limiting private sector investment in such properties. An indicator of the impact that this circumstance may have on the RPA is reflected in the fact that the rate of growth in the equalized assessed valuation (EAV) for the RPA over the last five (5) years has been only approximately half of that for the balance of the Village.

B. **Assessment of Fiscal Impact on Affected Taxing Districts**

It is anticipated that the implementation of this Redevelopment Plan and Project will not have a negative financial impact on most of the affected taxing districts. Instead, the action taken by the Village to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project will have a positive impact on the affected taxing districts by arresting inflation adjusted declines in assessed valuations.

However, should the Village achieve success in attracting private investment which does result in the demonstrated need for increased services from any other taxing district, the Village would consider declaring sufficient TIF related surpluses, which funds are neither expended or obligated for redevelopment activities, as provided by the Act, to assist such taxing districts in paying the costs for any increased services.

Though strategies will be encouraged to promote growth via private investment within the area, specific objectives are geared to stabilize the RPA's existing strengths and revitalize the RPA's redevelopment potential. Should the Village achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the Village will consider the declaration of sufficient surplus funds (as long as those funds are not already obligated to the TIF), to assist affected taxing districts in paying the costs for the increased services.

Any surplus Special Tax Allocation Funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the Village, after all TIF eligible costs either expended or incurred as an obligation by the Village have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act. The exception to this provision will be to the extent that the Village utilizes TIF funding to specific taxing district to offset

TIF-eligible costs caused by development within the RPA in the manner prescribed by 65 ILCS
Section 5/11-74.4.3(q) of the Act.

VI. REDEVELOPMENT

A. Village Redevelopment Plan and Project Objectives

The Village proposes to realize its goals and objectives of encouraging development of the Redevelopment Project Area through public finance techniques including, but not limited to, Tax Increment Financing:

- (1) By providing public improvements, as necessary, which may include:
 - i. Relocation of utilities (sewers, water lines, power and telecommunications, etc.) and institution of storm water management and flood control systems;
 - ii. Utility improvements and expansion (including curbs and sidewalks);
 - iii. Street improvements and expansion;
 - iv. Traffic signalization and intersection improvements;
 - v. Landscaping and signage on public ways;
 - vi. Streetlighting;
 - vii. Construction and/or rehabilitation of public facilities, including open land, park areas, waterfront and floodway area bike path and pedestrian walk improvements, and improvements associated off-street parking.
- (2) Assembly of property, as necessary and desired to further RPA objectives.
- (3) Parking facilities reconfiguration and redesign.
- (4) By providing for demolition, site preparation, environmental remediation, clearance and grading of redevelopment sites, removal of foundation or dumped material, and site compaction, as well as appropriate relocation.
- (5) By reducing private interest costs of redevelopment associated with the construction, expansion or rehabilitation of redevelopment projects.
- (6) Exploration and review of job training programs in coordination with Village, federal, state, and county programs, as well as allowances to school districts for increased students resulting from residential developments or similar impacts to other taxing districts.
- (7) Rehabilitation of structures and/or facades, as appropriate.

B. General Land Use Plan

Existing land use for the RPA, as described in Exhibit C, consists primarily of retail/

commercial uses; and institutional, floodway and open space uses. Exhibit D attached hereto and made a part of this Plan designates intended general land uses in the RPA as designated within the Village's Comprehensive Plan. The proposed land uses are anticipated to primarily include transit-oriented mixed uses, as well as institutional, and open space uses.

All redevelopment projects shall be subject to the provisions of the Village's Comprehensive Plan and Zoning Ordinances, as each may be amended from time to time.

C. Redevelopment Program

Pursuant to the foregoing objectives, the Village will implement a coordinated program of actions to facilitate redevelopment, which may include, but are not limited to, provision of interest rate watedown, acquisition and assembly, land disposition, infrastructure and utility improvements, demolition and/or clearance, environmental remediation and flood control.

Infrastructure, Utility Improvements, and Public Improvements

The Village may provide public improvements in the RPA to enhance the RPA as a whole, to support the Redevelopment Project Plan and Project, and to serve the needs of Village and area residents. Appropriate public improvements may include, but are not limited to:

- Relocation of utilities (sewer, water lines) as improvements required to enhance to complement flood and storm water management systems;
- Burial of overhead utility lines within the RPA;
- New construction and improvements of streets, alleyways, curbs, sidewalks/ pedestrian and bike ways and street intersections;
- Improvement and extension of public utilities;
- Uniform landscaping/beautification, lighting, and signage;
- Traffic signalization;
- Parking improvements and construction of public parking facilities; and
- Streetlighting improvements.

Acquisition

Property may be acquired by the Village in order to further the objectives of this Plan and enhance development alternatives for appropriate users.

Clearance of existing structures on properties to be acquired will, to the greatest extent possible, be scheduled to coincide with redevelopment activities so that parcels do not remain vacant for extended periods of time and so that the adverse effects of clearance activities may be minimized.

Property, when acquired, may be made available for temporary public or private revenue producing uses which will not have adverse impacts on the redevelopment area, until such time as they are needed for planned development. Such revenues, if any, would accrue to the Village's Special Tax Allocation Fund for the redevelopment project.

Land Disposition

Property may be acquired by the Village and may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the Village to a private developer or developers, in whole or in part, for redevelopment subject to the Act.

Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other Village codes and ordinances governing the use of land.

Interest Rate Writedown

The Village may enter into agreements with private entities whereby a portion of the interest cost of a construction; renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

Demolition and Site Preparation

Demolition may include removal of any asbestos insulation in conformance with all environmental requirements. Certain sites may also require the removal of foundation materials and compaction of fill for such sites in order to accommodate new development. Again, all removal would conform to environmental requirements. Other site preparation for reuse would also conform to appropriate environmental and other governmental regulations.

Relocation

The Village may, but is not required to, provide for relocation conformant with its policies and regulations in order to accomplish the goals and objectives of the Plan, using Federal, State or municipal criteria.

Job Training

The Village may assist business located within the RPA to obtain job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

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

The Village may also provide revenue support, pursuant to the Act, to schools for educational support for students brought into the RPA as the result of redevelopment activities.

Rehabilitation

The Village may undertake the rehabilitation of certain structures in order to provide for the market reuse of the structures and to improve the appearance of the RPA.

D. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project. Eligible costs permitted by the Act pertinent to this Redevelopment Plan and Project are:

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 services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. 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, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. 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 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and not exceeding thirty-six (36) months thereafter, including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the Village by written agreement accepts and approves such

costs (and the tuition reimbursement costs to qualifying school districts, as permitted by the Act, due as a result of increases in students resulting from redevelopment projects);

7. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or Illinois law;
8. Payment in lieu of taxes;
9. 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 RPA; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of 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 Illinois Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The Illinois School Code;
10. 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; and
 - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; and
 - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (10), then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - (d) the total of such interest payments incurred pursuant to the Act may not exceed 30% of the total redevelopment project costs excluding any property assembly costs and any relocation costs incurred pursuant to the Act.

Estimated project costs are shown in Table I. To the extent that the Village or a developer has incurred redevelopment project costs prior to, but in anticipation of, the adoption of tax

increment financing, the Village or a developer may be reimbursed for such costs pursuant to the Act. Adjustments to the cost items listed in Table 1 are anticipated without amendment to the Redevelopment Plan.

TABLE 1
REDEVELOPMENT PROJECT - ESTIMATED PROJECT COSTS

<u>Program Action/Improvements</u>	<u>Estimated Cost(s) (A)</u>
Acquisition and Assembly of Land and Relocation	\$ 10,000,000
Utility (including line burials) Improvements, Street Rehabilitation and/or Extension, Curb and Sidewalk Construction, Flood/Storm Water Control, Water Main, Sanitary Sewer Improvements, Parking Improvements	70,000,000
Streetscape Improvements, Riverfront Parks, Including Landscaping, Signage, and Streetlights; Intersection and Traffic Signalization Improvements; Street lights	5,000,000
Demolition, Site Preparation, Environmental Cleanup and related costs	10,000,000
Rehabilitation of Existing Structures	5,000,000
Interest Costs (pursuant to the Act)	2,000,000
Job Training (pursuant to the Act)	100,000
Reimbursable School Costs (pursuant to the Act)	1,000,000
Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs	<u>5,000,000</u>
ESTIMATED TOTAL COSTS	\$ 108,100,000

(A) All cost estimates are in 2003 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The amounts described above do not include capitalized interest or costs of issuance associated with the issuance of any bonds. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs. The Village intends to pursue Federal, State and other funding to help pay the above costs. The Village also intends to utilize tax increment revenues received from contiguous RPAs to help pay costs for the RPA, in the manner permitted pursuant to the Act.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for redevelopment project costs are anticipated to be derived, to a significant extent, from real property tax incremental revenues and proceeds from any municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Project.

The tax increment revenues which will be used to pay debt service on the tax increment obligations and to directly pay redevelopment project costs shall be the incremental real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, etc. in the RPA.

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 proceeds of real property sales, real property tax receipts, certain land lease payments, certain County, State and Federal grants, certain investment income, private sector development investments and such other sources of funds and revenues as the Village may, from time to time, deem appropriate.

The Village may use its general fund and utilize its taxing power to sustain redevelopment projects and pay debt service on obligations issued in connection therewith to be reimbursed, if possible, from tax increment financing revenues.

F. Nature and Term of Obligations to be Issued

The Village may issue obligations secured by the tax increment special tax allocation fund established for the RPA pursuant to the Act or such other funds or security as are available to the Village by virtue of its home rule powers provided by the Constitution of the State of Illinois.

All obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall not exceed twenty-three year (23) years from the date of adoption of the ordinance approving the RPA, or such later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collections of incremental tax revenues from the tax year to be completed for the twenty-third year (with taxes collected in the twenty-fourth year). However, the final maturity date of any obligation issued pursuant to the Act may not be later than twenty (20) years from its respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. All obligations are to be repaid after issuance by projected and actual tax increment, other tax revenue and by such debt service revenues and sinking funds as may be provided by ordinance. The total principal and interest payable in any year on all obligations shall not exceed the amounts available in that year, or projected to be available in that year, from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds and all other sources of funds as may be provided by ordinance.

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

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed interest rates or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits, and with or without redemption provisions.

G. Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The most recent equalized assessed valuation for the RPA, based on tax year 2001, was approximately \$49.9 million. The Boundary Map, Exhibit B, shows the location of the RPA (To be updated with 2002 data upon completion by the County of Cook.).

H. Anticipated Equalized Assessed Valuation

Upon completion of the anticipated public/private development, it is estimated that the equalized assessed valuation of real property within the RPA will be approximately \$267,000,000, stated in Year 2023 dollars.

VII. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT

A. Description of Redevelopment Project

The Village will employ an implementation strategy that stresses economic feasibility whereby tax increment funds will not be initially pledged unless corresponding private investment is reasonably projected to be sufficient to generate equal or greater return of future tax revenues. Such strategy will contribute to a realistic approach in funding projects while assuring that the Village has the flexibility to continue to prioritize among possible projects in meeting both Village and private sector goals. The redevelopment projects contemplated by the Village may include, but are not limited to, the following:

Utility Improvements: The Village may make improvements, extension and adjustment in water, storm sewer (and other flood control improvements), sanitary sewer, electric lighting and other utility systems. Relocation of existing utility services may also be undertaken.

Public Improvements: The Village may improve, construct, reconstruct or extend primary and secondary street right-of-ways and other such territory located on public land, on private land or through public easement on private land. Curbs and sidewalks may also be improved or reconstructed. Signalization, landscaping, signage, or related streetscape improvements may also be undertaken by the Village. Parking structures or parking lot improvements may also be undertaken by the Village.

Property Acquisition and Assembly: The Village may acquire land within the RPA for the purpose of facilitating the assembly and preparation of property.

Demolition, Site Preparation and Clearance: The Village may remove building debris, other disposal material, and excavate foundation material from sites and/or grade and compact such sites as part of its redevelopment activities. The Village may also be required to undertake environmental remediation of certain sites targeted for redevelopment.

Interest Cost Coverage: The Village may pay for certain interest costs incurred by a redeveloper for construction, renovation or rehabilitation of a redevelopment project which shall include costs incurred by a developer pertaining to the 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 Village may use tax increment financing to pay necessary architectural, engineering, planning, legal, administrative and financial costs.

Relocation: The Village may provide for appropriate relocation conformant to its policies and practices, on a case-by-case basis.

Rehabilitation: The Village may provide for the rehabilitation of certain structures in order to enhance area revitalization efforts; including facade improvements or upgrades.

Costs of Job Training: The Village may implement job-training programs.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

Finally, the entities will utilize affirmative action in an attempt to increase the availability of business opportunities to minority and female-owned businesses and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

VIII. SCHEDULING OF THE REDEVELOPMENT PROJECT

A. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project will be completed on or before a date 23 years from the adoption of an ordinance designating the RPA (although certain obligations may extend into the tax collection year for that twenty-third year assessed valuation cycle) The Village expects that the Redevelopment Project activities will be completed sooner than the maximum time limit set by the Act, but depending on the incremental tax yield, may still require the Village to keep the RPA intact until all related obligations are paid. Actual public and/or private construction activities are anticipated to be completed within five to fifteen years from the adoption of this Redevelopment Plan.

**IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT**

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

EXHIBIT A

Legal Boundary

**LEGAL DESCRIPTION
FOR
DUNDEE ROAD CORRIDOR (TOWNCENTER) TIF DISTRICT**

That part of Sections 2, 3, 10 and 11 in Township 42 North, Range 11, East of the 3RD Principal Meridian described as follows:

Beginning at the intersection point of the east right-of-way line of Wolf Road and the south right-of-way line of Dundee Road in Boho's Subdivision recorded July 29, 1991 Document 91378636; thence easterly 233.73 feet along said south line to the northeast corner of said subdivision; thence northerly 7.00 feet along the extension of the east line of said subdivision; thence easterly 291.06 feet along the south right-of-way line of Dundee Road to the west line of dedicated property for public road, being the east line of Wheeling Cemetery, recorded December 5, 1977 Document 24222530; thence southerly 16.98 feet along said west line to the southwest corner of said dedicated property; thence easterly 282.36 feet along the south right-of-way line of Dundee Road to the intersection point of said south line and a line 385 feet west of and parallel to the west right-of-way line of Wheeling Avenue; thence northerly 91.00 feet along last described parallel line to the intersection point of said parallel line and the north right-of-way line of Dundee Road recorded January 22, 1987 Document T3585643; thence easterly along said north line to the intersection point between said north line and the east right-of-way of First Street; thence southerly 8.00 feet along said east line to the southwest corner of Lot 7 in Uptadel's Sunnyside Addition to Wheeling recorded December 30, 1930 as Document T531289; thence northeasterly North 80 degrees 12 minutes 23 seconds East, a distance 121.20 feet to the southwest corner of Lot 1 in McDonald's Subdivision recorded December 9, 1983 as Document T3345484; thence northerly 125 feet along the west line of said lot to the northeast corner of Lot 6 in Uptadel's Sunnyside Addition to Wheeling, being the southeast corner of Woodvale Lake Estates Unit 1 Subdivision recorded December 15, 1960 as Document T1956518; thence westerly 467.34 feet more or less along the south line of said subdivision to the southwest corner of said subdivision; thence northerly 75 feet along the west line of said subdivision to the northeast corner of Lot 14 in Uptadel's Sunnyside Addition to Wheeling; thence westerly 174.43 feet more or less to a point along the south line of Cameo Terrace North Subdivision recorded May 3, 1963 as Document 18786699 and recorded June 17, 1963 as Document T2096385; thence southerly 2 feet to a point along the west line of Lot 14 in Uptadel's Sunnyside Addition to Wheeling; thence westerly 251.60 feet to a point along the south line of Cameo Terrace North Subdivision; thence westerly 300 feet to a point along the extension of said south line to the west right-of-way line of Wolf Road; thence southerly along said west line to the northeast corner of Lot 13 in Holland's Resubdivision recorded

September 16, 1955 as Document T1621040; thence westerly 526.25 feet more or less along the extension of north line of said Lot to the northwest corner of Lot 13 in Resubdivision of Lots 22-23-24-33-34-35-36-37-38-51-52-74-75-76-77 and 78 of Holland's Resubdivision recorded November 26, 1958 as Document 17388187; thence southeasterly along the west line (being an arc of a circle, convex to the East, having a radius of 320.94 feet, a distance of 172.71 feet) of said Lot to the southwest corner of said Lot; thence westerly 66 feet along the north right-of-way line of Dundee Road to the southeast corner of Lot 79 in Holland's Resubdivision; thence northwesterly along the east line of said lot, being an arc of a circle, convex to the East, having a radius of 254.94 feet, a distance of 156.58 feet; thence continuing northwesterly 349.32 feet along the east line of said lot; thence northwesterly along the east line of said lot, being an arc of a circle, convex to the East, having a radius of 167.00 feet, a distance of 76.93 feet to the intersection point on the east line of Lot 2 in Chrysler Realty Corporation's Resubdivision recorded October 2, 1972 as Document 22070178; thence northwesterly along said east line to the southeast corner of Wheeling Drainage District right-of-way in said subdivision; thence westerly along the south line of said drainage district right-of-way to the west line of Lot 1 of said subdivision; thence northerly 7 feet along said west line to the south line of Wheeling Drainage Ditch right-of-way in Wheeling Heights Subdivision recorded July 14, 1919 as Document 6572881; thence westerly 849.3 feet along said south line to the west line of Lot 2 in said subdivision; thence southerly 467 feet along said west line to the north right-of-way line of Dundee Road; thence westerly 386 feet along said north right-of-way line to the intersection point of said north right-of-way line and the east right-of-way line of Northgate Parkway; thence northerly 470 feet along said east right-of-way line to the south right-of-way line of Wheeling Drainage Ditch in Guardite Company's Resubdivision recorded November 22, 1957 as Document 17072318; thence westerly along said south right-of-way line to the intersection point of said south right-of-way line and the west line of Lot 3 in said subdivision; thence westerly along a straight line connecting said intersection point and the intersection point of the east line of Dominick DiMatteo Junior Resubdivision recorded August 17, 1970 as Document 21238930 and the south right-of-way line of Wheeling Drainage Ditch in said subdivision; thence northwesterly along said south right-of-way line to the intersection point of said south right-of-way line and the west line of said subdivision; thence westerly along a straight line connecting said intersection point and a point 498.67 feet north of the center line of McHenry Road on the west line of Commonwealth Edison Company right-of-way; thence northerly 52.00 feet along said west line; thence North 74 degrees 04 minutes 07 seconds West, a distance 223.60 feet; thence North 65 degrees 49 minutes 07 seconds West, a distance 132.04 feet; thence North 89 degrees 05 minutes 07 seconds West, a distance 28.44 feet; thence South 65 degrees 21 minutes 53 seconds

West, a distance 103.27 feet to a point on the center line of McHenry Road; thence southwesterly along a straight line connecting said point and the intersection point between the center line of creek and the east line of Lot 4 in Elsa Resubdivision recorded November 14, 1967 as Document 20322360; thence northwesterly along the center line of creek in said subdivision to the east right-of-way line of Elmhurst Road; thence southerly along the east right-of-way line of Elmhurst Road to the intersection point of said east line and the extension line of the south line of Elmhurst Rancheros Resubdivision recorded September 21, 1965 Document 19592909; thence westerly along said extension line to the southeast corner of said subdivision; thence westerly along said south line to the southwest corner of said subdivision; thence southerly along the east line of Hollywood Ridge Unit 1 recorded December 21, 1959 Document 17740363 to the intersection point of south right-of-way line of Dundee Road and the extension of said east line; thence westerly along said south right-of-way line to the intersection point between said south right-of-way line and the extension of the west line of Dunhurst Subdivision Unit Number Four recorded April 24, 1956 Document 16559719; thence southerly along said extension line to the northwest corner of said subdivision; thence easterly 630.00 feet along north line of said subdivision to the intersection point of said north line and the west line of original Lot A in said subdivision; thence northerly 314.00 feet along the west line of First Addition to Dunhurst Unit Number Four recorded October 18, 1957 Document 17041853 to the northwest corner of said subdivision; thence easterly 652.58 feet along the north line of said subdivision to the northeast corner of said subdivision; thence easterly along the extension of said north line to the east right-of-way line of Elmhurst Road; thence northerly along said east right-of-way line to the southwest corner of Lot A in Dunhurst Subdivision Unit Number One recorded May 3, 1955 Document T1591895; thence easterly along the south line of said lot to the southeast corner of said lot; thence easterly along a straight line connecting between said corner and the southwest corner of Lot B in said subdivision; thence easterly along the south line of said lot to the southeast corner of said lot, being on the west right-of-way line of Commonwealth Edison Company; thence southerly 554.07 feet along the east line of said subdivision; thence South 38 degrees 10 minutes 12 seconds East, a distance 37.22 feet; thence southeasterly 917.16 feet along the northeast line, having a bearing of South 38 degrees 10 minutes 12 seconds East, of Dunhurst Subdivision Unit Number Two recorded August 17, 1965 Document T1602023; thence southeasterly 1166.58 feet along the northeast line, having a bearing of South 38 degrees 10 minutes 12 seconds East, of Herzog's First Industrial Subdivision recorded December 13, 1955 Document T1639763 and corrected December 14, 1956 Document T171348 to the west right-of-way line of Wheeling Road; thence northerly along said west line to the intersection point of said west line and the extension of the north line of Rock Road Construction Company Subdivision

recorded November 16, 1973 Document T2727492; thence easterly along said extension line to the northeast corner of said subdivision; thence easterly along a straight line connecting said northeast corner and the northwest corner of Herzog's 3rd Industrial Subdivision recorded July 3, 1984 Documents T3380418 and T3380419 to said northwest corner; thence easterly 895.05 feet along the north line of said subdivision to the northeast corner of said subdivision; thence easterly 1895.82 feet along the north line of Meadowbrook Subdivision Unit Number Two recorded October 24, 1955 Document T1629537 to the northeast corner of said subdivision; thence easterly 414.41 feet along the north line of Meadowbrook Subdivision Unit Number One recorded July 7, 1955 Document T1605647 to the intersection point between said north line and the west right-of-way line of Wolf Road; thence northwesterly along the westerly right-of-way line of Wolf Road, being the arc of a circle, convex to the West, having a radius of 1960.08 feet, to the intersection point of said westerly right-of-way line and the south line of hereinafter referred as "Parcel A" (a tract of land, described as follows: beginning at the intersection of the center line of Dundee and Wolf Road; thence South 1 Degree 38 Minutes 30 Seconds East along the center of Wolf Road a distance of 682.50 feet to a point of beginning; thence continuing along the center of Wolf Road South 1 Degree 38 Minutes 30 Seconds East a distance of 172.50 feet to a point of tangency; thence southeasterly along the center line of Wolf Road, being the arc of a circle, convex to the West, having a radius of 1910.08 feet, a distance of 233.10 feet; thence South 88 Degree 20 Minutes West a distance of 405.75 feet to the center of Wheeling Drainage Ditch; thence northerly along the center of said ditch a distance of 409.25 feet; thence North 88 Degrees 20 Minutes East on a line parallel to the center line of Dundee Road 450.45 feet to the place of beginning, in Cook County, Illinois); thence southwesterly along the south line of said Parcel to the southwest corner of said Parcel; thence northwesterly 409.25 feet along the center line of said ditch to the northwest corner of said Parcel; thence northwesterly 449.10 feet to the southwest corner of Lot 1 of Dundee Wolf Subdivision recorded September 7, 1973 Document 2715566; thence northwesterly 190.74 feet along the west line of said lot; thence easterly 300.15 feet along the south right-of-way line of Dundee Road to the northeast corner of said subdivision; thence easterly 200.00 feet along said south right-of-way line to the intersection point of the west right-of-way line of Wolf Road and said south right-of-way line in Lynch's Resubdivision in Wheeling recorded April 23, 1962 Document T-2029761; thence easterly along a straight line connecting said intersection point and the intersection point of the east right-of-way line of Wolf Road and the south right-of-way line of Dundee Road, being the Point of Beginning, all in Cook County, Illinois:

EXHIBIT B

Boundary Map

**VILLAGE OF WHEELING, ILLINOIS
PROPOSED DUNDEE ROAD CORRIDOR
(TOWNCENTER) AREA TIF
REDEVELOPMENT PLAN AND PROJECT
EXHIBIT B - BOUNDARY MAP**



LEGEND
PROPOSED TIF

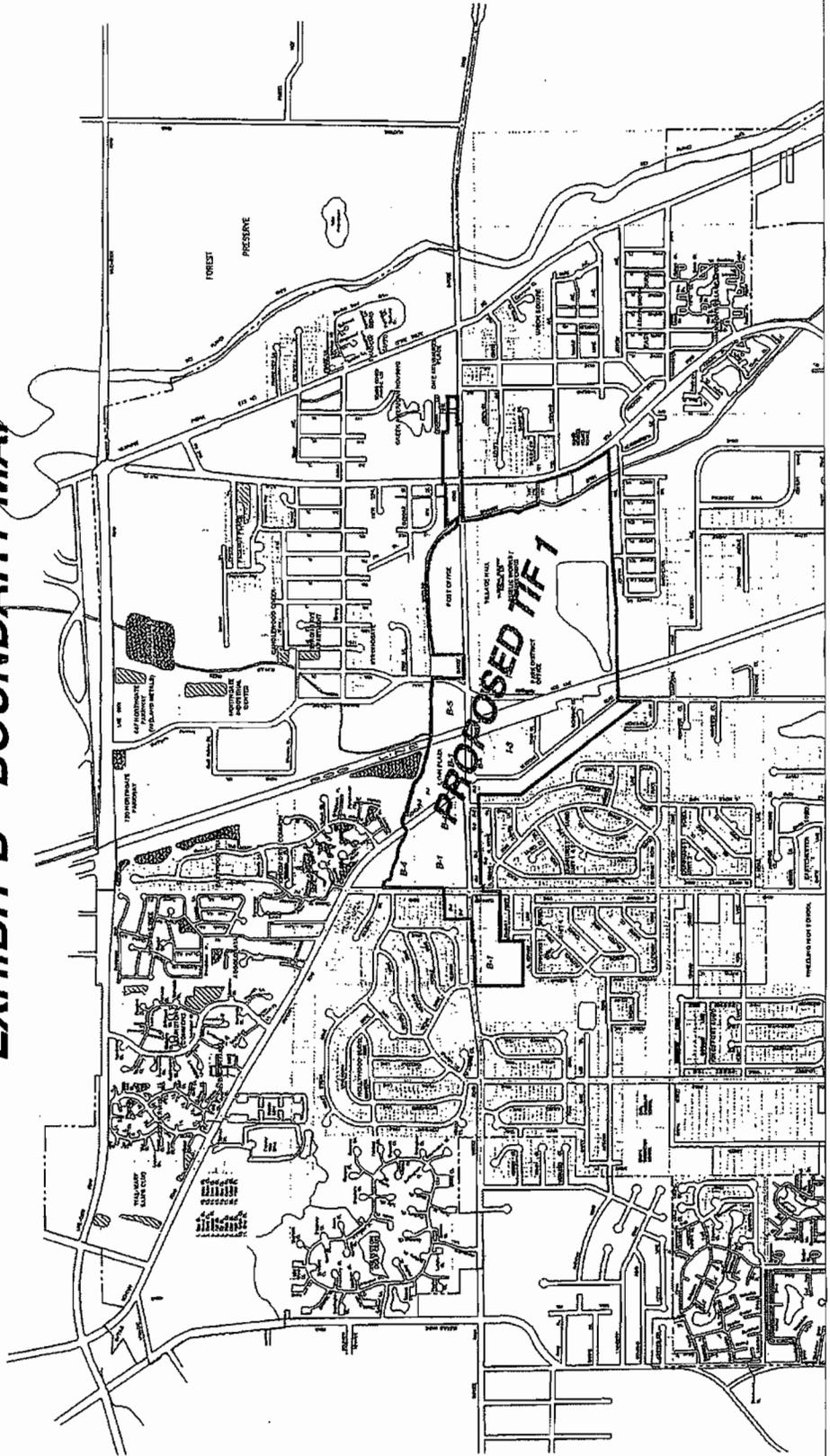
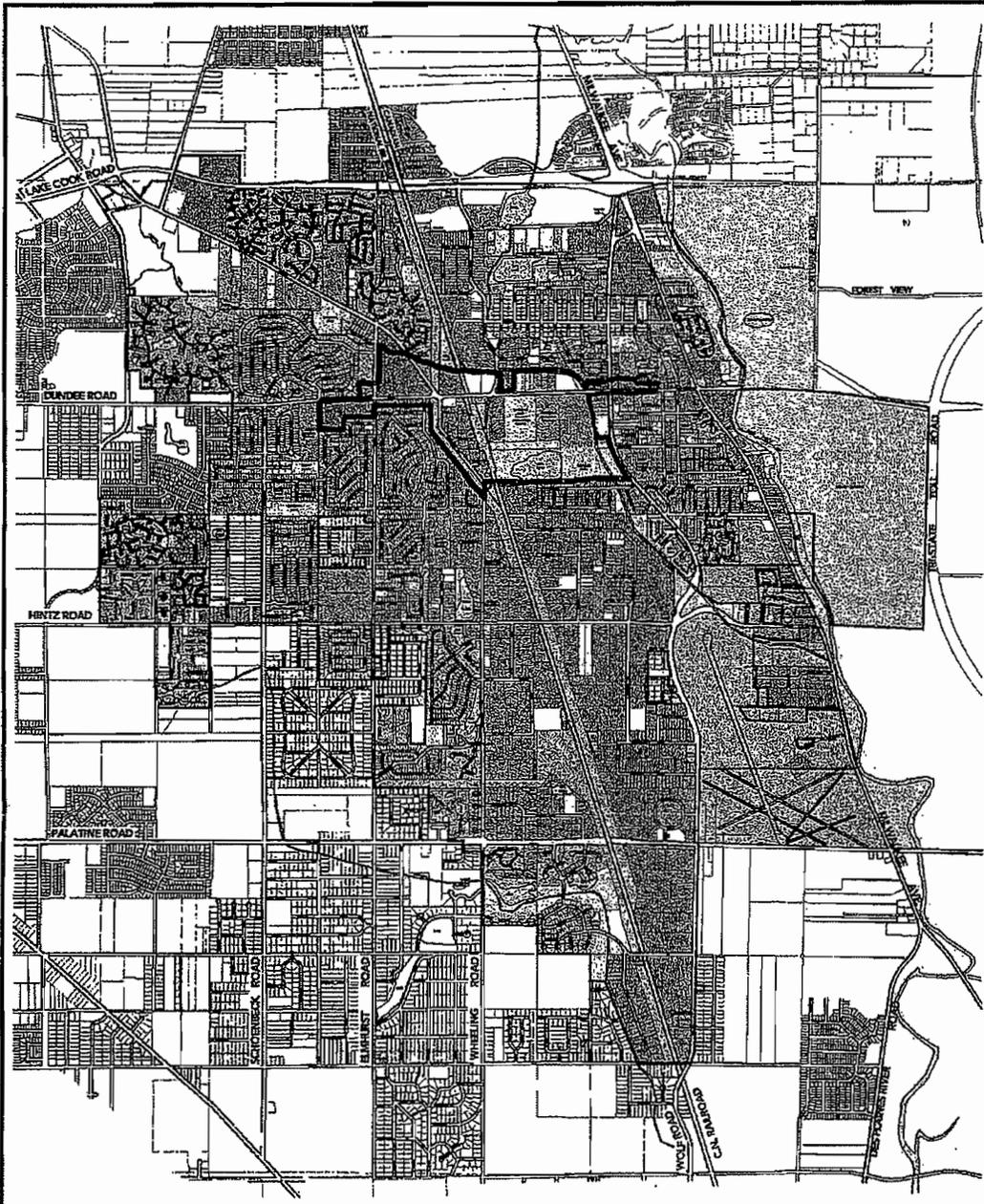


EXHIBIT C

Existing Land Use Map



LEGEND

	SINGLE FAMILY RESIDENTIAL		OPEN SPACE
	MULTI-FAMILY RESIDENTIAL		RIVERS & PONDS
	COMMERCIAL		PUBLIC/INSTITUTIONAL
	INDUSTRIAL		VACANT
	TRANSPORTATION & UTILITIES		

EXHIBIT C

Figure 1:

EXISTING LAND USE MAP

Village of Wheeling

Wheeling, Illinois

DATE: JULY 2003

SCALE 1"=2500'

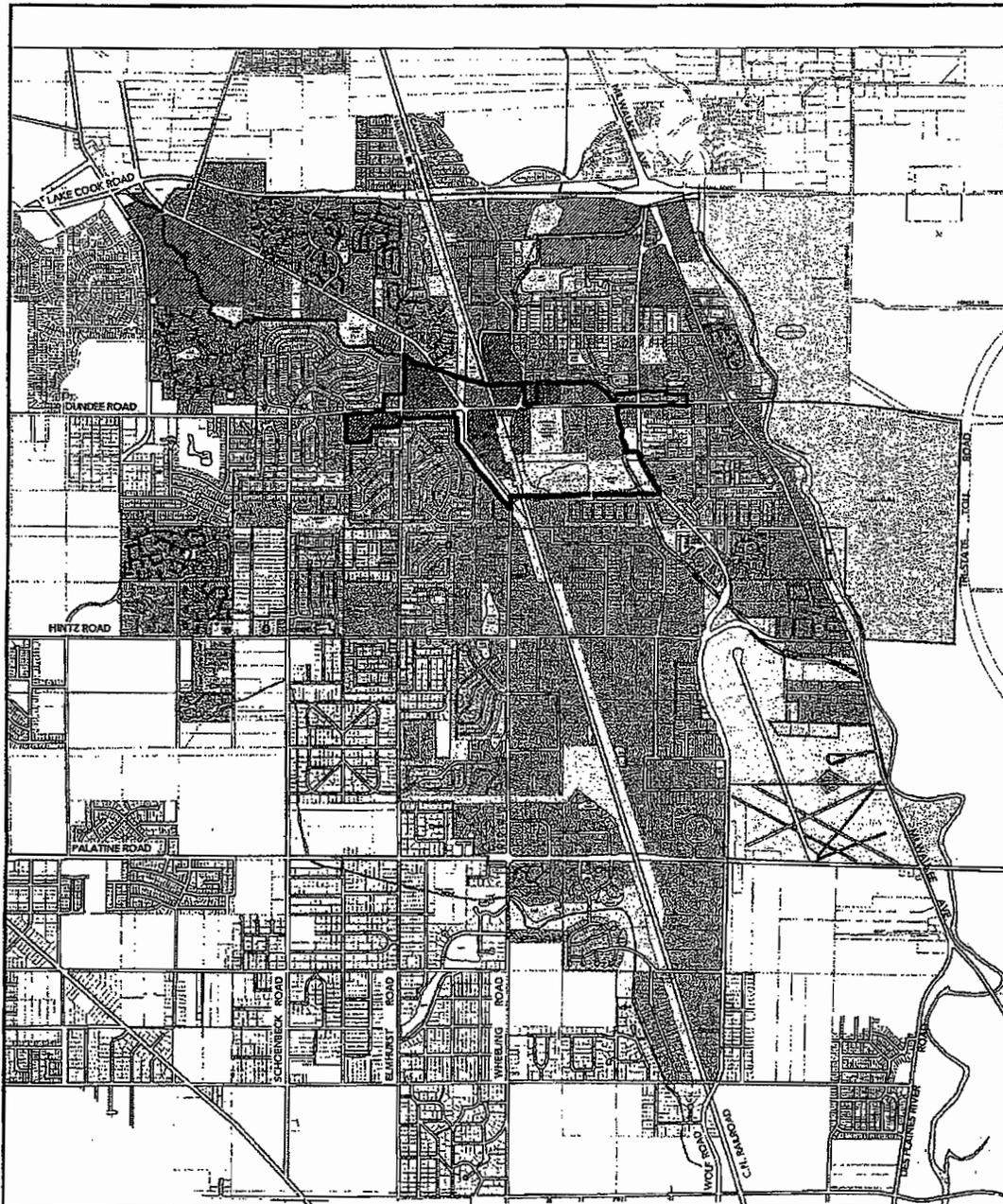


CAMIROS

Planning, Design, Survey & Development, Landscape Architecture
 671 Oak North Street, Chicago, Illinois 60611 Phone (312) 512-8111

EXHIBIT D

Proposed Land Use Map



LEGEND

	SINGLE FAMILY RESIDENTIAL		TRANSIT-ORIENTED MIXED USE		PUBLIC/INSTITUTIONAL
	RESIDENTIAL/OPEN SPACE MIXED USE		INDUSTRIAL		POTENTIAL NEIGHBORHOOD PARK SITE (UNDERSERVED AREA)
	MULTI-FAMILY RESIDENTIAL		TRANSPORTATION & UTILITIES		POTENTIAL COMMUNITY COLLECTOR STREET
	COMMERCIAL		OPEN SPACE		GREENWAY CORRIDOR
	COMMERCIAL/RESIDENTIAL MIXED USE		RIVERS & PONDS		VILLAGE BOUNDARY

EXHIBIT D

**Figure 12:
FUTURE LAND USE PLAN**

Wheeling Comprehensive Plan

Wheeling, Illinois

DATE: JULY 2003

SCALE: 1"=2500'



CAMIROS

Planning, Land Use, Economic Development, Landscape Architecture
611 South Wabash Street, Chicago, IL 60605 Phone: (312) 527-0775

TABLE 1
VILLAGE OF WHEELING
DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF
AMENDED REDEVELOPMENT PLAN AND PROJECT

AMENDED REDEVELOPMENT PROJECT COSTS

**VILLAGE OF WHEELING
COUNTIES OF COOK AND LAKE, ILLINOIS**

DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF

REDEVELOPMENT PROJECT AREA

REDEVELOPMENT PLAN AND PROJECT AMENDMENT

TABLE 1

REDEVELOPMENT PROJECT COSTS

Redevelopment Project Costs are defined within the Act and all costs to be paid or reimbursed in the Redevelopment Project Area will conform to this definition.

Estimated Redevelopment Project Costs

A wide range of redevelopment activities and improvements will be required to implement the Redevelopment Plan. The activities and improvements and their estimated costs (2007 dollars) are summarized below. To the extent that obligations are issued to pay for such Redevelopment Project Costs prior to, and in anticipation of, the adoption of the Redevelopment Project Area, the Village shall be reimbursed from Incremental Property Taxes for such Redevelopment Project Costs. Redevelopment Project Costs, described in this Redevelopment Plan, are intended to provide an upper estimate of expenditures.

These costs are subject to prevailing market conditions and are in addition to total Redevelopment Project Costs. While all of the costs in the budget are eligible Redevelopment Project Costs under the Act and this Redevelopment Plan, inclusion herein, does not commit the Village to finance all these costs with TIF.

- | | |
|--|-------------|
| (1) Costs of studies, surveys, development of plans and specifications, implementation and administration (annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a Redevelopment Project Area or approved a Redevelopment Plan) of the Redevelopment Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services | \$5,000,000 |
| (2) Costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors..... | \$0 |

(3)	Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests herein, 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	\$35,000,000
(4)	Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, and 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 investments.....	\$15,000,000
(5)	Costs of the construction of public works or improvements.....	\$80,000,000
(6)	Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area.....	\$0
(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 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	\$0
(8)	To the extent the Village, by written agreement, accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and project. In addition, if the project creates students for the primary and secondary education districts, the Village will reimburse the taxing districts according to the provisions of the Act.	\$0
(9)	Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law or in order to satisfy subparagraph (7) of subsection (n) of Section 11-74.4-3 of the Act.....	\$0
(10)	Payment in lieu of taxes.....	\$0
(11)	Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational,	

<p>semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code.....</p>	\$100,000
<p>(12) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project.....</p>	\$10,000,000
<p>(13) Contributions to School for additional students created from TIF Projects.....</p>	\$1,000,000

The Village reserves the right to utilize revenues received under the Tax Increment Allocation Redevelopment Act from one for eligible costs in another Redevelopment Project Area that is either contiguous to, or is separated only by a public right-of-way from, the Redevelopment Project Area from which the revenues are received. In regard to the Crossroads Redevelopment Project Area any of the foregoing budgeted amounts may be transferred to a contiguous TIF District for authorized expenditures within that contiguous TIF District.

It is anticipated that the Village will carefully stage Village expenditures for Redevelopment Project Costs on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of revenues from Redevelopment Project Costs.

Notes:

1. All costs shown are in 2007 dollars and do not include additional costs to be incurred in future financing (e.g., bond issuance costs, capitalized interest, interest payments on obligations and related expenses).
2. Private redevelopment costs and investments are in addition to the above.
3. Federal, State and other funding sources are in addition to the above.
4. If allowed by the Act, adjustments to line items costs above will be expected. Adjustments to line items may be made within the total budget.

EXHIBIT A

**VILLAGE OF WHEELING
DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF
AMENDED REDEVELOPMENT PLAN AND PROJECT**

AMENDMENT TO LEGAL DESCRIPTION

**Redevelopment Project Area
Expansion Area**

Village of Wheeling

Town Center (Dundee Road) TIF District

Lots 27, 28 and 29 in Northgate Industrial Center Subdivision of Lot 1 in Guardite Co.'s Resubdivision of Lots 1, 2 and 3 and that part of Lot 4 lying South of a line described as follows: Commencing at a point 2.42 chains North of the Southwest corner of the Northeast $\frac{1}{4}$ of Section 3, Township 42 North Range 11, East of the Third Principal meridian, thence North $88^{\circ}, 00' 20''$ East 40.58 chains to the East line of Section 3, all in Owners Division of Buffalo Creek Farm, according to the plat thereof recorded as Doc. 9195785, also part of Lots 1 and 2 in the Subdivision of G. Hechinger's Farm in Sections 1, 2 and 3, Township 42 North, Range 11, East of the Third Principal Meridian, and also part of Lot 2 in the Subdivision of Section 3, Township 42 North, Range 11, East of the Third Principal Meridian; Lot 2 in Guardite Co.'s Resubdivision, aforesaid; the West 276 feet of Lot 1 in Wheeling Heights, a subdivision of the East 50.01 acres of the Skinner Farm in the Southwest $\frac{1}{4}$ of Section 2, Township 42 North, Range 11, East of the Third Principal Meridian; the Metropolitan Water Reclamation District of Greater Chicago's Diversion Channel located in the East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 3, Township 42 North, Range 11, East of the Third Principal Meridian (commonly known as William Rogers Creek) and bounded by the North and West lines of Lot 27 in Northgate Industrial Center Subdivision, aforesaid, the Easterly line of the M. St. P. & SSM Railroad right-of-way (Soo Line Railroad), the South lines of Lots 1 and 2 in Allendale Subdivision, a resubdivision of Lots 21 to 26, inclusive, in Northgate Industrial Center Subdivision, aforesaid, and the West right-of-way line of Northgate Parkway (Wheeling Road); that triangular portion of vacated 12th Street located in the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 2, Township 42 North, Range 11, East of the Third principal Meridian and bounded by Lot 28 in Northgate Industrial Center Subdivision, aforesaid, on the West, the current Westerly right-of-way line of 12th Street on the East, and the Easterly extension of the North line of Lot 28 in Northgate Industrial Center Subdivision, aforesaid, on the North; all in Cook County, Illinois; along with those portions of Northgate Parkway (Wheeling Road) and 12th Street located adjacent thereto (to the extent not already located within the boundaries of the Town Center (Dundee Road) TIF District).

P.I.N.'s: 03-02-308-007 and -008; 03-02-316-048, -049, -050, -051 and -052; 03-03-400-084 and -085; 03-03-401-007, -008 and -010.

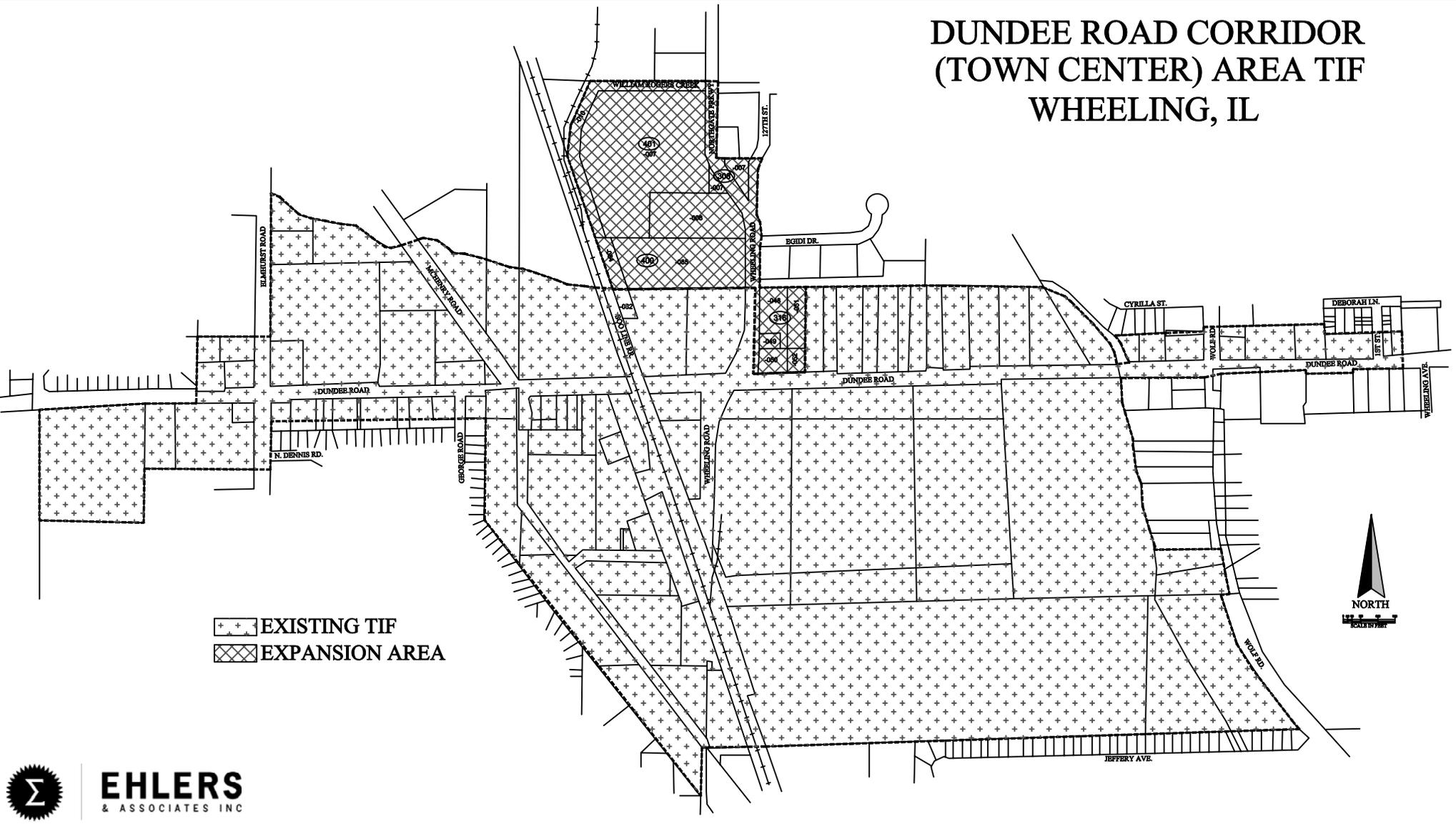
Street Location: Properties along Northgate Parkway, between a point approximately 617.48 feet South of Allendale Drive (Mayer Avenue) to Dundee Road (exclusive of the East side of Northgate Parkway (Wheeling Road) from Allendale Drive (Mayer Avenue) to approximately 385.26 feet South of Strong Avenue, the East side of Northgate Parkway immediately North and South of Egidi Drive, and the West side of Northgate Parkway immediately North of Dundee Road), consisting of 250 Northgate Parkway, 398-400 West Dundee Road and 430 West Dundee Road, Wheeling, Illinois.

EXHIBIT B

**VILLAGE OF WHEELING
DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF
AMENDED REDEVELOPMENT PLAN AND PROJECT**

AMENDED MAP

DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF WHEELING, IL



EHLERS
& ASSOCIATES INC

**EXHIBIT C
VILLAGE OF WHEELING
DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF
AMENDED REDEVELOPMENT PLAN AND PROJECT**

**CRITERIA FOR QUALIFICATION OF ADDITIONAL PARCELS/ TIF ELIGIBILITY
REPORT FOR THE EXPANDED AREA
ELIBIGILITY REPORT – JULY 2007**

(Attached)

VILLAGE OF WHEELING, ILLINOIS
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA
TAX INCREMENT FINANCE
ELIGIBILITY REPORT



Amendment to:
Eligibility Section, Exhibit E of the Village of Wheeling, Tax
Increment Redevelopment Area, Dundee Road Corridor
(Town Center TIF) Area TIF

July 2007

Prepared by:



EHLERS
& ASSOCIATES INC

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**Village of Wheeling
Expanded Town Center Redevelopment Project Area
Eligibility Report**

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EXECUTIVE SUMMARY

This report is an amendment to Village of Wheeling, Illinois Original Town Center Redevelopment Project Area Eligibility Section, Exhibit E of the Village of Wheeling, Tax Increment Redevelopment Area, Dundee Road Corridor (Town Center TIF) Area TIF (the “Eligibility Report Amendment”). It assesses the eligibility of additional parcels in order to add them to the original Redevelopment Project Area.

The Village of Wheeling, Illinois Original Town Center Redevelopment Project Area Eligibility Section (the “Eligibility Report”), among other things, documented the eligibility and qualifications of the Original Redevelopment Project Area (the “Original Redevelopment Project Area”) in the Village of Wheeling, Illinois (the “Village”) for designation as a blighted area, a conservation area or industrial park conservation area or combination of pursuant to the definition contained in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”). This amendment to the Eligibility Report documents the eligibility of the parcels being added to the Original Redevelopment Project Area and, therefore the entire Expanded Redevelopment Project Area.

The following parcels, constituting the Expansion Area, will be added to the Original Redevelopment Project Area to create the Expanded Redevelopment Project Area:

03-02	308-007
03-02	308-008
03-02	316-048
03-02	316-049
03-02	316-050
03-02	316-051
03-02	316-052
03-03	400-084
03-03	400-085
03-03	401-007
03-03	401-008
03-03	401-010

Attachment 1 is the legal descriptions of the Original Redevelopment Project Area and the Expansion Area. Attachment 2 is the Original and Expansion Area maps for the Expanded Redevelopment Project Area. Attachment 4 consists of photographs of the Expansion Area portion of the Expanded Redevelopment Project Area. Attachment 5 is the Village of Wheeling Original North Redevelopment Project Area Eligibility Report. All attachments are incorporated into this report by this reference thereto.

As set forth in the Act, redevelopment project area “Redevelopment Project Area” means an area designated by a 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 “an industrial park conservation area” (an “Industrial Park Conservation Area”), a blighted area (“Blighted Area”), a conservation area (“Conservation Area”), or a combination of both a Blighted Area and a Conservation Area. “Conservation Areas” provisions apply to both the Expansion Area and the Expanded Redevelopment Project Area, as was the case for the Original Redevelopment Project Area.

As defined in the Act "...'blighted' area means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where:" industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health or welfare based on the documentation of five of thirteen specific factors that are reasonably distributed throughout the improved part of the Redevelopment Project Area.

As defined in 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 in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area..."

As defined in the Act "...'industrial park conservation area' means an area within the boundaries of a Redevelopment Project Area located within the territorial limits of a municipality that is a labor surplus municipality or within 1½ miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the Redevelopment Project Area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land."

The Redevelopment Project Area, according to the Act, is that area designated by the municipality in which findings are made that there exist conditions which cause the area to be classified as a blighted area, conservation area, combination of blighted and conservation areas, or an industrial park conservation area. The criteria and individual factors defining each of these categories of eligibility are defined in the Act. The Conservation Area provisions apply to the Original Redevelopment Project Area. The Blighted Area provisions apply to the Expansion Area and the Expanded Redevelopment Project Area. This Eligibility Report Amendment documents the relevant statutory requirements and how the Expansion Area and the Expanded Redevelopment Project Area meet the eligibility criteria.

I. BASIS FOR REDEVELOPMENT

A. Findings

The Illinois General Assembly made two key findings in adopting the Act:

1. That there exist in many municipalities within the State blighted and conservation areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements, which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that each prospective redevelopment project qualifies either as a Blighted Area or as a Conservation Area or a Combination of Blighted and Conservation Area or an Industrial Park Conservation Area within the definitions set forth in the Act. These definitions are paraphrased below.

B. Eligibility of a Blighted Area

“Blighted area,” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where:

1. **If improved**, industrial commercial and residential building or improvements are detrimental to the public safety, health, or welfare because of a combination of **five or more of the following factors**, each of which is **(i)** present, with the presence documented, to a meaningful extent so that the Village 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:
 - Dilapidation
 - Obsolescence
 - Deterioration
 - Presence of structures below minimum code standards
 - Illegal use of individual structures
 - Excessive vacancies
 - Lack of ventilation, light, or sanitary facilities
 - Inadequate utilities
 - Excessive land coverage
 - Deleterious land use or layout
 - Lack of community planning
 - EPA Remediation Finding
 - Declining EAV

The Expansion Area does meet the qualifications for designation as blighted for improved land. Five criteria are required and six are met.

2. **If vacant (Vacant Land)**, the sound growth of the Redevelopment Project Area is impaired by a combination of **two (2) or more of the following factors**, each of which is **(i)** present, with that presence documented to a meaningful extent, so that the Village may reasonably find that the factor is clearly present with the intent of the Act, and **(ii)** reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

- Obsolete platting
- Diversity of ownership
- Tax sale and special ownership
- Deterioration of structures or site improvements in neighboring or adjacent areas
- The Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection remediation costs.
- The Total EAV of the proposed area has declined or not appropriately appreciated for (3) of the last (5) calendar years.

The Expansion Area does not meet the qualifications for designation as blighted for vacant land using these criteria.

3. **If vacant (Vacant Land)**, the sound growth of the Redevelopment Project Area is impaired by **one of the following factors** that **(i)** is present, with that presence documented to a meaningful extent, so that a Village may reasonably find that the factor is clearly present within the intent of the Act, and **(ii)** is reasonably distributed throughout the vacant part of the area to which it pertains:

- The area consists of one or more unused quarries, mines, or strip mine ponds.
- The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
- The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
- The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
- Prior to the effective date of the applicable amendatory Act of the 91st General Assembly, the area is not less than 50, nor more than 100 acres, and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area, and the area meets at least one of the factors itemized in paragraph (1) above, the area has been designated as a town or Village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

- The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

The Expansion Area does meet the criteria for designation as blighted for vacant land using these criteria. One criterion is required and one is met.

C. Eligibility of a Conservation Area

“**Conservation area**” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the Village in which **50% or more of the structures in the area have an age of 35 years or more.** Such an area is not yet a blighted area, but because of a combination of **three 3 or more of the factors** is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area:

The factors are the same factors listed for developed land in a **Blighted Area**.

The Expansion Area does not meet the criteria for designation as a conservation area.

D. Eligibility of an Industrial Park Conservation Area

In order to be determined to be an **Industrial Park Conservation Area**, vacant property must meet the following requirements and definitions:

- Within the Boundaries of the Village
- Industrial Zoning
- Property is Vacant
- Labor Surplus Municipality
- Property is to become part of an industrial park
- Contiguous to blighted area

The Expansion Area does not meet the criteria for designation as an Industrial Park Conservation Area.

E. Presence of Eligibility Factors

Summarized below are the conclusions of the surveys and analyses completed for each eligibility factor based on existing conditions within the Expansion Area. In order to qualify the Expansion Area and the Expanded Redevelopment Project Area, they must meet criteria set forth in the Act. The specific criteria, as defined by the Act, precede each finding. The conclusions indicate whether the factor is found to be present within the Expansion Area and the Expanded Redevelopment Project Area.

F. Investigation Analysis of Blighted / Conservation Factors

In determining whether or not the proposed Expansion Area and the Expanded Redevelopment Project Area meet the eligibility requirements of the Act, various research and field surveys were undertaken including:

- Contacts with Village officials, county officials, and private parties knowledgeable as to area conditions and history, age of buildings and site improvements, real estate matters, and related items, as well as examination of existing information related to the Expansion Area and the Expanded Redevelopment Project Area.
- On site field examination of conditions within the Expansion Area and the Expanded Redevelopment Project Area.
- Application of definitions related to Blighted Area, Conservation Area and Industrial Park Conservation contained in the Act.
- Review of FEMA maps.

G. Conclusions and Findings

1. There are three categories under which an area can be determined to meet the blight criteria. The area must meet the criteria under one of these categories if it is determined to be blighted. One set of the criteria for both the Blighted and Conservation designation deals with improved land / developed property. Two sets within the blighted designation deal with vacant property. The minimum number of factors must be present in one of these categories and the presence of each must be documented;
2. Each factor to be claimed must be distributed throughout the district and should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act;
3. The property must equal or exceed 1½ acres. The Original North Redevelopment Project Area met this criterion. The Expansion Area is approximately 29 acres, which also meets this criterion by exceeding the 1 ½ acres required.

Eligibility Findings

This report concludes that the Expanded Area of the Town Center Redevelopment Project Area is eligible for Tax Increment Finance (“TIF”) designation as blighted for both improved and vacant land.

For improved land, five criteria of thirteen criteria are required for designation as blighted land when structures are present. The following six criteria are present and distributed throughout the Expanded Redevelopment Project Area to a meaningful extent. These same criteria are applied to the qualification of a conservation area:

- Obsolescence
- Excessive vacancies
- Inadequate utilities
- Lack of community planning
- Deterioration
- EAV of the proposed Redevelopment Project Area has declined for three of the last five years.

There are portions of several parcels that contain vacant land. These parcels include 03-03-400-084 (totally vacant); 03-03-401-010 (totally vacant); 03-03-400-085 (approximately two

thirds vacant); 03-03-401-008 (approximately one half vacant); parcel 03-02-316-048 (approximately eighty percent vacant); 03-02-316-049 (totally vacant with the remains of a demolished garage); 03-02-316-050 (totally vacant); and 03-02-316-051 (totally vacant). The parcels are not being farmed.

For vacant land, the minimum of one criterion is required for designation as blighted land when land is vacant. The following one criterion is present and distributed throughout the Expanded Redevelopment Project Area to a meaningful extent.

- Flooding as certified by regulatory agency. FEMA (FEMA maps are part of discussion of vacant land criteria).

For designation as a blighted area, only one of the two sets of criteria needs to be met. In this case, the Expanded Redevelopment Project Area meets both sets of criteria. The above factors are distributed throughout the Expanded Redevelopment Project Area and are present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act.

The property must equal or exceed 1½ acres. The Original North Redevelopment Project Area met this criterion. The Expansion Area is approximately 29 acres, which also meets this criterion by exceeding the 1 ½ acres required.

II. THE EXPANDED REDEVELOPMENT PROJECT AREA

The Expansion Area of the Redevelopment Project Area lies east and west of Northgate Parkway. The commercial area borders Dundee Road and extends to the creek. The church and industrial site are north of the creek on the west side of Northgate Parkway to right of way on a line with Strong Avenue.

The following parcels constitute the Expansion Area:

03-02	308-007
03-02	308-008
03-02	316-048
03-02	316-049
03-02	316-050
03-02	316-051
03-02	316-052
03-03	400-084
03-03	400-085
03-03	401-007
03-03	401-008
03-03	401-010

The Expanded Redevelopment Project Area within this boundary is industrial and commercial in characteristic. It is the former site of a large industrial facility, a real estate office, a church, two garages, and the rubble from a demolished garage.

The legal description of the Expanded Redevelopment Project Area is Attachment 1.

The maps of the Original Redevelopment Project Area and the Expanded Redevelopment Project Area, are set forth in Attachment 2.

III. ANALYSIS OF CONDITIONS IN THE EXPANDED REDEVELOPMENT PROJECT AREA

In determining whether or not the Expansion Area meets the eligibility requirements of the Act, at the Village's direction, Ehlers & Associates, Inc. (the "Consultant") conducted various researches and undertook field surveys.

The Consultant surveyed the Expansion Area multiple times in 2007 with final review occurring April. The survey and analysis of existing conditions within the Expansion Area were completed by the Consultant to document the extent to which each blighted factor is present within the Expansion Area. The surveys and analyses included:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering street, sidewalks, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Analysis of vacant sites;
5. Review of previously prepared plats, plans and studies;
6. Analysis of water, sewer, gas utilities, etc. and
7. Analysis of FEMA maps.

A. Eligibility Survey and Analysis

1. Building Components Evaluated

During the field survey, each component of a subject building was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

a. Primary Structure

These components are the basic structural elements of any building, including foundation walls, load-bearing walls and columns, roof structure, and roof.

b. Secondary Structure

These components are generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, gutters and down spouts.

2. Final Building Rating

After completing the review of the exterior building condition survey, each individual building was placed in one of three categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below.

a. Sound Structures

Sound buildings kept in a standard condition, requiring no maintenance at present. These buildings so classified have defects so minor as to not impact the area.

b. Deteriorated

Buildings where factors were present from a major to extreme extent. These buildings contain defects that are not easily correctable through normal maintenance or required

contracted skills to accomplish the level of improvements as part of maintenance or correction of defects. These buildings are noted as being deteriorated on the survey.

c. Dilapidated

Buildings appear to be so severely defective as to need demolition. Structural integrity, however, was not documented. While these factors were reviewed, the Consultant did not conduct a documented building condition analysis, as the visual survey did not detect such levels of defects. Had these conditions been identified, such analysis would have been done.

B. Presence of Blight Factors

Summarized below are the conclusions of the surveys and analyses completed for each blight factor based on existing conditions within the Expansion Area. In order to qualify the Expansion Area for a TIF, the Expansion Area must meet criteria set forth in the Act. The specific criteria as defined by the Act precede each finding. The conclusions indicate whether the factor is found to be present within the Expansion Area, and the relative extent to which the factor is present. The Rating Survey showing the conditions in each block is found in Table 2, Rating Survey.

These factors will be documented in the study.

- The blight factors, which are present, are reasonably distributed throughout the Expansion Area.
- The entire Expansion Area is impacted by and shows the presence of blight factors.

C. Eligibility of a Blighted Area

The land in the Expansion area qualifies as both “blighted” for improved and vacant land areas.

“Blighted Area” means any improved or vacant area within the boundaries of the Expanded Redevelopment Project Area located within the territorial limits of the Village where:

1. **If improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent, so that a City 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 Expansion Area:

- (a) **Dilapidation**. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings, 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.

An ascertainment of the structural state was not done as part of this study. As such, these findings will not be used for qualification. Adequate criteria for designation exist without using this criterion.

- (b) **Obsolescence.** The condition or process of falling into disuse. Structures have become ill-suited for the original use.

The structures within the expanded area meet this definition. The real estate office appears to be a converted residence. The church is a converted industrial building. The buildings that are part of the industrial facility no longer meet modern day standards for similar facilities. There are two garages that sit on property with no apparent use.

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

Deterioration was present in the industrial building. Significant rusting is occurring on the metal buildings. Windows on other parts of the building are defective. There is left over rubble from the demolition of a garage. There are pot holes in surface storage areas.

- (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.

There is not adequate documentation present for this criterion in the Expansion Area.

- (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.

Illegal structures are not apparent in the Expansion Area.

- (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.

The industrial building(s) within the Expansion Area is to be vacated.

- (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.

The above characteristics were not noted.

- (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.

Most of the property with structures is within the 100 year flood plain. It will be necessary to develop additional detention and retention facilities with redevelopment to address potential flooding problems. The industrial building will require the development of utilities for its reuse or replacement.

- (i) **Excessive land coverage and overcrowding of structures and community facilities.** The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of building, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

The Expanded Redevelopment Project Area does not exhibit this criterion.

- (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.

The Expanded Redevelopment Project Area does not exhibit this criterion.

- (k) **Lack of community planning.** The proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the City 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.

Many parcels are of inadequate shape and size. Access to the parcels is difficult because of the lack of north access to the industrial facility. The parcels in the

proposed Expansion Area were developed prior to or without the benefit of guidance of an adopted comprehensive plan covering that area.

- (l) **Environmental clean-up.** The proposed Redevelopment Project Area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

There were no parcels within the Expansion Area containing leaking underground storage tanks and therefore no environmental remediation is required. Should problems be identified, funds will be available in the budget for remediation.

- (m) **The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years** prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the City for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

EAV must have declined for three of the last five calendar years to meet this criterion. EAV is documented in Table 1 which is incorporated by reference in this report. The table below provides a comparison of the increase in EAV by year for both the Village and the Expansion Area.

The additional parcels meet the criterion in that the EAV declined for three of the last five calendar years.

Total Assessed Value	\$ 1,183,463	\$ 1,283,907	\$ 1,272,401	\$ 1,272,401	\$ 1,473,868	\$ 1,576,851
Total EAV	\$ 2,631,430	\$ 2,965,568	\$ 3,141,431	\$ 3,129,852	\$ 3,796,242	\$ 4,307,957
Percent Change		12.70%	5.93%	-0.37%	21.29%	13.48%
Villagewide EAV	\$ 780,293,723	\$ 900,246,070	\$ 953,308,489	\$ 941,702,835	\$1,101,641,089	\$1,166,555,624
Balance	\$ 777,662,293	\$ 897,280,502	\$ 950,167,058	\$ 938,572,983	\$1,097,844,847	\$1,162,247,667
Percent Change		15.38%	5.89%	-1.22%	16.97%	5.87%

- 2. If vacant, the sound growth of the Redevelopment Project Area is impaired by a combination of **two (2) or more of the following factors**, each of which is (i) present, with that presence documented to a meaningful extent, so that the Village may reasonably find that the factor is clearly present with the intent of the Act, and (ii) reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:
 - a) **Obsolete platting** of vacant land that results in parcels of limited or narrow size, or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for

streets or alleys, or that created inadequate right-of-way widths for streets, alleys, or other, public rights-of-way, or that omitted easements for public utilities.

This criterion is not present.

- b) **Diversity of ownership** of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

This criterion is not present.

- c) **Tax and special assessment delinquencies** exist, or the property has been the subject of sales tax under the Property Tax Code within the last five (5) years.

This criterion is not present.

- d) **Deterioration of structures or site improvements** in neighboring areas adjacent to the vacant land

This criterion is not present.

- e) **The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs** for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or Federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

This criterion is not present.

- f) **The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years** prior to the year in which the Redevelopment Project Area is designated, or is increasing an annual rate: that is less than the balance of the city for three (3) of the last five (5) calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or year in which the Redevelopment Project Area is designated.

This criterion will not be used for qualification of the Redevelopment Project Area.

3. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by **one of the following factors** that **(i)** is present, with that presence documented to a meaningful extent, so that a Village may reasonably find that the factor is clearly present within the intent of the Act, and **(ii)** is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

- (a) **The area consists of one or more unused quarries, mines, or strip mine ponds.**

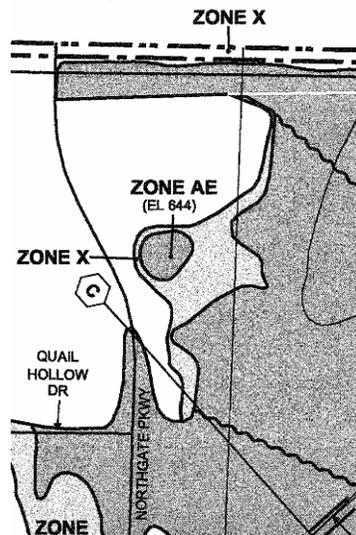
This criterion is not present.

- (b) **The area consists of unused rail yards, rail tracks, or railroad rights-of-way.**

This criterion is not present.

- (c) **The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.**

This criterion is present. Most of the vacant land and structures in the Expanded Area are found in the 100 year flood plain as documented in FEMA flood map 17031C0068G. Presence of 100 year flood plain as documented by FEMA is considered documentation of this criterion. The Village also concurs that flooding occurs on the property.



Portion of FEMA Map 17031C0068G Covering Expansion Area

- (d) **The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.**

This criterion is not present.

- (e) **Prior to the effective date of the applicable amendatory Act of the 91st General Assembly, the area is not less than 50, nor more than 100 acres, and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area), and the area meets at least one of the factors itemized in paragraph (1) above, the area has been designated as a town or Village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.**

This criterion is not present.

- (f) **The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.**

This criterion is not present.

D. Eligibility of a Conservation Area

The thirteen criteria for improved land for determination of Conservation Area are the same as the criteria for Blighted. However, an additional criterion of age of structure is applied.

“Conservation Area” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the Village in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three (3) or more of the following (above) factors is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area:

The Expansion Area does not meet the criteria for designation as a conservation area.

IV. ELIGIBILITY CONCLUSIONS

This report concludes that the Expanded Area of the Town Center Redevelopment Project Area is eligible for Tax Increment Finance (“TIF”) designation as blighted for both improved and vacant land.

For improved land, five criteria of thirteen criteria are required for designation as blighted land when structures are present. The following six criteria are present and distributed throughout the Expanded Redevelopment Project Area to a meaningful extent. These same criteria are applied to the qualification of a conservation area:

- Obsolescence
- Excessive vacancies
- Inadequate utilities
- Lack of community planning
- Deterioration
- EAV of the proposed Redevelopment Project Area has declined for three of the last five years.

There are portions of several parcels that contain vacant land. These parcels include 03-03-400-084 (totally vacant); 03-03-401-010 (totally vacant); 03-03-400-085 (approximately two thirds vacant); 03-03-401-008 (approximately one half vacant); parcel 03-02-316-048 (approximately eighty percent vacant); 03-02-316-049 (totally vacant with the remains of a demolished garage); 03-02-316-050 (totally vacant); and 03-02-316-051 (totally vacant).

The vacant land has also been platted and is not being farmed.

For vacant land, the minimum of one criterion is required for designation as blighted land when land is vacant. The following one criterion is present and distributed throughout the Expanded Redevelopment Project Area to a meaningful extent.

- The vacant property in the Expanded Redevelopment Project Area suffers from chronic flooding that impacts real property based on determination of a regulatory agency in this case Federal Emergency Management Agency. Land in the 100 year flood plain has been determined to have chronic flooding.

For designation as a blighted area, only one of the two sets of criteria needs to be met. In this case, the Expanded Redevelopment Project Area meets both sets of criteria. The above factors are distributed throughout the Expanded Redevelopment Project Area and are present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act.

The property must equal or exceed 1½ acres. The Original North Redevelopment Project Area met this criterion. The Expansion Area is approximately 29 acres, which also meets this criterion by exceeding the 1 ½ acres required.

Based on these factors, the Consultant has recommended that the Village could conclude that property within the Expanded Redevelopment Project Area qualifies as a Blighted as defined in State statute and is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the Village.

The Expanded Redevelopment Project Area has not been subject to sound growth and development through investment by private enterprise and the Expanded Redevelopment Project Area would not reasonably be anticipated to be developed without TIF assistance.

Evidence also exists that the area will not develop without intervention by the Village. This evidence is as follows:

- There is substantial flood plain in the vacant area that will require expensive remediation that will not be possible without the intervention of the Village and the use of TIF funds.
- The existing industrial buildings will require expensive rehabilitation or replacement due to obsolescence.
- EAV in the Expanded Redevelopment Project Area has declined in three of the last five calendar years.
- Redevelopment of the industrial building will require extensive infrastructure and utility development.
- The building will become vacant.

TABLE 1
VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA

EXPANSION AREA - PARCEL NUMBERS AND FIVE-YEAR EAV HISTORY

PIN		2000	2001	2002	2003	2004	2005
03-02	308-007	22,568	13,541	13,541	13,541	19,183	19,183
03-02	308-008	622	622	622	622	529	529
03-02	316-018 *	16,461	18,026	18,026	18,026	18,415	0
03-02	316-019 *	73,665	82,179	82,179	82,179	135,237	0
03-02	316-048 **	0	0	0	0	0	2,442
03-02	316-049 **	0	0	0	0	0	31,814
03-02	316-050 **	0	0	0	0	0	44,338
03-02	316-051 **	0	0	0	0	0	70,546
03-02	316-052 **	0	0	0	0	0	160,521
03-03	400-084	1,568	1,568	1,568	1,568	0	0
03-03	400-085	199,998	222,508	211,002	211,002	278,825	225,799
03-03	401-007	703,519	808,400	808,400	808,400	877,300	877,300
03-03	401-008	165,062	137,063	137,063	137,063	144,379	144,379
03-03	401-010	0	0	0	0	0	0
Total Assessed Value		\$ 1,183,463	\$ 1,283,907	\$ 1,272,401	\$ 1,272,401	\$ 1,473,868	\$ 1,576,851
Total EAV		\$ 2,631,430	\$ 2,965,568	\$ 3,141,431	\$ 3,129,852	\$ 3,796,242	\$ 4,307,957
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Balance		\$ 777,662,293	\$ 897,280,502	\$ 950,167,058	\$ 938,572,983	\$1,097,844,847	\$1,162,247,667
Percent Change			15.38%	5.89%	-1.22%	16.97%	5.87%

* In May 2005, a Division Permit was filed with Cook County Assessor and these two PINS became the five PINS identified above with ** after their number.

** In May 2005, a Division Permit was filed with Cook County Assessor and these five PINS were formed when the two PINS identified above with * after their number were combined and split.

TABLE 2
VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA

EXPANSION AREA – RATING SURVEY

Improved			Land	Below		Lack of	Land
Block	Obsolescence	Deterioration	Coverage	Minimum	Vacant	Utilities	Plan
				Code			
400	X						X
401	X	X			X	X	X
316	X	X			X	X	X

ATTACHMENT 1

**VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA**

**ORIGINAL REDEVELOPMENT PROJECT AREA AND EXPANSION AREA
LEGAL DESCRIPTION**

**LEGAL DESCRIPTION
FOR
DUNDEE ROAD CORRIDOR (TOWNCENTER) TIF DISTRICT**

That part of Sections 2, 3, 10 and 11 in Township 42 North, Range 11, East of the 3RD Principal Meridian described as follows:

Beginning at the intersection point of the east right-of-way line of Wolf Road and the south right-of-way line of Dundee Road in Boho's Subdivision recorded July 29, 1991 Document 91378636; thence easterly 233.73 feet along said south line to the northeast corner of said subdivision; thence northerly 7.00 feet along the extension of the east line of said subdivision; thence easterly 291.06 feet along the south right-of-way line of Dundee Road to the west line of dedicated property for public road, being the east line of Wheeling Cemetery, recorded December 5, 1977 Document 24222530; thence southerly 16.98 feet along said west line to the southwest corner of said dedicated property; thence easterly 282.36 feet along the south right-of-way line of Dundee Road to the intersection point of said south line and a line 385 feet west of and parallel to the west right-of-way line of Wheeling Avenue; thence northerly 91.00 feet along last described parallel line to the intersection point of said parallel line and the north right-of-way line of Dundee Road recorded January 22, 1987 Document T3585643; thence easterly along said north line to the intersection point between said north line and the east right-of-way of First Street; thence southerly 8.00 feet along said east line to the southwest corner of Lot 7 in Uptadel's Sunnyside Addition to Wheeling recorded December 30, 1930 as Document T531289; thence northeasterly North 80 degrees 12 minutes 23 seconds East, a distance 121.20 feet to the southwest corner of Lot 1 in McDonald's Subdivision recorded December 9, 1983 as Document T3345484; thence northerly 125 feet along the west line of said lot to the northeast corner of Lot 6 in Uptadel's Sunnyside Addition to Wheeling, being the southeast corner of Woodvale Lake Estates Unit 1 Subdivision recorded December 15, 1960 as Document T1956518; thence westerly 467.34 feet more or less along the south line of said subdivision to the southwest corner of said subdivision; thence northerly 75 feet along the west line of said subdivision to the northeast corner of Lot 14 in Uptadel's Sunnyside Addition to Wheeling; thence westerly 174.43 feet more or less to a point along the south line of Cameo Terrace North Subdivision recorded May 3, 1963 as Document 18786699 and recorded June 17, 1963 as Document T2096385; thence southerly 2 feet to a point along the west line of Lot 14 in Uptadel's Sunnyside Addition to Wheeling; thence westerly 251.60 feet to a point along the south line of Cameo Terrace North Subdivision; thence westerly 300 feet to a point along the extension of said south line to the west right-of-way line of Wolf Road; thence southerly along said west line to the northeast corner of Lot 13 in Holland's Resubdivision recorded

September 16, 1955 as Document T1621040; thence westerly 526.25 feet more or less along the extension of north line of said Lot to the northwest corner of Lot 13 in Resubdivision of Lots 22-23-24-33-34-35-36-37-38-51-52-74-75-76-77 and 78 of Holland's Resubdivision recorded November 26, 1958 as Document 17388187; thence southeasterly along the west line (being an arc of a circle, convex to the East, having a radius of 320.94 feet, a distance of 172.71 feet) of said Lot to the southwest corner of said Lot; thence westerly 66 feet along the north right-of-way line of Dundee Road to the southeast corner of Lot 79 in Holland's Resubdivision; thence northwesterly along the east line of said lot, being an arc of a circle, convex to the East, having a radius of 254.94 feet, a distance of 156.58 feet; thence continuing northwesterly 349.32 feet along the east line of said lot; thence northwesterly along the east line of said lot, being an arc of a circle, convex to the East, having a radius of 167.00 feet, a distance of 76.93 feet to the intersection point on the east line of Lot 2 in Chrysler Realty Corporation's Resubdivision recorded October 2, 1972 as Document 22070178; thence northwesterly along said east line to the southeast corner of Wheeling Drainage District right-of-way in said subdivision; thence westerly along the south line of said drainage district right-of-way to the west line of Lot 1 of said subdivision; thence northerly 7 feet along said west line to the south line of Wheeling Drainage Ditch right-of-way in Wheeling Heights Subdivision recorded July 14, 1919 as Document 6572881; thence westerly 849.3 feet along said south line to the west line of Lot 2 in said subdivision; thence southerly 467 feet along said west line to the north right-of-way line of Dundee Road; thence westerly 386 feet along said north right-of-way line to the intersection point of said north right-of-way line and the east right-of-way line of Northgate Parkway; thence northerly 470 feet along said east right-of-way line to the south right-of-way line of Wheeling Drainage Ditch in Guardite Company's Resubdivision recorded November 22, 1957 as Document 17072318; thence westerly along said south right-of-way line to the intersection point of said south right-of-way line and the west line of Lot 3 in said subdivision; thence westerly along a straight line connecting said Intersection point and the intersection point of the east line of Dominick DiMatteo Junior Resubdivision recorded August 17, 1970 as Document 21238930 and the south right-of-way line of Wheeling Drainage Ditch in said subdivision; thence northwesterly along said south right-of-way line to the intersection point of said south right-of-way line and the west line of said subdivision; thence westerly along a straight line connecting said intersection point and a point 498.67 feet north of the center line of McHenry Road on the west line of Commonwealth Edison Company right-of-way; thence northerly 52.00 feet along said west line; thence North 74 degrees 04 minutes 07 seconds West, a distance 223.60 feet; thence North 65 degrees 49 minutes 07 seconds West, a distance 132.04 feet; thence North 89 degrees 05 minutes 07 seconds West, a distance 28.44 feet; thence South 65 degrees 21 minutes 53 seconds

West, a distance 103.27 feet to a point on the center line of McHenry Road; thence southwesterly along a straight line connecting said point and the intersection point between the center line of creek and the east line of Lot 4 in Elsa Resubdivision recorded November 14, 1967 as Document 20322360; thence northwesterly along the center line of creek in said subdivision to the east right-of-way line of Elmhurst Road; thence southerly along the east right-of-way line of Elmhurst Road to the intersection point of said east line and the extension line of the south line of Elmhurst Rancheros Resubdivision recorded September 21, 1965 Document 19592909; thence westerly along said extension line to the southeast corner of said subdivision; thence westerly along said south line to the southwest corner of said subdivision; thence southerly along the east line of Hollywood Ridge Unit 1 recorded December 21, 1959 Document 17740363 to the intersection point of south right-of-way line of Dundee Road and the extension of said east line; thence westerly along said south right-of-way line to the intersection point between said south right-of-way line and the extension of the west line of Dunhurst Subdivision Unit Number Four recorded April 24, 1956 Document 16559719; thence southerly along said extension line to the northwest corner of said subdivision; thence easterly 630.00 feet along north line of said subdivision to the intersection point of said north line and the west line of original Lot A in said subdivision; thence northerly 314.00 feet along the west line of First Addition to Dunhurst Unit Number Four recorded October 18, 1957 Document 17041853 to the northwest corner of said subdivision; thence easterly 652.58 feet along the north line of said subdivision to the northeast corner of said subdivision; thence easterly along the extension of said north line to the east right-of-way line of Elmhurst Road; thence northerly along said east right-of-way line to the southwest corner of Lot A in Dunhurst Subdivision Unit Number One recorded May 3, 1955 Document T1591895; thence easterly along the south line of said lot to the southeast corner of said lot; thence easterly along a straight line connecting between said corner and the southwest corner of Lot B in said subdivision; thence easterly along the south line of said lot to the southeast corner of said lot, being on the west right-of-way line of Commonwealth Edison Company; thence southerly 554.07 feet along the east line of said subdivision; thence South 38 degrees 10 minutes 12 seconds East, a distance 37.22 feet; thence southeasterly 917.16 feet along the northeast line, having a bearing of South 38 degrees 10 minutes 12 seconds East, of Dunhurst Subdivision Unit Number Two recorded August 17, 1965 Document T1602023; thence southeasterly 1166.58 feet along the northeast line, having a bearing of South 38 degrees 10 minutes 12 seconds East, of Herzog's First Industrial Subdivision recorded December 13, 1955 Document T1639763 and corrected December 14, 1956 Document T171348 to the west right-of-way line of Wheeling Road; thence northerly along said west line to the intersection point of said west line and the extension of the north line of Rock Road Construction Company Subdivision

recorded November 16, 1973 Document T2727492; thence easterly along said extension line to the northeast corner of said subdivision; thence easterly along a straight line connecting said northeast corner and the northwest corner of Herzog's 3rd Industrial Subdivision recorded July 3, 1984 Documents T3380418 and T3380419 to said northwest corner; thence easterly 895.05 feet along the north line of said subdivision to the northeast corner of said subdivision; thence easterly 1895.82 feet along the north line of Meadowbrook Subdivision Unit Number Two recorded October 24, 1955 Document T1629537 to the northeast corner of said subdivision; thence easterly 414.41 feet along the north line of Meadowbrook Subdivision Unit Number One recorded July 7, 1955 Document T1605647 to the intersection point between said north line and the west right-of-way line of Wolf Road; thence northwesterly along the westerly right-of-way line of Wolf Road, being the arc of a circle, convex to the West, having a radius of 1960.08 feet, to the intersection point of said westerly right-of-way line and the south line of hereinafter referred as "Parcel A" (a tract of land, described as follows: beginning at the intersection of the center line of Dundee and Wolf Road; thence South 1 Degree 38 Minutes 30 Seconds East along the center of Wolf Road a distance of 682.50 feet to a point of beginning; thence continuing along the center of Wolf Road South 1 Degree 38 Minutes 30 Seconds East a distance of 172.50 feet to a point of tangency; thence southeasterly along the center line of Wolf Road, being the arc of a circle, convex to the West, having a radius of 1910.08 feet, a distance of 233.10 feet; thence South 88 Degree 20 Minutes West a distance of 405.75 feet to the center of Wheeling Drainage Ditch; thence northerly along the center of said ditch a distance of 409.25 feet; thence North 88 Degrees 20 Minutes East on a line parallel to the center line of Dundee Road 450.45 feet to the place of beginning, in Cook County, Illinois); thence southwesterly along the south line of said Parcel to the southwest corner of said Parcel; thence northwesterly 409.25 feet along the center line of said ditch to the northwest corner of said Parcel; thence northwesterly 449.10 feet to the southwest corner of Lot 1 of Dundee Wolf Subdivision recorded September 7, 1973 Document 2715566; thence northwesterly 190.74 feet along the west line of said lot; thence easterly 300.15 feet along the south right-of-way line of Dundee Road to the northeast corner of said subdivision; thence easterly 200.00 feet along said south right-of-way line to the intersection point of the west right-of-way line of Wolf Road and said south right-of-way line in Lynch's Resubdivision in Wheeling recorded April 23, 1962 Document T-2029761; thence easterly along a straight line connecting said intersection point and the intersection point of the east right-of-way line of Wolf Road and the south right-of-way line of Dundee Road, being the Point of Beginning, all in Cook County, Illinois.

**Redevelopment Project Area
Expansion Area**

Village of Wheeling

Town Center (Dundee Road) TIF District

Lots 27, 28 and 29 in Northgate Industrial Center Subdivision of Lot 1 in Guardite Co.'s Resubdivision of Lots 1, 2 and 3 and that part of Lot 4 lying South of a line described as follows: Commencing at a point 2.42 chains North of the Southwest corner of the Northeast $\frac{1}{4}$ of Section 3, Township 42 North Range 11, East of the Third Principal meridian, thence North $88^{\circ}, 00' 20''$ East 40.58 chains to the East line of Section 3, all in Owners Division of Buffalo Creek Farm, according to the plat thereof recorded as Doc. 9195785, also part of Lots 1 and 2 in the Subdivision of G. Hechinger's Farm in Sections 1, 2 and 3, Township 42 North, Range 11, East of the Third Principal Meridian, and also part of Lot 2 in the Subdivision of Section 3, Township 42 North, Range 11, East of the Third Principal Meridian; Lot 2 in Guardite Co.'s Resubdivision, aforesaid; the West 276 feet of Lot 1 in Wheeling Heights, a subdivision of the East 50.01 acres of the Skinner Farm in the Southwest $\frac{1}{4}$ of Section 2, Township 42 North, Range 11, East of the Third Principal Meridian; the Metropolitan Water Reclamation District of Greater Chicago's Diversion Channel located in the East $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 3, Township 42 North, Range 11, East of the Third Principal Meridian (commonly known as William Rogers Creek) and bounded by the North and West lines of Lot 27 in Northgate Industrial Center Subdivision, aforesaid, the Easterly line of the M. St. P. & SSM Railroad right-of-way (Soo Line Railroad), the South lines of Lots 1 and 2 in Allendale Subdivision, a resubdivision of Lots 21 to 26, inclusive, in Northgate Industrial Center Subdivision, aforesaid, and the West right-of-way line of Northgate Parkway (Wheeling Road); that triangular portion of vacated 12th Street located in the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 2, Township 42 North, Range 11, East of the Third principal Meridian and bounded by Lot 28 in Northgate Industrial Center Subdivision, aforesaid, on the West, the current Westerly right-of-way line of 12th Street on the East, and the Easterly extension of the North line of Lot 28 in Northgate Industrial Center Subdivision, aforesaid, on the North; all in Cook County, Illinois; along with those portions of Northgate Parkway (Wheeling Road) and 12th Street located adjacent thereto (to the extent not already located within the boundaries of the Town Center (Dundee Road) TIF District).

P.I.N.'s: 03-02-308-007 and -008; 03-02-316-048, -049, -050, -051 and -052; 03-03-400-084 and -085; 03-03-401-007, -008 and -010.

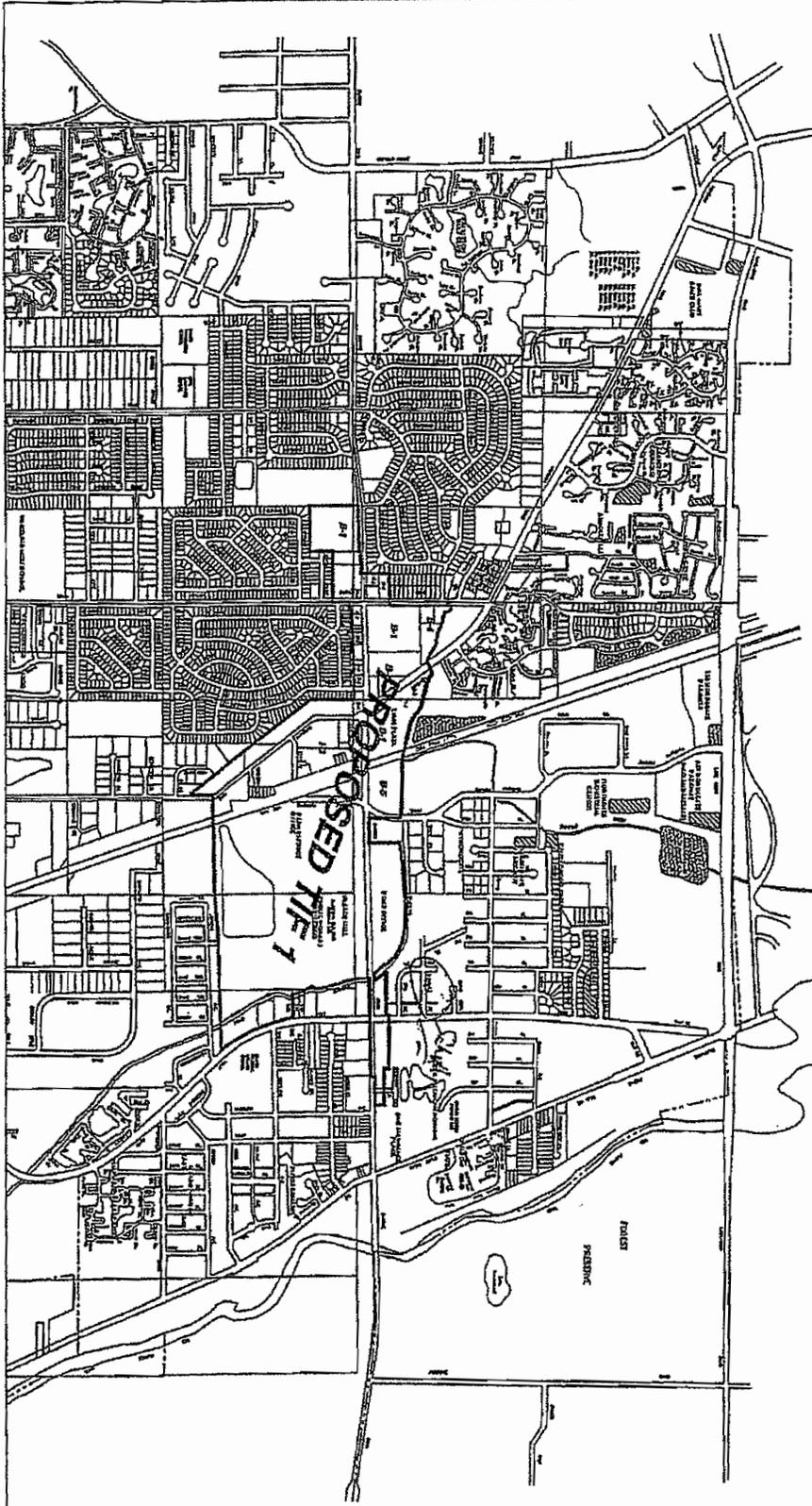
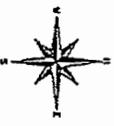
Street Location: Properties along Northgate Parkway, between a point approximately 617.48 feet South of Allendale Drive (Mayer Avenue) to Dundee Road (exclusive of the East side of Northgate Parkway (Wheeling Road) from Allendale Drive (Mayer Avenue) to approximately 385.26 feet South of Strong Avenue, the East side of Northgate Parkway immediately North and South of Egidi Drive, and the West side of Northgate Parkway immediately North of Dundee Road), consisting of 250 Northgate Parkway, 398-400 West Dundee Road and 430 West Dundee Road, Wheeling, Illinois.

ATTACHMENT 2

**VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA**

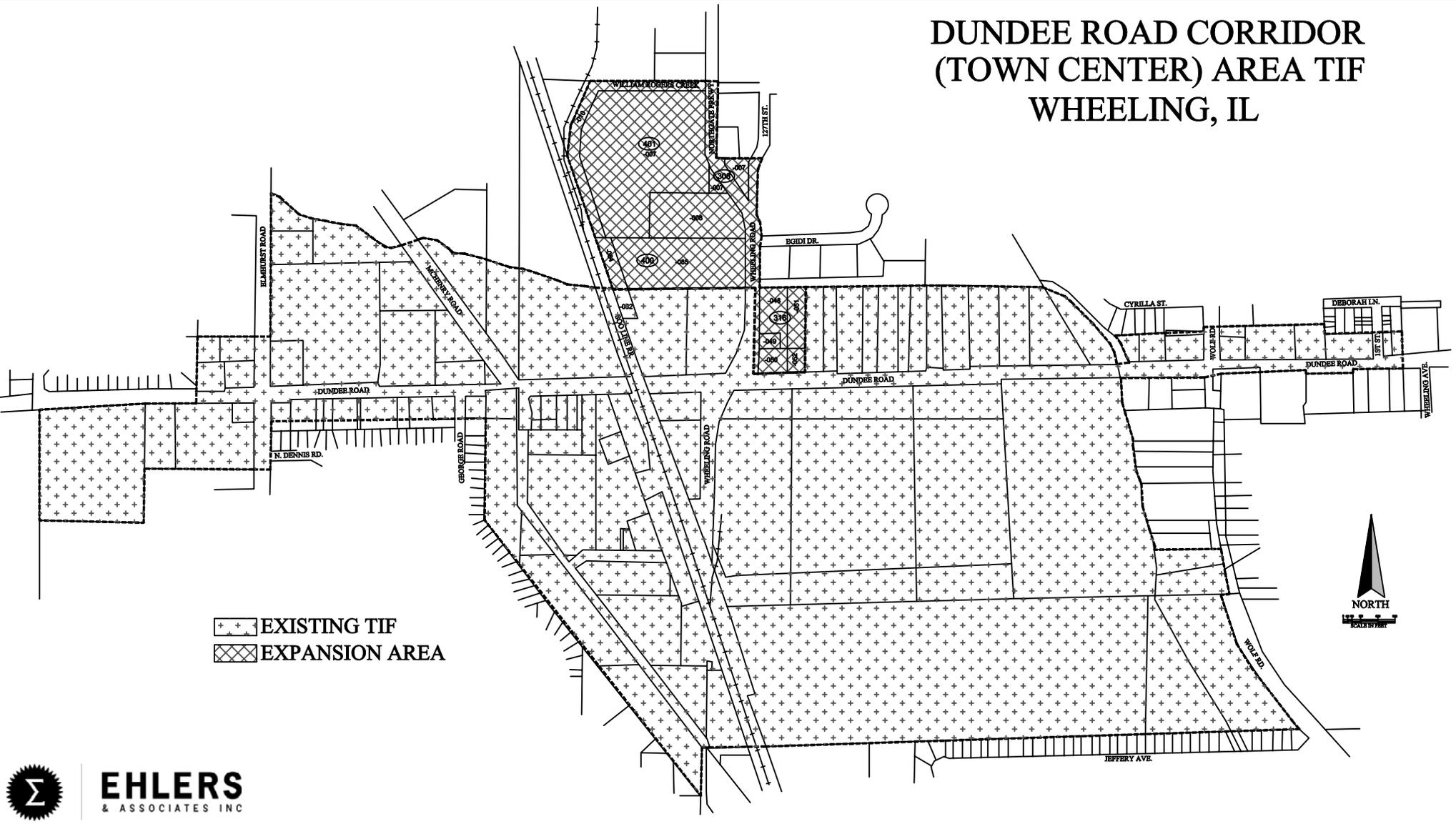
**ORIGINAL REDEVELOPMENT PROJECT AREA AND EXPANSION AREA
PARCEL MAPS**

**VILLAGE OF WHEELING, ILLINOIS
PROPOSED DUNDEE ROAD CORRIDOR
(TOWNCENTER) AREA TIF
REDEVELOPMENT PLAN AND PROJECT
BOUNDARY MAP**



LEGEND
—— PROPOSED TIF

DUNDEE ROAD CORRIDOR (TOWN CENTER) AREA TIF WHEELING, IL



ATTACHMENT 3
VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA

FEMA FLOOD MAP 17031C0068G

ATTACHMENT 4
VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA

EXPANSION AREA PHOTOGRAPHS



Obsolescent Structure



Obsolescent Structure



Deterioration



Deterioration

ATTACHMENT 5
VILLAGE OF WHEELING
EXPANDED TOWN CENTER REDEVELOPMENT PROJECT AREA

ORIGINAL ELIGIBILITY STUDY

(Attached)

EXHIBIT E

**Criteria for Qualification/
TIF Eligibility Report**

DRAFT

**VILLAGE OF WHEELING, ILLINOIS
DUNDEE ROAD CORRIDOR (TOWN CENTER AREA)
PRELIMINARY TIF QUALIFICATION REPORT**

SEPTEMBER, 2003

A study to determine whether certain properties within the Village of Wheeling along, and generally adjacent to the Dundee Road Corridor (located generally between an Wolf Road on the east and Elmhurst Road on the west) qualifies in part as a blighted improved area and in part as a blighted vacant area as set forth in the definition in the Real Property Tax Increment Allocation Redevelopment Act of Chapter 65, 5/11-74.4-1, et. seq., as amended of the Illinois Compiled Statutes.

Prepared for: Village of Wheeling, Illinois

Prepared by: Kane, McKenna and Associates, Inc.

Village of Wheeling
TIF Qualification Report
Dundee Road (Town Center Area)

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EXHIBIT A - TIF STUDY AREA MAP

EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Wheeling (the "Village") to conduct an analysis of the potential qualification and creation of a Tax Increment Finance (TIF) District, along a portion of the Village's Dundee Road corridor that is being actively planned for designation as a town center area (the "Town Center"). The Town Center concept is a primary focus of the Village's Comprehensive Plan that prepared by Camiros, Ltd and adopted by the Village on July 28, 2003 (the "Comprehensive Plan"). The combination of certain properties located along the Dundee Road corridor area, as further described herein, and the portions of that area being targeted for the Town Center concept, constitute the proposed Dundee Road (Town Center) TIF District (the "proposed TIF District").

The Village is pursuing the TIF designation as an integral part of its overall strategy to promote an extensive revitalization effort that the Village hopes will transform the center of its community into the designation focal point that it currently lacks. An important overall goal of the effort will be to create a core for the community that will serve to attract a mixed-use of residential and commercial development that currently does not exist there. For example, cornerstone sites to be potentially targeted within the Town Center planning are for potential adaptive reuse for major mixed-use development includes the vacant Kmart parcel, and the existing Wickes facility.

Key characteristics of the Town Center development will be enhanced community transit-related assets, and the coordination of community-based services in an environment that will promote the creative use of large amounts of actual (and potential) open space area that is predominant in the area due to its location within longstanding floodway and floodplain areas. The Village intends to utilize TIF resources to assist in the implementation of this Town Center concept, which will have the benefit of both eliminating conditions of blight present in the area, and enhancing the community's tax base.

The dominating force that affects the proposed TIF District is its virtually total location within floodway and floodplain areas associated with the Wheeling Drainage Ditch. In fact, there are a number of public and private buildings that were permitted to be constructed within floodway areas at a time long before the Village took measures to halt such development, and began, starting in the late 1970's, active programs to mitigate flood hazard conditions. Such construction, as noted in the Comprehensive Plan, is now understood to create obstacles that serve to divert storm water flows onto surrounding properties. This dynamic has likely played a role in the expansion of the floodplain area to a larger portion of the Wheeling community and, as such, has probably been a complicating factor in the major flood events that the community has suffered over the years. The location of the TIF District within the floodway and floodplain area serves as a major detriment to its proposed redevelopment.

The other major factor that serve as a detriment to the Village's plan to redevelop the proposed TIF District relates to the type and condition of land uses that have developed along the Dundee Road corridor over the last 40 to 50 years, during a time prior to the Village benefiting from the adoption and implementation of a comprehensive plan. As a result of this historical development, the Village faces a severe task in attempting to transform the area under the Town Center concept. As the Comprehensive Plan cites: "...Among the challenges facing Wheeling are traffic congestion, the age and size of Wheeling's older housing stock, property maintenance and the

lack of a retail identity along the Dundee Road commercial corridor, which serves as the Village's major shopping corridor..." The Comprehensive Plan goes on to indicate that such characteristics have served to create an image for the Village so that "...it (the Village) is...known for unattractive and dated commercial corridors and has a history of flooding..." The Village is determined to eliminate such perceptions, in part, through the designation of the proposed TIF District. The purpose of this TIF Qualification Report ("the Report") is to present evidence that certain factors, as required by State law, are in place to demonstrate that the area qualifies for TIF District designation by the Village.

For purposes of this Report, KMA has subdivided the study area into two major classifications to assist its analysis. The first classification is for all the land within the proposed TIF District that is primarily vacant of structures and/or improvements (the "vacant land"), while the second major classification is for all land that are primarily occupied by structures and/or other improvements (the "improved land"). These separate classes of land are further described as follows:

- **The vacant land** primarily consists of: 1) certain property situated south of Dundee Road that is principally controlled by the Park District and located south of the existing Village municipal center facilities, and east of the existing Park District complex; 2) certain parcels located on the north of Dundee Road, and adjacent to certain improved properties that front Dundee Road (such parcels are situated west of the U.S. Post Office and east of Northgate Parkway); and 3) a certain vacant parcel located on the northwest corner of Dundee Road and Northgate Parkway. All of the vacant land is located in whole or part within the floodway area and/or floodplain area, and as such is subject to chronic flood events.
- **The improved land** consists of all remaining parcels located within the proposed TIF District, which include properties that extend from along the Dundee Road corridor, generally between a point just east of Wolf Road and extending to include parcels located on the north and south side of Dundee Road to a point just west of Elmhurst Road (including most notably the vacant Kmart store facility). Included are improved properties that also extend south of Dundee Road along Northgate Parkway (inclusive of the existing Wickes facility), and north and south of Wheeling Road/McHenry Road (extending to properties surrounding the Metra Station to the south, and certain commercial properties to the north). Significant portions of the improved land are also in the floodway, and the balance is virtually all within the floodplain. Additionally, over one-third of the improved land includes structures that are advanced in age, and are influenced by other detrimental factors such as growing levels of site deterioration and assessed valuations that lag behind in growth when compared with balance of the Wheeling community. Based upon the analysis completed to date, KMA has reached the following conclusions regarding the potential TIF qualification for the vacant land and the improved land within the area:
 - 1) KMA has concluded that the vacant land qualifies as a "blighted vacant area" and the improved land within the proposed TIF District qualifies as a "blighted improved area" under the Act. The designation for each type of land is treated separately as part of this Report because, although each have been found to qualify. Each Sub-Area must demonstrate its own separate criteria as cited within the Act (and as

described in detail later in this Report).

- 2) KMA has concluded that the vacant land within the proposed TIF District qualifies as a blighted vacant area pursuant to the Act. The vacant land located within the proposed TIF District has never been developed, and substantial portions are currently not eligible for future private sector development due to restrictions related to flood hazard regulations. Certain actions will be required by the Village to either affectively employ the land for flood mitigation-related projects, and thus help to alleviated flood conditions for surrounding areas within the proposed TIF District, or take actions to shift some of the land from within the floodway area and, as a result give it potential for private sector development as part of the Town Center project.
- 3) KMA has concluded that all of the described improved parcels within the proposed TIF District qualify as a "blighted improved area" under the Act. These parcels are deemed to evidence sufficient factors that meet the conditions of the blighted improved area criteria pursuant to the Act. Overall, the improved land within the proposed TIF District either has declined, or is in danger of declining, toward a deteriorated condition that 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.
- 4) The existence of the blighting conditions found within the proposed TIF District presents a serious barrier to the area's successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in along the overall Dundee Road corridor, and its adjacent areas. The elimination of such factors is consistent with the goals and objectives cited by the Comprehensive Plan, which contemplates the utilization of TIF Districts to promote public-private partnership to pursue the successful implementation of the Town Center Project, and overall Dundee Road corridor redevelopment efforts. Without Village planning involvement and use of TIF and other economic development resources in eliminating such factors, potential redevelopment projects, along with other activities that require private sector investment, are not likely to be economically feasible within the area.
- 5) There are several potential redevelopment sites that could produce sufficient incremental property tax revenue that, if used in combination with other Village, federal and state resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the proposed TIF District.
- 6) To eliminate the existing blighting conditions (thereby promoting the economic viability of the proposed TIF District), and to promote private sector investment and development efforts, KMA recommends that the Village proceed with the formal TIF designation process for the entire study area. This designation should proceed in a manner that is consistent with the Comprehensive Plan, and other economic feasibility and engineering planning efforts currently underway for the area.

The subject of this Report is that portion of the Village of Wheeling that is shown in the Exhibit A to this Report. This area represents the proposed Redevelopment Project Area (the "RPA") as the term is defined by the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes Chapter 65, 5/11-74.4-1, et. seq., as amended (the "Act"). The Act also provides direction on the criteria under which an RPA may be qualified as a TIF District. The KMA analysis of the proposed RPA in conjunction with this criteria is outlined in the following pages.

I. INTRODUCTION AND BACKGROUND

Background

The purpose of this report is to provide a summary of factors that qualify the vacant area in part as a "blighted vacant area" based on vacant land and in part as a "blighted improved area" based on improved land. The area under study is generally described herein as the Dundee Road Corridor (Town Center) study area of the Village of Wheeling, Illinois. The study seeks to determine the potential eligibility and feasibility of this area for status as a TIF District pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, 5/11-4-1, et. seq., as amended (the "Act").

The Act addresses the elimination or reduction of factors that will cause an area to be either in a blighted state, or in danger of declining into a blighted state. The Act authorizes the use of tax increment revenues derived from the tax rates of various taxing districts in a Redevelopment Project Area (the "RPA," or, alternatively the "Study Area" or the proposed TIF District) for the payment of redevelopment project costs. For redevelopment eligibility under this legislation (in connection to this Report), the subject area must contain conditions that warrant its designation in part as a "blighted vacant area" and in part as a "blighted improved area", as such terms are fully defined herein. The following sections of this report will describe physical and economic conditions that have been found to conform to the provisions of the Act.

The proposed RPA (within irregular boundaries) is generally described as follows:

Certain properties that are either located directly on (both the north and south sides of) the Dundee Road Corridor, between a point just east of Wolf Road and extending to a point just west of Elmhurst Road, or located adjacent to such parcels. The RPA primarily contains a diverse mix of commercial, retail, institutional and unimproved uses, within area that is over 200-acres in size. The RPA is also located within an area defined as either floodway or floodplain impacted land. Additionally, the RPA contains in whole that approximately 120-acre land parcel that is currently the subject for planning in conjunction with the proposed Town Center development project, which will have as its focal point the Metra Station area.

A map of the RPA is attached as Exhibit A to this Report.

Surveys of building conditions and site characteristics of the area were undertaken by KMA in period between June and July 2003. Additionally, findings recorded within the Village's Comprehensive Plan, and interviews with Village officials concerning planning efforts related to the Town Center concept and flood control engineering studies were also utilized to aid in the KMA's analysis of the area.

The RPA study area is comprised of a combination of an improved and vacant land. The RPA is located along a critical corridor of the Village that has develop in a manner to reflect poorly on the overall image of the Wheeling community. From the Village's perspective, as suggested within the Comprehensive Plan, many of the improved parcels within the RPA include structures of advance age, which have fallen into various degrees of obsolescence. To a large extent, many of these structures are severely limited for potential redevelopment due to the their presence within floodway and floodplain areas. Others are discouraged from redevelopment due to limitations related to traffic congestion, and lack of developable land for expansion in connection to Dundee Road. Redevelopment of the area is also hindered by an inconsistent mix of land uses that result in inappropriate conflicts for commercial/ industrial versus the residential areas that surround almost the entire TIF District. For these and other related reasons, the Comprehensive Plan has targeted this area as a major objective for Village redevelopment efforts.

KMA, on behalf of the Village, has evaluated the proposed RPA for examination of factors and conditions that justify its further consideration for designation of a TIF District. KMA has determined through this examination that sufficient evidence exists to recommend that the Village proceed with this designation process, including the creation and adoption of a Redevelopment Plan and Project as permitted by the Act.

It has been determined that this TIF Qualifications Report will not require a Housing Impact Study, pursuant to the Act. This is because the final boundaries selected by the Village will not include more than 10-inhabited residential units that may be subject to removal or relocation during the life of the proposed TIF District. The Village has certified this fact in the Redevelopment Plan required for preparation as part of the TIF District adoption process. However, should such a study be required in the future, due to the Village's decision to alter the TIF boundaries to include such defined residential units, pursuant to the Act KMA will prepare on behalf of the Village a housing impact analysis based upon data collected that would include, but is not limited to, the following:

- (a) Data that states whether any building contains single-family or multi-family units.
- (b) The number and type of rooms within the units, if that information is available.
- (c) Whether the units are inhabited or uninhabited, as determined not less than 45 days before the anticipated date that the TIF ordinances required are passed.
- (d) Data as to the racial and ethnic composition of the residents in the inhabited residential units. (Census data will satisfy this requirement.)
- (e) The number and location of those units.
- (f) The municipality's plans for relocation assistance.
- (g) The availability of replacement housing for those residents whose residences are to be removed, and shall identify the type, location and costs of such housing.
- (h) The type and extent of relocation assistance to be provided.

- (i) The Housing Impact Study will be incorporated into the redevelopment plan and the redevelopment project area to be prepared in association with the potential creation of the TIF District.

II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc. ("KMA") examined the proposed Study Area, and reviewed information collected for the area, from June through July 2003 to determine the presence or absence of appropriate qualifying factors listed in the Illinois Tax Incremental Redevelopment Allocation Act (hereinafter referred to as "the Act") Ch. 65 ILCS Section 5/11-74.4-1 et. seq. of the Illinois Compiled Statutes, as amended. Based on this analysis, KMA has determined that the Study Area does qualify for consideration of TIF District designation by the Village.

The relevant sections of the Act are found below.

The Act sets out specific procedures that must be adhered to in designating a redevelopment project area. By definition, a "Redevelopment Project Area" is:

"an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted vacant area or a blighted improved area, or a combination of both blighted vacant area and blighted improved area."

(1) Under the Act, "blighted area," means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

- (1) If improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) 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 have become ill suited for the original use.

(C) Deterioration: With respect to buildings, defects including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, 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 refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up: The Proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

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

(M) The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of two (2) 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 vacant part of the redevelopment project area to which it pertains:

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(F) The total equalized assessed value of the Proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last (5) calendar years prior to the year in which the redevelopment project area is designated.

(3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is 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) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains (included in part):

(A) The area consists of one or more unused quarries, mines or strip mine ponds.

(B) The area consists of unused railyards, rail tracks or railroad rights-of-way.

(C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.

(E) Prior to the effective date of this amendatory Act of the 91st General Assembly, the area is not less than fifty (50) nor more than one hundred (100) acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph one (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982 and the area has not been developed for that designated purpose.

(F) The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

The RPA is considered to consist of a combination of improved property and vacant properties for purposes of examination under the criteria for blighted vacant findings and blighted improved area findings under the Act. The land described herein met eligibility for the requirements for designation as either a blighted improved area or blighted vacant area. The vacant land was reviewed under the criteria for blighted vacant property under the Act. All of the vacant parcels evaluated as part of this Report were found to currently exist within floodway areas, and as such have been subject to chronic flooding conditions over the years in a manner that has been both confirmed by the Village's engineer and community development staff, and designation as a Special Flood Hazard Area by the Federal Emergency Management Agency (FEMA). Additionally, surface water that discharges from all or part of the vacant land contributes to flooding within the same watershed. A major goal of the Redevelopment Plan will be to assist the Village with a source of funding for improvements that will be designed to help mitigate some of the chronic flooding conditions associated with the vacant land.

The proposed RPA is also considered to consist, in part, of improved property and vacant properties for purposes of examination under the criteria for the blighted findings under the TIF Act. The improved land described herein met eligibility for the requirements for designation as either a blighted improved area. This finding was made by virtue of the identification of evidence for at least six (6) qualification factors compared to the minimum requirement of five (5) factors dictated by the Act for the blighted improved area standard. It was further found that in both the cases for the vacant land and the improved land that the required qualifying factors are reasonably distributed throughout the Proposed RPA. KMA and the Village reserve the right to make additional findings in connection with this report prior to the adoption of the TIF District. Thus, it is subject to additional revisions to the extent such revisions are allowable prior to any action by the Village to adopt the TIF District, as permitted in the manner cited within the Act.

III. THE STUDY AREA

The Study Area is as generally described in Section I and can be reviewed through the attached Exhibit.

The Study Area consists of a mix of commercial, retail, industrial, residential and institutional land uses, except that substantial portions of the area are vacant of land uses. The improved properties are located on and adjacent to, both to the south and to the north, the Dundee Road Corridor. The vacant parcels are described above and include parcels also located both south and north of the Dundee Road Corridor. The vacant portion was evaluated in relation to the vacant area TIF qualification factors, and the improved portions were evaluated in relation to the improved area TIF qualification factors.

IV. METHODOLOGY OF EVALUATION

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

- 1) Exterior site surveys of the proposed TIF District were undertaken by representatives from Kane, McKenna and Associates, Inc. Site surveys were completed for each parcel and structure within the proposed Study Area.
- 2) Exterior evaluation of structures and site improvements including right-of-ways as part of efforts to note deterioration, or other blighting factors.
- 3) The area was studied in relation to the Comprehensive Plan and other available economic development and planning reports, Village ordinances (including the Village's Floodplain Regulations), 1996 through 2001 tax information [to be updated with 2002 tax data once finalized] by the County of Cook; Sidwell parcel tax maps, floodplain maps, engineering analyses, available Village Building Department records regarding age of structures and history of parcel uses, serial aerial photos, site data, local history (extensive interviews with Village officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., insufficient utilities, lack of community planning, deleterious land-use and layout, etc.). Kane, McKenna reviewed the area in its entirety. Village redevelopment goals and objectives for the area were also reviewed with Village officials.
- 4) Individual structures and/or parcels were reviewed only in the context of checking, to the best and most reasonable extent available, the criteria factors of specific structures and/or site conditions on particular parcels, as well as area-wide factors for the entire Study Area.
- 5) The Study Area was examined to assess the applicability of the different factors, required for qualification for TIF designation under the TIF Act. Evaluation was completed by reviewing each source of data and determining how each measured when analyzed within the context of the relevant factors.

Improved and vacant properties within the proposed Study Area were examined to determine the applicability of either blighted improved qualification factors or blighted-vacant qualification factors for TIF designation under the TIF Act.

Summary of Area Findings

The following is a summary of relevant qualification findings required under the Act:

- 1) The area is contiguous and is greater than 1 and 1/2 acres in size.
- 2) Portions of the area can be categorized as a "blighted vacant area" and portions as a "blighted improved area". Factors necessary to make these findings are present to a meaningful extent and are reasonably distributed throughout the RPA.
- 3) All property in the area would benefit by any proposed redevelopment project improvements.

- 4) The sound growth of the taxing districts that are applicable to this area, including the Village of Wheeling, has been impaired by the factors found present in the area.
- 5) The area as a whole would not be subject to redevelopment without the establishment of an RPA, and investment of public funds, including property tax increments.

V. TIF QUALIFICATION FACTORS

As a result of KMA's evaluation of the Study Area, and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support the qualification of the Study Area as a TIF district.

A. Study Area as a Whole

The vacant land and the improved land are found to exhibit blighted vacant or blighted improved factors, respectively, as defined within the Act. As previously noted, the vacant land is presented below under separate review from the improved land. First, this Report will review the findings for all the vacant land. These, once again, will be examined under the blighted criteria for vacant property. Next, this Report will present the findings for improved parcels located within the RPA. That presentation will focus on examination of the parcels contained within each as improved property under the blighted improved definition of the Act.

B. Blighted Vacant Qualification Factors – Vacant Land

The following is an evaluation and statement of findings on the presence of certain factors, as described in the previous section, for the vacant land located within RPA.

Vacant Land Area I

1. Chronic Flooding- The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

The vacant land within the proposed RPA is impacted by floodways and floodplains associated with the Wheeling Drainage Ditch. Due to extensive coverages by the area within the floodway, the Village has experienced severe flooding episodes over the years (events witnessed and reported to KMA by various Village officials). There is a major need for mitigation of these conditions not only for the sake of the proposed RPA, but for the Village as a whole. As cited within the Comprehensive Plan: "...The reduction of flooding within the Village can help relieve practical and financial hardships and improve the quality of life. Local geography and development patterns have created a situation in which a significant portion of the Village is prone to flooding and/or located in the floodplain..." Flood hazards associated with land along the Dundee Road Corridor is both widespread and creates conditions conducive to the discharge of surface water from that land in a manner that contributes to flooding within the overall watershed area.

Engineering and community development staff have documented findings associated with chronic flooding conditions, as defined by the Act, related to this vacant property. Federal Emergency Management Agency (FEMA) maps for the Village

verifies that large portions of the RPA are impacted by flood zones, and are therefore subject to significant land use and development restrictions under FEMA, Illinois Department of Resources and Village regulations and requirements.

B. Blighted improved Area Qualification Factors – Improved Land

The following is an evaluation and statement of findings on the presence of certain factors, as described in the previous section, for the improved land located within RPA.

1. Deleterious Layout and Land-Use- The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

According to Cook County records, and based on review of historical aerial photographs, much of the improvements found within the Study Area occurred during a period 30 to 50 years ago. This applies to more than one-third of the buildings in the area. As a result, these properties were developed during a period before the Village had in place an effective community planning process and before the identification of flooding hazard standards were in place. Properties were developed into land uses with no regard to potential flooding. Thus, in terms of land uses, commercial/ retail, industrial and residential uses in some cases inappropriately overlap, when compared to the modern land use standards championed by the Comprehensive Plan, or exist in close proximity to each other with limited manmade or natural buffers to separate them. Additionally, the Dundee Road corridor experiences high levels of traffic congestion that are contributed to by the area's commercial and industrial business, which creates traffic conditions that have an adverse impact on the many residential areas that immediately border the corridor. The Comprehensive Plan notes that land uses to be promoted for the Dundee Road corridor in the future should be "...an appropriately scaled mixed-use environment that meets the desires of Wheeling residents for a community center..." Inherent in this statement is a suggestion that the existing mix of land uses is not appropriate to meet the needs of the community. A particular problem for the area is the presence of older strip centers, and the recently closed Kmart store. These represent uses that may no longer be appropriate for the area given the numerous points of egress and ingress that were granted to these retail nodes, but now that adversely contribute to poor traffic flow along the corridor. Future land use patterns called for by the Comprehensive Plan will promote more appropriate land uses that will be designed to improve traffic flows, and soften buffers between commercial and residential areas.

The presence of all the factors described above contributes to the finding of deleterious layout and land use for the improved land within the RPA.

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

planning.

The majority of the improved property along and adjacent to the Dundee Road corridor were developed prior to the Village's adoption of its first comprehensive plan. Consequently, many structures within the area were permitted to be constructed within areas that were later designated as floodway and floodplain areas. The presence of such structures are prone to exacerbate flood hazards for the area, and in most cases, places them in positions where strict regulations make their replacement and/or redevelopment virtually impossible. Under current Village flood regulations, many of the structures would not be permitted to be built today, and those that may have would have required storm management measures that may have resulted in financial infeasibility. Additionally, the conflicts in land-uses described above were also permitted to advance without the benefit of contemporary development standards. Modern development of the improved areas within the RPA would discourage the mixing of conflicting and diverse land-uses without sufficient land platting, land development ratios and other restrictions to prevent problems that arise out of conflicting uses.

3. Deterioration of Buildings and Site Improvements- With respect to buildings, defects including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, 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.

Deterioration of buildings and site improvements were also evidenced within the improved properties throughout the RPA. Of the approximate 103 improved parcels located within the RPA, approximately 86 parcels, or 83% exhibited deteriorated conditions, primarily to site improvements. These conditions of deteriorations were characterized by occurrences that included the following:

- Surface cracking of pavement areas;
- Potholes and depressions in roadways and parking areas;
- Buckled and caved in asphalt (or gravel based) and concrete driveways/parking/storage areas;
- Weeds protruding through paved and concrete areas.

In summary, a majority of parcels of the parcels located within the RPA exhibited various degrees of deterioration of site improvements.

4. Obsolescence- The condition or process of falling into disuse. Structures have become ill suited for the original use.

Many of the parcels within the RPA suffer from area-wide functional obsolescence connected in part to the factors of deleterious layout, obsolete platting, advanced age (of structures and site improvements since over 35% of the existing structures are

over 35 years of age). One high profile, and troublesome, example of this problem in the area recently vacated Kmart store. The facility is extremely old and ill suited compared to the big box retail stores being built for today standards. This makes the reuse of the facility by another big box user extremely unlikely, and indications are that the store will stay in a state of disuse. Another example of a facility that is obsolete for its existing use, even though younger than 35-years old, is the Wickes facility. The current owner of Wickes has indicated that the facility no longer serves a need as a corporate headquarters for the furniture store chain. Additionally, just as it has in at least one other location, the current owner is contemplating closure of the Wickes showroom at the location because, in part, the space no longer functions well for that purpose. Yet another example involves the car dealership on Dundee Road that is beginning to prove so functionally obsolete and ill suited for modern automobile sales and marketing that the owner is actively seeking alternative locations that will likely take it off the Dundee Road corridor. However, a somewhat more unique problem regarding obsolescence for many of the parcels located in the area, relates to their presence within the floodway and floodplain areas. Their presence within a regulated, flood prone area diminishes the functionality of many of the properties due to limitations on redevelopment of structures, or the land that the structures sit upon. The Comprehensive Plan also cites "obsolete retail centers" along the Dundee Road corridor as a major detriment to the image of the community. Obsolete conditions within the area serve to hinder Village goals to promote a more suitable mix of retail and excessive land coverage as discussed above.

5. 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.

The existing storm water management system within the RPA has been of insufficient capacity to prevent major flood events that the Village has experienced in recent decades. This inadequacy has resulted in the entire RPA being located within floodways and floodplain areas. The large sections of floodway and floodplain areas within the RPA are a major barrier to Village plans to redevelop the Dundee Road Corridor area. The effect of the substantial flood prone areas is to make the RPA subject to extraordinary development restrictions, which results in land that is either not eligible for real estate development, or if eligible, subject to expensive flood hazard mitigation costs. The Village is in the process of having completed hydraulic and hydrologic modeling as a means to measure the future feasibility of upgrading its storm water management system to increase mitigation of flood hazards. The success of such measures will be critical if the Town Center project and other economic development initiatives the Village intends to implement in the RPA are to become a reality. It is hoped that an effective flood hazard mitigation program will lead to the recovery of significant land from the floodways and floodplains that will become eligible for redevelopment.

6. Declining or Lagging Equalized Assessed Valuations- The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

The total equalized assessed valuation (EAV) for the parcels located within the proposed RPA has increased at an annual rate that is less (and/or decreased at a greater rate) than the balance of the Village for five (5) of the last five (5) calendar years as evidenced by the data presented in the table below.

Improved Area	2001	2000	1999	1998	1997	1996
Total EAV for TIF Area	49,894,456	46,075,864	46,201,378	46,431,741	43,987,791	43,743,467
Percentage of Change	8.29%	-0.27%	-0.50%	5.56%	0.56%	--
Total Village EAV	900,246,070	780,293,723	778,744,725	750,994,063	703,140,930	691,648,107
Less Proposed TIF EAV	883,180,992	766,239,547	764,411,246	736,049,930	690,285,833	678,906,722
Percentage of Change	15.82%	0.23%	3.97%	6.89%	1.74%	--

Additionally, the annual rate of growth in total EAV for the land within the RPA has also lagged behind the annual rate of the Consumer Price Index for the All Urban Consumers for three (3) of the last five (5) years. These measures, pursuant to the Act, point to an additional blighting condition retarding growth in development and tax base growth within the RPA.

VI. OVERALL ASSESSMENT OF QUALIFICATION

The vacant portions of the proposed RPA are found to be a "blighted vacant area" and the improved portions are found to be a "blighted improved area" due to the presence to a meaningful extent of the factors described in the previous section. For these reasons, the conditions identified will qualify the RPA for such a designation under the Act.

The TIF findings described in this report pertain to those properties located within the boundaries shown in the exhibit pages. A finding for the blighted vacant qualification factor of chronic flooding was evidenced to be distributed evenly throughout the RPA. That factor alone, pursuant to the Act, is sufficient for the Village to make a finding for a blighted vacant area. The following blighted improved area qualification factors are distributed throughout the area for the improved portion of the RPA: deleterious land use or layout, obsolescence, deterioration on parcels, inadequate utilities, lack of community planning and declining or stagnant EAV.

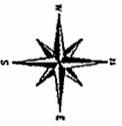
These factors combine to create market-related problems for properties within the RPA and place the area in danger of further economic decline if the factors are not addressed. Conditions in the area, especially related to problems caused by flood hazards, may make it difficult for the Dundee Road Corridor (Town Center) Redevelopment Area to reach the potential envision for it within the Village's Comprehensive Plan, and for the area to become a source as a for major, new real estate tax revenues in favor of the affected tax districts.

The proposed RPA, as it exists today, has conditions that endanger its successful redevelopment. There is a need for actions and activities to promote its economic redevelopment, and to eliminate blighting conditions evident today throughout the RPA.

Without the benefits available through designation as a RPA, the presence of factors outlined above threaten to endanger existing private investments and injure the potential for sound growth and the existing and future tax base for the area's taxing bodies. Designation of the proposed RPA as a TIF District by the Village would be consistent with the overall intent of the TIF Act. It is recommended, therefore, that the Village proceed with the TIF designation process and enact a Redevelopment Plan and Project Area for the proposed RPA.

*From Chapter 65, 5/11-74.4-2 of the Act.

EXHIBIT A



**VILLAGE OF WHEELING, ILLINOIS
PROPOSED DUNDEE ROAD CORRIDOR
(TOWNCENTER) AREA TIF
REDEVELOPMENT PLAN AND PROJECT
EXHIBIT A - BOUNDARY MAP**

LEGEND
PROPOSED TIF

