VILLAGE OF WHEELING

INDUSTRIAL LANE REDEVELOPMENT PLAN

Last Revised: September 12, 2013 | Village Board Review

PREPARED BY TESKA ASSOCIATES, INC. & GEWALT HAMILTON ASSOCIATES

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INDUSTRIAL LANE REDEVELOPMENT PLAN

1| Project Overview

The purpose of this project was to prepare a feasible redevelopment plan for an approximately 40-acre site within the Village of Wheeling's Southeast TIF District. While the site is unique in that it is surrounded by Chicago Executive Airport with frontage along Milwaukee Avenue, it is also characterized by issues such as underutilized properties, potential environmental remediation, overcrowding based on parking and storage code compliance, multiple property ownerships, and stormwater management issues that may impact the prospects for redevelopment. The Industrial Lane Redevelopment Plan provides redevelopment concept alternatives for the site, with the intent that the Village will have the ability to select one of the concepts as its preferred alternative or mix certain aspects of multiple alternatives to meet the needs and overall vision of the community, physical conditions of the site, market realities of the economy, and municipal and financial capacities of the Village.

The next two sections of this plan describe general project background, including the boundaries of the Subject Area (Section 2) and its relationship to the Southeast TIF District (Section 3). While the TIF was originally established in 2008, the Village is considering a reset of the TIF to restart in 2012 with current equalized assessed values (EAVs). If the reset is approved, the TIF would cycle through the full 23-year life with an end date of 2035, rather than 2031 via the original 2008 start date. To provide additional project background and support to inform the redevelopment concepts for the Subject Area, key findings from an Existing Conditions Assessment are summarized in Section 4. The Existing Conditions Assessment was conducted at the start of the project, with a complete summary document provided under separate cover.

Option C, preferred option (see page 28 for details)

Section 5 provides a summary of the detailed redevelopment concept alternatives, which were drafted on August 15, 2012, to explore various options to redevelop the Subject Area. Exploration of concept alternatives was based on the observations from stakeholder meetings, findings from the Existing Conditions Assessment, the needs and proposed plans of Chicago Executive Airport, and the Village's objectives for the Subject Area. While the initial set of redevelopment concepts included five alternatives, the Village Board reviewed the alternatives on September 24, 2012, and prioritized three preferred options (Options A, B, and C, shown at right). The comparison tables on pages 7-12 summarize the three options

side-by-side for convenient evaluation of their respective characteristics and financial impact. Detailed overviews of the three options are provided on pages 13-34.

As detailed in Section 6, a financial analysis of the three options was conducted to provide a logical approach to financially evaluate the options, particularly comparing the estimated redevelopment costs to revenues generated by redevelopment over the 23-year life of the Southeast TIF District.

Summary of Implementation Plan

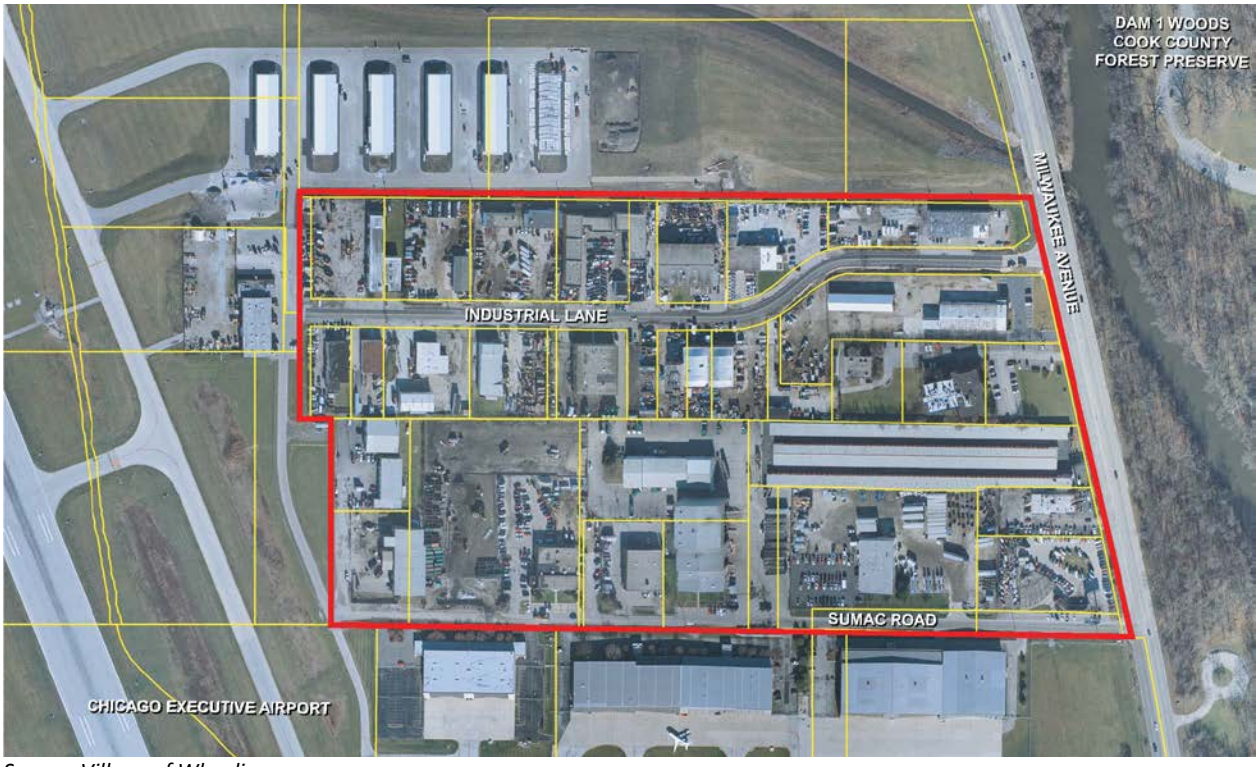
After additional review meetings with the Plan Commission (November 8, 2012) and the Village Board (May 30, 2013, and July 8, 2013), the Village Board provided direction for an Implementation Plan that pursues Option C as the preferred alternative, with Options A and B to remain as valid alternatives as the economy continues to rebound and redevelopment opportunities become viable. This implementation plan is summarized below and described in greater detail in Section 7.

Implementation Plan – See Section 7 For Complete Details	
Years 1-3:	Commence code enforcement described in Option C Re-establish the TIF District Study public infrastructure projects Explore establishment of a potential zoning overlay district
Years 2-4:	Target investment on limited sites to catalyze private development, while completing public infrastructure projects studied in Years 1-3
Years 3-6:	Evaluate the financial feasibility of pursuing more significant land assembly and relocation projects

2| Subject Area

As shown in Figure 1, the Subject Area for the 40-acre site is bordered by the airport on the north, west, and south, with Milwaukee Avenue bordering on the east. Industrial Lane and Sumac Road are the two primary internal roads serving the site. In addition to the airport, the Subject Area is adjacent to Dam No. 1 Forest Preserve on the east side of Milwaukee Avenue. The Des Plaines River and Wheeling Drainage Ditch are two major water features that are adjacent to the Subject Area.

Figure 1: Subject Area Map



Source: Village of Wheeling.

3| Southeast TIF District

The Subject Area is part of the Village of Wheeling's Southeast TIF District, which covers a larger area and is one of five TIF districts in Wheeling. Established in 2008, the Southeast TIF District provides a locally targeted financing mechanism to help fund redevelopment projects within the district. State of Illinois statutes outline the exact limitations on the types of redevelopment projects and tasks that are eligible for TIF funding support. To name a few, property assembly, rehabilitation/reconstruction/repair, financing costs, relocation costs, and job training are eligible for TIF funding. A complete list of TIF eligible project costs is provided in the Appendix. Given the significant decrease in EAV since the inception of the TIF in 2008, the Village is considering a reset of the TIF to restart in 2012 with current EAVs. In this reset scenario, the TIF would cycle through the full 23-year life and end in 2035 instead of 2031. The intent of this redevelopment plan for the Subject Area aligns with the redevelopment goals and objectives for the Southeast TIF.

4| Key Findings from Existing Conditions Assessment

At the beginning of the project, an Existing Conditions Assessment was conducted to assemble a compilation of findings from field studies, data collection, information review, and stakeholder meetings relating to the Subject Area. The Existing Conditions Assessment, which is provided as a summary document under separate cover, included the following elements:

- Key Assessment Findings
- Framework Plan
- Description of Subject Area
- Description of the Southeast TIF District
- Findings from the Stakeholder Meetings
- Land Use & Zoning Assessment
- Transportation Assessment
- Streetscape & Urban Design Assessment
- Environment Assessment
- Utilities Infrastructure Assessment
- Market Assessment

The key findings from the Existing Conditions Assessment were utilized in the second phase of the planning process, which prepared draft redevelopment concept alternatives for the Subject Area. The redevelopment concepts considered elements such as land use, access and circulation, site design, and relationship to the airport. The key assessment findings summarized below are supported by detailed assessments in the Existing Conditions Assessment Summary Report.

- The Southeast TIF District is still fairly young, having been initially established in 2008 and reset to a 2012 start date, thus providing potential TIF-eligible redevelopment projects with access to a key funding source until at least 2035 (assuming the reset 2012 start date).

- Since it is neither a taxing district nor an airport authority, Chicago Executive Airport would achieve greater self-sufficiency by either having more capacity to develop land for airport use or attracting new uses that are more compatible with the airport's operations and clientele.

- In addition to the airport, there are certain existing businesses, particularly on the southern half of the Subject Area, that have or may have long-term plans to remain in place. Waste Management is chief among them. SET Environmental, Inc. may also be a long-term occupant. Many of the existing uses on the northern half of the Subject Area gain little to no benefit from being located next to the airport, thus having the greater likelihood of relocating to make way for redevelopment.

- Existing zoning designations will likely remain consistent as redevelopment occurs. If any parcels within the Subject Area will be utilized for new airport uses, rezoning to the A-P (Airport District) designation will be considered.

- Several properties in the Subject Area violate Village codes, particularly relating to lot coverage and parking. It is possible that strict code enforcement may significantly alleviate the current state of physical disarray in certain portions of the Subject Area, particularly mitigating problems with overcrowded conditions, unsightly structures and grounds, and excessive vehicle parking and equipment storage.

- The road network is primarily internal to the Subject Area, with Milwaukee Avenue being the only external road serving as the primary arterial road serving the area. Industrial Lane and Sumac Road are the two internal roads. In general, there is flexibility to explore modifications of Industrial Lane,

provided any changes make sense for overall site design and maintain proper access alignment with Milwaukee Avenue. Sumac Road is privately maintained, so has less flexibility (but not unfeasible).

- While there is potential to enhance the character of the Subject Area, it does not necessarily require an extensively detailed streetscape enhancement program. A distinct and welcoming character for the Subject Area can evolve from even a modest streetscape enhancement program coupled with creative redevelopment concepts, sustainable design practices, and better property maintenance.

- Due to the significant presence of the floodplain, stormwater management will be a critical factor in how the redevelopment concepts evolve. While traditional detention facilities will be considered, creative solutions such as the use of permeable pavers, bioswales, naturalized ponds, and underground storage will be explored to minimize stormwater impacts on the site and airport.

- The Subject Area is sufficiently served by the existing network of municipal water and sewer lines. Although no properties within the site are served by municipal water and only a portion of the properties have municipal sanitary sewer service, the municipal utility system generally has the capacity to make the required connections to new uses as redevelopment occurs.

- While the retail opportunity gap analysis indicates potential retail categories that should be explored for redevelopment of the Subject Area, this should be balanced by consideration of uses that are most compatible with the adjacent airport and other mainstays. Restaurants, car rental companies, and hotels are uses that are most relevant to the airport's clientele. Airport-related uses vary widely but create ample opportunities to explore to find the best fit for the site and compatibility to the airport. Aeronautical related uses include, but are not limited to: hangars; aircraft suppliers and repair services; parts warehouses; in-flight services; workforce training facilities, trade schools, and/or satellite aviation academic programs; flight simulators; and flexible office workspaces.

- The 5- and 7-minute trade areas for the Subject Area provide a solid workforce into which new uses and businesses can tap into as redevelopment occurs. It is essential, though, that the workforce is properly educated and trained to capably complete the tasks and meet the demands of businesses that require highly specialized skills or knowledge. Having nearby workforce training facilities, trade schools, and/or satellite aviation academic programs would be a major benefit on this front.

5| Detailed Redevelopment Concepts

During the initial concept design phase of the project, a design meeting was held on August 15, 2012, with Village staff and the Teska/Gewalt Hamilton consultant team producing five detailed redevelopment concept alternatives to explore various options to redevelop the Subject Area.

The concept alternatives were built upon a variety of sources: observations from stakeholder meetings, findings from the Existing Conditions Assessment, the needs and proposed plans of Chicago Executive Airport, and the Village's objectives for the Subject Area. The Village Board reviewed the five alternatives on September 24, 2012, and prioritized three preferred options (Options A, B, and C). The comparison tables on pages 7-12 summarize the three options side-by-side for convenient evaluation of their respective characteristics and financial impact. Detailed overviews of the all three options are also provided in this section: Option A (pages 13-19), Option B (pages 20-26), and Option C (pages 27-34).

Redevelopment Concept[1]	Description
Option A	Redevelopment with Rerouted Access Points
Option B	Redevelopment with Existing Access Points
Option C (preferred)	**Focused Code Enforcement & Market-Driven Redevelopment**
Option D	Redevelopment with Single Access Point
Option E	Code Compliance ("No Build Scenario")

To help assess Options A, B, and C to determine a preferred option, a financial analysis was conducted in Section 6 to provide a logical approach to financially evaluate the options, particularly comparing the estimated redevelopment costs to revenues generated by redevelopment over the 23-year life of the Southeast TIF District.

Using the financial analysis from Section 6, as well as discussion from additional review meetings with the Plan Commission (November 8, 2012) and the Village Board (May 30, 2013, and July 8, 2013), the Village Board provided direction for an Implementation Plan that pursues Option C as the preferred alternative, with Options A and B to remain as valid alternatives as the economy continues to rebound and redevelopment opportunities arise. This Implementation Plan is summarized in Section 7.

The Plan Commission reviewed the plan on August 15, 2013 and suggested that the Village should pursue some form of north-south access regardless of the final land use pattern so that both Industrial Lane and Sumac Road would have access to any future traffic signal. The Commission also recommended that the Village work with the larger land owners to square off the irregularly-shaped parcels in order to aid the assemblage of more developable land.

[1] Options D and E were not selected for detailed analysis during the Board review on September 24, 2012.

Comparison Table

	OPTION A	OPTION B	OPTION C
General Description	Redevelopment with Rerouted Access Points	Redevelopment with Existing Access Points	Focused Code Enforcement & Market-Driven Redevelopment
Reference	Pages 13-19	Pages 20-26	Pages 27-34
REDEVELOPMENT			
Redevelopment Area	8.3 acres	10.9 acres	Up to 19.5 acres
	NOTE: THE REDEVELOPMENT AREA FOR OPTION C VARIES WITH 8 SMALL SITES EACH LESS THAN 3 ACRES THAT COULD BE REDEVELOPED ON A SITE-BY-SITE BASIS; OR ONE OR MORE 3-ACRE SITES COULD BE ASSEMBLED FOR A LARGER SITE, PROVIDED THAT THEY MEET STANDARDS FROM THE COOK COUNTY STORMWATER ORDINANCE		
Airport Expansion	13.8 acres	10.4 acres	None specified, but the smaller redevelopment sites could be assembled for airport expansion
Waste Management	12.1 acres; Expand current site w/ minor reconfiguration	12.4 acres; Expand current site w/ minor reconfiguration	11.2 acres; Maintain current site
SET Environmental	4.7 acres; Expand current site w/ minor reconfiguration	4.5 acres; Relocate to larger site north of Waste Mgmt site	3.2 acres; Maintain current site
Redevelopment Distribution	Along length of Milwaukee Ave w/ approximate 390 ft depth	Along length of Milwaukee Ave w/ approximate 640 ft depth	Throughout the site but mostly on the north side of the Subject Area
Proposed Redevelopment [Land Use Program]	Restaurant Gas Station w/ Conv. Store Car Rental Facility Office (Flex Workspaces) Flight School Hangars	Restaurant Gas Station w/ Conv. Store Car Rental Facility Office (Flex Workspaces) Flight School Hangars	Restaurant Coffee Shop Retail Strip Center Gas Station w/ Conv. Store Car Rental Facility Office (Flex Workspaces) Flight School Plane Parts Warehouse or Repair Facilities
Phasing	The commercial and office uses would be developed first, starting in 2017 through 2021. The hangars would then be phased every few years from 2023 to 2030.	The commercial and office uses would be developed first, starting in 2017 through 2021. The hangars would then be phased every few years from 2023 to 2030.	The commercial and office uses would be developed first, starting in 2017 through 2024. The airport-related uses would then be phased every few years from 2025 to 2030.
	NOTE: ACTUAL PHASING MAY VARY DEPENDING ON THE STRENGTH OF THE ECONOMY AND SUPPORT OF THE DEVELOPMENT COMMUNITY.		

Comparison Table [CONTINUED]

	OPTION A	OPTION B	OPTION C
STORMWATER MANAGEMENT			
Stormwater Dry Detention PROVIDED ON CONCEPT PLANS	3.0 acres Assuming average 3' depth = 9 ac-ft	3.0 acres Assuming average 3' depth = 9 ac-ft	2.0 acres Assuming average 3' depth = 6 ac-ft
	Configuration of pond will vary depending on engineering for the final site plan		
Stormwater Dry Detention OFFSITE TO THE NORTH	2.3 acres Assuming average 3' depth = 6.8 ac-ft	2.3 acres Assuming average 3' depth = 6.8 ac-ft	2.8 acres Assuming average 3' depth = 8.4 ac-ft
Volume Required for Detention	14.4 acre-feet	16.6 acre-feet	12.2 acre-feet
	Detention calculations assume a percent impervious based on Option site plans and the proposed Cook County WMO requirements.		
Sufficient Onsite and Offsite Land for Stormwater Dry Detention?	YES	NO Deficit of 0.8 acres	YES
	Any deficit in detention would need to be made up by either expanding the area devoted to detention or providing underground vaults, presumably below parking.		
Flood Storage Onsite	5.7 acre-ft	5.8 acre-ft	3.0 acre-ft
Flood Storage Offsite	3.4 acre-ft	3.4 acre-ft	3.4 acre-ft
Flood Storage Required	3.2 acre-ft	4.8 acre-ft	5.7 acre-ft
Sufficient Land to Provide Flood Storage?	YES	YES	YES
	All future buildings must be raised to the Flood Protection Elevation (FPE) of 642.2. The 100 Year Base Flood Elevation (BFE) is 640.2 for the Subject Area. The 10 Year Flood Elevation is 638.15. Buffer area was assumed when calculating the building areas to allow for grading transitions to accommodate compensatory flood storage. Existing grading will be retained for the remainder of the site not needed for flood storage. Flood storage estimates based on 1 ft contours.		

Comparison Table [CONTINUED]

	OPTION A	OPTION B	OPTION C
POTENTIAL VILLAGE INTERVENTIONS			
Potential Village Interventions	Pursue TIF funding to support the projects outlined below Commence with Village code enforcement Pursue site acquisition, where feasible Work with Waste Management and SET Environmental to square off properties, potentially through land swaps Pursue public infrastructure projects, such as utility extensions and stormwater detention Industrial Ln: Offset the access point from Milwaukee Ave; realign western segment for private airport access Sumac Rd: Maintain current access point from Milwaukee Ave; keep as privately maintained road Milwaukee Ave: Offset access point onto Industrial Ln; assess the potential for a traffic signal at Sumac Rd Explore the potential to provide a new connector road between the north and south sides of the Subject Area (as depicted on the conceptual site plan on pages 14 and 18)	Pursue TIF funding to support the projects outlined below Commence with Village code enforcement Pursue site acquisition, where feasible Work with Waste Management and SET Environmental to square off properties, potentially through land swaps Pursue public infrastructure projects, such as utility extensions and stormwater detention Industrial Ln: Maintain current access point from Milwaukee Ave; realign western segment for private airport access Sumac Rd: Maintain current access point from Milwaukee Ave; keep as privately maintained road Milwaukee Ave: No changes; pursue the potential for a traffic signal at Sumac Rd Explore the potential to provide a new connector road between the north and south sides of the Subject Area (as depicted on the conceptual site plan on pages 21 and 25)	Pursue TIF funding to support the projects outlined below Commence with Village code enforcement Pursue site acquisition, where feasible Work with Waste Management and SET Environmental to square off properties, potentially through land swaps Pursue public infrastructure projects, such as utility extensions and stormwater detention Industrial Ln: Maintain current access point from Milwaukee Ave Sumac Rd: Maintain current access point from Milwaukee Ave; keep as privately maintained road Milwaukee Ave: No changes Explore the potential to provide a new connector road between the north and south sides of the Subject Area

Comparison Table [CONTINUED]

	OPTION A	OPTION B	OPTION C
PUBLIC/VILLAGE ACTIVITIES: COST ESTIMATES OF TIF-ELIGIBLE REDEVELOPMENT ACTIVITIES			
Land Acquisition	$4,831,449.19	$5,716,970.20	Private Sector Cost
Site Prep: Demolition & Mass Grading	$3,888,000.00	$4,482,000.00	Private Sector Cost
Legal Costs	$400,000.00	$400,000.00	Private Sector Cost
Road Improvements	$2,384,800.00	$1,579,000.00	$1,570,000.00
	The road design included in the Engineer's Estimate of Probable Cost (Appendix A) includes a roadway dimension of 37 ft from back of curb to back of curb, a standard B6.12 curb, one street light every 175 ft, a pavement section of 10" reinforced concrete with a 4" stone base, and storm sewer. Additional costs vary by option and include rerouting existing roadways, providing for turn lane installation or modification, and realigning driveways.		
New Traffic Signal	$350,000.00	$350,000.00	$350,000.00
Utility Extension	$1,142,000.00	$668,000.00	$839,500.00
Stormwater Detention	$2,990,000.00	$3,405,000.00	$2,685,000.00
	See the Appendix for engineer's opinion of probable cost assumptions		
Environmental Remediation	$799,312.46	$830,048.51	Private Sector Cost
	For the purposes of this plan, environmental remediation cost is calculated as a 5% contingency of the costs for the other redevelopment activities. The actual cost may be higher or lower, depending on more precise engineering testing of the sites. Given the industrial history of the Subject Area, there is a greater likelihood that the environmental remediation costs will be higher than listed here.		
Subtotal	$16,785,561.65	$17,431,018.71	$5,444,500.00
20% Contingency of Subtotal	$3,357,112.33	$3,486,203.74	$1,088,900.00
TOTAL Public Cost	$20,142,673.98	$20,917,222.45	$6,533,400.00

Comparison Table [CONTINUED]

	OPTION A	OPTION B	OPTION C
PRIVATE SECTOR ACTIVITIES: COST ESTIMATES OF TIF-ELIGIBLE REDEVELOPMENT ACTIVITIES			
Construction/ Redevelopment	$8,011,166.00	$12,508,682.00	$24,163,382.50
Land Acquisition	Public / Village Cost	Public / Village Cost	$5,669,921.84
Site Prep: Demolition & Mass Grading	Public / Village Cost	Public / Village Cost	$3,280,500.00
Legal Costs	Public / Village Cost	Public / Village Cost	$400,000.00
Environmental Remediation	Public / Village Cost	Public / Village Cost	$739,746.09
	For the purposes of this plan, environmental remediation cost is calculated as a 5% contingency of the costs for the other redevelopment activities. The actual cost may be higher or lower, depending on more precise engineering testing of the sites. Given the industrial history of the Subject Area, there is a greater likelihood that the environmental remediation costs will be higher than listed here.		
Subtotal	$8,011,166.00	$12,508,682.00	$34,253,550.43
20% Contingency of Subtotal	$1,602,233.20	$2,501,736.40	$6,850,710.09
TOTAL Private Cost	$9,613,399.20	$15,010,418.40	$41,104,260.52

Comparison Table [CONTINUED]

	OPTION A	OPTION B	OPTION C
FINANCIAL IMPACT [PUBLIC/VILLAGE COSTS ONLY]			
Total EAV Generated by New Redevelopment	$3,195,130	$4,996,519	$14,294
	Based on comparable equalized assessed values (EAVs) for each proposed use.		
Total Incremental Property Tax Revenue Received by New Redevelopment	$14,710,963 35.0% increase	$16,619,982 52.5% increase	$10,928,259 0.3% increase
	As generated by new redevelopment. The percent increase noted above is the increase in total incremental property tax revenue received that new redevelopment would generate, as compared to the $10,895,730 in total incremental property tax revenue received that would be generated without any new redevelopment.		
Total Estimated Public Cost of TIF-Eligible Redevelopment Activities	$20,142,673.98	$20,917,222.45	$6,533,400.00
Total EAV at End of TIF's 23-Year Life	$32,720,406 15.0% increase	$35,057,495 23.2% increase	$28,478,086 0.1% increase
	As generated by new redevelopment. The percent increase noted above is the increase in total EAV at the end of the TIF's 23-year life that new redevelopment would generate, as compared to the $28,454,665 total EAV that would be generated without any new redevelopment.		
Percent Growth in the Base EAV of the Overall TIF	102.9%	117.4%	76.6%
	As generated by new redevelopment. This percent growth in the 2012 base EAV of the overall TIF district compares to only 76.5% percent growth without any new redevelopment. [BASE EAV DEPENDS ON A 2012 TIF START DATE]		
Minimum % of Redevelopment Costs that Village would Need to Cover using TIF Funds	41%	34%	-
	As would be required, at minimum, to ensure a positive reversion (return on equity) before the TIF expires in 2035 (assuming the TIF resets to a 2012 start date). This percentage will vary depending on the discount rate for Net Present Value (NPV) and the amount of developer equity put into the redevelopment project, which are 2.5% and 35%, respectively, for this particular scenario. If no TIF funds are utilized to cover redevelopment costs, then there is no positive reversion, reinforcing the significance of using available TIF funds to support redevelopment. A lower TIF fund allocation is possible if other variables change, such as adjusting the amount of developer equity or the discount rate. Conversely, the Village may consider a higher TIF fund allocation in the case that positive reversion is desired in less time. The caveat is that positive reversion should not occur too quickly, as this may raise the argument that TIF funds were not absolutely necessary to support the redevelopment project.		

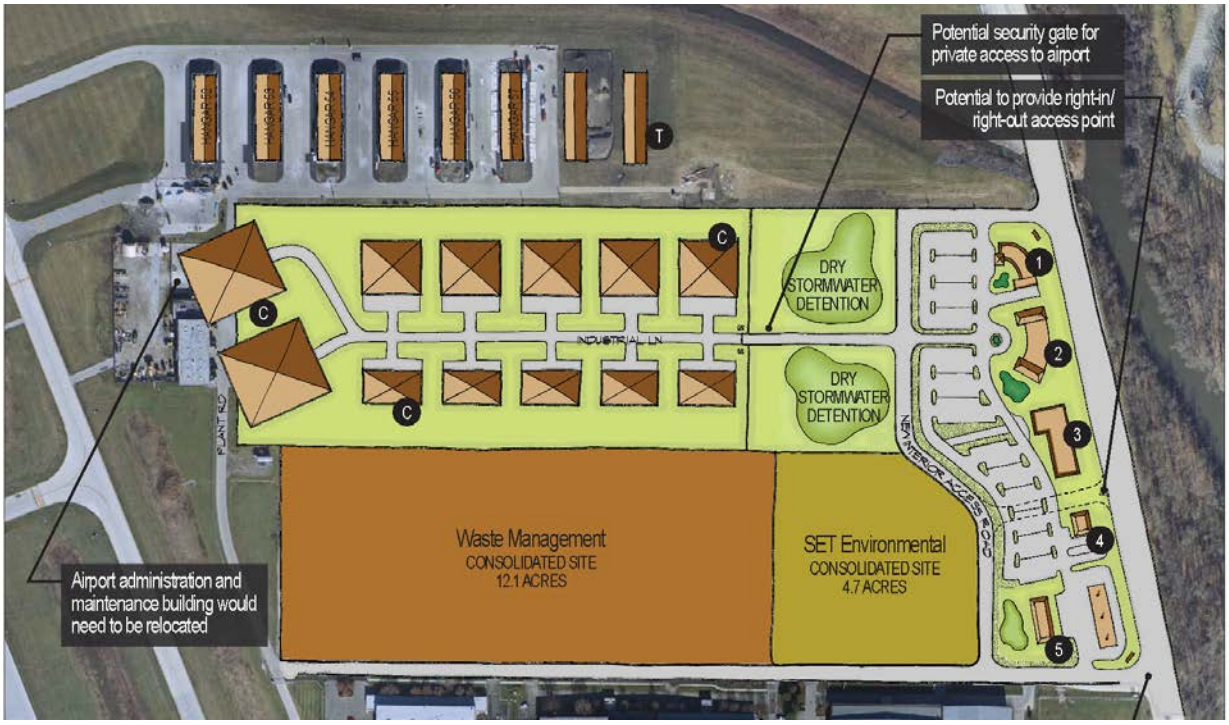
OPTION A

Redevelopment with Rerouted Access Points

OPTION A

Redevelopment with Rerouted Access Points

APPROACH: Option A considers a redevelopment approach that reroutes the existing access point at Industrial Lane but maintains the existing access point at Sumac Road.



PRELIMINARY REDEVELOPMENT CONCEPT FRAMEWORK MAP: As the Preliminary Redevelopment Concept Framework Map for Option A illustrates, the primary redevelopment area will cover approximately 8.3 acres, have visibility along the entire length of Milwaukee Avenue, and be served by a new interior access road that connects the two access points from Milwaukee Avenue. The redevelopment area will accommodate uses that are more compatible with airport operations and clientele, as well as fit the Village's vision for the area. The area for airport expansion will cover approximately 13.8 acres, accommodating new hangars and airport-related facilities. Waste Management and SET Environmental are the only two existing uses that stay in the Subject Area.

REDEVELOPMENT CONCEPTUAL SITE PLAN: The Redevelopment Conceptual Site Plan for Option A is a more detailed site plan that builds upon the general land use and transportation principles of the Preliminary Redevelopment Concept Framework Map. The Redevelopment Conceptual Site Plan illustrates the following proposed uses for redevelopment and airport expansion:

- **Restaurant**: A high-end restaurant would provide a fine dining option for executives utilizing the airport, as well as Wheeling residents and visitors. The restaurant should reflect other upscale restaurants in Wheeling, such as Tuscany, Cooper's Hawk, and Pete Miller's.

OPTION A

- **Gas Station w/ Convenience Store**: A gas station would provide a local fueling option for limos, rental cars, and general cars driving along Milwaukee Avenue. The gas station should apply the emerging format that Shell and BP utilize to merge the convenience store with food establishments, such as Subway and Dunkin Donuts.
- **Car Rental Facility**: A car rental facility, such as Enterprise or Avis, would provide travelers with access to rental cars in close proximity to the airport.
- **Office Building**: An office building that provides flexible office workspaces, such as the executive suites offered by the global corporation Regus, would provide executive travelers with temporary workspaces adjacent to the airport. Fully leased office spaces should also be considered for companies wishing to locate near Chicago Executive Airport.
- **Flight School**: A flight school would be a specific use that is directly compatible with the airport, providing space for either a new school to establish itself or an existing school to relocate. Trade schools and satellite aviation academic programs would also be compatible uses for this space.
- **Hangars**: The proposed hangars will occupy the area designed for airport expansion. The new hangars reflect the preferred layout of Chicago Executive Airport's proposed conceptual development plan from its master plan. The hangars would feed onto the realigned Industrial Lane, which would provide the potential for a security gate to limit airport access. The hangars could also be reconfigured to accommodate space for a new airport administration and maintenance facility.
- **Existing Uses**: Waste Management and SET Environmental are the only two existing uses that stay in the Subject Area. Waste Management will generally maintain its existing site with minor reconfigurations to create a more consolidated site covering approximately 12.1 acres. SET Environmental will also generally maintain its existing site with minor reconfigurations to create a larger and more consolidated site covering approximately 4.7 acres.

ROADS: While the alignment of the eastern segment of Industrial Lane will be reconfigured at the Milwaukee Avenue access point to accommodate a new interior access road, the western segment will be mostly maintained as is but provide a potential security gate for private airport access. Sumac Road will retain its present alignment and be preserved as a privately maintained road, with potential public easement/access along the eastern stretch that serves the redevelopment area along Milwaukee Avenue. In addition to primary access points at Industrial Lane and Sumac Road, there is potential to provide a right-in/right-out access point about 450 ft north of the Sumac Road entrance (between the proposed office building and car rental facility). The parking areas are configured to allow for shared parking opportunities; for example, the flight school and office building may be able to share parking.

STORMWATER DETENTION: A 4.1 acre area for dry stormwater detention facilities will be provided at the north end of the Subject Area between the airport expansion area and the redevelopment area. Two detention ponds could be provided with potential to be combined with a larger stormwater detention facility located beyond the Subject Area boundary. Dry detention facilities are recommended to prevent the attraction of water fowl that would interfere with flight patterns. The table on page 8 provides a complete summary of stormwater management elements for the concept in Option A.

OPTION A

ESTIMATED REDEVELOPMENT COSTS: The proposed redevelopment concept would generate the following estimated TIF-eligible redevelopment costs for activities:

PUBLIC/VILLAGE ACTIVITIES:	
Land Acquisition	$4,831,449.19
Site Prep: Demolition & Mass Grading	$3,888,000.00
Legal Costs	$400,000.00
Road Improvements	$2,384,800.00
	Road improvement costs include rerouting existing roadways, providing for turn lane installation or modification, and realigning driveways.
New Traffic Signal	$350,000.00
Utility Extension	$1,142,000.00
Stormwater Detention	$2,990,000.00
	See the Appendix for engineer's opinion of probable cost assumptions
Environmental Remediation	$799,312.46
	For the purposes of this plan, environmental remediation cost is calculated as a 5% contingency of the costs for the other redevelopment activities. The actual cost may be higher or lower, depending on more precise engineering testing of the sites. Given the industrial history of the Subject Area, there is a greater likelihood that the environmental remediation costs will be higher than listed here.
Subtotal	$16,785,561.65
20% Contingency of Subtotal	$3,357,112.33
TOTAL	$20,142,673.98
PRIVATE SECTOR ACTIVITIES:	
Construction/Redevelopment	$8,011,166.00
Land Acquisition	Public / Village Cost
Site Prep: Demolition & Mass Grading	Public / Village Cost
Legal Costs	Public / Village Cost
Environmental Remediation	Public / Village Cost
Subtotal	$8,011,166.00
20% Contingency of Subtotal	$1,602,233.20
TOTAL	$9,613,399.20

OPTION A

TIF & PRO FORMA ANALYSES: TIF and pro forma analyses were conducted to assess the financial impacts the proposed redevelopment concept might have on the Southeast TIF District and the level of potential Village interventions. As summarized below, the proposed redevelopment would generate major financial benefits to the Southeast TIF District, which could be utilized to help offset costs incurred by redevelopment, such as property acquisition, infrastructure improvements, and financing costs (NOTE: The TIF and pro forma analyses excluded the construction costs associated with any airport expansion or uses directly associated with the airport). ***The TIF and pro forma analyses assumed a reset of the TIF with a new 2012 start date.*** The base EAV for the Subject Area with the new 2012 start date would be $16,125,180.

$3,195,130 | TIF RESET WITH NEW 2012 START DATE
Total EAV generated by new redevelopment, based on comparable EAVs for each proposed use.

$14,710,963 | TIF RESET WITH NEW 2012 START DATE
Total incremental property tax revenue received, as generated by new redevelopment, which is a 35.0% increase from the $10,895,730 that would be generated without redevelopment.

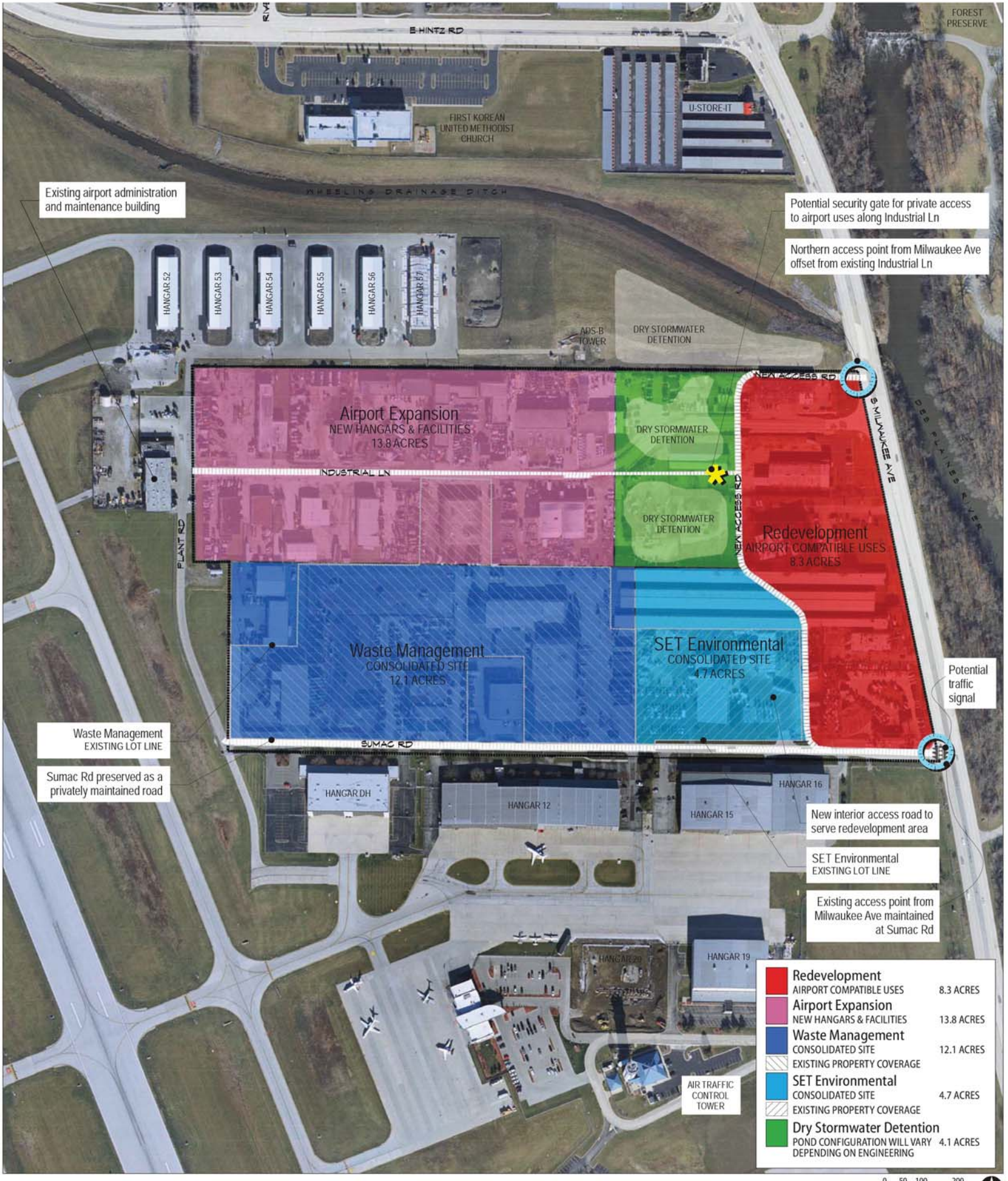
$32,720,406 | TIF RESET WITH NEW 2012 START DATE
Total EAV at the end of the TIF's 23-year life, as generated by new redevelopment, which is a 15.0% increase from the $28,454,665 total EAV that would be generated without redevelopment.

102.9% | TIF RESET WITH NEW 2012 START DATE
Percent growth in the 2012 base EAV of the overall TIF district, as generated by new redevelopment, which compares to 76.5% percent growth without redevelopment.

41% | TIF RESET WITH NEW 2012 START DATE
Minimum percent of redevelopment costs that Village would need to cover using TIF funds, which would ensure a positive reversion (return on equity) by 2034, which is one year before the TIF expires in 2035. This percentage will vary depending on the discount rate for Net Present Value (NPV) and the amount of developer equity put into the redevelopment project, which are 2.5% and 35%, respectively, for this particular scenario. If no TIF funds are utilized to cover redevelopment costs, then there is no positive reversion, reinforcing the significance of using available TIF funds.

OPTION A | Redevelopment with Rerouted Access Points

Redevelopment Framework



Last Revised: September 12, 2012

INDUSTRIAL LANE REDEVELOPMENT PLAN | **Village of Wheeling**

GIS data provided by the Village of Wheeling and Municipal GIS Partners (MGP) Inc.; map prepared by Teska Associates, Inc.

OPTION A | Redevelopment with Rerouted Access Points

Conceptual Land Use Plan

LEGEND

1	Restaurant	4,800 sq ft
2	Flight School	8,250 sq ft
3	Office (Flex)	8,750 sq ft
4	Car Rental Facility	2,000 sq ft
5	Gas Station w/ Convenience Store	4,200 sq ft 4,000 sq ft
T	T-Hangar (2)*	9,500 sq ft
C	Corporate Hangar (12)*	Varies 17,000 - 40,000 sq ft

** Per the airport's master plan*

0 50 100 200 Feet

Last Revised: October 11, 2012

INDUSTRIAL LANE REDEVELOPMENT PLAN | **Village of Wheeling**

GIS data provided by the Village of Wheeling and Municipal GIS Partners (MGP) Inc.; map prepared by Teska Associates, Inc.

OPTION B

Redevelopment with Existing Access Points

OPTION B

Redevelopment with Existing Access Points

APPROACH: Option B considers a redevelopment approach that maintains the existing access point at Industrial Lane and Sumac Road.

PRELIMINARY REDEVELOPMENT CONCEPT FRAMEWORK MAP: As the Preliminary Redevelopment Concept Framework Map for Option B illustrates, the primary redevelopment area will cover approximately 10.9 acres, have visibility along the entire length of Milwaukee Avenue, and be served by a new interior access road that connects the two access points from Milwaukee Avenue. The redevelopment area will accommodate uses that are more compatible with airport operations and clientele, as well as fit the Village's vision for the area. The area for airport expansion will cover approximately 10.4 acres, accommodating new hangars and airport-related facilities. Waste Management and SET Environmental are the only two existing uses that stay in the Subject Area.

REDEVELOPMENT CONCEPTUAL SITE PLAN: The Redevelopment Conceptual Site Plan for Option B is a more detailed site plan that builds upon the general land use and transportation principles of the Preliminary Redevelopment Concept Framework Map. The Redevelopment Conceptual Site Plan illustrates the following proposed uses for redevelopment and airport expansion:

- **Restaurant**: A high-end restaurant would provide a fine dining option for executives utilizing the airport, as well as Wheeling residents and visitors. The restaurant should reflect other upscale restaurants in Wheeling, such as Tuscany, Cooper's Hawk, and Pete Miller's.

OPTION B

- **Gas Station w/ Convenience Store**: A gas station would provide a local fueling option for limos, rental cars, and general cars driving along Milwaukee Avenue. The gas station should apply the emerging format that Shell and BP utilize to merge the convenience store with food establishments, such as Subway and Dunkin Donuts.
- **Car Rental Facility**: A car rental facility, such as Enterprise or Avis, would provide travelers with access to rental cars in close proximity to the airport.
- **Office Building**: With Option B providing about 2.6 acres more area for redevelopment than Option A, a pair of office buildings is proposed. These office buildings would house flexible office workspaces, such as the executive suites offered by the global corporation Regus, which would provide executive travelers with temporary workspaces adjacent to the airport. Fully leased office spaces should also be considered for companies wishing to locate near Chicago Executive Airport.
- **Flight School**: A flight school would be a specific use that is directly compatible with the airport, providing space for either a new school to establish itself or an existing school to relocate. Trade schools and satellite aviation academic programs would also be compatible uses for this space.
- **Hangars**: The proposed hangars will occupy the area designed for airport expansion. The new hangars partially reflect the preferred layout of Chicago Executive Airport's proposed conceptual development plan from its master plan. A modified layout of new hangars was needed, since the amount of area allotted to airport expansion is reduced in Option B by about 3.4 acres as compared to Option A. The hangars would feed onto the realigned Industrial Lane, which would provide the potential for a security gate to limit airport access. The hangars could also be reconfigured to accommodate space for a new airport administration and maintenance facility.
- **Existing Uses**: Waste Management and SET Environmental are the only two existing uses that stay in the Subject Area. Waste Management will generally maintain its existing site with minor reconfigurations to create a more consolidated site covering approximately 12.4 acres. SET Environmental will be relocated within the Subject Area to a site north of the Waste Management site. The relocated SET Environmental site would cover a 4.5 acre footprint, which is larger than its current 3.2 acre site.

ROADS: While the current Industrial Lane access point onto Milwaukee Avenue will be maintained as is, the internal road alignment of Industrial Lane will be reconfigured to accommodate a new interior access road, including potential for a security gate for private airport access along the western segment of the road. Sumac Road will retain its present alignment and be preserved as a privately maintained road, with potential public easement/access along the eastern stretch that serves the redevelopment area. The parking areas are configured to allow for shared parking opportunities; for example, the flight school and office building may be able to share parking.

STORMWATER DETENTION: There will be two areas for dry stormwater detention facilities: one located at the northeast corner of the site (2.1 acres) and the other (3.3 acres) serving as a central feature for the 10.9 acre redevelopment area along Milwaukee Avenue. The northeast facility could be combined with a larger stormwater detention facility located beyond the Subject Area boundary. Dry detention facilities are recommended to prevent the attraction of water fowl that would interfere with flight patterns. The table on page 8 provides a complete summary of stormwater management elements for the concept in Option B.

OPTION B

ESTIMATED REDEVELOPMENT COSTS: The proposed redevelopment concept would generate the following estimated TIF-eligible redevelopment costs for activities:

PUBLIC/VILLAGE ACTIVITIES:	
Land Acquisition	$5,716,970.20
Site Prep: Demolition & Mass Grading	$4,482,000.00
Legal Costs	$400,000.00
Road Improvements	$1,579,000.00
	Road improvement costs include rerouting existing roadways, providing for turn lane installation or modification, and realigning driveways.
New Traffic Signal	$350,000.00
Utility Extension	$668,000.00
Stormwater Detention	$3,405,000.00
	See the Appendix for engineer's opinion of probable cost assumptions
Environmental Remediation	$830,048.51
	For the purposes of this plan, environmental remediation cost is calculated as a 5% contingency of the costs for the other redevelopment activities. The actual cost may be higher or lower, depending on more precise engineering testing of the sites. Given the industrial history of the Subject Area, there is a greater likelihood that the environmental remediation costs will be higher than listed here.
Subtotal	$17,431,018.71
20% Contingency of Subtotal	$3,486,203.74
TOTAL	$20,917,222.45
	PRIVATE SECTOR ACTIVITIES:
Construction/Redevelopment	$12,508,682.00
Land Acquisition	Public / Village Cost
Site Prep: Demolition & Mass Grading	Public / Village Cost
Legal Costs	Public / Village Cost
Environmental Remediation	Public / Village Cost
Subtotal	$12,508,682.00
20% Contingency of Subtotal	$2,501,736.40
TOTAL	$15,010,418.40

OPTION B

TIF & PRO FORMA ANALYSES: TIF and pro forma analyses were conducted to assess the financial impacts the proposed redevelopment concept might have on the Southeast TIF District and the level of potential Village interventions. As summarized below, the proposed redevelopment would generate major financial benefits to the Southeast TIF District, which could be utilized to help offset costs incurred by redevelopment, such as property acquisition, infrastructure improvements, and financing costs (NOTE: The TIF and pro forma analyses excluded the construction costs associated with any airport expansion or uses directly associated with the airport). ***The TIF and pro forma analyses assumed a reset of the TIF with a new 2012 start date.*** The base EAV for the Subject Area with the new 2012 start date would be $16,125,180.

$4,996,519 | TIF RESET WITH NEW 2012 START DATE

Total EAV generated by new redevelopment, based on comparable EAVs for each proposed use.

$16,619,982 | TIF RESET WITH NEW 2012 START DATE

Total incremental property tax revenue received, as generated by new redevelopment, which is a 52.5% increase from the $10,895,730 that would be generated without redevelopment.

$35,057,495 | TIF RESET WITH NEW 2012 START DATE

Total EAV at the end of the TIF's 23-year life, as generated by new redevelopment, which is a 23.2% increase from the $28,454,665 total EAV that would be generated without redevelopment.

117.4% | TIF RESET WITH NEW 2012 START DATE

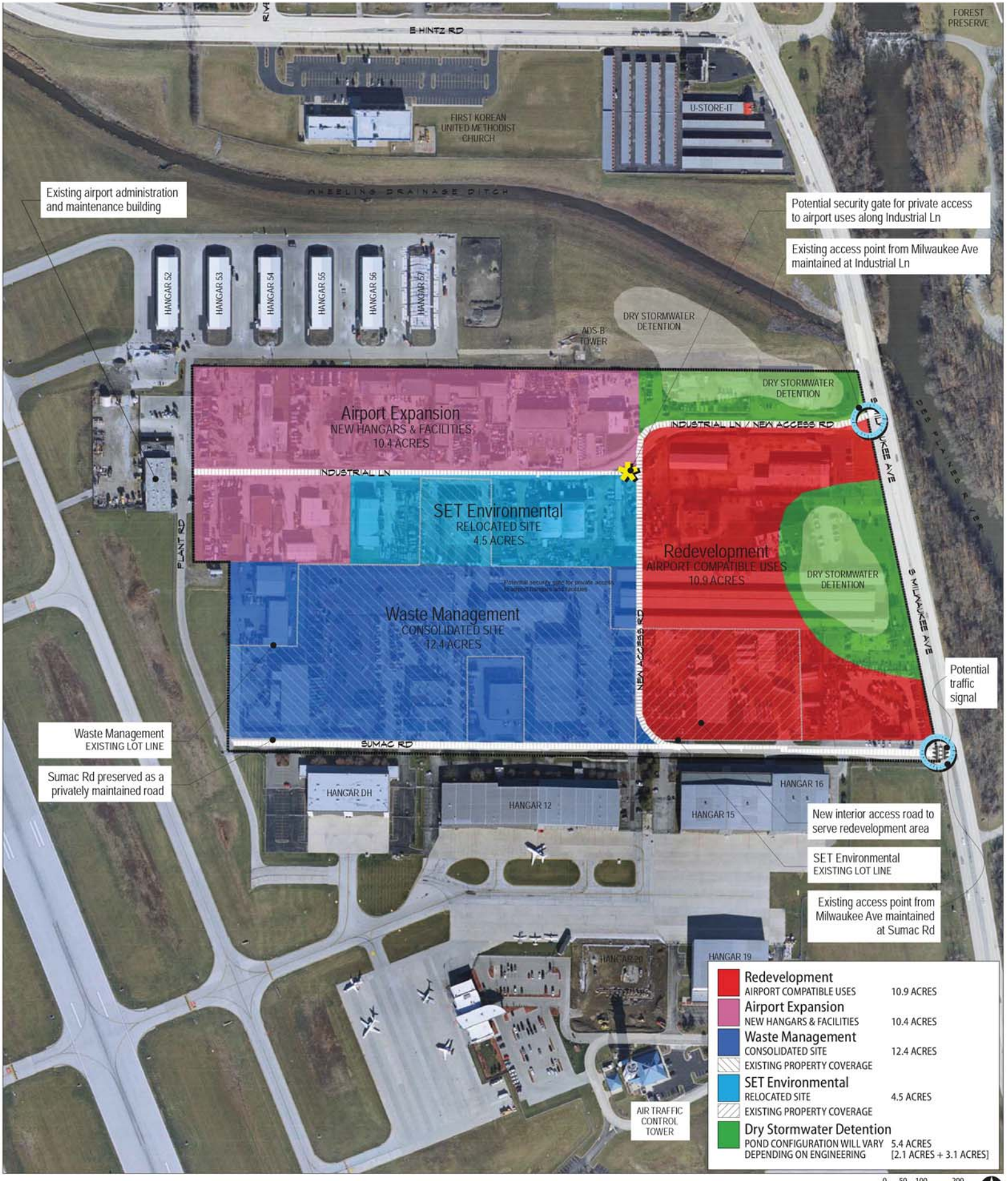
Percent growth in the 2012 base EAV of the overall TIF district, as generated by new redevelopment, which compares to 76.5% percent growth without redevelopment.

34% | TIF RESET WITH NEW 2012 START DATE

Minimum percent of redevelopment costs that Village would need to cover using TIF funds, which would ensure a positive reversion (return on equity) by 2034, which is one year before the TIF expires in 2035. This percentage will vary depending on the discount rate for Net Present Value (NPV) and the amount of developer equity put into the redevelopment project, which are 2.5% and 35%, respectively, for this particular scenario. If no TIF funds are utilized to cover redevelopment costs, then there is no positive reversion, reinforcing the significance of using available TIF funds.

OPTION B | Redevelopment with Existing Access Points

Redevelopment Framework



Last Revised: September 12, 2012

INDUSTRIAL LANE REDEVELOPMENT PLAN | **Village of Wheeling**

GIS data provided by the Village of Wheeling and Municipal GIS Partners (MGP) Inc.; map prepared by Teska Associates, Inc.

OPTION B | Redevelopment with Existing Access Points

Conceptual Land Use Plan

LEGEND

1	Restaurant	9,750 sq ft
2	Flight School	7,500 sq ft
3	Office (Flex)	18,750 sq ft
4	Car Rental Facility	2,000 sq ft
5	Gas Station w/ Convenience Store	4,200 sq ft 6,000 sq ft
C	Corporate Hangar (12)*	Varies 5,500 - 40,000 sq ft

** Per the airport's master plan*

0 50 100 200 Feet

Last Revised: October 11, 2012

INDUSTRIAL LANE REDEVELOPMENT PLAN | **Village of Wheeling**

GIS data provided by the Village of Wheeling and Municipal GIS Partners (MGP) Inc.; map prepared by Teska Associates, Inc.

OPTION C

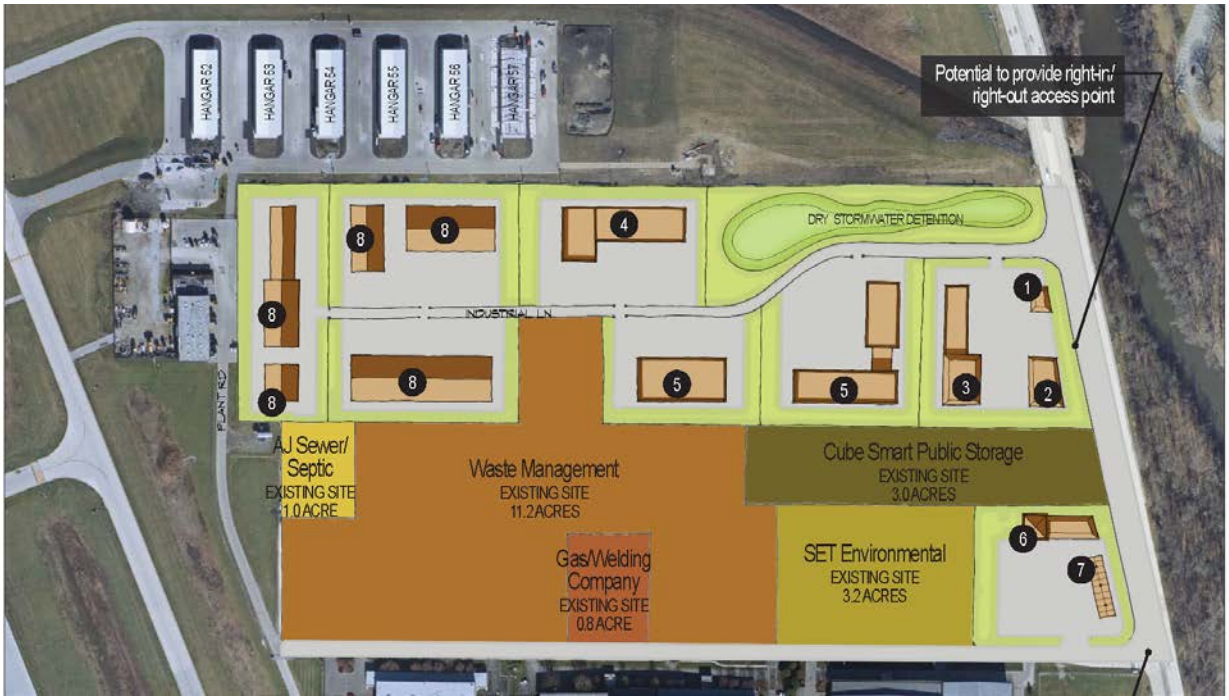
Focused Code Enforcement & Market-Driven Redevelopment

OPTION C

Focused Code Enforcement & Market-Driven Redevelopment

APPROACH: Option C builds upon a two-pronged approach that: (1) utilizes focused code enforcement to assess the impact that compliance with existing Village codes will have on the viability of existing businesses and potential to attract more viable businesses; and (2) consolidates small individual parcels into larger redevelopment sites (less than 3 acres per site) and encourages redevelopment to occur as the marketplace dictates.

By utilizing focused code enforcement of the Village's municipal codes, such as parking standards, businesses will be discouraged from using public right-of-way along Industrial Lane for parking vehicles. Certain existing businesses may not be able to sustain their operations without the additional parking they illegally utilize on public right-of-way; as a result, those businesses may eventually close shop and move elsewhere (or cease to exist altogether). In turn, this would open up sites for potential redevelopment, particularly targeting businesses that are more compatible with the airport or are more in line with the Village's vision for the area. Compliance with the Village's parking standards would also ensure an appraiser assigns more accurate property value to each site by accounting for the true size and capacity of the site, not the deceptive size and capacity created by overflow parking and storage onto public right-of-way. In addition to parking, enforcement of the Village's outdoor storage requirements would ensure property owners properly utilize the appropriate amount of outdoor space on their properties for storage.



OPTION C

PRELIMINARY REDEVELOPMENT CONCEPT FRAMEWORK MAP: As the Preliminary Redevelopment Concept Framework Map for Option C illustrates, there are 8 redevelopment sites all measuring less than 3 acres, which is the maximum threshold before triggering the Cook County stormwater ordinance standards to require on-site stormwater detention facilities. The 3-acre threshold was used as basis for site planning purposes. It is possible that some of these redevelopment sites may be divided into smaller sites or combined into larger sites, depending on what the market would be able to support for viable redevelopment. It is also possible that some of the redevelopment sites could be combined to form space for airport expansion for new hangars or facilities. In addition, certain businesses will maintain their existing sites, including: Waste Management, SET Environmental, CubeSmart Public Storage, AJ Sewer/Septic, and the gas/welding company along Sumac Road. As viable businesses, they may either remain in their present locations, elect to relocate, or make way for redevelopment, depending on their individual needs and the marketplace. The primary redevelopment area will cover approximately 19.5 total acres divided among eight individual redevelopment sites varying in size from 1.7 acres to 2.9 acres.

REDEVELOPMENT CONCEPTUAL SITE PLAN: The Redevelopment Conceptual Site Plan for Option B is a more detailed site plan that builds upon the general land use and transportation principles of the Preliminary Redevelopment Concept Framework Map. Proposed redevelopment will accommodate uses that are more compatible with airport operations and clientele, as well as fit the Village's vision for the area. Proposed retail uses will front Milwaukee Avenue to maintain visibility along the major road corridor. Proposed office and airport-related uses, such as airplane parts warehouses or repair facilities, will be located deeper into the Subject Area away from Milwaukee Avenue. The Redevelopment Conceptual Site Plan illustrates the following proposed uses for redevelopment:

- **Restaurant**: A high-end restaurant would provide a fine dining option for executives utilizing the airport, as well as Wheeling residents and visitors. The restaurant should reflect other upscale restaurants in Wheeling, such as Tuscany, Cooper's Hawk, and Pete Miller's.
- **Coffee Shop**: A coffee shop, such as a Starbucks or Caribou Coffee, would provide a smaller food and beverage establishment for executives and passersby to grab a coffee on the go. A coffee shop would also provide a café atmosphere for informal meeting spaces for business people and the local community.
- **Retail Strip Shopping Center**. A retail strip shopping center would provide a multi-tenant building for businesses that cater to the business traveler, such as a FedEx Office center, dry cleaner, or newspaper/magazine shop.
- **Gas Station w/ Convenience Store**: A gas station would provide a local fueling option for limos, rental cars, and general cars driving along Milwaukee Avenue. The gas station should apply the emerging format that Shell and BP utilize to merge the convenience store with food establishments, such as Subway and Dunkin Donuts.
- **Car Rental Facility**: A car rental facility, such as Enterprise or Avis, would provide travelers with access to rental cars in close proximity to the airport.
- **Office Building**: An office building that provides flexible office workspaces, such as the executive suites offered by the global corporation Regus, would provide executive travelers with temporary workspaces adjacent to the airport. Fully leased office spaces should also be considered for companies wishing to locate near Chicago Executive Airport.
- **Flight School**: A flight school would be a specific use that is directly compatible with the airport, providing space for either a new school to establish itself or an existing school to relocate.

OPTION C

- **Airplane Parts Warehouses or Repair Facilities**: The redevelopment sites at the western end of the Subject Area would provide space for uses that are directly compatible to the airport, including airplane parts warehouses or repair facilities. The airport would significantly benefit from its proximity to these sites. Other uses that could be considered for these sites are in-flight services, flight simulators, and hangars.

Although Option C does not specifically provide a designated area for airport expansion, this option does not necessarily preclude Chicago Executive Airport from acquiring some of the redevelopment sites for airport expansion purposes. In addition, several existing businesses – including Waste Management, SET Environmental, CubeSmart Public Storage, AJ Sewer/Septic, and the gas/welding company along Sumac Road – maintain their existing sites in Option C.

ROADS: The current alignments of Industrial Lane and Sumac Road would remain the same. In addition, no changes are proposed along Milwaukee Avenue.

STORMWATER DETENTION: A 2.5 acre area for a dry stormwater detention facility will be located at the northeast corner of the site along the north side of Industrial Lane. This facility could be combined with a larger stormwater detention facility located beyond the Subject Area boundary. A dry detention facility is recommended to prevent the attraction of water fowl that would interfere with flight patterns. The table on page 8 provides a complete summary of stormwater management elements for the concept in Option C.

OPTION C

ESTIMATED REDEVELOPMENT COSTS: The proposed redevelopment concept would generate the following estimated TIF-eligible redevelopment costs for activities:

PUBLIC/VILLAGE ACTIVITIES:	
Land Acquisition	Private Sector Cost
Site Prep: Demolition & Mass Grading	Private Sector Cost
Legal Costs	Private Sector Cost
Road Improvements	$1,570,000.00
	Road improvement costs include rerouting existing roadways, providing for turn lane installation or modification, and realigning driveways.
New Traffic Signal	$350,000.00
Utility Extension	$839,500.00
Stormwater Detention	$2,685,000.00
	See the Appendix for engineer's opinion of probable cost assumptions
Environmental Remediation	Private Sector Cost
Subtotal	$5,444,500.00
20% Contingency of Subtotal	$1,088,900.00
TOTAL	$6,533,400.00
	PRIVATE SECTOR ACTIVITIES:
Construction/Redevelopment	$24,163,382.50
Land Acquisition	$5,669,921.84
Site Prep: Demolition & Mass Grading	$3,280,500.00
Legal Costs	$400,000.00
Environmental Remediation	$739,746.09
	For the purposes of this plan, environmental remediation cost is calculated as a 5% contingency of the costs for the other redevelopment activities. The actual cost may be higher or lower, depending on more precise engineering testing of the sites. Given the industrial history of the Subject Area, there is a greater likelihood that the environmental remediation costs will be higher than listed here.
Subtotal	$34,253,550.43
20% Contingency of Subtotal	$6,850,710.09
TOTAL	$41,104,260.52

OPTION C

TIF & PRO FORMA ANALYSES: TIF and pro forma analyses were conducted to assess the financial impacts the proposed redevelopment concept might have on the Southeast TIF District and the level of potential Village interventions. As summarized below, the proposed redevelopment would generate major financial benefits to the Southeast TIF District, which could be utilized to help offset costs incurred by redevelopment, such as property acquisition, infrastructure improvements, and financing costs (NOTE: The TIF and pro forma analyses excluded the construction costs associated with any airport expansion or uses directly associated with the airport). ***The TIF and pro forma analyses assumed a reset of the TIF with a new 2012 start date.*** The base EAV for the Subject Area with the new 2012 start date would be $16,125,180.

$14,294 | TIF RESET WITH NEW 2012 START DATE

Total EAV generated by new redevelopment, based on comparable EAVs for each proposed use.

$10,928,259 | TIF RESET WITH NEW 2012 START DATE

Total incremental property tax revenue received, as generated by new redevelopment, which is a 0.3% increase from the $10,895,730 that would be generated without redevelopment.

$28,478,086 | TIF RESET WITH NEW 2012 START DATE

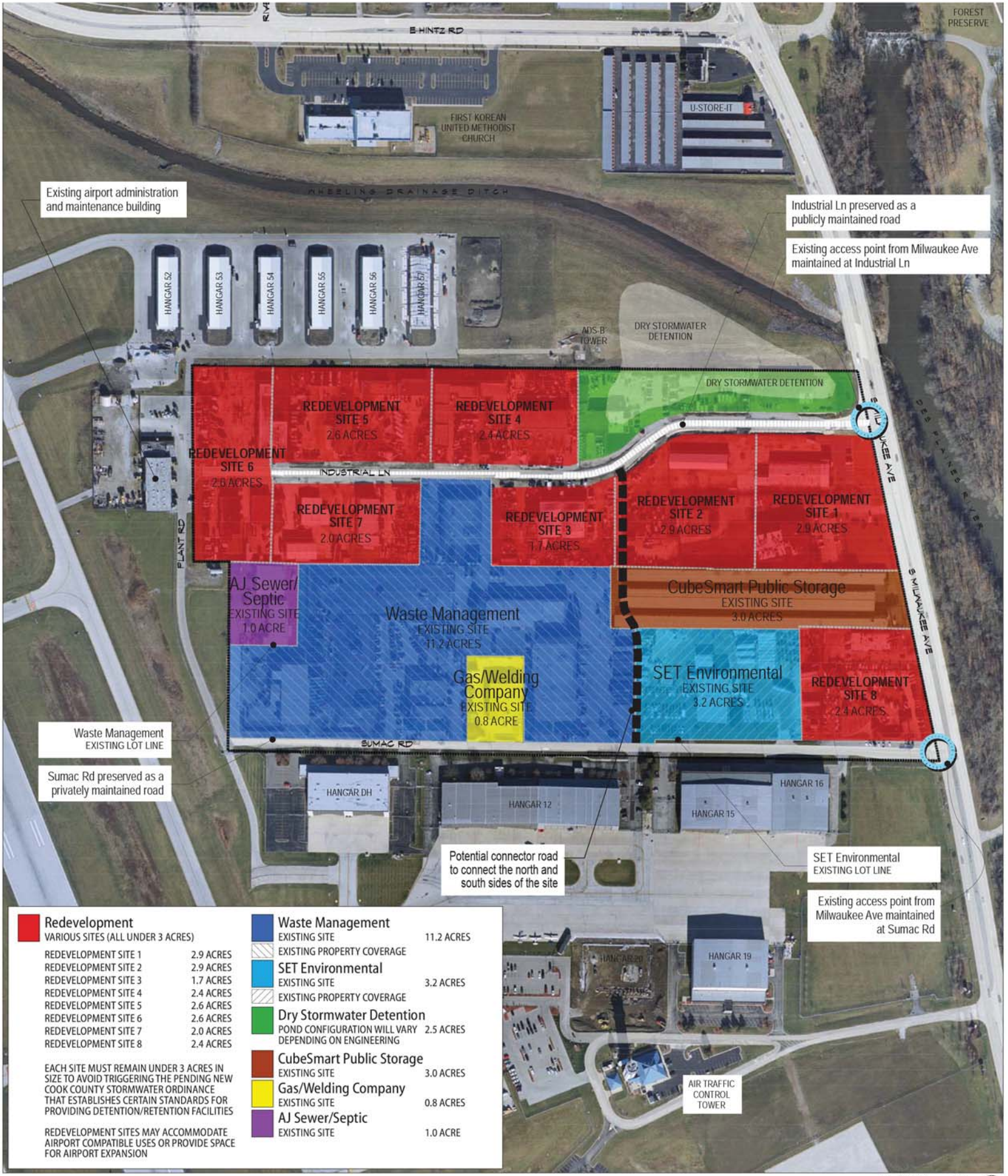
Total EAV at the end of the TIF's 23-year life, as generated by new redevelopment, which is a 0.1% increase from the $28,454,665 total EAV that would be generated without redevelopment.

76.6% | TIF RESET WITH NEW 2012 START DATE

Percent growth in the 2012 base EAV of the overall TIF district, as generated by new redevelopment, which compares to 76.5% percent growth without redevelopment.

OPTION C | Code Enforcement and Market-Driven Redevelopment

Redevelopment Framework



Last Revised: September 12, 2012

INDUSTRIAL LANE REDEVELOPMENT PLAN | Village of Wheeling

GIS data provided by the Village of Wheeling and Municipal GIS Partners (MGP) Inc.; map prepared by Teska Associates, Inc.

OPTION C | Code Enforcement and Market-Driven Redevelopment

Conceptual Land Use Plan

INDUSTRIAL LANE REDEVELOPMENT PLAN | **Village of Wheeling**

GIS data provided by the Village of Wheeling and Municipal GIS Partners (MGP) Inc.; map prepared by Teska Associates, Inc.

6| Financial Analysis

Perhaps the most logical way to assess whether or not it makes financial sense for the Village to pursue one of the three redevelopment options is to compare the estimated cost and revenue generated by each option, as summarized in the table below. These costs and revenues are summarized in more detail in the comparison tables on pages 7-12.

	Variable	OPTION A	OPTION B	OPTION C
FINANCIAL IMPACT [PUBLIC/VILLAGE COSTS ONLY]				
TOTAL Public Cost	(C)	$20,142,673.98	$20,917,222.45	$6,533,400.00
TOTAL Revenue from Incremental Property Taxes Generated from TIF	(R)	$14,710,962.51	$16,619,981.53	$10,928,258.56
	NOTE: REVENUE IS THE INCREMENTAL PROPERTY TAX REVENUE RECEIVED BY NEW REDEVELOPMENT IN THE TIF DISTRICT			
Revenue Surplus/ Deficit[1,2]	(X) = (R)-(C)	-$5,431,711.47	-$4,297,240.92	$4,394,858.56
	[1]REVENUE SURPLUS INDICATED IN BLUE [2]REVENUE DEFICIT INDICATED IN RED			

As the table above indicates, the proposed redevelopment concept in Option C is the only option of the three that generates sufficient revenue via incremental property taxes from the TIF to cover public costs to support redevelopment (e.g., road improvements, new traffic signal, utility extension, stormwater detention, etc). While Option C generates $4,394,858.56 in surplus revenue, Options A and B each generate a revenue deficit of -$5,431,711.47 and -$4,297,240.92, respectively.

Based purely on the numerical difference between cost and revenue, it seems that Option C is the only viable option for the Village, as the other two options do not generate sufficient revenue via incremental property taxes from the TIF to cover public costs. However, it is important to keep in mind that other factors may influence the Village to support either Option A or Option B, despite the outcome of the cost/revenue comparison. Some of these factors are detailed below. With these additional factors in mind, the Village has a more complete picture of financial parameters to consider when assessing the best option to pursue for the Industrial Lane Redevelopment Plan.

- **Variability of estimated values**. The public cost is a sum of estimated costs for various redevelopment activities, including land acquisition, site preparation, legal costs, road improvements, new traffic signal, utility extension, stormwater detention, and environmental remediation. Since these costs are estimated values, it is possible that some of these individual costs may be lower than estimated; for example, legal costs are estimated to be $400,000, but could possibly be less. The environmental remediation costs could also possibly be lower than estimated. As a result, a lower public cost would help reduce the revenue deficit in Options A and B. There is the possibility, though, that some of the costs could be greater than estimated, which should also be taken into consideration.

- **Market-driven redevelopment**. As the market-driven scenario, Option C is dependent mostly on the private sector to not only provide redevelopment but also pay for most redevelopment activities,

except for road improvements, new traffic signal, utility extension, and stormwater detention. While this means that the Village is providing less public money to support redevelopment in Option C than the other two options, redevelopment driven by the private sector may not be realized as quickly in the presently recovering economy as it would if the Village provided greater financial support for redevelopment activities like in Options A and B.

- **Additional revenue sources**. For the purposes of this financial analysis, revenue only accounts for incremental property tax revenue generated by new redevelopment in the Southeast TIF District. However, new development also generates other revenue from other taxing mechanisms, such as sales tax and utility tax, which can also be taken into account (Note: new development excludes new airplane hangars that would be part of airport expansion as illustrated in Options A and B). Furthermore, the Village of Wheeling levies a 1% tax for the sale of prepared food and beverages sold at "Restaurants and Other Places for Eating." While new development typically generates other revenue from the motor fuel tax, state income tax, and state use tax, these are applicable only to new developments that produce new residents (i.e., residential development); the proposed redevelopment concepts in Options A, B, and C are non-residential in nature. The table below calculates additional sources of revenue from sales, food and beverage, and utility taxes that can help offset the current revenue deficits in Option A and Option B, generating an updated revenue surplus of $283,371.81 and $3,384,994.60, respectively. Option C would increase its current revenue surplus to an updated value of $16,430,388.49.

Additional Tax Revenue	Variable	OPTION A	OPTION B	OPTION C
Sales Tax Revenue	(S)	$4,652,710.48	$5,952,090.88	$6,521,341.80
Food & Beverage Tax Revenue	(F)	$244,646.40	$496,938.00	$629,973.45
Utility Tax Revenue	(U)	$818,726.40	$1,233,206.64	$4,884,214.68
Revenue Surplus/Deficit				
Current Revenue Surplus/Deficit[1,2]	(X)	-$5,431,711.47	-$4,297,240.92	$4,394,858.56
Updated Revenue Surplus/Deficit[1,2]	(Y) = (X)+(S)+(F)+(U)	**$283,371.81**	**$3,384,994.60**	**$16,430,388.49**
		NOTE: ALL TAX REVENUE FIGURES NOTED ABOVE ARE CALCULATED OVER THE 23-YEAR LIFE OF THE TIF [1]REVENUE SURPLUS INDICATED IN BLUE [2]REVENUE DEFICIT INDICATED IN RED		

NOTE: When calculating the additional tax revenues generated by sales tax, food and beverage tax, and utility tax, it is important to note that the redevelopment concepts for Options A, B, and C provide varying amounts of retail, restaurant, office, and light industrial (e.g., airplane parts warehouses or repair facilities) spaces, which generate varying levels of tax revenue.

7| Plan Implementation Recommendations

Based on the financial analysis of the three redevelopment concept options in Section 6, all three options generate a revenue surplus, particularly when taking into account additional revenue sources beyond property taxes generated from TIF (e.g., sales tax, food and beverage tax, and utility tax). Based on revenue surplus alone, Option C is the most economically viable alternative, as it produces the largest return on the Village's investment into redevelopment of the Industrial Lane Redevelopment Area with a $16,430,388.49 revenue surplus, compared to $283,371.81 and $3,384,994.60 for Options A and B, respectively. On July 8, 2013, the Village Board provided direction to prepare an implementation plan that pursues Option C as the preferred alternative, with Options A and B to remain as valid alternatives as the economy continues to rebound and redevelopment opportunities arise.

It is important to keep in mind that Option C defines the market-driven scenario among the three options. As noted in the financial analysis in Section 6, the gradual and cautious recovery from the recent economic recession may not prompt new projects from the development community as quickly as it may with Options A or B, where the Village contributes more public money to cover redevelopment costs. In addition, Option C maintains the Subject Area as is, with no major reconfigurations of the road network and only minor changes to lot configurations that do not enhance the sites' orientation to Milwaukee Avenue to fully take advantage of greater visibility, improved site access, and stronger roadside presence.

Overall, there are both benefits and drawbacks of potentially selecting Option C as the preferred alternative, particularly if the selection is based solely on revenue surplus. As a result, the final recommendation outlined below is intended to encourage a more open-minded mindset that enables the Village to take a phased approach to preparing the Subject Area for redevelopment, consider combining aspects of the three options that makes the Subject Area more desirable and viable for redevelopment, and provide flexibility for redevelopment negotiations with property owners and developers. The implementation plan for the Industrial Lane Redevelopment Plan is outlined in the graphic below.

Implementation Plan

Years 1-3:	Commence code enforcement described in Option C as is performed in other Village industrial areas, while re-establishing the TIF and studying public infrastructure projects such as detention, utility extension, and a traffic signal. Code enforcement would begin with the public right-of-way parking restrictions and progress to private property code compliance over a number of months. The Village shall also explore the potential establishment of a zoning overlay district to provide more specific guidance to preferred development types and design elements in the Subject Area and adjacent areas relating to the airport.
Years 2-4:	Target investment on limited sites to catalyze private development while completing the public infrastructure projects studied in the previous years.
Years 3-6:	Evaluate the financial feasibility of pursuing more significant land assembly and relocation projects.

Implementation Action Items

1. **Reset the start date of the Southeast TIF District**. With the Village and its TIF consultant discussing the potential to reset the start date of the Southeast TIF District, it is recommended that the Village move forward with resetting the TIF, particularly since the TIF is still relatively young with a 2008 original start date, as well as very few financial obligations associated with the TIF at the moment. Resetting the TIF with a new 2012 start date would enable the Village to disregard the adverse impacts of the significant decline in EAV since the original 2008 start date.

2. **Keep all three redevelopment concept options on the table**. Based on feedback gathered from the Village Board, Plan Commission, Village staff, property owners, and the general public, there was support to keep all three redevelopment concept alternatives (Options A, B, and C) on the table to provide flexibility to the Village in order to appropriately respond to evolving market conditions and the needs of all parties involved (e.g., Village, airport, property owners, etc). The Village may either select one concept or mix certain aspects of multiple concept alternatives to meet the needs and overall vision of the community, physical conditions of the site, market realities of the economy, and municipal and financial capacities of the Village. For example, while Option C generates the largest return on the Village's investment with a $14,099,576.77 revenue surplus, Option A might work best in the scenario that the Village chooses to reroute the Industrial Lane access point onto Milwaukee Avenue and desires to have complete building frontage along Milwaukee Avenue to maximize visibility, keep parking fields in the rear, and create a strong roadside presence.

   On the other hand, mixing aspects of Options A and C may yield a redevelopment approach that allows the Village to incrementally improve site conditions as it awaits a stronger economic market that is more favorable to the level of redevelopment desired by Wheeling. For example, the Village can enforce its parking and outdoor storage codes to compel property owners to improve the physical conditions of their properties, which may help enhance or normalize property values or persuade non-conforming businesses to move to another site elsewhere. In turn, developer interest may increase to the point where the Village can then start investing more into the Subject Area by assembling property and making other improvements, like installing a new traffic signal at the Sumac/Milwaukee intersection and constructing stormwater detention facilities.

   Since all three options will generate sufficient revenues through projected property, sales, food and beverage, and utility taxes to cover the redevelopment costs contributed by the Village, the Village will have reassurance that none of the three options will be a financially burdensome choice.

3. **Pursue a phased approach to municipal investment**. The Village maintains its capacity to phase its municipal investment into the Subject Area to help stimulate redevelopment. For example, the Village can target municipal investment for a set time period (e.g., three years) into the Subject Area, such as installing a new traffic signal at the Sumac/Milwaukee intersection, constructing stormwater detention facilities, extending municipal utilities, and enforcing municipal codes regarding parking and outdoor storage. If the targeted investments do not catalyze redevelopment within the first three years, the Village can then elect to increase investment in the fourth year or possibly beyond. In all possible development scenarios, the Village should attempt to secure a north-south access so that both Industrial Lane and Sumac Road would have access to a future traffic signal.

4. **Pursue Village-initiated land assembly to create shovel-ready sites for redevelopment**. One of the primary differences between the three redevelopment options is the amount of land assembly that would be financed by the Village. For Options A and B, the Village would cover the cost of land

assembly for all redevelopment sites in the Subject Area; however, the private sector would pay for land assembly in Option C. Given the gradual and cautious recovery of the economy, the Village should consider covering the cost of land assembly using TIF funds in order to make development sites more attractive to developers. At minimum, the Village should work with the larger land owners (Waste Management and SET Environmental) to consolidate their properties into rectangles so that it is easier to assemble developable land. To further enhance the attraction of development sites, Village-led land assembly may also include partial or complete coverage of costs for site preparation (e.g., demolition and mass grading) and legal costs. The intent would be for the Village to prepare shovel-ready redevelopment sites, particularly if land assembly involves negotiations with multiple property owners and a greater level of demolition and/or mass grading. That way, developers may find certain sites more attractive for redevelopment if they are shovel-ready and certain obstacles have already been handled.

5. **Explore the potential establishment of a zoning overlay district**. The potential to establish a zoning overlay district would enable the Village to provide more specific guidance to preferred development types and design elements in the Subject Area and adjacent areas relating to the airport. For example, a specific list of permitted and special uses would outline land uses that are more compatible with or would provide mutual benefit from being located adjacent to an airport. In addition, specific design guidelines could be prepared to take into account the Subject Area's adjacency to the airport, frontage along Milwaukee Avenue, and need for sensible stormwater management practices.

6. **Provide flexibility for negotiation with distinctively burdened businesses**. The additional time afforded by waiting for a stronger economic market may also benefit certain business owners who have businesses that are distinctively burdened or particularly tied to their properties due to prohibitive circumstances, such as the cost to move equipment, difficulty to obtain proper permits, or difficulty to find alternative sites in Wheeling or elsewhere. For example, the three redevelopment concept alternatives specifically made arrangements to maintain modified sites for Waste Management and SET Environmental, which both exhibit the aforementioned prohibitive circumstances. However, there may be other existing businesses that may also be able to demonstrate that they are distinctively burdened. These business owners may be able to negotiate agreements with their property owners, developers, the airport, and/or the Village to remain in place with certain concessions in return. If relocation is a viable option for these businesses, they may be able to utilize available TIF funds to cover relocation costs, provided they are deemed eligible per the State TIF statutes. Whichever the case, the Village is advised to work with its attorney to develop policies that provide safeguards for Wheeling to ensure this flexibility for negotiation is afforded to businesses that can reasonably demonstrate that they are distinctively burdened.

7. **Maintain flexibility of redevelopment concepts**. It is also important to keep in mind that the three redevelopment concepts depicted in this plan provide some flexibility to adapt to a developer's proposal that plans for certain site or use modifications but still maintains the integrity of the concept. For example, a developer may propose to replace the car rental facility with a second restaurant in Option A, while keeping all other aspects of the concept intact. In any case, a developer will need to provide his/her own pro forma analysis to ensure the proposed redevelopment is consistent with or improves upon the pro forma analyses conducted for the concepts in this plan.

A| Appendix

A: TIF Eligible 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 a redevelopment plan and a redevelopment project, as allowed by Statute. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services.

2. The cost of marketing sites within the Project Area to prospective businesses, developers, and investors.

3. Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.

4. Costs of rehabilitation, reconstruction, repair, or remodeling of existing private or public buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

5. Costs of the construction of public works or improvements.

6. Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Project Area, and costs of 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, as provided in the Act.

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 under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto.

8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act.

10. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law.

11. Payment in lieu of taxes.

12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act.

13. Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units as defined in Section 3 of the Illinois Affordable Housing Act, as provided by the Act.

B: Engineer's Opinion of Probable Cost Assumptions

Wheeling TIF Redevelopment Plan
Wheeling, IL
GEWALT HAMILTON ASSOCIATES, INC.
October 30, 2012
GHA Project No.: 4597.000
Engineer's Opinion of Probable Cost Assumptions

Costs based on Concept Plans dated October 11, 2012

1. Existing sanitary sewers have enough depth to accept site connections
2. No hardscape improvements included for Hangars
3. Offsite roadway improvements at North Access are limited to left turn extension (applicable to Option A only)
4. Southbound right turn lane at north access will not be required by IDOT due to proximity to bridge.
5. Traffic Signal at Sumac Road will meet IDOT warrant standards.
6. CCFPD drive on east side of Milwaukee Ave will be realigned to be opposite Sumac Road .
7. Above ground stormwater storage north of site will be allowed by airport and feasible from engineering standpoint.
8. Excludes any lot improvements such as parking, buildings, site lighting, utilities, etc.
9. Excludes any environmental contamination cleanup.
10. Excludes any dry utilities.
11. Site Roadway Improvements
    a. 37' back of curb to back of curb
    b. B6.12 curb on both sides
    c. One street light every 175 feet
    d. Pavement Section
        i. 10" Reinforced PCC
        ii. 4" CA-6 Base Course
    e. $600.00 per linear foot includes above as well as storm sewer improvements in road.
12. Site costs include site demolition and clearing for area of development.
13. Site costs include mass grading for area of redevelopment.