

ORDINANCE NO. 5400

**AN ORDINANCE APPROVING THE VILLAGE OF LOMBARD ST. CHARLES ROAD TIF  
DISTRICT I (WEST) TAX INCREMENT REDEVELOPMENT PROJECT  
AREA REDEVELOPMENT PLAN AND PROJECT**

**WHEREAS**, the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, (hereinafter referred to as the "Village") desire to implement tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.1-1 et seq., as amended, (hereinafter referred to as the "Act") for the proposed Village of Lombard St. Charles Road TIF District I (West) Tax Increment Redevelopment Project Area Redevelopment Plan and Project (hereinafter referred to as the "Project") within the municipal boundaries of the Village of Lombard, Illinois and within the Village of Lombard St. Charles Road TIF District I (West) Tax Increment Redevelopment Project Area (hereinafter referred to as the "Redevelopment Project Area") described in Exhibit "A" attached hereto and made part hereof; and

**WHEREAS**, pursuant to Section 5/11-74.4-5 of the Act, the Village Board caused a public hearing to be held, relative to the Project and the designation of the Redevelopment Project Area, on October 16, 2003, at the Lombard Village Hall; and

**WHEREAS**, due notice with respect to the availability of the Eligibility Report/Study and the Redevelopment Plan and Project was given pursuant to Section 5/11-74.4-5 of the Act; said notice being given to all residences within seven hundred fifty (750) feet of the boundaries of the proposed Lombard St. Charles Road TIF I (West) Tax Increment Financing District, and to those individuals and entities registered on the Village's Tax Increment Financing Interested Parties Registry, by First Class U.S. Mail on August 25, 2003; and

**WHEREAS**, due notice with respect to such hearing was given pursuant to Sections 5/11-74.4-5 and 5/11-74.4-6 of the Act, said notice being given to all taxing districts impacted by the proposed Lombard St. Charles Road TIF District I (West) Tax Increment Financing District and the Illinois Department of Commerce and Community Affairs, by certified mail, return receipt requested, on August 25, 2003; by publication on September 24, 2003 and October 1, 2003; and by certified mail, return receipt requested, to the taxpayer of record for each parcel within the Redevelopment Project Area on October 3, 2003; and

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**WHEREAS**, the Project sets forth the conditions in the proposed Redevelopment Project Area qualifying the Redevelopment Project Area as a "conservation area"; and the Village Board has reviewed testimony concerning said conditions presented at the public hearing and is generally informed of the conditions causing the proposed Redevelopment Project Area to qualify as a "conservation area" as said term is defined in Section 5/11-74.4-3 of the Act; and

**WHEREAS**, the Village Board has reviewed the conditions pertaining to the lack of private investment in the proposed Redevelopment Project Area to determine whether private development would take place in the proposed Redevelopment Project Area as a whole without the adoption of the Project; and

**WHEREAS**, it is the intent of the Village Board to utilize the tax increment from all sources authorized by law; with such revenues to be exclusively utilized for the development of the Project within the Redevelopment Project Area; and

**WHEREAS**, the proposed Redevelopment Project Area would not reasonably be redeveloped without the use of such incremental revenues; and

**WHEREAS**, the Village Board has reviewed the conditions pertaining to real property in the proposed Redevelopment Project Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Redevelopment Project Area would be substantially benefitted by the proposed Project improvements;

**NOW, THEREFORE, BE IT ORDAINED**, by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

**SECTION 1:** That the Village Board hereby makes the following findings:

A. The area constituting the proposed Redevelopment Project Area is described as set forth in the attached Exhibit "A";

B. There exist conditions which cause the area proposed to be designated as a Redevelopment Project Area to be classified as a "conservation area" as such term is defined in Section 5/11-74.4-3 of the Act;

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C. The Redevelopment Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise and would not be reasonably anticipated to be redeveloped without the adoption of the Project;

D. The Redevelopment Project Area would not reasonably be redeveloped without the tax increment derived from real property tax incremental revenues, and the increment from such revenues will be exclusively utilized for the redevelopment of the Project within the Redevelopment Project Area;

E. The Project conforms to the Village's Comprehensive Plan for the development of the Village as a whole;

F. The parcels of real property in the proposed Redevelopment Project Area are contiguous and only those contiguous parcels of real property and improvements thereon which will be substantially benefitted by the proposed Project are included in the proposed Redevelopment Project Area;

G. The estimated date for final completion of the Project is December 31, 2026, subject to the receipt of 2026 incremental real estate tax revenues during 2027; and

H. The estimated date for retirement of obligations incurred to finance Project costs is not later than December 31, 2026, subject to the receipt of 2026 incremental revenues during 2027.

**SECTION 2:** That the Project which was the subject matter of the hearing held on October 16, 2003, is hereby adopted and approved. A copy of said Project plan is attached hereto as Exhibit "B" and made a part hereof.

**SECTION 3:** That this Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

**SECTION 4:** That if any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Ordinance.

**SECTION 5:** That all ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

Passed on first reading this 6th day of Novemb̄er, 2003.

First reading waived by action of the Board of Trustees this \_\_\_\_ day of \_\_\_\_\_, 2003.

Passed on second reading this 20th day of November, 2003, pursuant to a roll call vote as follows:


AYES: Trustees DeStephano, Tross, Koenig, Sebby, Soderstrom

NAYS: None

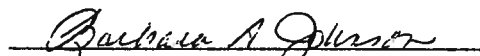
ABSENT: None

ABSTAIN: Trustee Florey

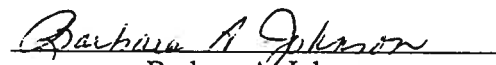
APPROVED by me this 20th day of November, 2003.

  
\_\_\_\_\_  
William J. Mueller  
Village President

ATTEST:

  
\_\_\_\_\_  
Barbara A. Johnson  
Deputy Village Clerk

Published by me in pamphlet form this 25th day of November, 2003.

  
\_\_\_\_\_  
Barbara A. Johnson  
Deputy Village Clerk

## Exhibit "A"

### LOMBARD ST. CHARLES ROAD TIF DISTRICT I (WEST)

All that part of the Southwest 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian and the Northwest 1/4 of Section 8, Township 39 North, Range 11, East of the Third Principal Meridian, including all lots, blocks, tracts, parcels and rights-of-way, located within the following legally described boundaries:

Beginning at the Southwest corner of Lot 1 in Windsor Avenue Subdivision (Doc. No. R1985-063730) of part of the Southwest 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence North along the West line of said Lot 1, and the Northerly extension thereof, to the Northerly line of the Great Western Trail right-of-way; thence Easterly along the Northerly line of the Great Western Trail right-of-way to its intersection with the centerline of Grace Street; thence South along the centerline of Grace Street to its intersection with the Northerly right-of-way line of that portion of St. Charles Road located South of the Union Pacific Railroad right-of-way; thence Westerly along the Westerly extension of said Northerly right-of-way line of St. Charles Road (said Westerly extension also being the Northerly right-of-way line of Parkside Avenue) to its intersection with the Southerly line of the Union Pacific Railroad right-of-way; thence Northeasterly along the Southerly line of the Union Pacific Railroad right-of-way to its intersection with the West right-of-way line of Grace Street; thence North along the West right-of-way line of Grace Street to its intersection with the Northerly line of the Union Pacific Railroad right-of-way; thence Southwesterly along the Northerly line of the Union Pacific Railroad right-of-way; to its intersection with the centerline of vacated Martha Street; thence North along the centerline of vacated Martha Street and the Northerly extension thereof to the intersection thereof with the Northerly right-of-way line of St. Charles Road; thence Southwesterly along the Northerly right-of-way line of St. Charles Road to its intersection with the East right-of-way line of Garfield Street; thence North along the East right-of-way line of Garfield Street to the Southwest corner of Lot 9 in Block 19 in H.O. Stone & Co.'s Addition to Lombard (Doc. No. 179463), being a subdivision of parts of the Northwest 1/4 of Section 8 and the Southwest 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence Northeasterly along the Southerly lines of Lots 9 and 2 (including the Northeasterly extension of the Southerly line of Lot 2) in Block 19 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, the Southerly lines of Lots 18 and 9 (including the Northeasterly extension of the Southerly line of Lot 9) in Block 15 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, and the Southerly line of Lot 13 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, to the Southeast corner of said Lot 13 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid; thence North along the East lines of Lots 13, 14, 15, 16, 17, 18 and 19 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, to the Northeast corner of said Lot 19 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, said Northeast corner also being a point on the South right-of-way line of Windsor Avenue; thence Westerly along the South right-of-way line of Windsor Avenue to the intersection thereof with the Southerly extension of the West line of Lot 11 in Windsor Avenue Subdivision, aforesaid; thence Northerly along the Southerly extension of the West line of Lot 11 in Windsor Avenue Subdivision, aforesaid, and the West line of Lot 11 in Windsor Avenue Subdivision, aforesaid, to the Northwest corner of said Lot 11 in Windsor Avenue Subdivision, aforesaid, said Northwest corner also being a point on the Southerly line of the Great Western Trail right-of-way; thence Westerly along the Southerly line of the Great Western Trail right-of-way to the Northeast corner of Lot 1 in Windsor Avenue Subdivision, aforesaid; thence South along the East line of said Lot 1 in Windsor Avenue Subdivision, aforesaid, to the Southeast corner of said Lot 1; thence West along the South line of said Lot 1 in Windsor Avenue Subdivision, aforesaid, to the place of beginning, all in DuPage County, Illinois;

P.I.N.'s: 06-05-323-005 and -015; 06-05-315-018; 06-05-322-003, -004, -006, -007, -008, -009, -010, -011 and -012; 06-05-321-006, -007, -008 and -009; 06-08-104-008, -009, -010 and -011; 06-08-105-008 and -013; 06-08-106-004, -005, -006 and -010; 06-08-107-001 and -002; 06-08-110-002; 06-08-133-001, -002, -003 and -004;

Common Addresses: 151 North Charlotte Street; 222 East Windsor Avenue; 130, 136, 140, 144, 200, 204, 218, 230, 234, 236, 244 to 250, 376, 380, 384, 386, 390, 396 and 400 East St. Charles Road; and 34, 38, 42 and 46 North Stewart Avenue; all in Lombard, Illinois

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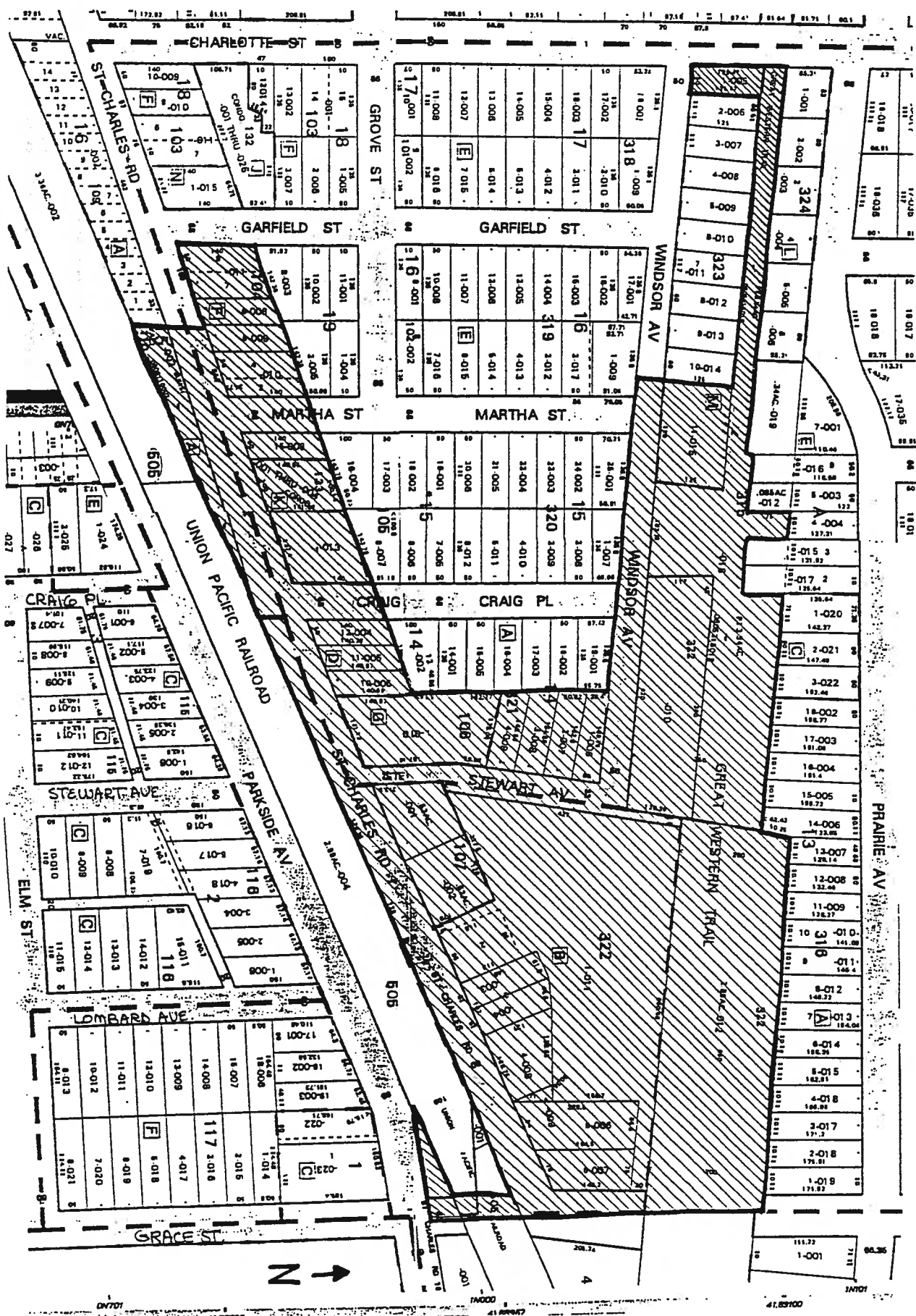


Exhibit "A"

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**VILLAGE OF LOMBARD  
ST. CHARLES ROAD TIF DISTRICT I (WEST)  
REDEVELOPMENT PLAN AND PROJECT**

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**Jointly Prepared By:**

**Village of Lombard, Illinois**

**And**

**Kane, McKenna and Associates, Inc.**

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**JULY, 2003**



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## LIST OF EXHIBITS

### EXHIBITS

- Exhibit 1 - Legal Description
- Exhibit 2 - Boundary Map
- Exhibit 3 - Existing Land Use Map
- Exhibit 4 - Proposed Land Use Map and Proposed Acquisition Map
- Exhibit 5 - TIF Qualification/Designation Report

## **I. INTRODUCTION**

The Village of Lombard (the "Village") is a mature residential community located in DuPage County, Illinois, approximately twenty (20) miles west of the City of Chicago's "Loop". The Village lies adjacent to the municipalities of Glen Ellyn and Glendale Heights on the west, Addison on the north, Villa Park and Oak Brook to the east and Downers Grove to the south.

This Village was incorporated in 1869. The municipality developed from a rural setting rich in commercial and retail establishments. The Village is intersected by I-355 (North-South Tollway) and I-88 (East-West Tollway) on the west and south borders, respectively.

The Village of Lombard, along with the St. Charles Road Corridor Ad Hoc Committee, drafted the St. Charles Road Corridor study dated January, 1994. This Plan, along with other planning documents, suggests guidelines for the Village's evolution and development in the coming years and has been included as part of the Village's Comprehensive Plan. In terms of business and industry, the Village intends to attract and encourage retail and commercial users to locate, upgrade, expand and/or modernize their facilities within the Village.

The area discussed in this Plan (the "Redevelopment Project Area" or "RPA") generally contains the frontage property located along St. Charles Road from Garfield Street on the west to Grace Street on the east. The area is generally bounded by the property that fronts Windsor Avenue to the north, Grace Street to the east, St. Charles Road to the south, and Garfield street to the west. The RPA is contiguous to St. Charles Road TIF II (East) to the east and to the Downtown TIF District to the west. The area has approximately eighteen (18) buildings and thirty-four (34) tax parcels. The area is legally described in a subsequent section. A boundary map of the RPA is included as part of Exhibit 2.

The RPA is primarily commercial, industrial and retail in nature with some residential uses dispersed throughout. It appears that the majority of the area was constructed in the late 1950's and 1960's, and as such, includes conditions associated with age, deterioration and obsolescence. In order to conserve the RPA as a commercial center for the Village, specific problems need to be addressed.

Conditions of age, deleterious layout, obsolescence, lack of community planning, inadequate utilities, deterioration of structures and site improvements, and a decline in EAV present throughout the area. These factors have been documented pursuant to site visits, Village records and aerial photographs. As a result of the lack of maintenance and development, the RPA's equalized assessed valuation has an average annual growth of only 4.44% over a five (5) year period. This average annual growth is lower in comparison to the balance of the Village's average annual growth of 6.33% over the same five (5) year period.

The RPA has diminished over the years in attractiveness for commercial and retail reuse due to the age of its structures, and related obsolescence and land-locked nature. Other sources of potential concern regarding the RPA include parking and loading/unloading limitations, the lack of available, attractive land, buffering to adjacent uses, underutilized lots, and public safety dangers due to dangerous traffic situations. These factors taken in combination tend to limit the opportunities for commercial and retail reuse of the site.

The RPA is suitable for redevelopment for mixed uses including commercial, retail and residential. The area's best opportunity for redevelopment may be related to the retention of viable businesses, the location along a highly traveled arterial and its proximity to major highway access. The Village has undertaken an initiative, through the designation of the RPA, to redevelop strategic areas within the Village and, in doing so, stabilizing and expanding benefits to the community and affected taxing districts.

## **The Redevelopment Plan**

The Village recognizes the need for implementation of a strategy to revitalize existing commercial, industrial and retail properties within the boundaries of the RPA and to stimulate and enhance private development within the RPA. Business retention, attraction and expansion are key components of the strategy. The needed private investment in the RPA 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 Redevelopment Plan and Project will benefit the Village and all the taxing districts, which 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 including (but not limited to):

- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement adjacent commercial, industrial, retail and other Village redevelopments;
- Entering into redevelopment agreements in order to include the redevelopment of underutilized property and/or to induce new development to locate within the RPA.
- Creating a safe environment for pedestrian traffic, including improvements associated with the Great Western Trail and related redevelopment within the RPA;
- Improving area appearance through landscape, streetscape and signage programs;
- Coordinating land assembly in order to provide sites for more modern redevelopment plans; and
- Updating zoning guidelines so they are consistent with current zoning following the suggestions stated in the St. Charles Road Corridor Ad Hock report.

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 prepared 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 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 operation of viable mixed-use retail and commercial uses within the area.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements that are substantially benefited by the redevelopment project. Also pursuant to the Act, the Study Area is not less than 1½ acres in size.

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 those taxing districts that encompass the RPA. Benefits will be in the form of a stabilized and expanded tax base, the creation of new businesses and the creation of new 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 municipality 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 said taxing districts. This is because these taxing districts whose jurisdictions include 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 along the RPA will produce benefits that are reasonably distributed throughout the area. Redevelopment of the RPA is tenable only if a portion of the improvements and other costs are funded by utilizing tax increment financing.

It is further found, and certified by the Village, in connection to the process required for the adoption of this Plan and Project pursuant to 65 ILCS Section 5/11-74.4.3(n)(5) of the Act, that this Plan and Project will not result in the displacement of 10 or more inhabited residential units and there are less than seventy-five (75) inhabited residential units within the RPA. Therefore, this Plan and Project does not include a housing impact study as would otherwise be required. The Village will amend this Plan and Project (and the RPA) and provide a housing impact study in the manner prescribed by the Act should the Village determine a need to withdraw such certification at a future time. In the event that any residential units are to be displaced (under 10 inhabited units), the Village will determine if residents are very low or low-income residents. If the residents are very low or low income, the Village shall conform to federal relocation standards for the very low or low-income residents, if applicable.

**II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

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

### **III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES**

The following goals and objectives are presented for the RPA in accordance with the Village's Zoning Ordinance, the comprehensive planning process, and the St. Charles Road Corridor Study. The Redevelopment Plan and Project also conforms to the Village's comprehensive planning process.

#### **General Goals of the Village**

- 1) To limit the effects of piecemeal development by encouraging unified, cohesive development.
- 2) To limit the impact of non-resident uses on adjacent residential uses by providing adequate buffering and screening.
- 3) To develop a strong and positive image and appearance which establishes a unified image and sense of place; and which reinforces and supports commercial and economic activity along the RPA.
- 4) To identify preferred land uses along the RPA
- 5) To improve current pedestrian traffic by limiting oversized driveways, regaining Village control of the pedestrian rights-of-way and encouraging separation of business activity from sidewalk areas.
- 6) Identify appropriate tools for implementation of economic redevelopment.
- 7) Enhance the current infrastructure and associated utilities.

### **Specific Objectives for the RPA**

- 1) Encourage consolidation of lots where appropriate.
- 2) Encourage cross access, thereby reducing the number of curb cuts onto St. Charles Road
- 3) Encourage existing uses to comply as much as possible with the requirements of the Zoning Ordinance with respect to required transitional landscaping or fencing.
- 4) Encourage compatible, well designed development in the corridor with an emphasis on quality site design and building orientation, and site improvements.
- 5) Explore creating an attractive "gateway" into downtown Lombard.
- 6) Encourage adequate screening of outdoor storage and parking lots.
- 7) Provide a safe environment for those pedestrians coming from the residential area adjacent to the RPA, including coordination of proposed improvements to the Great Western Trail.
- 8) To protect pedestrians from the railroad crossing.
- 9) Encourage the placement of utilities underground.

### **Redevelopment Objectives**

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

- a) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal;
- b) Reduce or eliminate negative factors present within the area;
- c) Accomplish redevelopment over a reasonable time period;
- d) Provide for high quality development within the RPA;
- e) Provide for an attractive overall appearance of the area; and
- f) Help existing viable businesses.

The implementation of the Redevelopment Project will serve to improve the physical appearance of the RPA and contribute to the economic development of the area. The implementation of the RPA will provide new employment opportunities for community residents.

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

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

As found in Exhibit 5 of this Plan, the RPA has suffered from the lack of coordinated development, older building stock, and the lack of community planning. The area has not, over recent years, benefited from significant private investment and/or development. As a result, it has demonstrated minimal growth when compared to other portions of the Village.

The lack of coordinated private investment at various points in time has led to the stagnation of equalized assessed valuation (EAV) for the area. The minimal increase of the EAV for the RPA in comparison to the Village as a whole over the last five (5) years is reflected below.

**The RPA EAV**

<u>Assessment Year</u>	<u>Equalized Assessed Valuation</u>	<u>%increase (decrease) over previous year</u>
2002	\$1,464,900	8.72%
2001	\$1,312,580	1.46%
2000	\$1,294,940	3.70%
1999	\$1,248,740	5.73%
1998	\$1,180,180	2.59%
1997	\$1,150,340	--

The increase in EAV for the balance of the Village over the past five (5) years is reflected below.

**The Village of Lombard EAV**

<u>Assessment Year</u>	<u>Equalized Assessed Valuation</u>	<u>%increase (decrease) over previous year</u>
2002	\$1,150,584,349	9.73%
2001	\$1,048,555,101	7.11%
2000	\$978,947,808	5.55%
1999	\$927,481,272	4.32%
1998	\$889,060,427	4.96%
1997	\$847,025,032	--

Source: York Township, DuPage County Assessor and the Village of Lombard.

Over a five (5) year period, there occurred an average annual increase of 4.44% in equalized assessed valuation. During the same time period, the Village's average EAV annual increase was 6.33%. When compared to the Village's average annual growth, the RPA has experienced stagnant growth in equalized assessed valuation.

The Village believes that there is no evidence that the RPA's lack of growth will abate without inducement of private investment by the Village through an active economic development program.

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

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on the affected taxing districts. In fact, 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.

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 assist in the redevelopment of residential units. In such cases, the Village will provide for the cost incurred by eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act.

**V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

**Findings**

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under Illinois law. Refer to the TIF Qualification/Designation Report, (Exhibit 5) which is attached as part of this plan.

**Eligibility Survey**

The RPA was evaluated in November, 2002 and May, 2003 by representatives of Kane, McKenna and Associates, Inc., (KMA). Analysis was aided by certain reports obtained from the Village of Lombard and York Township, interviews with Village staff, aerial photographs and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for a TIF district.

## **VI. REDEVELOPMENT PROJECT**

### **A. Redevelopment Plan and Project Objectives**

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

- 1) By implementing a plan that provides for the retention and expansion of existing businesses, and the attraction of users to redevelop vacant land and underutilized sites that are available within the RPA.
- 2) By constructing public improvements which may include (if necessary):
  - i. St. Charles Road and sidewalk improvements (including reducing oversized driveways, improving pedestrian railroad crossing and limiting business activity near pedestrian areas associated with proposed Great Western Trail improvements)
  - ii. Utility improvements (including, but not limited to, the burying of overhead utility lines)
  - iii. Signalization, traffic control and lighting
  - iv. Off-street parking (if applicable)
  - v. Landscaping, streetscaping and beautification (including the coordination of signage, facade, and parking improvements)
- 3) By entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of interest rate subsidy as allowed under the Act.
- 4) By providing for land acquisition, site preparation, clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of existing building inventory through necessary rehabilitation and improvement of structures.
- 6) Exploration and review of job training programs in coordination with any Village, federal, state, and county programs.

## **B. Redevelopment Activities**

Pursuant to the foregoing objectives, the Village will implement a coordinated program of actions, including, but not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary.

### **Site Preparation, Clearance, and Demolition**

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

### **Land Assembly and Relocation**

Certain properties in the RPA may be acquired, assembled and reconfigured into appropriate redevelopment sites. The Village may also undertake relocation activities.

### **Public Improvements**

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

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems;
- Street and right-of-way improvements associated with Windsor Avenue;
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways; and
- Parks and related improvements.

### **Rehabilitation**

The Village may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to Village code provisions. Improvements may include exterior and façade related work as well as interior related work.

### **Interest Rate Write-Down**

The Village may enter into agreements with owners/developers 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.

## Job Training

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

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

## **C. General Land Use Plan**

Existing land use generally consists of a mix of retail, industrial and commercial with some limited residential uses. Existing land uses are shown in Exhibit 3, attached hereto and made a part of this Plan. Exhibit 4, attached hereto and made a part of this Plan designates intended general land uses in the Redevelopment Project Area that continue to include mixed use retail, commercial and limited residential. A proposed acquisition map is also included in this Exhibit. The land uses will conform to the Zoning Ordinance and the Comprehensive Plan of the Village of Lombard as either may be amended from time to time.

## **D. Additional Design and Control Standards for Community Development in the Village of Lombard**

The appropriate design controls, as set forth in the Village's Zoning Ordinance shall apply to the RPA.

## **E. 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, as provided in the TIF statute, and any such costs incidental to this Redevelopment Plan and Project. Private investments, which supplement "Redevelopment Project Costs", are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. Costs of studies and survey, development of plans and specification, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
4. Costs of rehabilitation of public works or improvements;
5. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

7. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
8. 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 state law;
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 Redevelopment Project Area; 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 agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code.
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;
  - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
  - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph (11) 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 paid pursuant to this Act may not exceed 30% of the (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

11. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be eligible redevelopment project costs.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan.

**VILLAGE OF LOMBARD  
RPA REDEVELOPMENT PROJECT  
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition and Assembly Costs, Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$10,495,650
2. Utility Improvements including, but not limited to, water, storm, sanitary sewer, the service of public facilities, and road improvements	941,000
3. Streetscape, landscape, sidewalks curbs and gutters, signage, streetlights, traffic and related public improvements	30,000
4. Public facilities, including parking and Great Western Trail improvements	204,000
5. Façade Design/Rehabilitation Program	675,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	768,000
7. Interest Costs Pursuant to the Act	1,752,000
8. Job Training	-0-
9. School Tuition Costs Pursuant to the Act	<u>4,909,800</u>
<b>TOTAL ESTIMATED</b>	<b>19,775,450</b>

(A) All project cost estimates are in year 2003 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the total amount of payment for Eligible Redevelopment Project Costs shall not exceed the overall budget amount outlined above. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

**F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute**

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

“Redevelopment Project Costs” specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the Village Board, only to leverage and commit private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2002 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate. The Village may also utilize tax increment revenues from the adjacent Downtown TIF and the St. Charles TIF II (East) in order to assist redevelopment activities and utilize tax increment revenues from the St. Charles TIF 1 (West) in order to assist redevelopment activities in contiguous TIF districts.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

**G. 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 Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance, including tax increment revenues available from the adjacent Downtown TIF and St. Charles Road TIF II (East), as determined by the Village.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for 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 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, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the Village may determine.

#### **H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area**

The most recent estimate of equalized assessed valuation (EAV) for 2002 of the property within the RPA is approximately \$1,464,900 for the RPA. The Boundary Map, Exhibit 2, shows the location of the RPA.

#### **I. Anticipated Equalized Assessed Valuation (EAV)**

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will be approximately \$31,590,000. The estimate assumes a current York Township average equalization factor of 1.0.

## **VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT**

### **A. Redevelopment Project**

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses are conformant with Village zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: Certain properties may be demolished in the RPA in order to redevelop the site.

Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses. Great Western Trail improvements may also be included.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the Village.

Roadway/Street/Parking Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the general public.

Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to St. Charles Road and enhance its redevelopment may be constructed.

**Public Safety Related Infrastructure:** Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

**Interest Costs Coverage:** The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

**Professional Services:** The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself from annual tax increment revenue if available.

## **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 and plans.

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

All those involved with employment activities will be responsible for conformance to this policy and 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, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

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

**C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment costs**

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

**VIII. 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 1**

**LEGAL DESCRIPTION**

## EXHIBIT A

### LOMBARD ST. CHARLES ROAD TIF DISTRICT I (WEST)

All that part of the Southwest 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian and the Northwest 1/4 of Section 8, Township 39 North, Range 11, East of the Third Principal Meridian, including all lots, blocks, tracts, parcels and rights-of-way, located within the following legally described boundaries:

Beginning at the Southwest corner of Lot 1 in Windsor Avenue Subdivision (Doc. No. R1985-063730) of part of the Southwest 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence North along the West line of said Lot 1, and the Northerly extension thereof, to the Northerly line of the Great Western Trail right-of-way; thence Easterly along the Northerly line of the Great Western Trail right-of-way to its intersection with the centerline of Grace Street; thence South along the centerline of Grace Street to its intersection with the Northerly right-of-way line of that portion of St. Charles Road located South of the Union Pacific Railroad right-of-way; thence Westerly along the Westerly extension of said Northerly right-of-way line of St. Charles Road (said Westerly extension also being the Northerly right-of-way line of Parkside Avenue) to its intersection with the Southerly line of the Union Pacific Railroad right-of-way; thence Northeasterly along the Southerly line of the Union Pacific Railroad right-of-way to its intersection with the West right-of-way line of Grace Street; thence North along the West right-of-way line of Grace Street to its intersection with the Northerly line of the Union Pacific Railroad right-of-way; thence Southwesterly along the Northerly line of the Union Pacific Railroad right-of-way; to its intersection with the centerline of vacated Martha Street; thence North along the centerline of vacated Martha Street and the Northerly extension thereof to the intersection thereof with the Northerly right-of-way line of St. Charles Road; thence Southwesterly along the Northerly right-of-way line of St. Charles Road to its intersection with the East right-of-way line of Garfield Street; thence North along the East right-of-way line of Garfield Street to the Southwest corner of Lot 9 in Block 19 in H.O. Stone & Co.'s Addition to Lombard (Doc. No. 179463), being a subdivision of parts of the Northwest 1/4 of Section 8 and the Southwest 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence Northeasterly along the Southerly lines of Lots 9 and 2 (including the Northeasterly extension of the Southerly line of Lot 2) in Block 19 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, the Southerly lines of Lots 18 and 9 (including the Northeasterly extension of the Southerly line of Lot 9) in Block 15 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, and the Southerly line of Lot 13 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, to the Southeast corner of said Lot 13 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid; thence North along the East lines of Lots 13, 14, 15, 16, 17, 18 and 19 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, to the Northeast corner of said Lot 19 in Block 14 in H.O. Stone & Co.'s Addition to Lombard, aforesaid, said Northeast corner also being a point on the South right-of-way line of Windsor Avenue; thence Westerly along the South right-of-way line of Windsor Avenue to the intersection thereof with the Southerly extension of the West line of Lot 11 in Windsor Avenue Subdivision, aforesaid; thence

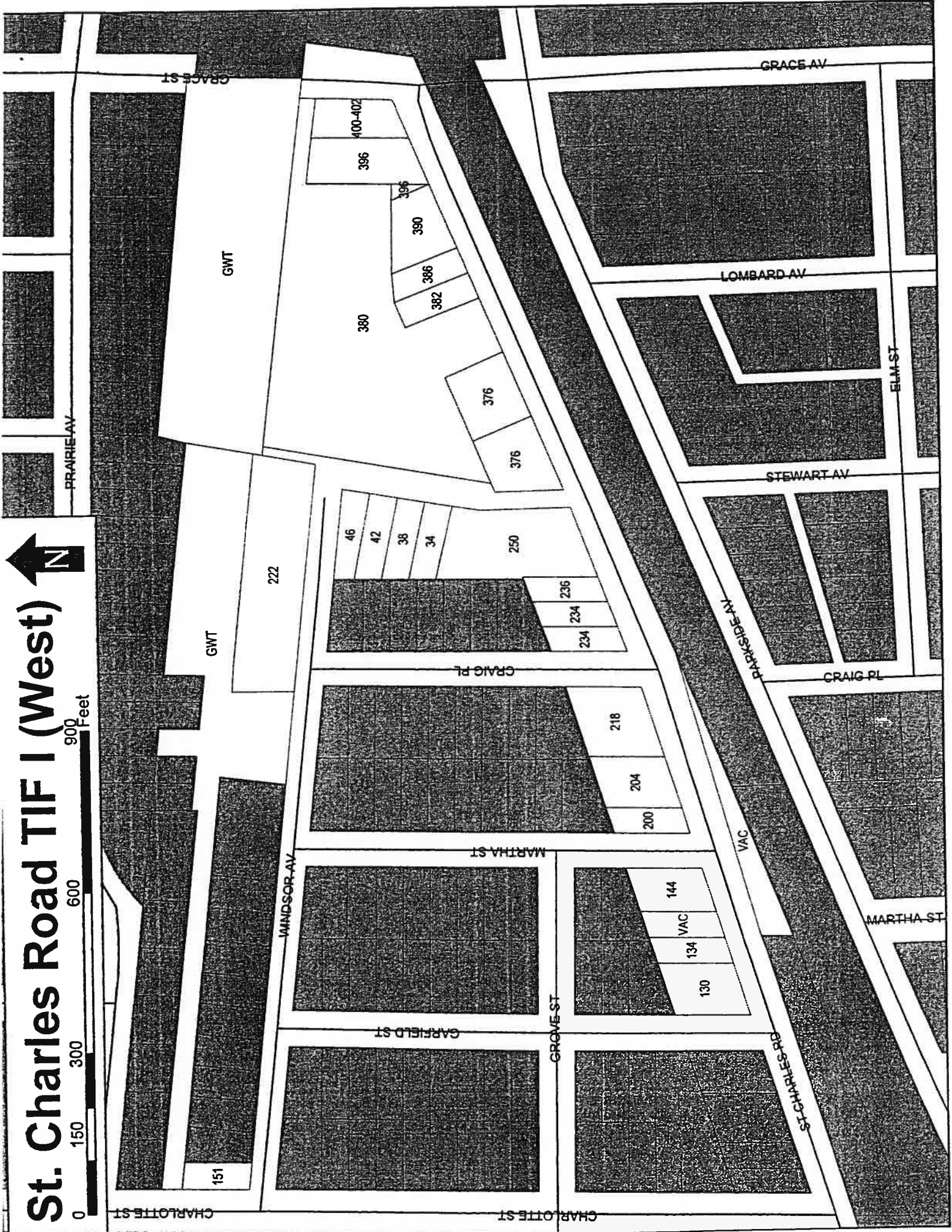
Northerly along the Southerly extension of the West line of Lot 11 in Windsor Avenue Subdivision, aforesaid, and the West line of Lot 11 in Windsor Avenue Subdivision, aforesaid, to the Northwest corner of said Lot 11 in Windsor Avenue Subdivision, aforesaid, said Northwest corner also being a point on the Southerly line of the Great Western Trail right-of-way; thence Westerly along the Southerly line of the Great Western Trail right-of-way to the Northeast corner of Lot 1 in Windsor Avenue Subdivision, aforesaid; thence South along the East line of said Lot 1 in Windsor Avenue Subdivision, aforesaid, to the Southeast corner of said Lot 1; thence West along the South line of said Lot 1 in Windsor Avenue Subdivision, aforesaid, to the place of beginning, all in DuPage County, Illinois;

P.I.N.'s: 06-05-323-005 and -015; 06-05-315-018; 06-05-322-003, -004, -006, -007, -008, -009, -010, -011 and -012; 06-05-321-006, -007, -008 and -009; 06-08-104-008, -009, -010 and -011; 06-08-105-008 and -013; 06-08-106-004, -005, -006 and -010; 06-08-107-001 and -002; 06-08-110-002; 06-08-133-001, -002, -003 and -004;

Common Addresses: 151 North Charlotte Street; 222 East Windsor Avenue; 130, 136, 140, 144, 200, 204, 218, 230, 234, 236, 244 to 250, 376, 380, 384, 386, 390, 396 and 400 East 7 St. Charles Road; and 34, 38, 42 and 46 North Stewart Avenue; all in Lombard, Illinois

**EXHIBIT 2**  
**BOUNDARY MAP**

# St. Charles Road TIF I (West)



**EXHIBIT 3**

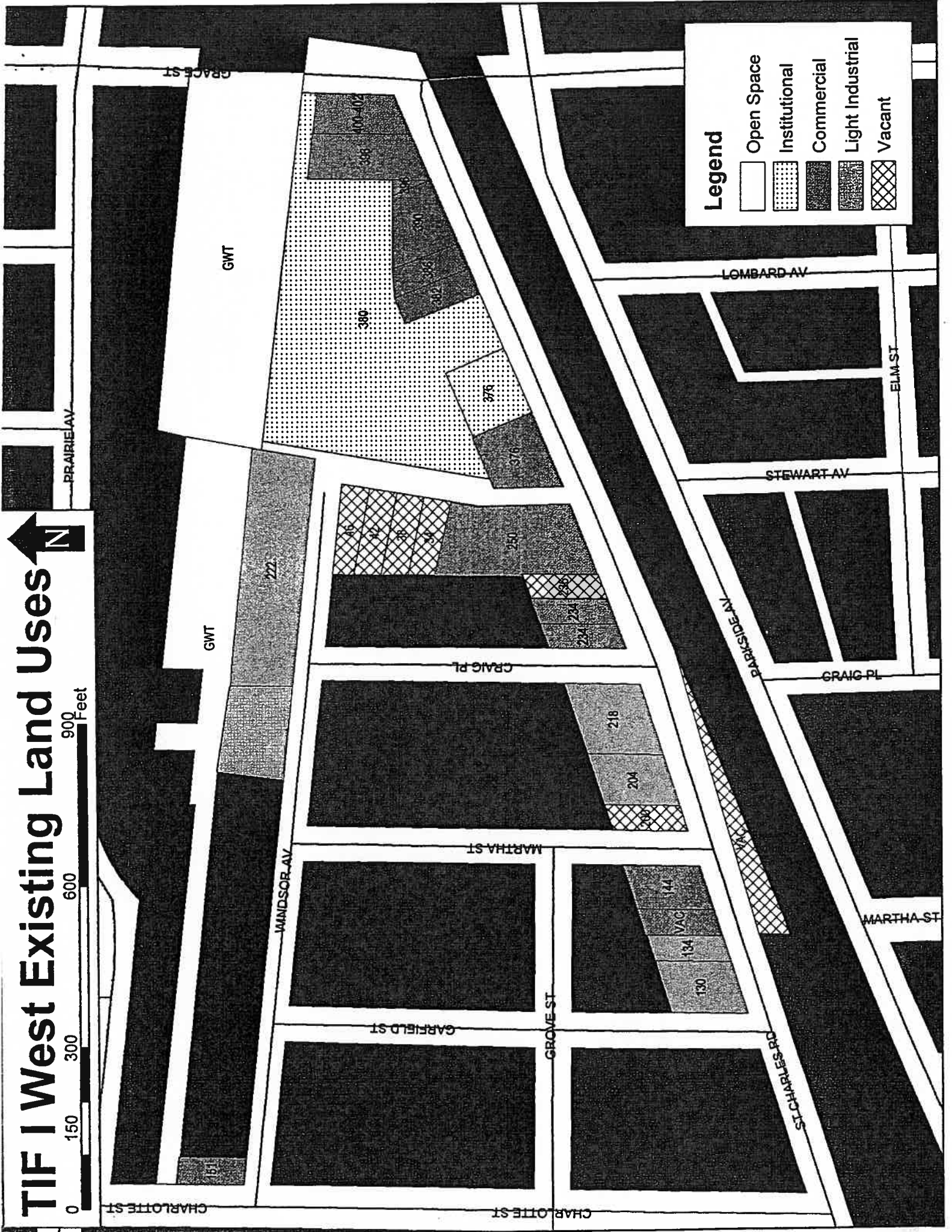
**EXISTING LAND USE MAP**

# TIF I West Existing Land Uses



**Legend**

	Open Space
	Institutional
	Commercial
	Light Industrial
	Vacant

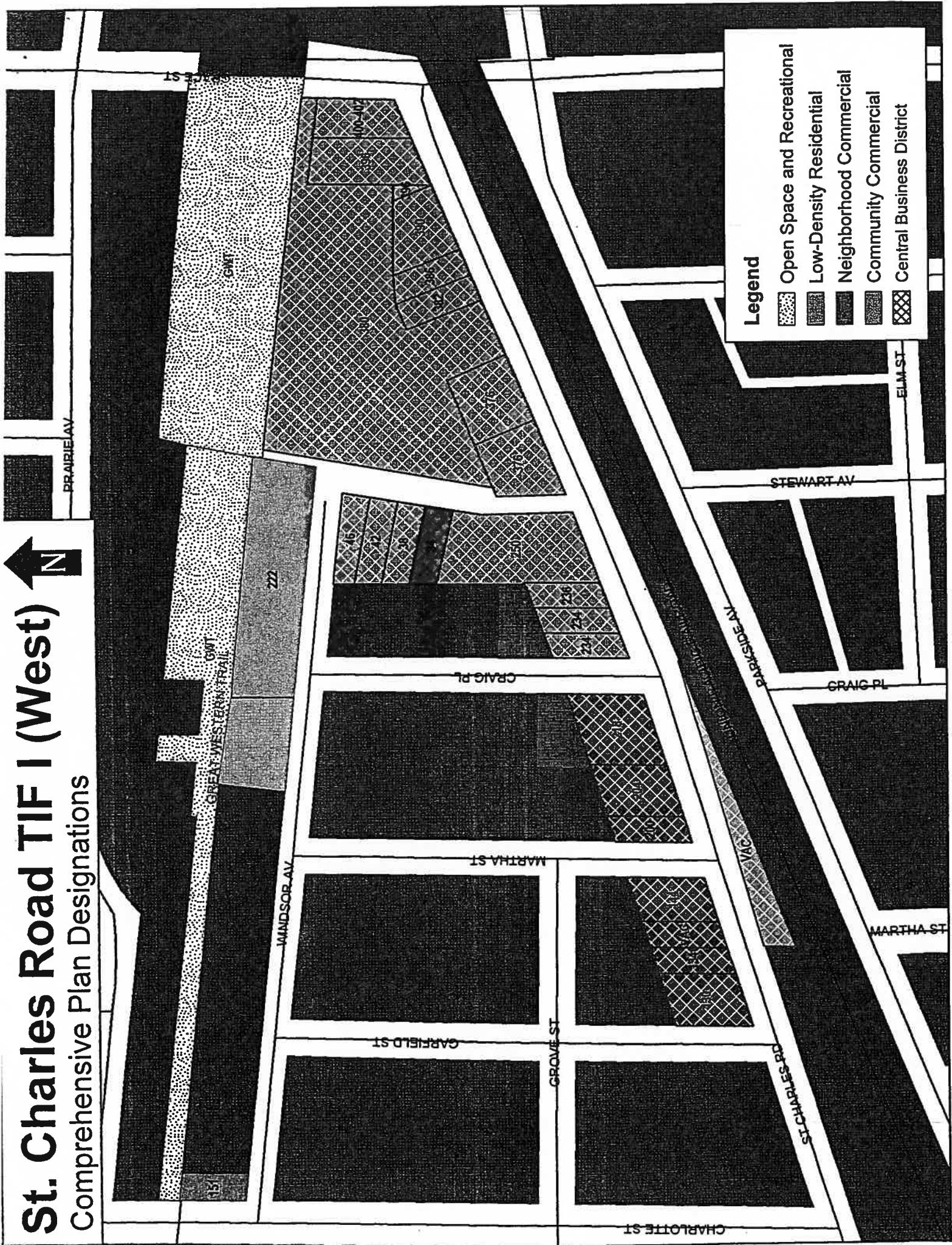


**EXHIBIT 4**

**PROPOSED LAND USE MAP AND PROPOSED ACQUISITION MAP**

# St. Charles Road TIF I (West)

Comprehensive Plan Designations



## Legend

- Open Space and Recreational
- Low-Density Residential
- Neighborhood Commercial
- Community Commercial
- Central Business District



**EXHIBIT 5**

**TIF QUALIFICATION/DESIGNATION REPORT**

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**VILLAGE OF LOMBARD  
QUALIFICATION/DESIGNATION REPORT  
PROPOSED ST. CHARLES ROAD TIF DISTRICT I (WEST)**

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A study to determine whether all or a portion of an area located in the Village of Lombard qualifies as a conservation area as set forth in the definition in the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-1, et seq. of the Illinois Compiled Statutes as amended (the "TIF Act").

**Prepared For: Village of Lombard, Illinois**

**Prepared By: Kane, McKenna and Associates, Inc.**

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**July, 2003**

**VILLAGE OF LOMBARD  
QUALIFICATION REPORT  
PROPOSED ST. CHARLES ROAD TIF DISTRICT I (WEST)**

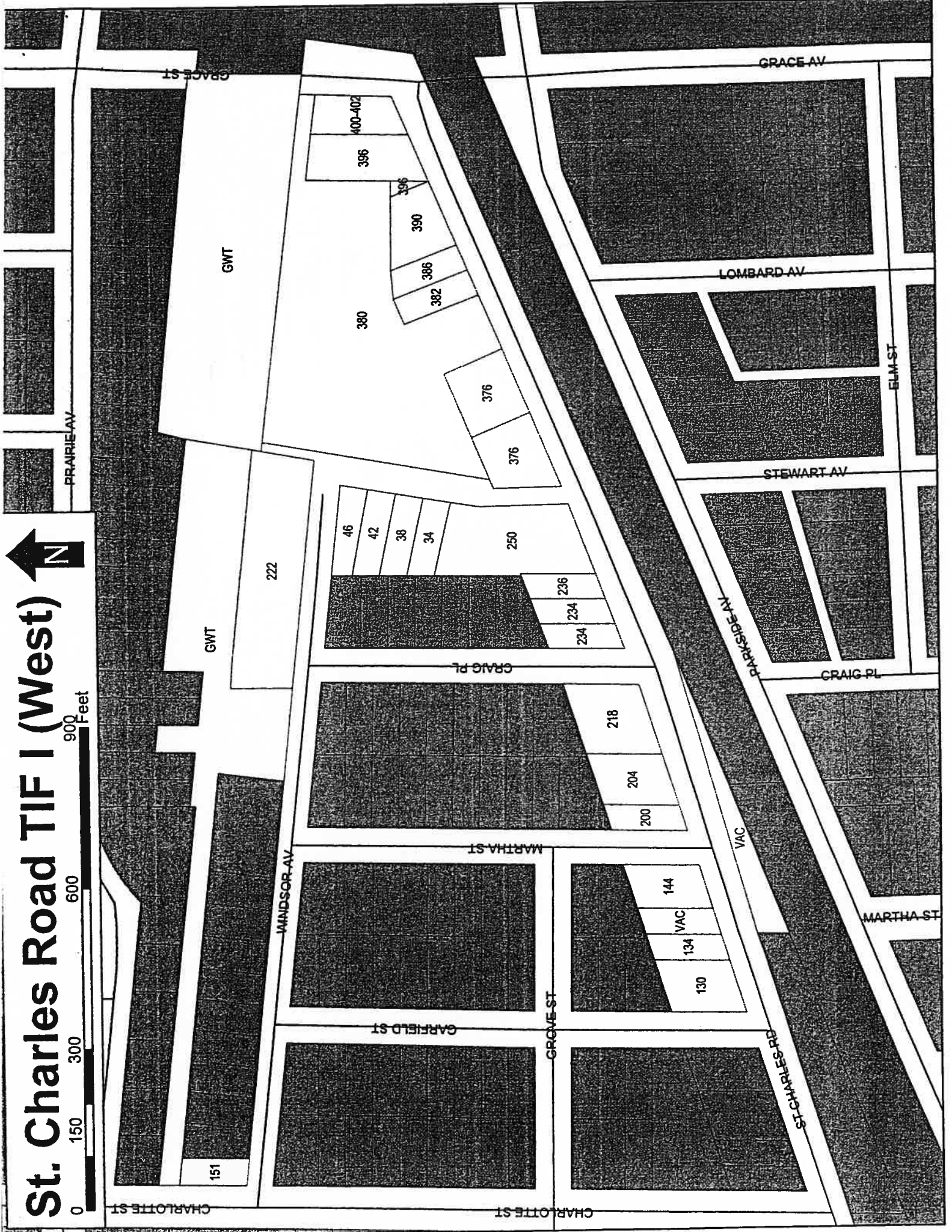
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**MAP**

Proposed RPA Boundary Map

# St. Charles Road TIF I (West)



## **I. INTRODUCTION AND BACKGROUND**

In the context of planning for the Proposed Redevelopment Project Area (the "RPA"), the Village of Lombard (the "Village") has authorized the study of the area in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing ("TIF") District. Kane, McKenna and Associates, Inc. ("KMA") has agreed to undertake the study of the area. The Proposed RPA generally contains the frontage property located along St. Charles Road from Garfield Street to the west and Grace Street to the east. The area is generally bounded by the property that fronts Windsor Avenue to the north, Grace Street to the east and St. Charles Road to the South and Garfield Street to the west. For the purpose of this Report, this area will be called the "St. Charles Road TIF I (West) (the "St. Charles Road TIF West"). KMA undertook a study of the St. Charles Road TIF West in November of 2002 and May of 2003.

The St. Charles Road TIF West, also referred to in this Report as the Proposed RPA, is contiguous to the proposed St. Charles Road TIF II (East) and to the Downtown TIF District to the west. The Proposed RPA contains approximately thirty-four (34) tax parcels and approximately eighteen (18) buildings. The Village is desirous of TIF designation to provide a potential resource to help foster the successful implementation of the Village's redevelopment plans for the entire St. Charles Road Corridor.

The St. Charles Road Corridor Ad Hoc Committee Report, dated January, 1994 outlines seven (7) goals which will improve the Corridor. These goals suggest that: a) development along the Corridor needs to be unified, b) adequate buffering needs to be provided between mixed uses, and c) a positive unified image of the buildings and businesses needs to be maintained. The creation of a safer environment for pedestrian traffic, enhancement of current infrastructure and utility service, and the identification of appropriate economic development implementation tools are also addressed in the report. The identification and utilization of such tools are important to the success of the redevelopment along the Corridor.

Considered a gateway into the Village of Lombard, the St. Charles Road Corridor is not only a principal business thoroughfare for the neighboring areas, it is the home for many of the Village's business. The St. Charles Road Corridor provides an important arterial to Village businesses and residents containing some of the Village's longest-operating and most resilient businesses.

The Village feels that the St. Charles Road TIF West is an important asset for the community which needs to be maintained and upgraded due to its potential for further development and redevelopment. In order to conserve the St. Charles Road TIF West as a community center for the Village, specific problems need to be addressed.

**Public Safety** Traffic flow along St. Charles Road is high as it relates to curb-cut accessibility and frequency. Vehicles backing onto moving lanes, stopping for turn-offs and crossing numerous lanes of traffic present potentially dangerous traffic situations. The Village has made some roadway improvements in order to address some of these issues.

**Parking** Many of the parking lots are not interconnected between properties and thus negatively impacts traffic movement as well as discourages patrons from visiting other businesses. In addition, several properties lack adequate parking or have inefficient lot configurations.

**Buffering** Transitional areas between business uses and adjacent residential areas vary throughout the area. For example, the Allied Dry Wall Company located along Windsor Street lies adjacent to neighboring residential properties with no buffering separating the mixed uses. Development throughout portions of the St. Charles Road TIF West has often occurred in a disorganized and incongruent manner.

**Aesthetics** While some of the properties within the St. Charles Road TIF West are attractive and well maintained, many are not. Numerous properties within the St. Charles Road TIF West lack landscaping leaving frontage property poorly maintained. In many cases, excessive business signage exasperates the situation. Many buildings suffer from a lack of maintenance. As a result, sections of the West St. Charles Road TIF West look run-down and outdated.

The Proposed RPA is evaluated as a "conservation area" under the Act. A conservation area, as described in the Act, is an area that contains evidence of certain blighting factors which, if left unchecked, could lead to the area declining into a blighted state. The area consists of approximately thirty-four (34) tax parcels and eighteen (18) structures. Sixty-six percent (66%) of these buildings are thirty-five (35) years of age or greater according to data provided by the York Township office.

The creation and utilization of a TIF redevelopment plan is being investigated by the Village to help provide the assistance required to address conditions that are detrimental to successful redevelopment of the Proposed RPA.

## **Objectives**

The Village's redevelopment objectives propose to enhance mixed use retail, residential and commercial redevelopment opportunities for the St. Charles Road TIF West. This will be done in order to conserve where possible, the mixed use nature of the area.

To achieve these objectives, the Village proposes the following guidelines:

- o To encourage grouping of similar and compatible uses.
- o To coordinate redevelopment efforts throughout the area thus improving the surrounding environment.
- o To encourage buffering, landscaping and signage along the entire St. Charles Road Corridor, including improvements to the Great Western Trail.
- o To enhance parking for consumers, tenants, owners and employees.
- o To coordinate the provision of infrastructure required for modern development uses consistent with Village planning efforts.
- o To revitalize mixed use retail and commercial growth in the entire St. Charles Road Corridor including the rehabilitation of existing inventory.
- o To redevelop underutilized parcels.

Given the goals and conditions briefly described above, the Village has made a determination that it is highly desirable to promote the redevelopment of the St. Charles Road TIF West. Without a coordinated implementation plan for redevelopment, Village officials are concerned that many properties may continue to decline and the St. Charles Road TIF West, as well as the entire Corridor, will not attract or retain viable business entities. The Village intends to create and implement such a plan in order to restore, stabilize and in turn, increase tax revenues associated with the Proposed RPA. This will then increase the community's tax base.

Given the existing conditions, the Proposed RPA will require the Village's coordination. The Village has determined that the most effective redevelopment will take place when the benefit and guidance of comprehensive economic planning is utilized. Through this coordinated effort, the Proposed RPA is expected to improve and remove current barriers and conditions that exist.

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

The success of TIF relies upon the inducement of private redevelopment in the Proposed RPA, resulting in higher real estate value that would otherwise stabilize or decline without such investment. This, in turn, would lead to increased property taxes compared to the previous conditions.

## II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc. examined the Proposed RPA in November 2002 and May 2003 and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Illinois "Real Property Tax Increment 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. The relevant sections of the Act are found below.

The Act sets out specific procedures which 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 area or a conservation area, or a combination of both blighted area and conservation area."

### Conservation Area

The Act defines a "conservation area" as follows:

"Conservation area" means any improved 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 may be considered as a "conservation 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.
- (B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.

- (C) **Deterioration:** With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters 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.
- (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 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.

### **III. THE PROPOSED RPA**

The Proposed RPA consists of approximately thirtyfour (34) tax parcels and eighteen (18) structures. Land uses are mixed. The area consists of predominantly retail and commercial uses. Some of these parcels include vacant lots or minor site improvements (parking lots).

The tax year 2002 Equalized Assessed Valuation (EAV) for the Proposed RPA is approximately \$1,464,900.

#### **IV. METHODOLOGY OF EVALUATION**

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

- 1) Site surveys of the Proposed RPA were undertaken by representatives from Kane, McKenna and Associates, Inc. Site surveys were completed for all parcels located within the proposed area.
- 2) Exterior evaluation of structures, noting deterioration or dilapidation as well as vacancies or possible code violations was completed by KMA.
- 3) The area was studied in relation to review of available planning reports, Village ordinances, land surveys, local history, and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, obsolescence, deleterious layout, etc.). Kane, McKenna reviewed the area in its entirety. Village redevelopment goals and objectives for the area have also been established and reviewed.
- 4) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, criteria factors of specific structures and site conditions on the parcels.
- 5) The Proposed RPA was examined to assess the applicability of the different factors for improved land required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. Improved land within the Proposed RPA was examined to determine the applicability of the conservation or blighted factors for qualification for TIF designation under this statute.

## **V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY**

As a result of KMA's evaluation of each parcel in the Proposed RPA, and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the Proposed RPA as a "conservation" area.

### **THRESHOLD FACTOR**

#### **1) Age**

Based upon site surveys and York Township data, 66.7% (or twelve (12) of the eighteen (18) structures) were found to be thirty-five years of age or greater.

### **OTHER CONSERVATION AREA FACTORS (MUST INCLUDE THREE OR MORE ADDITIONAL FACTORS)**

#### **2) Inadequate Utilities**

Inadequate utilities can be defined as underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers and water lines that are shown to be inadequate. Inadequate utilities are those that are deteriorated and have insufficient capacity to serve, and are lacking within the redevelopment project area.

Currently, the area lacks adequate storm water detention based upon review and analysis by Village engineering staff. The current detention needs to be improved to accommodate current and expanded use. The area developed prior to the adoption of the DuPage County Stormwater and Flood Plain Ordinance, and existing properties are deficient with the respect to on-site containment and controlled release of stormwater. Most of the sewers are combined, and long ran plans would include separation of sewers.

#### **3) Obsolescence**

Obsolescence is defined as the condition or process of falling into disuse. This can also be defined as a structure(s) that has become ill-suited for its original use. 56% of the parcels in the area exhibit obsolescence of either an economic or functional nature.

Functional Obsolescence is evidenced by the area's poor layout and orientation as related to the structure's close proximity to St. Charles Road. The structures were primarily constructed in the early 1950's through the mid 1960's prior to annexation into the Village. As such, many of the parcels are oddly shaped, lack adequate frontage and have an inadequate number of parking spaces and loading provisions for their size and use.

Economic Obsolescence is evidenced by the area's deteriorated and poorly retro-fitted uses. A substantial number of the area's structures exhibit design features or building conditions that may require conversion or renovation for modern, functional and economic uses (e.g. ADA compliance, fire codes, buffering to adjacent uses, etc.). This is evident with the vacant drive-in and the Allied Dry Wall facility.

#### 4) Deleterious Land Use

Deleterious land use (or layout) is defined as the existence of incompatible land use relationships, buildings occupied by inappropriate mixed-uses, or uses unsuitable for the surrounding area.

As stated above, the Proposed RPA has been developed in piecemeal fashion primarily from the 1950's through the 1960's. As such, incompatible land uses and inappropriate mixed uses are found throughout the area. Commercial uses and residential uses lie in close proximity to one another. Considerations of adequate building setbacks, landscape buffering between uses, the need for adequate loading and unloading and sufficient parking were not considerations when the greater majority of the RPA was developed. This situation is evidenced in the northern section of the TIF where Allied Dry Wall is adjacent to neighboring residential uses with little to no buffering. Lot setbacks and the proximity of lots to the streets they front vary greatly and represent a detriment to the efficient movement of traffic and commercial trade into and out of the RPA.

#### 5) Lack of Community Planning

An area suffers from a lack of community planning if the area was developed prior to or without the benefit of a community plan.

The lack of community planning has contributed to the deleterious layout and inadequate utilities found throughout the area. The first comprehensive plan was adopted in 1957. The RPA was constructed prior to annexation into the Village, as such, the RPA was permitted to develop without the benefit of suitable and consistent development standards.

The RPA was primarily developed prior to the update of the Village's comprehensive plan in 1998. The irregular parcel shapes and sizes, along with piecemeal development have resulted in a variety of uses. Most of the original development was not part of a unified planning effort by the Village. There is minimal buffering between commercial and residential uses in the east portion of the RPA. Many of the parcels were originally developed prior to their annexation into the Village between 1961 and 1970.

Access and egress, storage, and parking provisions vary depending upon the use and development requirements that were in place at the time of initial construction.

There is minimal between residential and commercial uses in the eastern portion of the RPA. Irregular set backs and building layouts are present throughout the RPA.

6) Equalized Assessed Valuation (EAV) Analysis

The EAV of the Proposed RPA has grown at a rate slower than the balance of the Village for more than four (4) of the last five (5) calendar years (refer to chart below).

<u>Year</u>	<u>Proposed RPA EAV</u>	<u>Percent Change</u>	<u>Balance of Village EAV (1)</u>	<u>Percent Change</u>
2002	\$ 1,464,900	8.72%	\$1,150,584,349	9.73%
2001	\$ 1,312,580	1.36%	\$1,048,589,961	7.11%
2000	\$ 1,294,940	3.70%	\$ 978,980,948	5.55%
1999	\$ 1,248,740	5.81%	\$ 927,513,222	4.32%
1998	\$ 1,180,180	2.59%	\$ 889,091,477	4.96%
1997	\$ 1,150,340	--	\$ 847,055,332	--

(1) Less: Proposed RPA EAV.

Source: DuPage County Assessment Office and York Township.

7) Deterioration of Structures and Site Improvements

Pursuant to the Act, deterioration can be evidenced in major or secondary building defects. For example, such defects include, but are not limited to, defects in building components such as windows, porches, gutters and doors.

With respect to surface improvements, deterioration was found related to roadways, driveways, walkways and curbs. Off-street parking areas evidence deterioration, including, but not limited to, surface cracking, potholes, depressions and loose paving materials.

Various degrees of deterioration were identified for 56% of the buildings and site improvements within the area. According to on-site inspections performed by KMA and documented by site surveys and photographic analysis, some of the site improvements and structures contained the following signs of deterioration:

- Rotted exterior siding or eaves
- Rotten wood framing materials
- Cracked and damaged concrete steps and porches
- Cracked asphalt paving, and potholes in lots and/or right-of-ways

8) Other Factors

Code violations and excessive vacancies were found to a minor extent within the RPA.

## **VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION**

The following is a summary of relevant qualification findings as it relates to potential designation of the Proposed Redevelopment Project Area (RPA) by the Village as a Tax Increment Finance (TIF) District. The findings herein pertain to the Proposed RPA.

1. The Proposed RPA is contiguous and is greater than 1½ acres in size.
2. The Proposed RPA will qualify as a “conservation area”. Further, the factors present throughout the Proposed RPA as documented herein are present to a meaningful extent and are evenly distributed throughout the Proposed RPA. A more detailed analysis of the qualification findings is outlined in this report.
3. All property in the area would substantially benefit by the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

These findings, in the judgment of KMA, provide the Village with sufficient justification to consider designation of the Proposed RPA as a TIF District.

The area has not benefited from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to infrastructure and the improvement of existing building inventory.

**PROPOSED RPA BOUNDARY MAP**