

**VILLAGE OF WHEELING, ILLINOIS**  
**TAX INCREMENT REDEVELOPMENT AREA (TIF)**  
**SOUTH MILWAUKEE AVENUE/ MANCHESTER DRIVE AREA TIF**  
**REDEVELOPMENT PLAN AND PROJECT**

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# **I. INTRODUCTION AND BACKGROUND**

## **Background**

The designation by the Village of Wheeling of the South Milwaukee Avenue/ Manchester Drive area as a Redevelopment Project Area ("RPA") will provide the Village with greatly increased capacity to address declining economic problems along the important South Milwaukee Avenue corridor that leads into the community. The redevelopment of this area is a primary goal of the Village.

The RPA includes (within irregular boundaries) certain tax parcels for an area generally described as follows:

Certain properties, beginning at a point of the at approximately 140 feet (along Milwaukee Avenue) south of the southwest corner of Milwaukee Avenue's intersection with Manchester Drive (such point also being the north property line of the nursery property); then extending west to the southwest corner of a certain multi-family housing subdivision, (such line being directly adjacent to the north property line of the nursery property); then extending north along the west property line of the said multi-family housing to the south property line of Manchester Drive; then extending west along the south property line of Manchester Drive to the west property line of the said nursery property; then extending south along the west property line of said nursery property to the south property line of said nursery property (said south property line also serving as the southern boundaries for the Village); then extending east along said south property line of said nursery property and extending to the east right-of-way line of Milwaukee Avenue (such extension of the said property line also being the southern boundary for the Village and adjacent to the Forest Preserves); then extending east from said right-of way along the southern boundary of the Village to the eastern boundary of the Village (such eastern boundary of the Village located just west of the Des Plaines River); then extending north along said eastern boundary of the Village to a point approximately 350 feet of a point that would be the intersection of Manchester Drive (if extended) with the Des Plaines River (immediately south of the property line for a certain existing mobile home community); then extending west to the western right-of-way of Milwaukee Avenue; then extending north along the western right-of-way of Milwaukee Avenue to the point of beginning.

The RPA is legally described in Exhibit A.

## **Village Background and the RPA**

The Village is primarily located in northwestern Cook County (except a smaller portion of the Village extends into southwestern Lake County). The RPA is located entirely within the Cook County portion of the Village. The Village is generally bounded on the north by the Village of Buffalo Grove, on the east by Cook County Forest Preserves (and Pal-Waukee Airport at southeast

border of the Village), on the south by the Village of Prospect Heights and certain unincorporated Cook County properties, and on the west by the Village of Arlington Heights. The Village is considered as one of Northwest Cook County more mature and prominent communities. Yet, in spite of its maturity it has enjoyed dramatic economic and demographic growth over the last three decades.

Prior to the 1970's, the Village was considered one of many Chicago area suburban "bedroom" communities. Up to that time, the Village had relatively little in the way of a diverse economic development base of its own. As late as 1970, the Village had a population that was less than 15,000. This contrasts with a 1999-estimated population of over 31,000. Over the same time period, the Village's strategic position within the Chicago Metropolitan Area, and its progressive posture toward promotion of economic development, has transformed an economic and tax base that was once chiefly dependent upon residential development to a more diverse and dynamic base today. For example, the number of businesses, especially manufacturing, has more than doubled since the early 1980's.

The Village has been successful in attracting all forms of newer development during the last quarter of the 1900's. This has included a diverse mix of residential, commercial and industrial (Although many older commercial/retail areas have not greatly benefited from this surge in private investment into the Village, and have demonstrated signs of accelerated decline). . Much of this development has been made possible through well-planned land annexations, guided by the vision of both elected and voluntary officials, and implemented by a highly professional staff. The Village has now reached a stage in its development in which opportunities for growth through annexations have started to diminish. At the same time, some of its older area have experienced both economic and physical decline. The most prominent of these older areas are pockets of older development along the entire length of the Milwaukee Avenue corridor. In recent years, the Village has gradually shifted its economic development thrust away from new growth based on controlled growth via annexations (due to limited unincorporated land adjacent to Village boundaries) to increased focus on revitalization of older, obsolete uses in its most established areas. This trend is somewhat evidenced by the Village's intensified efforts to implement the Crossroads Redevelopment Project area immediately north of the RPA

Although the Crossroads RPA was established in 1985, the efforts to redevelop that TIF District has only began to show dramatic success over the last few years, as development growth for the Village through annexations has declined. This redevelopment success along Milwaukee Avenue (from Strong Avenue to Manchester Drive) is readily apparent, and in the Village's view has only been possible with the active support of the community utilizing TIF resources as an economic development tool. The Village remains disappointed that this revitalization powered by private sector investment has not, to a meaningful extent, carried over to the areas outside this TIF District to the north and south along Milwaukee Avenue. The Village intends to help target the north and south corridors of Milwaukee Avenue for increased private sector investment through the designation of new TIF Districts. This Plan and Project addresses the south corridor of Milwaukee Avenue (the Village is also currently studying the potential establishment of a TIF District that includes the north

corridor of Milwaukee Avenue, south of Lake-Cook Road).

The Village is highly motivated toward a goal to bring up the development standards and physical appearance of the south Milwaukee Avenue corridor to the quality apparent in the community as a whole. Unfortunately, the southern most portions of the corridor are in unincorporated Cook County and, as a result, cannot be included within the RPA. The Village is distressed that those parcels are associated with the community and are, therefore, a blight on its otherwise positive image. From the Village's perspective, this increases the importance of creating an economic development strategy that will result in a substantial upgrade in the overall economic viability and physical appearance of that portion of the south Milwaukee Avenue corridor that is within the Village's boundaries. The Village especially wants to promote and induce quality redevelopment of the existing Wheeling Nursery property and is seeking to accomplish this via inclusion of that parcel within the RPA. The Village understand that the value and redevelopment potential of that property is negatively impacted by the nature and poor character of land uses located directly east of it along the Des Plaines River. The Village feels that it is imperative to redevelop the properties on which those land uses are located as a means to eliminate ongoing flood hazard conditions and certain environmental concerns for this portion of the Village. The Village believes that the designation of the RPA as a TIF District, and subsequently removing blighted conditions will also permit the community to link river front improvements with similar efforts underway in associated with redevelopment activities underway for the Crossroads RPA, along the river immediately to the north. In addition, the nursery property itself has blighted conditions that the Village wishes to address through implementation of this Plan and Redevelopment Project.

It should be further noted that the Village strongly considered the inclusion, within this RPA, of the existing mobile home located on the eastside of Milwaukee Avenue, immediately south of Manchester Drive. Although that property, based on its own merits would qualify for inclusion, the Village has decided to exclude the homes at this time. The Village has reserved its option of amending the RPA and this Redevelopment Plan and Project to include the property pending initiation of a study on the impact its redevelopment would have on its existing residents, and the development of proactive strategies to mitigate that impact. The Village plans to actively involve the residents of the mobile home community in the development of these strategies, and hope in the future to develop a cooperative plan to include the property within the RPA.

### **Redevelopment Plan**

The RPA as constituted would be difficult to redevelop solely through investment by private enterprise. It is not reasonable to anticipate substantial improvements to existing sites or reuse of sites within the RPA without the adoption of a redevelopment plan that offers an effective strategy for its revitalization. The Village has prepared this redevelopment plan to address needs of the Milwaukee Avenue corridor and to meet the Village's redevelopment goals and objectives relating to the RPA through the use of tax increment financing.

The RPA, when compared to the overall Village of Wheeling in particular, has not been

subject to significant, consistent or coordinated redevelopment through investment by private enterprise and it is not reasonably anticipated to be redeveloped in a comprehensive manner without the adoption of a Redevelopment Plan and Project.

The Village recognizes the need for developing and implementing a strategy for overcoming existing area deficiencies and lack of competitiveness with other Village or suburban locations. The strategy will be coordinated by the Village in conjunction with newly invited developers and businesses, as well as existing local businesses and property owners (As well as consistent coordination with the ongoing redevelopment efforts connected to the Crossroads TIF District). The needed public investment will be possible only if tax increment financing is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1, et. seq., as amended (the "Act"). Incremental real estate tax revenue generated within the RPA will play a decisive role in encouraging the needed private development for both sides of the south Milwaukee Avenue corridor.

Existing conditions that have precluded coordinated redevelopment in the past will be eliminated. Through this Redevelopment Plan and Project, the Village will serve as the central force for marshaling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts that rely on the RPA for tax revenues in the form of a significant stabilization, expansion and diversification of the community's real estate tax base. Implementation of the Redevelopment Plan and Project will also help facilitate the elimination of blighted conditions along the riverfront and to promote redevelopment of parcels within the area to a standard of quality consistent to the community as a whole.

The adoption of this Redevelopment Plan and Project will make possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the RPA will become an improved, more viable environment that will attract private investment. Public investment and financial incentives will set the stage for the redevelopment of the area primarily with private capital

Pursuant to the requirements of the Act, the RPA includes only those contiguous parcels of real property and improvements thereon, which are substantially benefited by the Redevelopment Plan and Project. Also in accordance with the Act, the RPA is not less than 1½ acres in aggregate size.

**II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

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

### III. BLIGHTED AREA CONDITIONS EXISTING IN THE REDEVELOPMENT PROJECT AREA

#### Eligibility Survey

The Kane, McKenna and Associates, Inc. evaluated the entire designated Redevelopment Project Area with assistance by Village staff from November 1999 to April 2000.

#### Findings

The Redevelopment Project Area was studied to determine its qualification in part as a "conservation area" and in part as a blighted area as such terms are defined in the Act. A review of the qualification factors is found in Exhibit E. In summary, the following factors were found within the RPA: declining (or stagnated) equalized assessed valuation, obsolescence, deterioration, excessive vacancies, deleterious land use or layout, excessive land coverage and lack of community planning.

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

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

##### **General Goals of the Redevelopment Plan**

- 1) Strengthen and expand the RPA's contribution to the overall tax base for the Village and the overlapping taxing districts.
- 2) Anchor the south portion of the community with new, high quality land development.
- 3) Coordinate redevelopment activities along all portions of the Milwaukee Avenue Corridor so that development is managed in a consistent and controlled manner.
- 4) Upgrade the physical environment of the RPA in order to make the area more attractive so to diminish the negative impact caused by the nature and appearance of unincorporated land located south of the RPA.
- 5) Utilized redevelopment activities within the RPA to contribute to the Village ongoing efforts to manage flood and storm management problems.
- 6) Eliminate inappropriate land uses within the RPA and promote public access to as much of the riverfront as feasible.

##### **Specific Objectives of the Redevelopment Plan**

- 1) Upgrade and created open public areas (including promotion of public parks and extension of river walk plans) for the areas along Milwaukee Avenue between Manchester Drive and the Village's southern boundary.
- 2) Work with the existing owner (and any and all perspective buyer) of the existing nursery property to promote that site for high quality redevelopment (i.e., via single-family or mixed-use residential/commercial development). The Village acknowledges that potentially strict development standards for the property, to resist overly intense land uses and given its strategic location along the south Milwaukee Avenue corridor, will hinder its marketability and detract from the profit potential the private sector will require as part of the acquisition and land development processes. The Village expects to utilize TIF resources to make redevelopment of the parcel economically feasible for the high development standards anticipated for its redevelopment.
- 3) Provide for extensive landscape treatments along the south Milwaukee Avenue corridor within the RPA.

- 4) Eliminate blighted properties and initiate flood and storm management programs along the eastside of the south Milwaukee Avenue corridor.
- 5) Finance certain of the aforementioned improvements through the use of tax increment finance (TIF) and any other available and appropriate financing sources (including encouragement and leverage of private sector investments).

## **RPA Redevelopment Goals**

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

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

The Redevelopment Project's implementation will serve to improve the physical appearance of the entire Milwaukee Avenue corridor and contribute to the economic development of the area, arresting decline and stabilizing the area's tax base. The redevelopment of the RPA will serve as a catalyst for eventual redevelopment of the existing mobile home community and the unincorporated land south of the Village along Milwaukee Avenue.

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

Historically, the RPA has suffered from a lack of coordinated development and growth. A significant portion of the area has been permitted to develop along the riverfront in spite of long-term floodway concerns. Such development would not be permitted to occur under modern development standards. The existing nursery property represents an increasingly rare opportunity for the promotion of a large-scale development project within the Village. This is because the Village has essentially exhausted its ability to annex undeveloped land as a means to promote growth. In response the Village has intensified its efforts to target for redevelopment land that is occupied by obsolete and/or blighted uses. The type of redevelopment activities, as discussed above, has not occurred within the RPA via the efforts of and investments by the private sector. Positioning the RPA for attraction of private sector investment and improvements along the riverfront will require a comprehensive approach in order to achieve the goal of the Village to substantially upgrade the image and entrance to the southern portion of the Wheeling community.

The RPA represents a symbolic and important reference point associated with the image of the community. Yet, the RPA has been a hindrance to that image and has represented a burden to the strength of the overall local economy. In comparison to Village wide growth trends, the RPA has evidenced a lack of growth and development. This assertion is supported by the fact that between the tax years 1993 through 1998, the Village's overall equalized assessed valuation (EAV) has increased by an approximate annual amount of 3.45%; the RPA over that same period has experienced a significantly lower growth in EAV of only approximately 1.84%. Long-term prospects for the RPA are viewed as problematic, unless certain coordinated improvements and actions are undertaken in order to revitalize the RPA and thereby reverse the relative stagnation in its property valuations.

It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the Village to stabilize and cause growth of its tax base through the Plan's implementation will have a positive impact on the affected taxing districts. The current reality is that the RPA is declining in the proportional contribution it makes to the tax revenues for all taxing districts. By way of illustration, in tax year 1993 the EAV related to the RPA made up approximately 0.29% of the Village's overall tax base. By tax year 1998 the RPA's contribution to the overall tax base had declined to an amount of 0.27%. This means that even though the RPA comprises an extremely small portion of the community's tax base, as the area lags in growth, tax districts will lose tax revenues from the area at an increasing rate.

Given that there is the potential that the Village may permit new residential development to occur within the RPA, there could be an exception to the above statement regarding no negative impact to certain taxing districts. To the extent that such development does occur, and school age children result from new community arrivals into new homes, the unit and high school taxing districts could be affected. The Village has made allowances in this Plan and Project for revenue distributions to such taxing districts and will follow the guidelines provided by the Act to compensate the districts at levels dictated by the precise increase in student population. Additionally, should the Village

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

Any surplus Special Tax Allocation Fund, 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 Village will, in part, provide for the costs of the Plan's implementation through the growth of incremental tax revenues achieved by its efforts. By making this public investment the Village will assist itself, and the other taxing districts, to help maintain their ability to deliver services to the Wheeling community as a whole through a stabilized, and ultimately an increased, contribution by the RPA to tax base.

## **VI. REDEVELOPMENT**

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

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

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

### **B. General Land Use Plan**

Existing land use as described in Exhibit C consists primarily of retail/commercial/residential uses; some residential are multi-family units and converted single family uses (to multi-family, retail and/or services) are also located within the RPA. Exhibit D attached hereto and made a part of this Plan designates intended general land uses in the RPA. The proposed land uses are anticipated to

include residential, mix-use residential/retail and public open areas/riverfront parks.

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

### **C. Redevelopment Program**

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

#### Infrastructure, Utility Improvements, and Public Improvements

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

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

#### Acquisition

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

Clearance of existing structures on properties to be acquired will, to the greatest extent possible, be scheduled to coincide with redevelopment activities so that parcels do not remain vacant

for extended periods of time and so that the adverse effects of clearance activities may be minimized.

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

#### Land Disposition

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

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

#### Interest Rate Writedown

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

#### Demolition and Site Preparation

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

#### Relocation

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

#### Job Training

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

- State of Illinois programs;

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

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

### Rehabilitation

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

### **D. Estimated Redevelopment Project Costs**

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

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan, including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of the construction of public works or improvements;
4. Costs of job training and retraining projects;
5. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and not exceeding thirty-six (36) months thereafter, including reasonable reserves related thereto;
6. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the Village by written agreement accepts and approves such costs (and the tuition reimbursement costs to qualifying school districts, as permitted by the

Act, due as a result of increases in students resulting from redevelopment projects);

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

Estimated project costs are shown in Table 1. To the extent that the Village or a developer has incurred redevelopment project costs prior to, but in anticipation of, the adoption of tax increment

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

**TABLE 1**  
**REDEVELOPMENT PROJECT - ESTIMATED PROJECT COSTS**

| <u>Program Action/Improvements</u>                                                                                                                                                                              | <u>Estimated Cost(s) (A)</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Acquisition and Assembly of Land and Relocation                                                                                                                                                                 | \$ 2,250,000                 |
| Utility (including line burials) Improvements, Street Rehabilitation and/or Extension, Curb and Sidewalk Construction, Flood/Storm Water Control, Water Main, Sanitary Sewer Improvements, Parking Improvements | 1,125,000                    |
| Streetscape Improvements, Riverfront Parks, Including Landscaping, Signage, and Streetlights; Intersection and Traffic Signalization Improvements; Street lights                                                | 1,125,000                    |
| Demolition, Site Preparation, Environmental Cleanup and related costs                                                                                                                                           | 500,000                      |
| Interest Costs (pursuant to the Act)                                                                                                                                                                            | 500,000                      |
| Planning, Legal, Architectural, Engineering, Administrative and Other Professional Service Costs                                                                                                                | 250,000                      |
| School Taxing District Costs                                                                                                                                                                                    | <u>500,000</u>               |
| <b>ESTIMATED TOTAL COSTS</b>                                                                                                                                                                                    | <b>\$ 6,250,000</b>          |

(A) All cost estimates are in 2000 dollars. Adjustments to the estimated line item costs above are expected. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The amounts described above do not include capitalized interest or costs of issuance associated with the issuance of any bonds. The totals of line items set forth above are not intended to place a total limit on the described expenditures. Adjustments may be made in line items within the total, either increasing made in line items within the total, either increasing or decreasing line item costs for redevelopment project costs.

#### **E. Sources of Funds to Pay Redevelopment Project Costs**

Funds necessary to pay for redevelopment project costs are anticipated to be derived, to a significant extent, from real property tax incremental revenues and proceeds from any municipal obligations (the Village's preference will run toward non-general obligation type securities) to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Project.

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

Other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are: the proceeds of real property sales, real property tax receipts, certain land lease payments, certain County, State and Federal grants, certain investment income, private sector development investments and such other sources of funds and revenues as the Village may, from time to time, deem appropriate.

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

#### **F. Nature and Term of Obligations to be Issued**

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

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

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

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

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

The total estimated 1998 tax data release equalized assessed valuation for the RPA was approximately \$2,046,000 (at the date of the final drafting of this Plan and Project, the 1999 equalized assessed valuation for the RPA had not been finalized by the County of Cook). The Boundary Map, Exhibit B, shows the location of the RPA.

**H. Anticipated Equalized Assessed Valuation**

Upon completion of the anticipated public/private development, assuming a 1998 Cook County, Illinois equalization factor (multiplier) of 2.1799 and assuming triennial-related adjustments, it is estimated that the equalized assessed valuation of real property within the RPA will be approximately \$10,500,000 stated in Year 2000 dollars.

## **VII. DESCRIPTION OF COMPONENTS OF REDEVELOPMENT PROJECT**

### **A. Description of Redevelopment Project**

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

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

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

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

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

Interest Cost Coverage: The Village may pay for certain interest costs incurred by a redeveloper for construction, renovation or rehabilitation of a redevelopment project which shall include costs incurred by a developer pertaining to the redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The Village may use tax increment financing to pay necessary architectural, engineering, planning, legal, administrative and financial costs.

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

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

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

**B. Commitment to Fair Employment Practices and Affirmative Action**

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

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

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

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

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

## **VIII. SCHEDULING OF THE REDEVELOPMENT PROJECT**

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

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

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

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

**EXHIBIT A**

**Legal Boundary**

LEGAL DESCRIPTION FOR PROPOSED  
SOUTH MILWAUKEE AVENUE/MANCHESTER DRIVE  
TIF DISTRICT

THE EAST 25 FEET OF THE WEST 934.92 FEET OF THAT PART OF LOT 25 IN ASSESSOR'S DIVISION OF THE SOUTHWEST QUARTER OF SECTION 12, LYING NORTH OF THE SOUTH 200 FEET OF THE SAID LOT 25 AND THAT PART OF THE SOUTH 200 FEET OF THE SAID LOT 25 AND PARTS OF LOTS 1, 2, 3, 4 AND 5 OF GREWE'S SUBDIVISION OF THAT PART LYING WEST OF THE CENTER OF DES PLAINES RIVER OF LOTS 26, 32 AND 33 OF ASSESSOR'S DIVISION IN THE SAID SOUTHWEST QUARTER OF SECTION 12, TOWNSHIP 42 NORTH, RANGE 11, EAST OF 3<sup>RD</sup> PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 12, 909.92 FEET EAST OF THE WEST LINE OF LOT 25 IN ASSESSOR'S DIVISION; THENCE TO A POINT ON THE NORTH LINE OF THE SOUTH 200 FEET OF LOT 25, 909.92 FEET EAST OF THE SAID LINE OF LOT 25 IN THE SAID DIVISION; THENCE TO A POINT ON THE SOUTH LINE OF LOT 2 OF GREWE'S SUBDIVISION, 944.74 FEET EAST OF THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 12; THENCE TO A POINT ON THE SOUTH LINE OF LOT 3 OF THE SAID SUBDIVISION, 218.00 FEET EAST OF THE CENTER LINE OF MILWAUKEE AVENUE AS EXISTED ON JULY 12, 1955; THENCE TO A POINT ON THE NORTH LINE OF LOT 3 OF THE SAID SUBDIVISION, 256.00 FEET EAST OF THE SAID CENTER LINE; THENCE TO A POINT ON THE NORTH LINE OF LOT 5 OF THE SAID SUBDIVISION, 370.00 FEET EAST OF THE SAID CENTER LINE; THENCE TO A POINT ON THE NORTH LINE OF LOT 5 OF THE SAID SUBDIVISION AND ITS INTERSECTION WITH THE SAID CENTER LINE; THENCE TO A POINT ON THE NORTH LINE OF THE SOUTH 200 FEET OF LOT 25, 1746.12 FEET EAST OF THE WEST LINE OF LOT 25 IN THE ASSESSOR'S DIVISION; THENCE TO A POINT ON THE NORTH LINE OF THE SOUTH 200 FEET OF LOT 25, 934.92 FEET EAST OF THE WEST LINE OF LOT 25 IN THE SAID DIVISION; THENCE TO A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF SECTION 12, 934.92 FEET EAST OF THE SAID LINE OF LOT 25 IN THE SAID DIVISION; TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

**EXHIBIT B**

**Boundary Map**

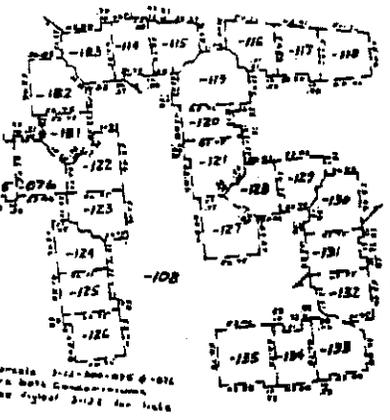
MANCHESTER

DRIVE

# South Milwaukee Avenue/Manchester Drive TII Boundary Map

Pt. 29

Des  
Plaines



CONDOMINIUM  
Pt. - 063

Pt. - 063  
Pt. CONDO.  
SIGNAL

Pt. Lot 2 - 048

PEL. 038

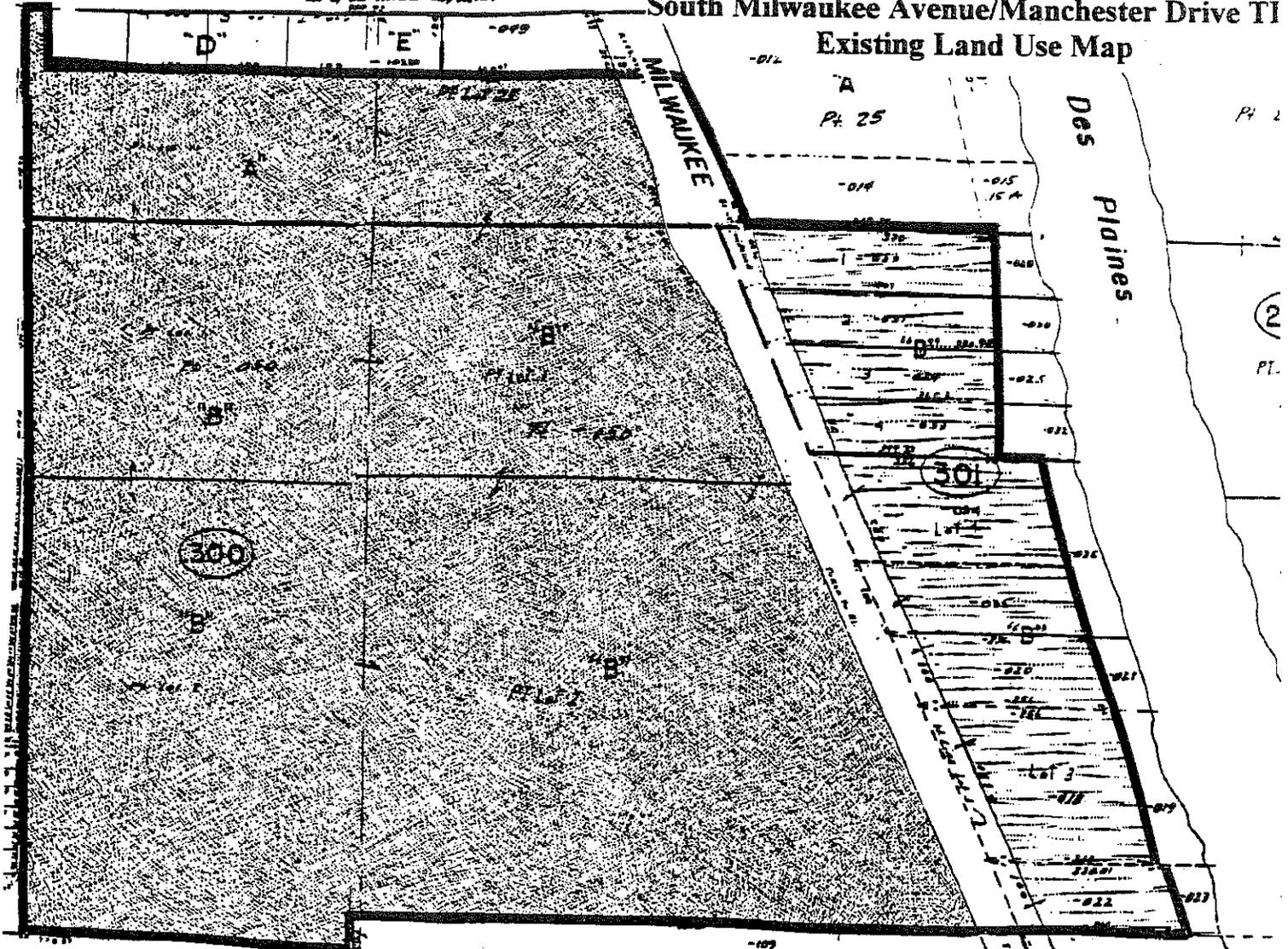
**EXHIBIT C**

**Existing Land Use Map**

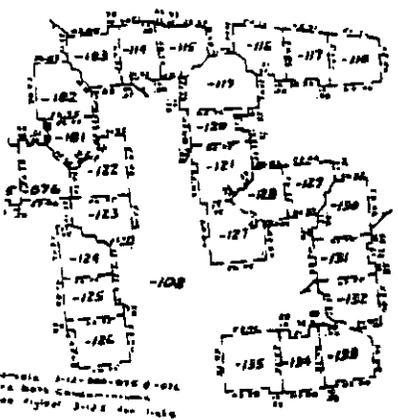
MANCHESTER DRIVE

DRIVE

# South Milwaukee Avenue/Manchester Drive TI Existing Land Use Map



Existing Land Uses  
 =commercial/retail  
 =mixed commercial/residential



Notes: 1. All lots are 40' x 120' or 40' x 150'.  
 2. All lots are subject to the provisions of the City of Chicago Zoning Ordinance.

CONDOMINIUM  
 Pt. - 063

Pt. - 063  
 Pt. Cont'd.

Pt. Lot 2 - 049

200  
 P.C.L. 738

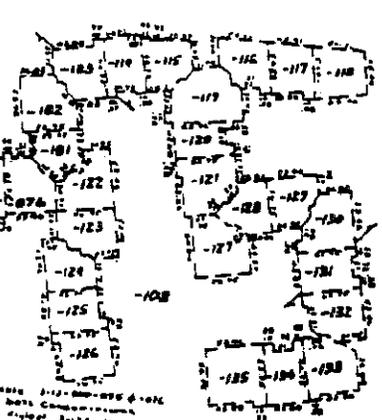
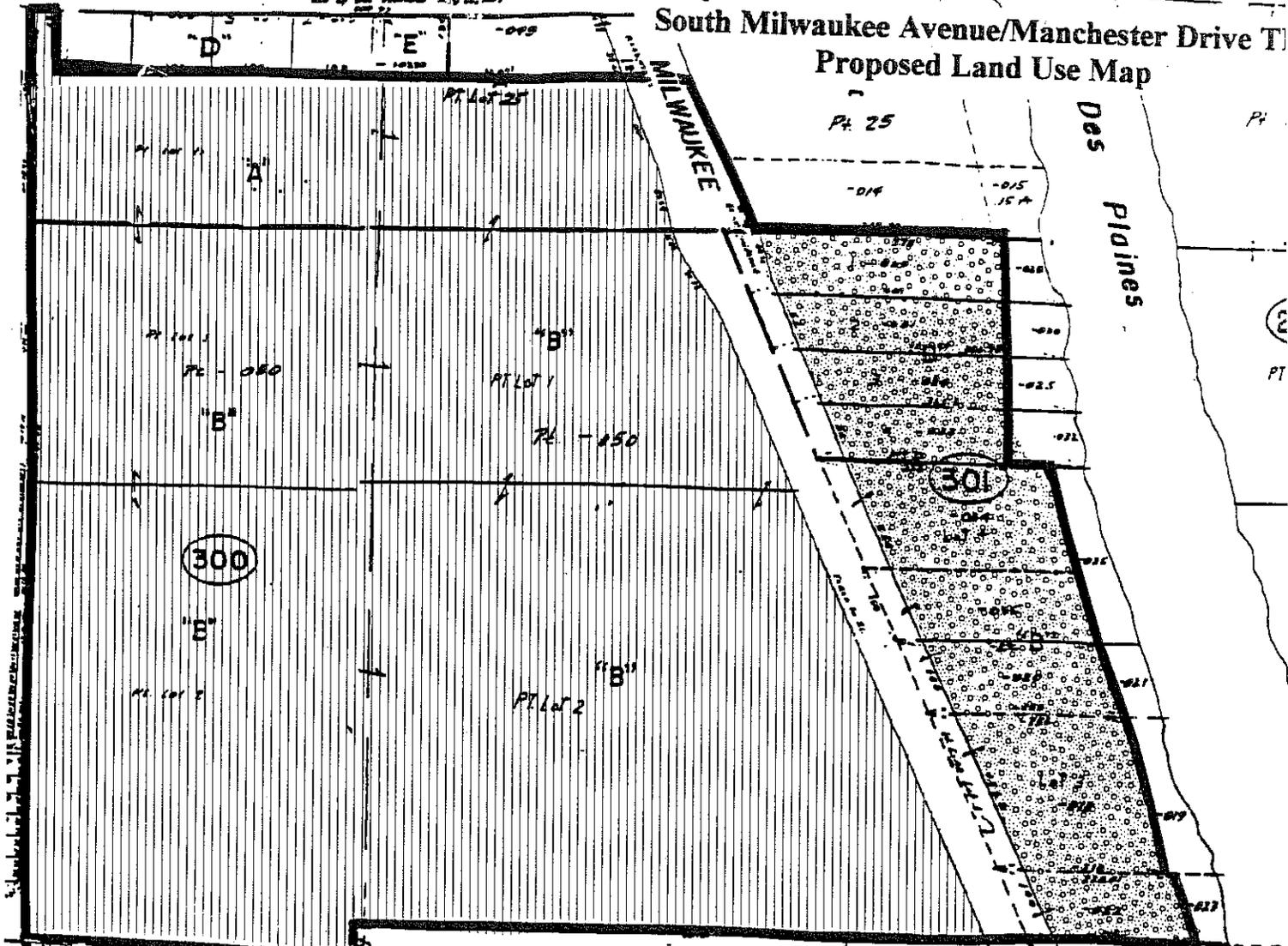
**EXHIBIT D**

**Proposed Land Use Map**

MANCHESTER

DRIVE

# South Milwaukee Avenue/Manchester Drive Tr Proposed Land Use Map



Proposed Land Uses  
 = residential or mixed-use  
 = mixed-use open space/residential

CONDOMINIUM  
 pt. - 063

pt. - 063  
 pt. COMBO.  
 SPILL WAY

pt. Lot 2 - 049

(200)  
 pt. Lot 38

1388.94

**EXHIBIT E**

**Criteria for Qualification/  
TIF Eligibility Report**

**VILLAGE OF WHEELING, ILLINOIS  
SOUTH MILWAUKEE AVENUE/ MANCHESTER DRIVE  
PRELIMINARY TIF QUALIFICATION STUDY**

**AUGUST 2000**

**A preliminary study to determine whether certain properties within the Village of Wheeling located within the Milwaukee Avenue/Manchester Drive area qualifies as a blighted area as set forth in the definition in the Real Property Tax Increment Allocation Redevelopment Act of Chapter 65, 5/11-74.4-1, et. seq., as amended of the Illinois Compiled Statutes.**

**Prepared for: Village of Wheeling, Illinois**

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

**Village of Wheeling  
TIF Qualification Report  
South Milwaukee Avenue/Manchester Drive Area**

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## EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Wheeling to initiate a preliminary analysis of the potential qualification and designation of a Tax Increment Finance District (TIF) for the South Milwaukee Ave./Manchester Drive area. The Village is pursuing the TIF designation as part of its overall strategy to promote the revitalization of an important corridor into the Village that are located along the east and west sides of Milwaukee Avenue just south of its intersection with Manchester Drive.

The Village' overall goals in pursuing the potential TIF District designation for this South Milwaukee Avenue area is twofold. First, the Village feels that it is critical to promote controlled redevelopment of the approximately 25-acre Wheeling Nursery and Garden Center site (the "nursery property"). This site is important to the community because it a rare opportunity for attraction of a major development, and tax revenue generator for the Village. This is because as a mature community with neighboring communities and the Forest Preserves surrounding it, the Village does not a magnitude of opportunities to expand its tax base through annexation of undeveloped properties. Increasingly, its only option to promote "new" growth is limited to redevelopment of existing Village parcels that have older, obsolete uses near the end of their economic usefulness.

The Village's second overall goal for the area is to upgrade the southern corridor into the Village. It is important to the Village that it does everything under its control to revitalize and visually enhanced this corridor as a means to have it better represent the positive image that the Wheeling community has always enjoyed. The Village realizes that there is little it can do to directly positively impact the unincorporated areas located to the south of the proposed TIF District, which it sees in large part as a blight too often associated with the Village (a blight that the Village feels has spread across its southern border at Milwaukee Avenue). So, the Village deems it all the more essential that it places itself into position to create a definable entryway into the community in which its residents and businesses can take pride.

KMA initiated its study of the proposed South Milwaukee Avenue area by conducting a series of meetings with Village staff, starting in mid 1999 and continuing periodically through the present. The purpose of the meetings has been to establish preliminary boundaries for a study area and to gather data related to qualification criteria for properties included in the study area. These meetings were complemented by field surveys of the study area. The field surveys and data collected were utilized to test the likelihood of the study area qualifying for TIF designation.

During the course of its work, KMA reported to key Village officials its initial findings regarding TIF qualification and feasibility prospects for the study area. Based on these findings the Village directed refinements to the study area boundaries and directed KMA to complete a written Preliminary TIF Qualification Report (the "Report") for presentation to the Village Board. During this planning and reporting process, the Village made revisions

to the study area based on KMA's recommendations. These revisions in all cases resulted in the reduction of the size and scope of the proposed TIF District. This Report represents KMA's final recommendations for the boundaries and qualification for the proposed TIF District. The area under consideration as part of this Report generally includes all of the existing nursery property, along the westside of Milwaukee Avenue, south of Manchester (and south of the Golden Chef restaurant and a row of four multi-family residential buildings), and the collection of mixed use parcels located on the eastside of Milwaukee Avenue directly across from the nursery property (inclusive of all the parcels within the Village located south of the existing mobile home community and extending south to the Village boundary with the Forest Preserve). **The existing mobile home community was included in the initial study area but has been recommended by KMA for exclusion at this time as discussed below.**

Based the analysis for the proposed TIF District completed to date, KMA has reach the following preliminary conclusions regarding its potential TIF qualifications:

- 1) KMA has concluded that the proposed TIF District qualifies as a "blighted area" under the Act. A "blighted area", as defined both within the Act and later within this report, is area that, if improved as is the case of the subject area, is not economically viable for redevelopment due to certain adverse conditions that has or is declining toward a deteriorated condition that prevents or threatens to prevent the healthy economic and physical development of properties the community deems essential to its overall economic health.
- 2) The existence of the blighting conditions found within the study area presents a serious barrier to its successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in overall South Milwaukee Avenue area. Without Village planning involvement and use of economic development resources in eliminating such factors, potential redevelopment projects, along with other activities that require private sector investment, are not likely to be economically feasible and/or to result in positive redevelopment opportunities for the Village.
- 3) There is a major potential redevelopment site represented by the nursery site that could produce sufficient incremental property tax revenue that, if used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in throughout the proposed TIF District (including sites on the eastside of Milwaukee Avenue that do not have good redevelopment on their own, but are still important targets for redevelopment to achieve the Village's overall goals for the area).

- 4) To eliminate the existing blighting conditions (thereby promoting the economic viability of the South Milwaukee Avenue area and elimination of it as a detriment to healthier private sector investments made within the Village to the north and west of the area), and to promote private sector investment and development efforts, KMA recommends that the Village proceed with the formal TIF designation process for the entire study area.
  
- 5) KMA found that the existing mobile home community located to the north of the proposed TIF District would also qualify for TIF district designation. However, KMA is recommending that the Village not include the community at this time since its inclusion would require a housing impact analysis with this Report and as part of the proposed TIF Redevelopment Plan for the area. Such a plan would call for specific provisions for demonstrating the status of each occupied unit within the community and, if the Village later decided to initiate plans to improve or upgrade the area in a manner that would dislocate any dwelling unit, a detail plan and budget for relocation of the residents within the Village or nearby community. The Village is advise to delay any consideration of inclusion of the residential area within the TIF District until there is opportunity to devise a strategy for redevelopment that would include that community in the planning process and a community-wide strategy to assist any residents that could possibly be impacted by efforts to redevelop the overall area.

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

## I. INTRODUCTION AND BACKGROUND

### Background

The purpose of this report is to provide a summary of factors that qualify an improved area as a "blighted area". The area under study is generally herein as the South Milwaukee Avenue/Manchester Drive study area of the Village of Wheeling, Illinois. The study seeks to determine the potential eligibility and feasibility of this area for such status pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, 5/11-4-1, et. seq., as amended (the "Act").

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

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

Certain properties, beginning at a point of the at approximately 140 feet south of the southwest corner of Milwaukee Avenue's intersection with Manchester Drive (such point also being the north property line of the nursery property); then extending west for approximately to the west property line of the nursery property (such line being directly adjacent to a certain single-family housing subdivision); then extending south along the west property line of said nursery property to the south property line of said nursery property (said south property line also serving as the southern boundaries for the Village); then extending east along said south property line of said nursery property and extending to the east right-of-way line of Milwaukee Avenue (such extension of the said property line also being the southern boundary for the Village and adjacent to the Forest Preserves); then extending east from said right-of way along the southern boundary of the Village to the eastern boundary of the Village (such eastern boundary of the Village located just west of the Des Plaines River); then extending north along said eastern boundary of the Village to a point approximately 350 feet of a point that would be the intersection of Manchester Drive (if extended) with the Des Plaines River (immediately south of the property line for a certain existing mobile home community); then extending west to the western right-of-way of Milwaukee Avenue; then extending north along the western right-of-way of Milwaukee Avenue to the point of beginning.

The RPA is shown in the Exhibit to this Report.

Surveys of building conditions and site characteristics of the area were undertaken in period between mid-January and early March 2000. Additionally, other Village plans and records that included the South Milwaukee Avenue/Manchester Drive were reviewed to aid in the KMA's analysis of the area.

The RPA study area is comprised, on the westside of Milwaukee Avenue, entirely of the existing nursery property and, on the eastside of Milwaukee Avenue, of an inappropriate mix of commercial and residential uses. The RPA is located at along the critical southern corridor for the Village. The Village's interest in pursuing a TIF District designation for the area stems, in large measure, from its motivation to substantially upgrade the image and appearance of this corridor. The Village considers the current use of the nursery property as an under use of its true land development potential. Also, the Village is concerned about the hodgepodge of uses that have, inappropriately, from the Village's land planning and compressive plan perspective, developed with little attention to land-use compatibility and current zoning standards. The Village's understands and promotes current private sector interest in portions of the RPA, however the Village concern must extend to the entirety of the parcels along the corridor and views TIF designation as a necessary component to the creation for a comprehensive redevelopment strategy for the area as a whole. Taken in its entirety, the combination of efforts to promote coordinated redevelopment along both sides of Milwaukee Avenue is critical to this overall strategy. However, current conditions related to stagnant growth in equalized assessed valuations, poor lot configurations and conflicting land-uses, and economic and functional obsolescence of many improvements on certain parcels contribute to blighting factors that retards redevelopment of the RPA while nearby areas experience significant private sector investment induced economic growth.

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

## II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc. examined the proposed Study Area from mid-January, 2000 to early March, 2000 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 that must be adhered to in designating a redevelopment project area. By definition, a "Redevelopment Project Area" is:

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

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

- (1) **If improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area:**

(A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

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

(C) Deterioration: With respect to buildings, defects including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes,

depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

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

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

buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

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

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

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

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

- (2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of**

**the redevelopment project area to which is pertains:**

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

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

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

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

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

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

- (3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably**

**distributed throughout the vacant part of the redevelopment project area to which it pertains (included in part):**

- (A) The area consists of one or more unused quarries, mines or strip mine ponds.
- (B) The area consists of unused railyards, rail tracks or railroad rights-of-way.
- (C) The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
- (D) The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.
- (E) Prior to the effective date of this amendatory Act of the 91<sup>st</sup> General Assembly, the area is not less than fifty (50) nor more than one hundred (100) acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph one (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982 and the area has not been developed for that designated purpose.
- (F) The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

The RPA is considered to consist entirely of improved property for purposes of examination under the criteria for blighted findings under the Act. The entire RPA as described herein met more than the minimum requirements for designation as a blighted improved area under the Act. It was further found that necessary findings for blighted improved property are reasonably distributed throughout the Proposed RPA. KMA and the Village reserve the right to make additional findings in connection to this report. Thus, it is subject to additional revisions to the extent such revisions are allowable prior to any action by the Village to adopt the TIF District, as permitted in the manner cited within the Act.

### **III. THE STUDY AREA**

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

The Study Area consists of a mix of commercial and residential related properties (except a small portion of the area includes a residential parcel that, because of its size in position within an essentially improved area, is included within the RPA as part of the overall analysis for improved properties). The RPA in its entirety was evaluated in relation to the "improved" area TIF qualification factors pursuant to the Act.

#### IV. METHODOLOGY OF EVALUATION

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

- 1) Exterior site surveys of the proposed TIF District were undertaken by representatives from Kane, McKenna and Associates, Inc. Site surveys were completed for each parcel and structure within the proposed Study Area.
- 2) Exterior evaluation of structures and site improvements including right-of-ways including efforts to note deterioration, or other blighting factors.
- 3) The area was studied in relation to review of available economic development and planning reports, Village ordinances, 1993 through 1998 tax information from the Cook County Clerk's Office; Sidwell parcel tax maps, floodplain maps, available Village Building Department records regarding age of structures and history of parcel uses, serial aerial photos, site data, local history (extensive interviews with Village officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., declining or stagnant tax base growth, lack of community planning, deleterious land-use and layout, obsolete platting, etc.). Kane, McKenna reviewed the area in its entirety. Village redevelopment goals and objectives for the area were also reviewed with Village officials.
- 4) Individual structures and/or parcels were reviewed only in the context of checking, to the best and most reasonable extent available, the criteria factors of specific structures and/or site conditions on particular parcels, as well as area-wide factors for the entire Study Area.
- 5) The Study Area was examined to assess the applicability of the different factors, required for qualification for TIF designation under the TIF Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors.

Improved land within the proposed Study Area was examined to determine the applicability of the age factor and the different blighting factors for qualification for TIF designation under the TIF Act.

#### Summary of Area Findings

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

- 1) The area is contiguous and is greater than 11/2 acres in size.
- 2) The entire area can be categorized as a "blighted area". Factors necessary to make

the findings are present to a meaningful extent and are reasonably distributed throughout the RPA.

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

## V. TIF QUALIFICATION FACTORS

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

### 1. Deleterious Layout and Land-Use

Development of portions of RPA occurred in a period more than 35 to 40 years ago. In particular, large portions of the nursery property complex fall in this category as well as several structures (especially ones constructed originally for residential uses) on the eastside of Milwaukee Avenue. In all, of the estimated fifteen (15) primary type structures (excluding smaller ancillary structures such as residential and sheds) located within the RPA, about nine (9) of the structures (or original portions of structures later expanded) were constructed during that period. All these facilities were constructed at a time prior the attention rendered today for land development planning that discourages incompatible land-uses within close proximity of one and another. This is especially apparent on the eastside of Milwaukee Avenue where apparent uses as varied as single-family residential, multi-family type rentals and automobile sales related uses co-exist within close proximity to one and another. Additionally, the commercial land use associated with the nursery has expanded over the years to the west and the south, and now rests adjacent to large amounts of residential development. The Village wishes to promote redevelopment of that site with newer development more compatible with adjacent single-family residential uses that will either entail.

On the eastside of Milwaukee Avenue, the Village wishes to de-emphasize existing non-conforming commercial uses. The area is zoned for low intensity residential uses and the conflicting commercial uses are counter to that designation. This combination of incompatible land-uses is more similar to the unincorporated areas to the south and has little in common with the majority of the Village which has been developed utilizing modern land-use planning standards.

A related issue contributing to deleterious land use and layout within the RPA relates to inconsistent building setbacks and overcrowding of lots with buildings and/or parking lot improvements on a of number parcels.

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

### 2. Lack of Community Planning

As suggested above, a significant portion of the property within the RPA was developed prior to the Village's adoption of its modern comprehensive plan, as the Village initiation of its use to guide the comprehensive planning for the community. As a result, the conflicts in land-uses described above, and the allowance of and construction of structures were permitted without the benefit of contemporary development standards. Modern development of the RPA would discourage the mixing of conflicting and diverse land-uses without sufficient land platting, land development ratios, landscape buffering and other restrictions to prevent problems that arise out of conflicting uses.

3. Deterioration of Buildings and Site Improvements

Deterioration of buildings and site improvements were also evidenced within the RPA. Of the approximate ten improved tax code parcels located within the RPA, eight (6) exhibited site improvements with deteriorated conditions. The following evidences such deterioration:

Certain of the structures and a significant portion of the site improvements displayed signs of deteriorated conditions requiring repairs or replacement of construction elements.

These conditions were characterized by occurrences that included the following:

- Deteriorating buildings, fence and other site improvements;
- Severe cracked pavement and potholes;
- Buckled and caved in asphalt (or gravel based) and concrete driveways/parking/storage areas;
- Buckled brick or damaged metal frames on structures.

In summary, majority of parcels of the parcels within the RPA various degrees of deterioration of structures and/or site improvements.

Portions of some parcels exhibited deterioration of structures (as well as on parcels with site improvements other than structures) and site improvements adjacent to parcel with structures and other improved parcels.

4. Excessive Land Coverage and Overcrowding of Structures and Community Facilities

Certain properties located within the RPA contain existing land uses that are over-intensive given the Village's plans for future development within the

area. The land use factors and conditions that make these too intense for the area relate back to their evaluation as under deleterious layout and land-use. Additionally, structures on the majority properties within the RPA are improperly situated on their parcels when compared to modern-day use of land with stricter building set back and building to parking space ratios. This statement is most true of the non-conforming commercial uses on the eastside of Milwaukee Avenue

The existence of the problems caused by deleterious layout/land use and obsolescence (discussed below) found within the RPA are aggravated by this condition. The inappropriate commercial uses within the RPA results in traffic and parking needs too intense for these parcels given their size and configurations and their adjacency to the heavy traffic corridor of Milwaukee Avenue.

In summary, current Village building and zoning standards for call for less intense (and more uniformed) land-uses for the property on the eastside of Milwaukee Avenue and land-uses more consistent with the residential development for the nursery property on the westside of Milwaukee Avenue

#### 5. Obsolescence

The nursery property and many of the structures used for commercial purposes on the eastside of Milwaukee Avenue suffer from area-wide functional (and to some extent economical) obsolescence connected in part to the factors of deleterious layout, obsolete platting, age (of structures, site improvements), excessive vacancies (as discussed below) and excessive land coverage as discussed above. In particular, age of substantial portions of the nursery property complex (which declining economic and functional use as a nursery are evidenced by the deteriorated condition of the large metal Quonset huts on site, and the apparent vacancy or low intense use of the structures), and the automobile-related parcels suggest they are well not well suited to function efficiently compared to parcels platted and structures constructed under modern-day business use standards. There also exists, on the eastside of Milwaukee Avenue, a large decree of obsolete platting in that many of the parcels are irregular (and/or narrow) in size and/or shape (which tends to make them less economically valuable and viable for redevelop into more modern land-uses). Additionally, obsolete platting of the nursery complex seems apparent when it is considered that economic re-use of the property will likely demand re-platting and sub-division of the property as a means to make it suitable for multiple uses and/or ownership interests. There is little likelihood that the site would ever be re-used as for its current purpose, or any other single-purpose commercial usage.

6. Excessive Vacancies

Large portions of the nursery property appear to have structures that are under-utilized. This lack of full economic use of structures on a commercial property has an adverse influence on the RPA and surrounding residential uses. More economically efficient re-use of the site with development the Village deems more consistent with its comprehensive plan for the community would eliminate such an adverse influence.

7. Declining or Stagnant Equalized Assessed Valuations

The total equalized assessed valuation (EAV) for RPA has declined for three (3) of the last five (5) calendar years (-5.78% in 1997; -9.36% 1996; and -1.42% in 1994).

Additionally, the total equalized assessed valuation (EAV) for RPA has increased at an annual rate that is less (and/or decreased at a greater rate) than the balance of the Village for three (3) of the last five (5) calendar years (-5.78% vs. 1.64% in 1997; -9.36% vs. 2.48% in 1996; and 5.63% vs. 8.45% in 1995). Additionally, over the same five-year period, the annual rate of growth in total within the RPA has also lagged behind the annual rate of the Consumer Price Index for the All Urban Consumers for three (3) of the last five (5) years (-5.78% vs. 2.7% in 1997; -9.36% vs. 2.7% in 1996; and -1.42% vs. 2.2% in 1994).

## **VI. OVERALL ASSESSMENT OF QUALIFICATION**

The proposed RPA is found to be a "blighted area" due to the presence to a meaningful extent of the factors described in the previous section. This is because the conditions identified will qualify the RPA for such a designation under the Act.

The findings of blighted related conditions described in this report pertain to those properties located within the boundaries shown in the Exhibit. In addition to evidence of declining and/or stagnant growth in equalized assessed valuations, the following blighting characteristics are distributed throughout the entire RPA: deleterious land use or layout, obsolescence, excessive land coverage, deterioration on parcels, excessive vacancies, and lack of community planning.

These factors combine to create market-related problems for properties within the RPA and place the area in danger of economic decline if the factors are not addressed. Conditions in the area, especially due to deleterious layout/land use and obsolescence, may not make it impossible for the South Milwaukee Avenue corridor to reach its potential for substantial new development within the community, and the source of future major new real estate tax generator for the affected tax districts.

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

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

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

**Exhibit A**  
**TIF Study Area**

MANCHESTER

DRIVE

# South Milwaukee Avenue/Manchester Drive TIF Boundary Map

