

HIGGINS ROAD CORRIDOR TIF REDEVELOPMENT PLAN AND PROJECT

Prepared for:

The Village of Elk Grove Village

By:

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1. INTRODUCTION

This document presents a Tax Increment Redevelopment Plan and Project (the "Plan") under the requirements of the *Tax Increment Allocation Redevelopment Act* (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act") for the Higgins Road Corridor TIF Redevelopment Project Area (the "Project Area") located in the Village of Elk Grove Village, Illinois (the "Village").

The Project Area boundaries are delineated on *Figure 1: Redevelopment Project Area Boundary* in *Appendix A* and legally described in *Appendix B*. The Project Area is irregular in shape and contains a mix of vacant land and improved areas pursuant to the definitions contained in the Act.

The Project Area is generally bounded by Seegers Avenue on the east and Oakton Street on the south. The north lines of properties abutting Higgins Road between Gordon Street and approximately Seegers Avenue form the Project Area's northern boundary. The western boundary of the Study Area is formed by Gordon Street north of Higgins Road and the west lines of unincorporated property that is being annexed into the Village and industrial uses on the west side of Stanley Street.

The Project Area is approximately 165 acres in size and includes a mix of commercial, industrial and residential uses. Approximately 90 acres of improved property make up 65% of the net land area of the Project Area, excluding public rights-of-way. There are approximately 48 acres of vacant land on two tax parcels representing 35% of the net land area. The Project Area includes approximately 27 acres of public rights-of-way.

The improved portion of the Study Area contains 96 tax parcels located on 95 tax lots. There is one tax parcel within the Higgins Road right-of-way just west of Crossen Avenue where a leasehold interest is held by a nearby property owner, according to Cook County tax records. The Study Area contains 92 buildings and structures, including four structures related to Commonwealth Edison's transmission lines.

This Plan responds to problem conditions within the Project Area as discussed herein and reflects a commitment by the Village to improve and revitalize the Project Area. The purpose of this Plan is to encourage private redevelopment and reinvestment by making the public infrastructure investments and providing other assistance allowed under the Act to support private reinvestment, thereby stabilizing the tax base of the Village and other taxing districts.

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

The Plan presents certain conditions, research and analysis undertaken to document the eligibility of the Project Area for designation as a tax increment financing ("TIF") district. The need for public intervention, goals and objectives, land use policies and other policy materials are presented in this Plan. The results of a study documenting the eligibility of the Project Area as a combination improved

conservation area and blighted vacant area are presented in Appendix C: Higgins Road Corridor TIF Redevelopment Project Area Eligibility Study (the "Eligibility Study").

Tax Increment Financing

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

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

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

... in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

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

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

- (1) the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan;
- (2) the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality;

- (3) the redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 8 (b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted);
- (4) in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area;
- (5) if any incremental revenues are being utilized under Section 8 (a) (1) or 8 (a) (2) of this Act in redevelopment project areas approved by ordinance after January 1, 1986 the municipality finds (a) that the redevelopment project area would not reasonably be developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area; and
- (6) certification that a housing impact study need not be performed if less than 10 residential units will be displaced (see 5/11-74.4-3 (n)(5) of the Act).

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

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

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

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality’s redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under tax increment financing, all taxing districts continue to receive

property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid in full.

The Village authorized an evaluation to determine whether a portion of the Village to be known as the Higgins Road Corridor TIF Redevelopment Project Area (the "Project Area") qualifies for designation as a redevelopment project area under the provisions contained in the Act. If the Project Area so qualifies, the Village also authorized the preparation of a redevelopment plan (the "Plan") for the Project Area in accordance with the requirements of the Act.

As described in the *Eligibility Study*, attached as *Appendix C*, the Project Area is experiencing deterioration and lack of private investment. The analysis of conditions within the Project Area, which is based on an extensive examination of the records for and history of the properties included in the Project Area and several site visits and inspections, indicates that it is appropriate for designation as a combination of an improved conservation area and a blighted vacant area under the Act. The Plan has been formulated in compliance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

2. PROJECT AREA DESCRIPTION

The Project Area includes only contiguous tax parcels that are anticipated to substantially benefit from the proposed redevelopment project area improvements.

Community Context

Elk Grove Village is home to the largest business park in the United States with over 3,600 businesses located in a 5.4-square-mile area. The Elk Grove Business Park (“Business Park”) is adjacent to O’Hare International Airport and served by several Interstate highways. It has always comprised the major portion of the Village’s tax base and that of the overlapping taxing districts.

The entire Project Area is comprised of property in the Business Park, or property not yet annexed into the Village that, if annexed, will become a part of the Business Park. It is critical to the tax base of the Village (and the taxing districts within the Village) that the Business Park remain viable and modern so that it will continue to attract new and growing businesses and private investment. This Redevelopment Project Area is being created to expand the Business Park to accommodate significant new industrial development. The inclusion of underperforming industrial uses is intended to help support efforts to modernize, update, and make necessary repairs to the infrastructure along the key industrial corridors of the Business Park.

Current Land Use and Zoning

The predominant zoning classifications within the portions of the Project Area that are currently in the Village are B-1, B-2 and B-3 Business District, including all tax parcels on the north side of Higgins Road, and I-1 Restricted Industrial District. The existing land use pattern is consistent with the underlying zoning and consists primarily of industrial development interspersed with commercial support uses.

The Project Area includes approximately 81 acres of land that is being annexed into the Village of Elk Grove Village. The current land use mix of the proposed annexation area includes five single-family residential homes, three adjacent undeveloped parcels and 69 acres of land known locally as Busse Farm. The three Busse Farm parcels are currently assessed as farm property.

Transportation Characteristics

Higgins Road serves as the primary industrial truck route connecting the Project Area with area expressways. The main transportation mode in the Project Area is vehicular. Because Pace bus service is extremely limited, most employees and visitors drive to the various businesses in the Project Area. Average Daily Traffic (“ADT”) on Higgins Road, according to 2015 traffic counts, was 35,800 vehicles per day. Other key streets serving the Project Area carried significantly lower traffic volumes. For 2014, the ADT on Oakton Street was 7,800 vehicles per day; for Lively Boulevard the ADT was 4,050 vehicles per day.

Unincorporated Areas – Terms of Annexation

The Project Area includes 11 tax parcels (the “Annexation Parcels”) that the Village is contemplating annexing into the Village prior to the establishment of the Redevelopment Project Area by the Village. The location of these parcels is shown in *Figure 2: Annexation Areas* in Appendix A. However, while the Village is considering these parcels for annexation, it may annex any one or combination of these parcels. The terms of annexation may include the usual and customary annexation provisions, including tax rates, public improvements, zoning changes and continuing uses.

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

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

In order to be designated as a conservation area, 50% or more of the buildings within the improved portion of the Project Area must be 35 years of age or older. The Project Area contains 92 structures, 68 of which were built in 1982 or earlier, representing 74% of all structures. Once the age requirement has been met, the presence of at least three of the 13 conditions stated in the Act is required for designation of improved property as a conservation area. These conditions must be meaningfully present and reasonably distributed within the Project Area.

Approximately 90 acres or 65% of the Project Area’s 138 acres of net land area is classified as improved property. The seven conditions listed below are meaningfully present and reasonably distributed in the Project Area with respect to improved property:

- Obsolescence
- Deterioration
- Presence of structures below minimum code standards
- Inadequate utilities
- Excessive land coverage and overcrowding of community facilities
- Lack of community planning
- Lagging or declining equalized assessed valuation (“EAV”)

Vacant land represents approximately 48 acres, or 35% of the Project Area’s net land area. This property qualifies for designation as a blighted vacant area due to the presence of the following conditions, only two of which are required:

- Obsolete platting
- Deterioration of structures or site improvements in areas adjacent to the vacant land
- Lagging or declining equalized assessed valuation (“EAV”)

Need for Public Intervention

Besides establishing eligibility of the Project Area for designation as a redevelopment project area under the Act, the presence of these conditions help to demonstrate the need for public intervention to attract private investment to the Project Area and achieve economic growth that will benefit all taxing districts

through implementation of the Plan. Public intervention is also needed in order to effectively convert incompatible residential properties developed under Cook County zoning and underutilized vacant land into a cohesive part of the Elk Grove Business Park. For more details on the basis for eligibility, refer to *Appendix C: Eligibility Study*.

The Project Area on the whole has not been subject to growth and investment by private enterprise and is not reasonably likely to attract new development without adoption of a Redevelopment Plan and Project. Between the 2010 and 2016 tax years the equalized assessed value of the Project Area experienced a 28% decline in value. The improved portion of the Project Area includes 54 industrial and commercial buildings that are more than 35 years old, and that will not be redeveloped as part of the Busse Farms development project. Only ten of these buildings experienced positive growth in assessed value between the 2010 and 2016 tax years. A variety of impediments, which are described in the *Eligibility Study*, will need to be addressed to achieve the community's development vision.

4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

This Plan is guided by a series of goals and objectives that describe how the Plan can help improve the Project Area. These goals and objectives are consistent with community vision, goals and objectives for the Elk Grove Business Park. The delineation of these goals and objectives are also supported through research performed within the Project Area to document the presence of conditions that qualify the area for designation as a combination improved conservation area and blighted vacant area under the Act.

General Goals

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

1. Reduce or eliminate those conditions that qualify the Project Area for designation as a tax increment finance district while maintaining the economic vitality of the Project Area.
2. Create an attractive environment that encourages new commercial and industrial development and increases the tax base of the Project Area, thereby fostering confidence in new real estate investment.
3. Upgrade public utilities, infrastructure and streets, including providing stormwater detention to alleviate flooding.
4. Create an environment which will preserve or enhance the value of properties within and adjacent to the Project Area, improving the real estate and sales tax base for the Village and other taxing districts that have jurisdiction over the Project Area.

Redevelopment Objectives

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

1. Encourage industrial development of vacant land and underutilized property within the Project Area to enhance the identity and economic contribution of the Elk Grove Business Park to the community and underlying taxing districts.
2. Attract new businesses and retain existing businesses.
3. Encourage building owners to rehabilitate existing structures and/or replace existing structures with new facilities.
4. Create jobs including permanent full-time employment as well as temporary construction jobs.

Design Objectives

Increasing the appearance and appeal of the area is important to attracting new investment and strengthening the Project Area in general. The Plan includes the following design objectives that focus on creating an attractive Business Park that provides a distinctive context for contemporary business park users.

1. Enhance the appearance of arterial streets within the Project Area through public infrastructure and streetscape improvements.
2. Develop design guidelines to ensure that new development within the Project Area supports the image of a modern and cohesive business park that is competitive within the O'Hare market and other competing industrial areas.

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

5. REDEVELOPMENT PLAN

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

Property Assembly and Site Preparation

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

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

Intergovernmental and Redevelopment Agreements

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

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

Analysis, Professional Services and Administrative Activities

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

Provision of Public Improvements and Facilities

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

streetscape amenities, parking improvements, utility improvements, property access improvements, roadway lighting, sidewalk construction and rehabilitation, and other multi-modal transportation improvements.

Financing Costs Pursuant to the Act

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

Interest Costs Pursuant to the Act

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

6. REDEVELOPMENT PROJECT DESCRIPTION

This Plan seeks to encourage private investment by reducing blighting conditions, such as deterioration, inadequate utilities, obsolescence, excessive land coverage and overcrowding of community facilities, which have hindered such investment. The Plan recognizes that new private investment is needed to improve and revitalize the Project Area and support needed public infrastructure investments. The redevelopment of the Project Area is expected to encourage economic revitalization within the Project Area and the surrounding area.

Public Infrastructure Improvements

In order to support the development of land that is being annexed into the Village, utilities will need to be extended and new roads will need to be built to adequately serve new private development. The Village may also provide assistance with respect to extra-ordinary development costs related to the conversion of vacant land into new industrial facilities.

The Village may need to make improvements to public infrastructure and facilities to alleviate impediments to reinvestment within the Project Area, and upgrade and improve local streets to make them more accessible, increase the weight load limits, provide adequate turning radii and introduce streetscape as a component of the design criteria for the area. The Village plans to invest in curbs, gutter, street lighting, traffic signals, water mains, sanitary sewers, storm sewers, sidewalks, driveway aprons, and other improvements to enhance the ability of the Project Area to compete for new private investment that will strengthen the property tax base. This public improvement work will support redevelopment to meet the needs of industrial users.

Commercial/Industrial Rehabilitation

The improved portion of the Project Area includes 54 industrial and commercial buildings that are more than 35 years old, and that will not be redeveloped as part of the Busse Farms development project. Only ten of these buildings experienced positive growth in assessed value between the 2010 and 2016 tax years. Consequently, public intervention in the form of incentives are need to encourage reinvestment in commercial and industrial property.

Property Acquisition and New Development

In order to facilitate redevelopment project activities, the acquisition of property may be required. Property acquisition will be limited to properties needed to support new industrial/commercial development.

7. GENERAL LAND USE PLAN AND MAP

Figure 3: General Land Use Plan, in [Appendix A](#), identifies land uses expected to result from implementation of the Plan. The land use designation is commercial/Industrial mixed use in keeping with the historic development character of the Elk Grove Business Park and zoning along the Higgins Road corridor. The mixed use designation provides guidance and flexibility in future land use policy where a variety of commercial support uses may be appropriate.

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

8. REDEVELOPMENT PLAN FINANCING

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

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

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

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

Eligible Redevelopment Costs

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

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

- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
- e) Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of welfare to work programs implemented by businesses located within the Project Area;
- g) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the Village by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.
- i) An elementary, secondary or unit school district, or public library district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- j) Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law or by Section 74.4-3(n)(7) of the Act;
- k) Payment in lieu of taxes, as defined in the Act;
- l) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the 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 Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;

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

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

Redevelopment Project Cost Budget

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

The maximum estimated gross eligible project cost over the life of the Project Area is \$285 million. All project cost estimates are in 2017 dollars. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

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

Table 1:
Estimated Redevelopment Project Costs

Eligible Expense	Estimated Cost
Analysis, Planning, Engineering, Surveys, Legal, etc.	\$30,000,000
Marketing Costs	\$2,000,000
Property Assembly including Acquisition, Demolition, Site Preparation, Relocation and Environmental Remediation	\$70,000,000
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements	\$40,000,000
Public Works and Improvements	\$120,000,000
Financing Costs and Required Payments (pursuant to the provisions of the Act)	\$5,000,000
Interest Costs	\$18,000,000
TOTAL REDEVELOPMENT PROJECT COSTS	\$285,000,000

Sources of Funds

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the Village may deem appropriate. The Village may incur redevelopment project costs which are paid for from funds of the Village other than incremental taxes, and the Village may then be reimbursed from such costs from incremental taxes. Also, the Village may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the Village may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area is contiguous to the Busse/Elmhurst Road TIF, which was created in 2014. The Project Area may be contiguous to or separated by only a public right-of-way from other redevelopment project areas created under the Act. The Village may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa pursuant to the provisions of the Act.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1 et seq.). If the Village finds that the goals, objectives and financial success of such contiguous redevelopment project areas, or those separated only by a public right-of-way, are interdependent with those of the Project Area, the Village may determine that it is in the best interests of the Village, and in furtherance of the purposes of the Plan, that net revenues from the Project Area be made available to

support any such redevelopment project areas and vice versa. The Village therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa pursuant to the provisions of the Act.

Issuance of Obligations

The Village may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the Village may elect to pledge its full faith and credit through the issuance of general obligations bonds, but is not required to do so. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the Village treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted.

Also, although the life of the Project Area is 23 years, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become "surplus" as that term is defined in the Act and shall be distributed annually on a pro rata basis to taxing districts having the authority to levy property taxes in the Project Area as provided by the Act.

NOTHING HEREIN SHALL BE CONSTRUED AS A COMMITMENT OF THE VILLAGE TO USE ITS FULL FAITH AND CREDIT TO SUPPORT ANY TIF OBLIGATIONS ISSUED OR ANY AGREEMENTS ENTERED INTO WITHOUT THE EXPRESS APPROVAL OF THE VILLAGE BOARD GIVEN IN COMPLIANCE WITH ILLINOIS LAW.

Most Recent Equalized Assessed Valuation (EAV)

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2016 EAV of all taxable parcels in the Project Area is approximately \$26,280,325. This total EAV amount, listed by parcel, is summarized in Appendix D. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County. The Plan has utilized the EAVs for the 2016 tax year. If the 2017 EAV shall become

available prior to the date of the adoption of the Plan by the Elk Grove Village Board, the Village may update the Plan by replacing the 2016 EAV with the 2017 EAV.

Anticipated Equalized Assessed Valuation

Once the redevelopment project has been completed and the property is fully assessed, the estimated EAV of real property within the Project Area is expected to be in the range of \$156 to \$234 million. This estimate has been calculated assuming that the Project Area will be developed in accordance with *Figure 3: General Land Use Plan* presented in Appendix A.

The estimated EAV assumes that the assessed value of property within the Project Area will increase substantially as a result of new development and public improvements. Calculation of the estimated EAV is based on the following assumptions: 1) the redevelopment of the Project Area will occur in a timely manner, and 2) an average annual appreciation rate of 3.5% is assumed throughout the life of the TIF.

Financial Impact on Taxing Districts

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The Village intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The following taxing districts presently levy taxes on properties located within the Project Area:

Cook County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways. The Cook County Consolidated Elections levy supports local elections in Cook County.

Cook County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the Village and County for the education, pleasure and recreation of the public.

Metropolitan Water Reclamation District of Greater Chicago. The Water Reclamation District provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof.

Elk Grove Township. Elk Grove Township is a basic division of a County with powers to levy taxes, pass local ordinances and regulations, and provide various services as authorized by state statutes and elected officials. The Elk Grove Township Supervisor is also the Supervisor of General Assistance. The general assistance levy covers operating expenses and support for the needy that qualify under the general assistance guidelines. The Elk Grove Township Road and Bridge levy covers administrative costs, highway department employee salaries and costs to construct, maintain and repair township roads and bridges, and is the responsibility of the Township Highway Commissioner.

Village of Elk Grove Village. The Village is responsible for the provision of a wide range of municipal services, including police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; and building, housing and zoning codes, etc.

Village of Elk Grove Village Library. The Elk Grove Village Public Library is a component unit of the Village of Elk Grove Village. The Library's mission is to facilitate the sharing of knowledge among people of all ages by providing various format in an organized, accessible collection for the purpose of enriching lives through accurate information, reading and entertainment within an inviting facility.

Community Consolidated School District 59. General responsibilities of School District 59 include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through eighth grade. The district covers 24 square miles and serves a population of approximately 75,000 residents.

Arlington Heights Township High School District 214. District 214 is the second largest high school district in Illinois, providing secondary education (9th to 12th grades) in parts of Wheeling, Elk Grove and Palatine townships. The District serves more than 280,000 residents in Arlington Heights, Buffalo Grove, Elk Grove Village, Mt. Prospect, Prospect Heights, Rolling Meadows, Wheeling and Des Plaines.

Harper Community College District 512. The Community College District is a unit of the State of Illinois' system of public community colleges, whose objective is to meet the educational needs of residents of the Village and other students seeking higher education programs and services.

Elk Grove Park District. The Park District is responsible for the provision, maintenance and operation of park and recreational facilities throughout the Village and for the provision of recreation programs.

Elk Grove Rural Fire Protection District. The Fire Protection District serves the unincorporated areas of Arlington Heights, Des Plaines, Elk Grove Village and Mt. Prospect.

Northwest Mosquito Abatement District. The District serves an area of approximately 242 square miles to abate mosquito nuisances using integrated pest management methods.

The proposed revitalization of the Project Area may create an increase in demand on public services and facilities as properties within the Project Area are redeveloped, which will be supported in part through user fees. New buildings will be built in accordance with current building and life safety codes and meet Cook County stormwater management requirements. No residential units are contemplated within the project Area. Although the specific nature and timing of the private investment expected to be attracted to the Project Area cannot be precisely quantified at this time, a general assessment of financial impact can be made based upon the level of development and timing anticipated by the proposed Plan.

The land use plan anticipates that the Project Area will be developed entirely with industrial and limited commercial uses. Thus, there will be no service impacts for local school districts. It is expected that any increases in demand for the services and programs of the aforementioned taxing districts can be adequately addressed by the existing services and programs maintained by these taxing districts. A portion of the Project Budget has been allocated for public works and improvements, which may be used to address potential public service demands associated with implementing the Plan.

Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. When completed, developments in the Project Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the Village in the form of sales tax, business fees and licenses, and utility user fees.

Real estate tax revenues resulting from increases in the EAV, over and above the Certified Initial EAV established with the adoption of the Plan, will be used to pay eligible redevelopment costs in the Project Area. Following termination of the Project Area, the real estate tax revenues, attributable to the increase in the EAV over the certified initial EAV, will be distributed to all taxing districts levying taxes against property located in the Project Area. Successful implementation of the Plan is expected to result in new development and private investment on a scale sufficient to overcome blighted conditions and substantially improve the long-term economic value of the Project Area.

Completion of the Redevelopment Project and Retirement of Obligations to Finance Redevelopment Project Costs

The Plan will be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the Village treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Plan is adopted (assuming adoption in 2017, by December 31, 2041).

9. HOUSING IMPACT STUDY APPLICABILITY

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area includes five occupied residential units. These residential properties are being acquired by a developer and will be incorporated into one of the redevelopment projects that will be undertaken to implement this Plan. Because the number of residential units that will be demolished is below the statutory threshold for a housing impact study, a housing impact study is not a required element of this Plan.

10. PROVISIONS FOR AMENDING THE PLAN

The Plan may be amended in accordance with the provisions of the Act.

11. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

The Village is committed to and will affirmatively implement the following principles with respect to this Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.
- C) Redevelopers will meet Village standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees.

The Village shall have the right in its sole discretion to exempt certain small businesses, residential property owners and developers from the above.

APPENDIX A

HIGGINS ROAD CORRIDOR TIF REDEVELOPMENT PROJECT AREA

FIGURES 1-3

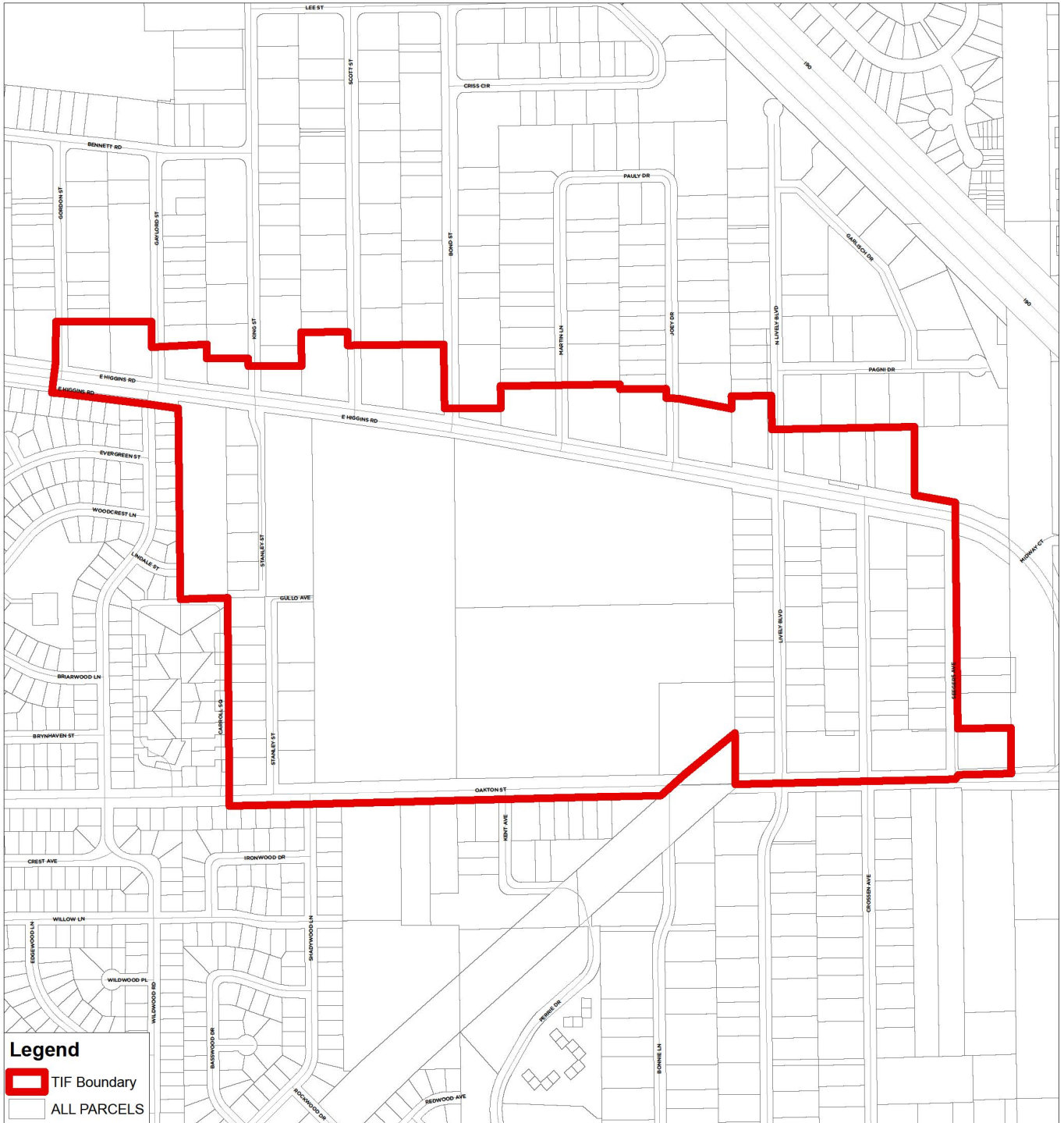


Figure 1:
Redevelopment Project
Area Boundary

Elk Grove Village | Higgins Road Corridor TIF Study | Camiros

0 0.4
 Miles



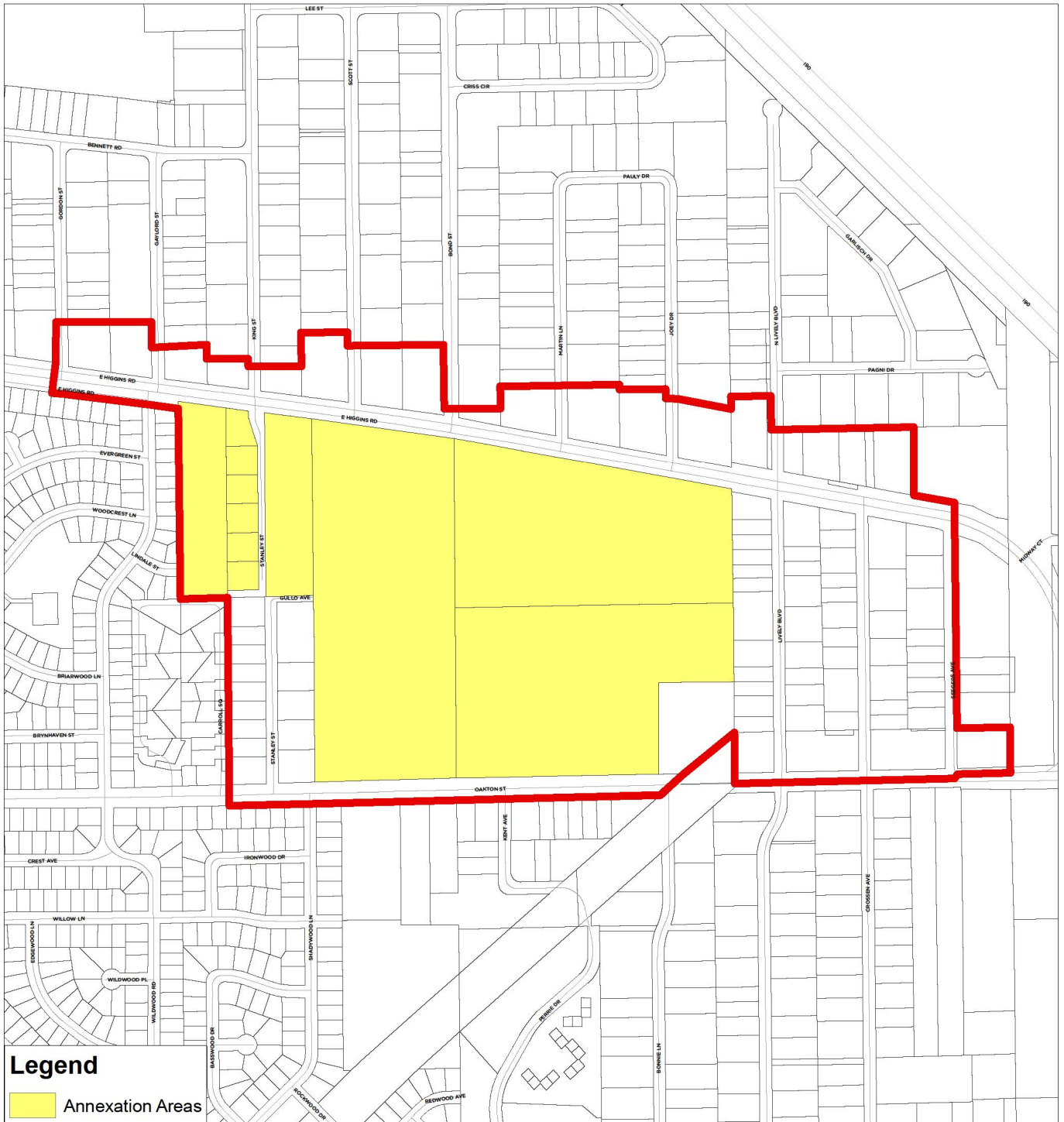


Figure 2: Annexation Areas

Elk Grove Village | Higgins Road Corridor TIF Study | Camiros

0 0.15 Miles



APPENDIX B

HIGGINS ROAD CORRIDOR TIF REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

1. ALL THAT PART OF THE SOUTHEAST QUARTER OF SECTION 21 AND THE SOUTHWEST AND SOUTHEAST QUARTERS OF SECTION 22, ALL IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:
2. BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 22 AFORESAID, BEING ALSO ON THE CENTERLINE OF OAKTON STREET;
3. THENCE NORTH ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER OF SECTION 22 TO THE SOUTHEAST CORNER OF LOT 1 IN FIRE DEPARTMENT SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER OF SECTION 22 AFORESAID;
4. THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF LOT 1 IN FIRE DEPARTMENT SUBDIVISION AND THE SOUTHWESTERLY EXTENSION THEREOF TO THE CENTERLINE OF OAKTON STREET, BEING ALSO THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 22 AFORESAID;
5. THENCE WEST ALONG SAID CENTERLINE OF OAKTON STREET, AND SAID SOUTH LINE OF THE SOUTHWEST QUARTER OF SECTION 22 TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF WILD OAK SUBDIVISION OF A PART OF THE SOUTHEAST QUARTER OF SECTION 21 AND PART OF THE SOUTHWEST QUARTER OF SECTION 22 AFORESAID;
6. THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE EAST LINE OF WILD OAK SUBDIVISION TO THE NORTH LINE THEREOF;
7. THENCE WEST ALONG SAID NORTH LINE OF WILD OAK SUBDIVISION TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 21 AFORESAID;
8. THENCE NORTH ALONG SAID EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 21 TO THE CENTERLINE OF HIGGINS ROAD;
9. THENCE WEST ALONG SAID CENTERLINE LINE OF HIGGINS ROAD TO THE SOUTHERLY EXTENSION OF THE WEST LINE OF GORDON STREET;

10. THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND THE WEST LINE OF GORDON STREET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 77 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 47, A RESUBDIVISION IN SECTION 21 AFORESAID;
11. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF LOT 77 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 47 AND THE NORTH LINE OF LOT 22 IN SAID SUBDIVISION AND THE EASTERLY EXTENSION THEREOF TO THE CENTERLINE OF GAYLORD ROAD;
12. THENCE SOUTH ALONG SAID CENTERLINE OF GAYLORD ROAD TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 88 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 55, A RESUBDIVISION IN SECTIONS 21 AND 22 AFORESAID;
13. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF LOT 88 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 55 TO THE EAST LINE THEREOF;
14. THENCE SOUTH ALONG SAID EAST LINE OF LOT 88 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 55 TO THE NORTH LINE OF LOT 1 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 6, A RESUBDIVISION IN THE WEST HALF OF SECTION 22 AFORESAID;
15. THENCE EAST ALONG SAID NORTH LINE OF LOT 1 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 6 AND THE EASTERLY EXTENSION THEREOF TO THE CENTERLINE OF KING STREET;
16. THENCE SOUTH ALONG SAID CENTERLINE OF KING STREET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 1 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 4, A RESUBDIVISION IN THE WEST HALF OF SECTION 22 AFORESAID;
17. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF LOT 1 IN IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 4 TO THE WEST LINE OF LOT 1 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1, A RESUBDIVISION IN THE WEST HALF OF SECTION 22 AFORESAID;
18. THENCE NORTH ALONG SAID WEST LINE OF LOT 1 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1 TO THE NORTH LINE THEREOF;
19. THENCE EAST ALONG SAID NORTH LINE OF LOT 1 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1 AND THE EASTERLY EXTENSION THEREOF TO THE CENTERLINE OF SCOTT STREET;

20. THENCE SOUTH ALONG SAID CENTERLINE OF SCOTT STREET TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 12 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1 AFORESAID;
21. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF LOT 12 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1 AND THE NORTH LINE OF LOT 13 IN SAID SUBDIVISION AND THE EASTERLY EXTENSION THEREOF TO THE CENTERLINE OF BOND STREET;
22. THENCE SOUTH ALONG SAID CENTERLINE OF BOND STREET TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 308 FEET OF LOT 24 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1 AFORESAID;
23. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF THE NORTH 308 FEET OF LOT 24 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NO. 1 TO THE EAST LINE THEREOF, BEING ALSO THE WEST LINE OF LOT 2 IN TELAR 4TH RESUBDIVISION OF LOTS 1 & 2 OF TELAR 3RD RESUBDIVISION OF LOT 3 IN FINEGAN SUBDIVISION UNIT 3, A RESUBDIVISION OF PART OF LOTS 7 & 12 IN MAYFAIR INDUSTRIAL PARK UNIT 2 IN THE WEST HALF OF SECTION 22 AFORESAID;
24. THENCE NORTH ALONG SAID WEST LINE OF LOT 2 IN TELAR 4TH RESUBDIVISION TO THE NORTH LINE THEREOF;
25. THENCE EAST ALONG SAID NORTH LINE OF LOT 2 IN TELAR 4TH RESUBDIVISION AND THE EASTERLY EXTENSION THEREOF, ACROSS MARTIN LANE, TO THE NORTH LINE OF LOT 2 IN THE LOUIS E. SASS MEMORIAL SUBDIVISION OF PART OF THE WEST HALF OF SECTION 22 AFORESAID;
26. THENCE CONTINUING EAST ALONG SAID NORTH LINE OF LOT 2 IN THE LOUIS E. SASS MEMORIAL SUBDIVISION TO THE EAST LINE THEREOF;
27. THENCE SOUTH ALONG SAID EAST LINE OF LOT 2 IN THE LOUIS E. SASS MEMORIAL SUBDIVISION TO THE NORTH LINE OF LOT 1 IN MALNATI RESUBDIVISION OF LOT 11 IN MAYFAIR INDUSTRIAL PARK UNIT 2 AND LOT 1 IN THREE MUSKETEERS SUBDIVISION IN THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 22 AFORESAID;
28. THENCE EAST ALONG SAID NORTH LINE OF LOT 1 IN MALNATI RESUBDIVISION AND THE EASTERLY EXTENSION THEREOF TO THE CENTERLINE OF JOEY DRIVE;
29. THENCE SOUTH ALONG SAID CENTERLINE OF JOEY DRIVE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF LOT 2 IN W.C. SASS

SUBDIVISION IN ELK GROVE VILLAGE, A SUBDIVISION OF PART OF THE WEST HALF OF SECTION 22 AFORESAID;

30. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF LOT 2 IN W.C. SASS SUBDIVISION IN ELK GROVE VILLAGE TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SECTION 22 AFORESAID;
31. THENCE NORTH ALONG SAID WEST LINE OF THE SOUTHEAST QUARTER OF SECTION 22 TO THE NORTH LINE OF LOT 1 IN GERALI SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 AFORESAID;
32. THENCE EAST ALONG SAID NORTH LINE OF LOT 1 IN GERALI SUBDIVISION AND THE EASTERLY EXTENSION THEREOF TO THE CENTERLINE OF LIVELY BOULEVARD;
33. THENCE SOUTH ALONG SAID CENTERLINE OF LIVELY BOULEVARD TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF GARLISCH SUBDIVISION UNIT NO. 8, A SUBDIVISION OF WEST HALF OF THE EAST HALF OF SECTION 22 AFORESAID;
34. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE GARLISCH SUBDIVISION UNIT NO. 8, AND CONTINUING ALONG THE SOUTH LINES OF GARLISCH SUBDIVISION UNIT NO.S 15, 16 AND 17, ALL BEING PARTS OF THE WEST HALF OF THE EAST HALF OF SECTION 22 AFORESAID, TO THE EAST LINE OF LOT 1 IN RISTOW'S SUBDIVISION OF EAST 189 FEET OF THE WEST 878 FEET OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 AFORESAID;
35. THENCE SOUTH ALONG SAID EAST LINE OF LOT 1 IN RISTOW'S SUBDIVISION AND THE SOUTHERLY EXTENSION THEREOF TO THE CENTERLINE OF HIGGINS ROAD;
36. THENCE EASTERLY ALONG THE CENTERLINE OF HIGGINS ROAD TO THE NORTHERLY EXTENSION OF THE CENTERLINE OF SEEGER'S AVENUE;
37. THENCE SOUTH ALONG SAID NORTHERLY EXTENSION AND THE CENTERLINE OF SEEGER'S AVENUE TO THE WESTERLY EXTENSION OF THE SOUTH LINE OF LOT 24 IN HIGGINS INDUSTRIAL PARK UNIT 14, A SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 AFORESAID;
38. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE SOUTH LINE OF LOT 24 IN HIGGINS INDUSTRIAL PARK UNIT 14 TO THE EAST LINE THEREOF, BEING ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 AFORESAID;

39. THENCE SOUTH ALONG SAID EAST LINE OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 22 TO THE SOUTH LINE THEREOF, BEING ALSO THE CENTERLINE OF OAKTON STREET;
40. THENCE WEST ALONG SAID CENTERLINE OF OAKTON STREET, AND THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 22, TO THE SOUTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION 22 AND THE POINT OF BEGINNING,
41. ALL IN ELK GROVE VILLAGE, IN COOK COUNTY, ILLINOIS.

APPENDIX C

HIGGINS ROAD CORRIDOR TIF REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY

Introduction

On February 28, 2017, the Elk Grove Village Board adopted Ordinance No. 3487 authorizing preparation of an eligibility study related to the designation of an area known as the Higgins Road Corridor Redevelopment Project Area as a redevelopment project area pursuant to the definitions set forth under (65 ILCS 5/11-74.4.1 et seq.), as amended (the "Act"). This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. Pursuant to the notice requirements contained in the Act, a copy of the ordinance was sent to affected tax districts on March 1, 2017.

This report summarizes the analyses and findings of the Consultant's work, which is the responsibility of Camiros, Ltd. ("the Consultant"). The Consultant has prepared this report with the understanding that the Village would rely 1) on the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) on the fact that the Consultant has obtained the necessary information to conclude that the Study Area can be designated as a redevelopment project area in compliance with the Act.

The Tax Increment Allocation Redevelopment Act (the "Act") permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act authorizes the use of tax increment revenues derived in a redevelopment project area for the payment or reimbursement of eligible Redevelopment Project Costs as set forth in the Act.

The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.-3(p), the Act defines a "redevelopment project area" as follows:

"... an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or combination of both blighted areas and conservation areas."

In adopting this legislation, the Illinois General Assembly found:

1. (at 65 Sec 5/11-74.4-2(a)) ...there exist in many municipalities within the State blighted, conservation and industrial park conservation areas...; and
2. (at 65 Sec 5/11-74.4-2(b)) ...the eradication of blighted areas and the treatment and improvement of conservation areas by... redevelopment projects is hereby declared to be essential to the public interest.

The legislative findings were made on the basis that the presence of blight, or conditions that lead to blight, is detrimental to the safety, health, welfare and morals of the public. The Act specifies certain requirements, which must be met, before a municipality may proceed with implementing a redevelopment project in order to ensure that the exercise of these powers is proper and in the public interest.

Blighted Areas

Pursuant to the Act, a “blighted area” refers to either an improved or vacant area within the boundaries of a redevelopment project area where certain defined conditions are meaningfully present and reasonably distributed.

Improved Areas

Improved areas meet the requirements for designation as a blighted area through documentation of the presence of a combination of five or more of the following factors that are detrimental to the public safety, health or welfare:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental clean-up requirements
12. Lack of community planning
13. Lagging or declining equalized assessed value (“EAV”)

Vacant Land

There are two sets of factors that determine whether vacant land meets the requirements for designation as a “blighted area” under the Act. The sound growth and development of the area may be impaired by the meaningful presence and reasonable distribution of two or more of the following factors:

- A. Obsolete platting
- B. Diversity of ownership
- C. Tax or special assessment delinquencies
- D. Deterioration of structures or site improvements in neighboring areas
- E. Environmental clean-up requirements
- F. Lagging or declining equalized assessed value (“EAV”)

Vacant land may also qualify for designation if the sound growth of the proposed redevelopment project area is impaired by one of the following factors:

- a. Area consists of one or more unused quarries, mines or strip mine ponds
- b. Area consists of unused rail yards, rail tracks or railroad rights-of-way
- c. Area is subject to chronic flooding pursuant to definitions contained in the Act
- d. Area consists of an unused or illegal disposal site as defined in the Act

- e. Area was designated as a town or village center prior to November 1, 1999, but not developed for that purpose
- f. Area qualified as a blighted improved area immediately prior to becoming vacant

Conservation Areas

A “conservation area” is an improved area located within the territorial limits of the municipality in which at least 50% of the structures have an age of 35 years or more. Such areas are not yet blighted but, because of a combination of three or more of the following conditions that are detrimental to the public safety, health, morals or welfare, may become a blighted area:

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Lack of community planning
12. Environmental clean-up requirements
13. Lagging or declining equalized assessed value (“EAV”)

Industrial Park Conservation Areas

To be designated as an “industrial park conservation area” the municipality must be a “labor surplus municipality, as defined in the Act. The property contained in the redevelopment project area must be zoned as industrial no later than the date the TIF designation ordinances are adopted. The area must include both vacant land suitable for use as an industrial park and a blighted area or a conservation area contiguous to such vacant land.

Higgins Road Corridor Study Area

The Higgins Road Corridor Study Area, shown in *Figure A: Higgins Road Corridor Study Area*, is approximately 165 acres in size. The Project Area is generally bounded by Seegers Avenue on the east and Oakton Street on the south. The north lines of properties abutting Higgins Road between Gordon Street and approximately Seegers Avenue form the Project Area's northern boundary. The western boundary of the Study Area is formed by Gordon Street north of Higgins Road and the west lines of unincorporated property that is being annexed into the Village and industrial uses on the west side of Stanley Street.

The Study Area contains a mix of vacant land and improved areas pursuant to the definitions contained in the Act, as shown in *Figure B: Property Type*. The Study Area includes approximately 90 acres of improved property, representing 65% of the net land area of the Study Area, excluding public rights-of-way. The Study Area includes approximately 48 acres of vacant land on two tax parcels representing 35% of the net land area. The Study Area includes approximately 27 acres of public rights-of-way. Land uses include a mix of commercial and industrial uses, vacant and underutilized land and five single-family residential homes located on Stanley Street south of Higgins Road, as shown in *Figure C: Existing Land Use*.

The improved portion of the Study Area contains 96 tax parcels located on 95 tax lots. There is one tax parcel within the Higgins Road right-of-way just west of Crossen Avenue where a leasehold interest is held by a nearby property owner, according to Cook County tax records. The Illinois Department of Transportation is identified as the owner of the underlying tax parcel. The Study Area contains 92 buildings and structures, including four structures related to Commonwealth Edison's transmission lines.

Eligibility Analysis Overview

An analysis was undertaken to determine whether any or all of the eligibility factors listed in the Act are present in the Study Area, and if so, to what extent and in which locations. In order to accomplish this evaluation the following tasks were undertaken:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions involving parking facilities, public infrastructure, site access, fences and general property maintenance;
3. Analysis of existing land uses and their relationships;
4. Comparison of surveyed buildings to zoning regulations;
5. Analysis of the current platting, building size and layout;
6. Analysis of building floor area and site coverage;
7. Review of previously prepared plans, studies, inspection reports and other data;
8. Analysis of real estate assessment data;
9. Review of available building permit records to determine the level of development activity in the area; and
10. Review of building code violation and fire suppression system information.

Improved Property Condition Evaluation

This section summarizes the process used for assessing improved property conditions in the Study Area. These standards and criteria were used to evaluate the existence of dilapidation or deterioration of buildings and structures.

Building Components Evaluated

During the field survey, buildings were examined to determine whether they were in sound condition or had minor, major, or critical defects. Building components examined were of two types:

Primary Structural Components

These include the basic elements of any building: foundation walls, load-bearing walls and columns, roof, roof structures and facades.

Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, chimney, and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

Building Component Classification

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below.

Sound

Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

Minor Deficient

Building components containing minor defects (loose or missing material or holes and cracks over a limited area), which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either the primary or secondary components and the correction of such defects may be accomplished by the owner or occupants. Examples include tuck pointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

Major Deficient

Building components that contain major defects over a widespread area that would be difficult or costly to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

Dilapidated

Building components that contain severe defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive. The cost of repairs needed to bring such buildings into sound condition would likely exceed the value of the building and would not represent a prudent use of funds.

Final Building Rating

Based on the evaluation of building components, buildings were classified as follows:

Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

Deteriorated

Deteriorated buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. Buildings classified as deteriorated have more than one minor defect, but no major defects.

Dilapidated

Structurally substandard buildings contain defects that are so serious and so extensive that the building may need to be removed. Buildings classified as dilapidated or structurally substandard have two or more major defects.

Each condition identified in the Act for establishing eligibility of an improved area for designation as a redevelopment project area was considered. Only factors whose presence could be documented as being meaningfully present and reasonably distributed within the Study Area were used to establish eligibility for designation of the Study Area as a redevelopment project area under the Act.

Presence and Distribution of Eligibility Factors

The Study Area qualifies for designation as a combination improved conservation area and blighted vacant area under the criteria contained in the Act. The conditions present with respect to the portions of the Study Area that consist of improved property and vacant land are described below.

Improved Property

The Study Area includes 96 tax parcels that are classified as improved property pursuant to the definitions contained in the Act. Improved property comprises 65% of the property within the Study Area, excluding public rights-of-way. The improved portion of the Study Area contains 92 buildings and structures.

Age

The Study Area contains 68 structures identified as having been built in 1982 or earlier according to Cook County property assessment records. Thus, the required age threshold is met with 74% of structures being 35 years of age or older. The distribution of buildings by age is presented in *Figure D: Building Age*.

Conservation Area Eligibility Factors

The presence and distribution of eligibility factors related to the qualification of the improved portion of the Study Area for designation as a conservation area are discussed below.

1. Dilapidation

As defined in the Act, “dilapidation” refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that rehabilitation is not practical or economically feasible. Such structures typically exhibit major structural fatigue such as leaning or warped walls, severe cracking in walls and foundations, and bowed or sagging roofs.

The vacant farmhouse and four outbuildings that remain on the Busse Farm homestead were only structures identified that are deteriorated to the point where they meet the definition of being dilapidated. Because these dilapidated buildings are located on a single tax parcel, this condition does not meet the statutory requirement of being meaningfully present and reasonably distributed in the Study Area.

Conclusion: Because this condition is present to a limited extent, it was not used to establish eligibility of the improved portion of the Study Area as a conservation area under the Act.

2. Obsolescence

As defined in the Act, “obsolescence” refers to “the condition or process of falling into disuse, or where structures have become ill suited for the original use.” Obsolescence can occur in response to

a variety of factors. Most often, the standard of improvement for given uses becomes higher, over the course of time. Uses that are not improved or upgraded periodically often become obsolete. Market forces play a large role in the process of obsolescence. When the market for particular uses declines, there is little or no financial incentive to upgrade properties. In the absence of improvements made over the course of time, properties fall further and further behind current standards and become obsolete.

Obsolete improved properties contain characteristics or deficiencies that limit their long-term sound use or reuse. Obsolescence in improved properties is typically difficult and expensive to correct. Obsolete building types have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Functional obsolescence is evidenced by an overall failure to meet current zoning requirements and characteristics such as low industrial ceiling heights, small loading docks, and loading docks in locations that can't be accessed by large trucks, which are commonly used in contemporary industrial operations.

One of the properties identified as obsolete, is the Village's fire station and public works facility located on Oakton Street, just west of Lively Boulevard. Although the building is fairly new, it is poorly located within its service area. As a result, response times exceed desired current standards. The five residential homes located on property that is proposed for annexation are also considered to be obsolete, in part because they are not connected to municipal water and sewer service. These residential uses are also incompatible with the industrial character of the Elk Grove Business Park.

Economic obsolescence typically results in declining market values and the difficulty leasing space or finding buyers for older buildings. An analysis was undertaken to document the change in assessed value of buildings within the Study Area between the 2010 and 2016 tax years. Assessed values rather than equalized assessed values were used in this analysis because they are a more accurate reflection of market value. While a few properties showed increases in value during this period, the vast majority of buildings saw a significant decline in value. Fourteen buildings had a decline in assessed value of more than 30% over this period. Economic obsolescence was considered present with respect to properties with a decrease in assessed value of 10% or more. The distribution of this factor within the Study Area is presented in *Figure E: Obsolescence*.

Conclusion: This condition is meaningfully present reasonably distributed and was used to qualify the Study Area for designation as a conservation area, impacting 63% of commercial and industrial buildings.

3. Deterioration

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. As defined in the Act, "deterioration" refers to, 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, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas may evidence deterioration, including but not limited to surface cracking, crumbling, potholes, depressions, loose paving

material, and weeds protruding through paved surfaces.

The vast majorities of the buildings in the Study Area are of masonry construction and appear to be in generally good condition. However, deterioration was found to be present to a major extent throughout the Study Area with respect to site improvements, especially driveways, off-street parking lots, and loading facilities. Site deterioration impacts 82% of improved Study Area tax parcels. Building deterioration primarily impacted secondary building components, and was more limited, impacting approximately 27% of buildings. The distribution of this condition is presented in *Figure F: Deterioration*.

Conclusion: This condition is meaningfully present and reasonably distributed, and was used to qualify the Study Area for designation as a conservation area under the Act.

4. Presence of Structures Below Minimum Code Standards

As defined in the Act, the “presence of structures below minimum code standards” refers to 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.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Evidence of structures below minimum code standards was found to be present to a significant extent. Structures that were documented as being below minimum code standards include those that do not meet the Village’s life safety code sprinkler requirements and buildings located on parcels that are below the Village’s minimum lot size requirements for the applicable zoning district. Other evidence of the presence of this condition include loading docks located on front facades, which lack setbacks that are adequate to keep vehicles from extending across the sidewalk and into the street. The distribution of these buildings is presented in *Figure G: Structures Below Minimum Code Standards*.

Conclusion: This condition is meaningfully present and reasonably distributed within the Study Area and was used to establish eligibility as a conservation area under the Act, impacting 78% of buildings.

5. Illegal Use of Structures

There is an illegal use of a structure when structures are used in violation of federal, state or local laws.

Conclusion: This condition was not found to be present within the Study Area and was not used to establish eligibility as a conservation area under the Act.

6. Excessive Vacancies

As defined in the Act, “excessive vacancies” refers to 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.

A limited number of vacant and for sale/lease buildings were observed. These buildings represent approximately 7% of buildings in the Study Area. While this factor is present to a limited extent, the visibility of these vacant buildings contributes to the sense of obsolescence within the Study Area.

Conclusion: Because this condition is present to a limited extent, it was not used to qualify the improved portion of the Study Area for designation as a conservation area under the Act.

7. Lack of Ventilation, Light, or Sanitary Facilities

As defined in the Act, “lack of ventilation, light, or sanitary facilities” refers to 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 or inadequacy 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.

Conclusion: This condition was not identified as being present within the Study Area and was not used to establish eligibility as a conservation area under the Act.

8. Inadequate Utilities

As defined in the Act, “inadequate utilities” refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

Most properties are presently served by appropriate utilities. Exceptions include several parcels that have not yet been developed and a cluster of single-family houses on Stanley Street, south of Higgins Road that were developed under Cook County development standards. These houses are not connected to Elk Grove’s municipal water and sanitary sewer systems.

The water, sanitary sewer and storm water infrastructure in the improved portion of the Study Area dates to the original development of the Elk Grove Business Park, more than 50 years ago. Some of these utilities are antiquated and many are in need of replacement due to their age, particularly water and sewer lines.

The Village has identified an extensive list of utility upgrades that are needed within the Study Area, which are discussed in the [2011 Elk Grove Village Industrial/Commercial Revitalization Plan Update](#). The revitalization plan includes both short term and long-term improvements. Replacement of the water main on Crossen Avenue and rehabilitation of sanitary sewer lines west of Lively Boulevard

and portions of Higgins Road were identified as immediate (within five years) improvements. Storm water detention is also a major issue within the Study Area. Additional long-term (10+ years) water and sewer improvements have also been identified.

Buildings built prior to 1972 were not required to provide on-site storm water detention. The existing drainage system is dependent on ditches that were constructed as part of the original business park development. Many of these ditches have deteriorated over time and no longer meet the necessary storage capacity for the properties that they serve.

The locations of property impacted by inadequate utilities are presented in *Figure H: Inadequate Utilities*. Inadequate utilities was found to impact 54% of tax parcels in the improved portion of the Study Area.

Conclusion: This condition is meaningfully present and reasonably distributed within the Study Area. Therefore, it was used to establish eligibility as a conservation area under the Act.

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

As defined in the Act, “excessive land coverage and overcrowding of structures and community facilities” refers to the over-intensive use of property and the crowding of buildings and accessory facilities within a given area. 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.

Many of the industrial buildings within the Study Area occupy most of their lots and do not provide adequate off-street parking for employees and visitors. These buildings also exhibit inadequate provision for loading and service. Examples of this condition include loading docks along front facades that are so close to the front property line that trucks extend into the street. A number of buildings have small loading docks at the rear of the buildings. Narrow drive aisles in side yards and rear yards that do not include adequate turning radii for even relatively small panel trucks limit the functionality of these buildings, further contributing to obsolescence and excessive land coverage. Many industrial buildings fail to meet the minimum zoning requirements with respect to lot size, maximum lot coverage and required setbacks. The properties impacted by this condition are shown in *Figure I: Excessive land Coverage and Overcrowding of Community Facilities*. This condition impacts 75% of improved Study Area tax parcels

Conclusion: This condition is present to a meaningful extent and reasonably distributed with respect to improved property, and was used to qualify the Study Area for designation as a conservation area under the Act.

10. Deleterious Land Use or Layout

As defined in the Act, “deleterious land use or layout” refers to the existence of incompatible land use relationships, buildings occupied by an inappropriate mix of uses, uses considered to be noxious, offensive, or unsuitable for the surrounding area, uses which are non-conforming with respect to current zoning, platting which does not conform to the current land use and infrastructure pattern, parcels of inadequate size or shape for contemporary development, and single buildings located on multiple parcels which have not been consolidated into a single building site.

There are several buildings that are located on multiple tax parcels, consistent with the statutory definition of this factor. The improved portion of the Study Area also contains parcels that do not conform to the minimum lot size requirements of the underlying I-1 zoning district. This condition impacts 29% of improved tax parcels.

Conclusion: Because this condition is present to a limited extent, it was not used to qualify the improved portion of the Study Area as a conservation area under the Act.

11. Environmental Clean-Up Requirements

As defined in the Act, “environmental clean-up” means that 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. No existing environmental surveys were conducted or found that identify sites within the Study Area as environmentally contaminated.

Conclusion: This factor was not found to be present within the Study Area.

12. Lack of Community Planning

As defined in the Act, “lack of community planning” means that 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 condition must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The Elk Grove Business Park was developed as a planned manufacturing district more than 50 years ago, and as a result was developed in accordance with a community plan. However, industrial development standards were much different then than they are today. As has been described previously, many of industrial parcels along Lively Boulevard, Crossen Avenue and Seegers Avenue are small. Access drives located in side yards provide access to employee parking at the rear of the lots, but in many cases are too narrow to accommodate delivery trucks. Rear yards are too shallow to allow even small trucks to turn around or to directly access loading docks found at the rear of the buildings. Loading docks located along front facades are generally not recessed sufficiently to prevent trucks berthed in the loading docks from extending across sidewalks and into the street. Large trucks often block the public street when backing into loading docks or simply park in the street for deliveries.

The original storm water management system relied on drainage ditches rather than the storm sewer and detention facilities that are part of contemporary industrial parks. The water and sanitary sewer system also generally dates to the initial development of the Elk Grove Business Park. The

existing infrastructure has become increasingly substandard with respect to contemporary industrial development standards.

Lack of community planning is also demonstrated by instances of inadequate street layout and examples of roadway improvements that have limited access. Higgins Road is under the jurisdiction of the Illinois Department of Transportation (IDOT). Over the years, IDOT has expanded the capacity of the roadway and installed raised medians in certain locations. The access restrictions along Higgins Road may impact the potential development of vacant land within the improved portion of the Study Area.

Stanley Street provides access to 15 industrial buildings north of Oakton Street. Stanley Street in this location is a dead end street that terminates at Gullo Avenue, a half-width street with employee parking along one side. There is no cul-de-sac at the street end to facilitate turning movements of cars (much less delivery trucks and other service vehicles). The street width, access drives and rear yards are of inadequate width to accommodate large trucks or semi-trailers. From Higgins Road, Stanley Street provides access to five single-family houses. However, these two street segments are not connected, separating residential and industrial properties but creating problematic circulation for all.

The conditions described above directly impact 74% of improved tax parcels and the remaining parcels indirectly. the result is an industrial environment that does not reflect “best practice” industrial development practices.

Conclusion: This condition was used to qualify the improved portion of the Study Area as a conservation area under the Act because it is meaningfully present and reasonably distributed as required by the Act.

13. Lagging or Declining Equalized Assessed Value

As defined in the Act, this condition is present when the Study Area can be described by one of the following three conditions 1) the total equalized assessed value (“EAV”) has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years; or 3) the total EAV 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 of the last five calendar years for which information is available.

As shown in *Table A: Comparative Increase in Equalized Assessed Value (EAV)*, the EAV of the Study Area declined in four of the last five years. The EAV of the Study Area has also been less than the increase in the Consumer Price Index (CPI) for All Urban Consumers in four of the last five years. Finally, the EAV of the Study Area either lagged growth in the remainder of the Village or decreased by a larger percentage than the Village in four of the last five years. Thus, each of the necessary standards for establishing the presence of this factor has been met, only one of which is required.

Table A: Comparative Increase in Equalized Assessed Value (EAV)					
	2016 EAV	2015 EAV	2014 EAV	2013 EAV	2012 EAV
All Study Area PINs	\$26,280,325	\$24,977,928	\$26,868,200	\$27,413,304	\$29,874,514
% Change from Prior Year	5.2%	-7.0%	-2.0%	-8.2%	-9.7%
<hr/>					
Elk Grove Village, Excluding Study Area	\$1,861,003,301	\$1,670,026,742	\$1,697,169,928	\$1,665,501,454	\$1,911,210,185
% Change from Prior Year	11.4%	-1.6%	1.9%	-12.9%	-8.2%
<hr/>					
CPI % Calendar Year Change from Prior Year	1.3%	0.1%	1.6%	1.5%	2.1%

Source: Cook County Clerk, U.S. Bureau of Labor Statistics

Conclusion: This factor was used to qualify the Study Area as a conservation area under the Act.

VACANT LAND

Two tax parcels are classified as vacant land. Vacant land may qualify as a blighted area if two of the six eligibility factors discussed below are found to be present in the Study Area, or if any one of several other conditions exists. The two vacant tax parcels within the Study Area meet the criteria required for designation as a "vacant blighted area" as set forth in the Act, because they are impacted by three of these conditions.

A. *Obsolete Platting*

This factor is present when the platting of vacant land results in parcels of limited or narrow size or configuration of parcels in irregular size or shape that would be difficult to develop on a planned basis, in a manner compatible with contemporary standards and requirements. Obsolete platting is also evident where there is a failure to create rights-of-way for streets or alleys or where public rights-of-way are of inadequate widths, or easements for public utilities have not been provided.

The vacant land cannot be developed on a planned basis without consolidation and resubdivision of land into appropriate development sites with appropriate Higgins Road access. New streets and utility easements will be required to facilitate the development of the vacant land in the Study Area. The vacant land must be subdivided in order to create sites that meet contemporary industrial development standards.

Conclusion: This factor is meaningfully present and reasonably distributed within the Study Area affecting both vacant tax parcels.

B. *Diversity of Ownership*

This factor is present when the number of owners of the vacant land is sufficient in number to retard or impede the assembly of land for development.

Conclusion: This factor is not present within the Study Area, since the vacant land is under common ownership.

C. Tax and Special Assessment Delinquencies

This factor exists when tax or special assessment delinquencies exist or the vacant land has been the subject of tax sales under the property tax code within the last five years.

Conclusion: This factor was not found to be present within the Study Area.

D. Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land has been previously discussed. The improved part of the Study Area is adjacent to the vacant portion of the Study Area. As described previously in this report, deterioration is present with respect to 82% of improved tax parcels.

Conclusion: Deterioration of structures or site improvements in neighboring areas adjacent to the vacant area impacts is meaningfully present and reasonably distributed impacting the two tax parcels classified as vacant land.

E. Environmental Clean-Up

As defined in the Act, “environmental clean-up” means that 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.

Conclusion: This condition was not found to be present with respect to vacant land within the Study Area.

F. Lagging or Declining EAV

As defined in the Act, a “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five 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 of the last five calendar years prior to the year in which the redevelopment project area is designated.

The Act specifies that this factor be applied to the Study Area as a whole and does not differentiate between vacant land and improved property. As shown in *Table A: Comparative Increase in Equalized Assessed Value (EAV)*, the year over year EAV change for the Study Area meets the necessary eligibility threshold established by the Act.

Conclusion: This factor was used to qualify the Study Area as a blighted vacant area under the Act.

Conclusion

On the basis of the above review of current conditions, the improved portion of the Study Area meets the criteria for qualification as a conservation area. More than 50% of the buildings within the Study Area are 35 years of age or older. A minimum of three of the thirteen eligibility factors are required to qualify as a conservation area under the Act, once this age threshold is met. The Study Area exhibits the presence of seven conservation area eligibility factors that are meaningfully present and reasonably distributed within the Study Area, as determined in the individual analysis of each eligibility factor. Three other eligibility factors were found to be present to a more limited extent. The prevalence of the applicable conservation area eligibility factors are summarized in *Table B: Conservation Area Eligibility Factor Summary*. Maps documenting building age and the distribution of the eligibility factors discussed above and used to establish eligibility for designation as a redevelopment project area are presented on the following pages.

Table B: Conservation Area Eligibility Factor Summary			
Conservation Area Eligibility Factors		Present to a Major Extent	Present to a Limited Extent
<i>(At least three factors must be meaningfully present and reasonably distributed)</i>			
1	Dilapidation		√
2	Obsolescence	√	
3	Deterioration	√	
4	Presence of structures below minimum code standards	√	
5	Illegal use of structures		
6	Excessive vacancies		√
7	Lack of ventilation, light or sanitary facilities		
8	Inadequate Utilities	√	
9	Excessive land coverage or overcrowding of community facilities	√	
10	Deleterious land use or layout		√
11	Lack of community planning	√	
12	Environmental clean-up requirements		
13	Lagging or declining equalized assessed valuation	√	

Vacant land qualifies for designation as a blighted vacant area due to the meaningful presence and reasonable distribution of three of six conditions defined in the Act, as shown in *Table C: Blighted Vacant Area Eligibility Factor Summary*. Under this set of eligibility factors the presence of two conditions is required.

Table C: Blighted Vacant Area Eligibility Factor Summary			
Eligibility Factors Applicable to Vacant Land		Present to a Major Extent	Present to a Limited Extent
<i>(At least two factors must be meaningfully present and reasonably distributed)</i>			
A	Obsolete platting	√	
B	Diversity of ownership		
C	Tax and special assessment delinquencies		
D	Deterioration of structures or site improvements in areas adjacent to vacant land	√	
E	Environmental clean-up requirements		
F	Lagging or declining equalized assessed valuation	√	

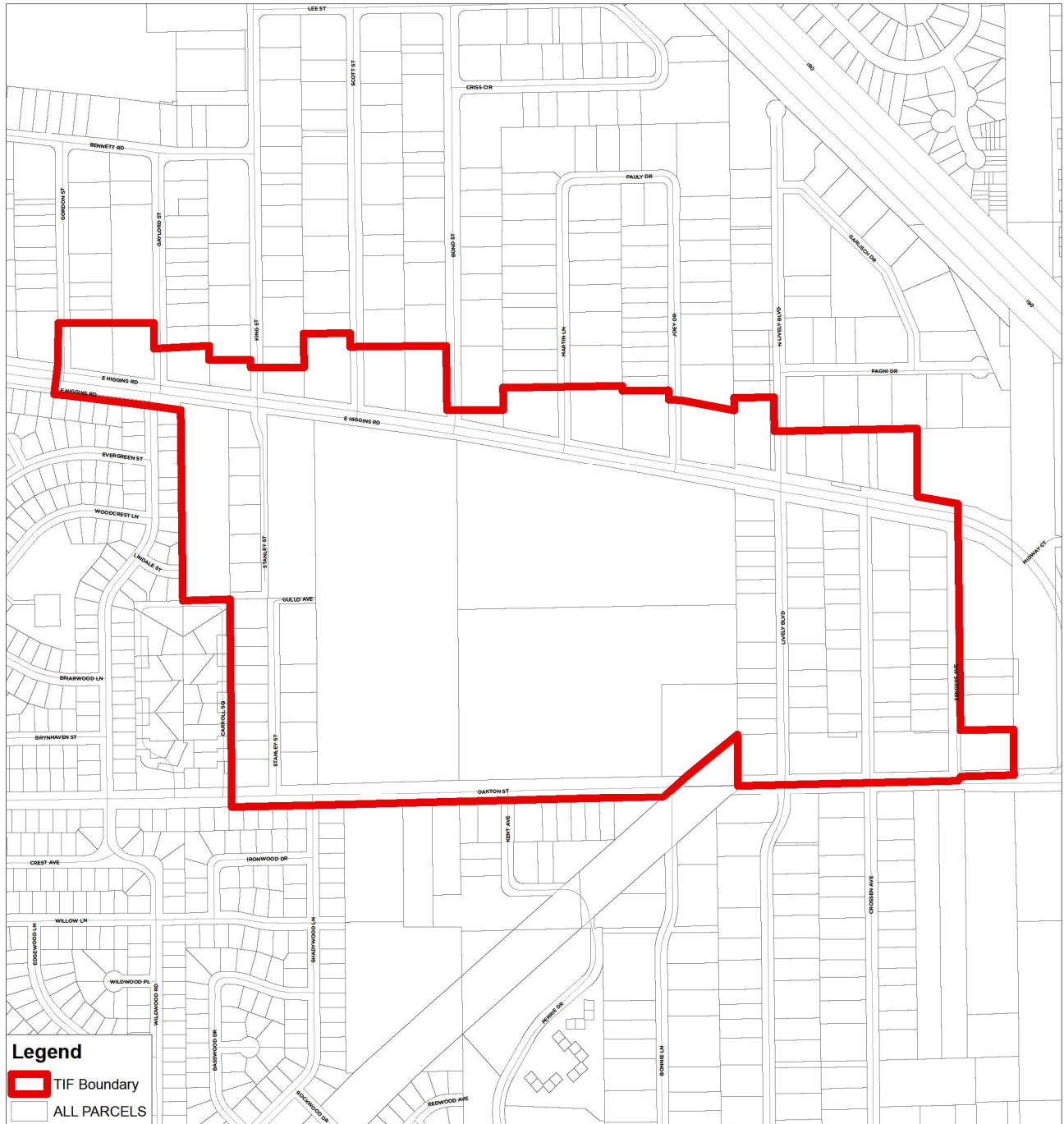


Figure A: Study Area

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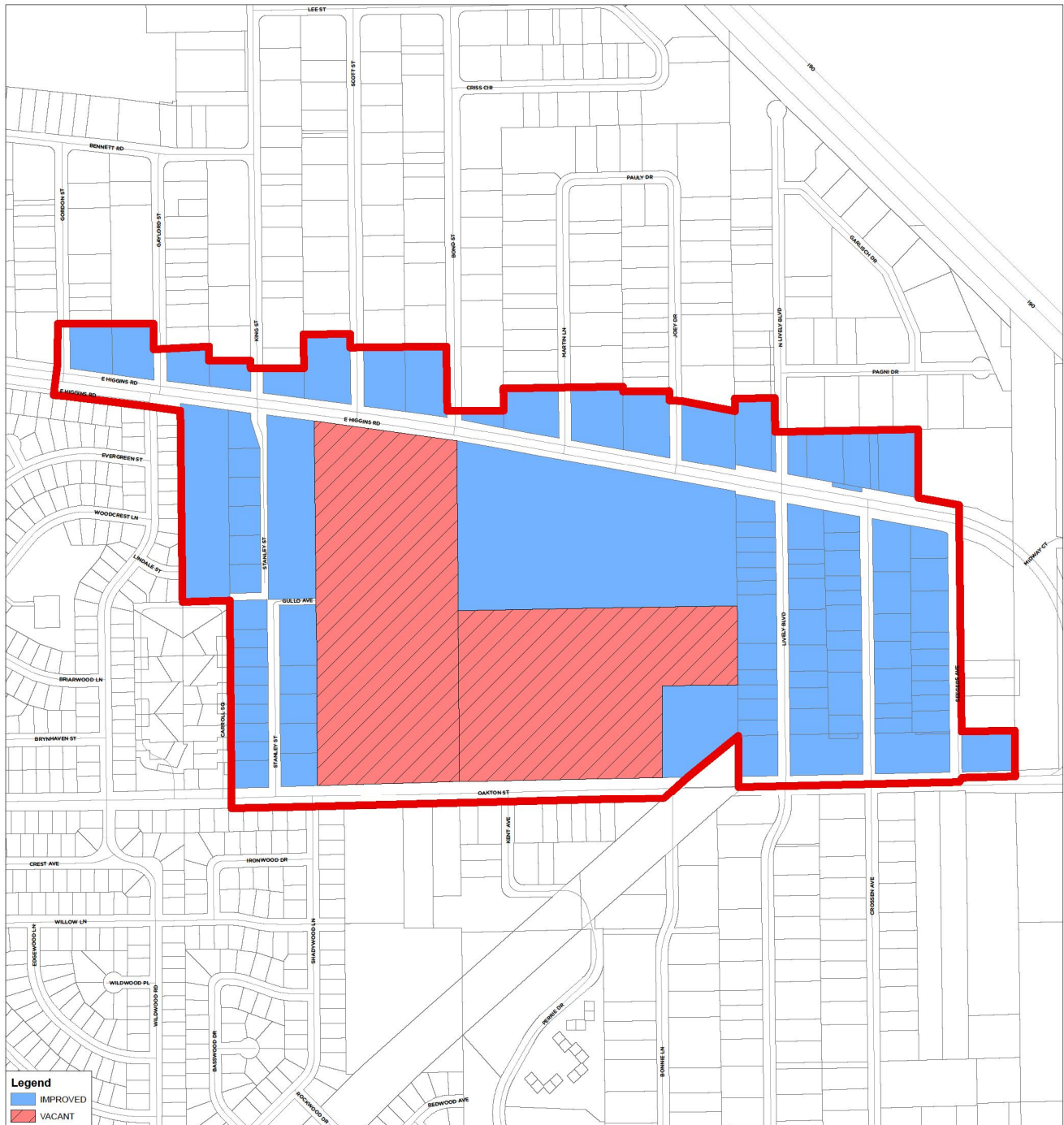


Figure B: Property Type

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0 0.4 Miles



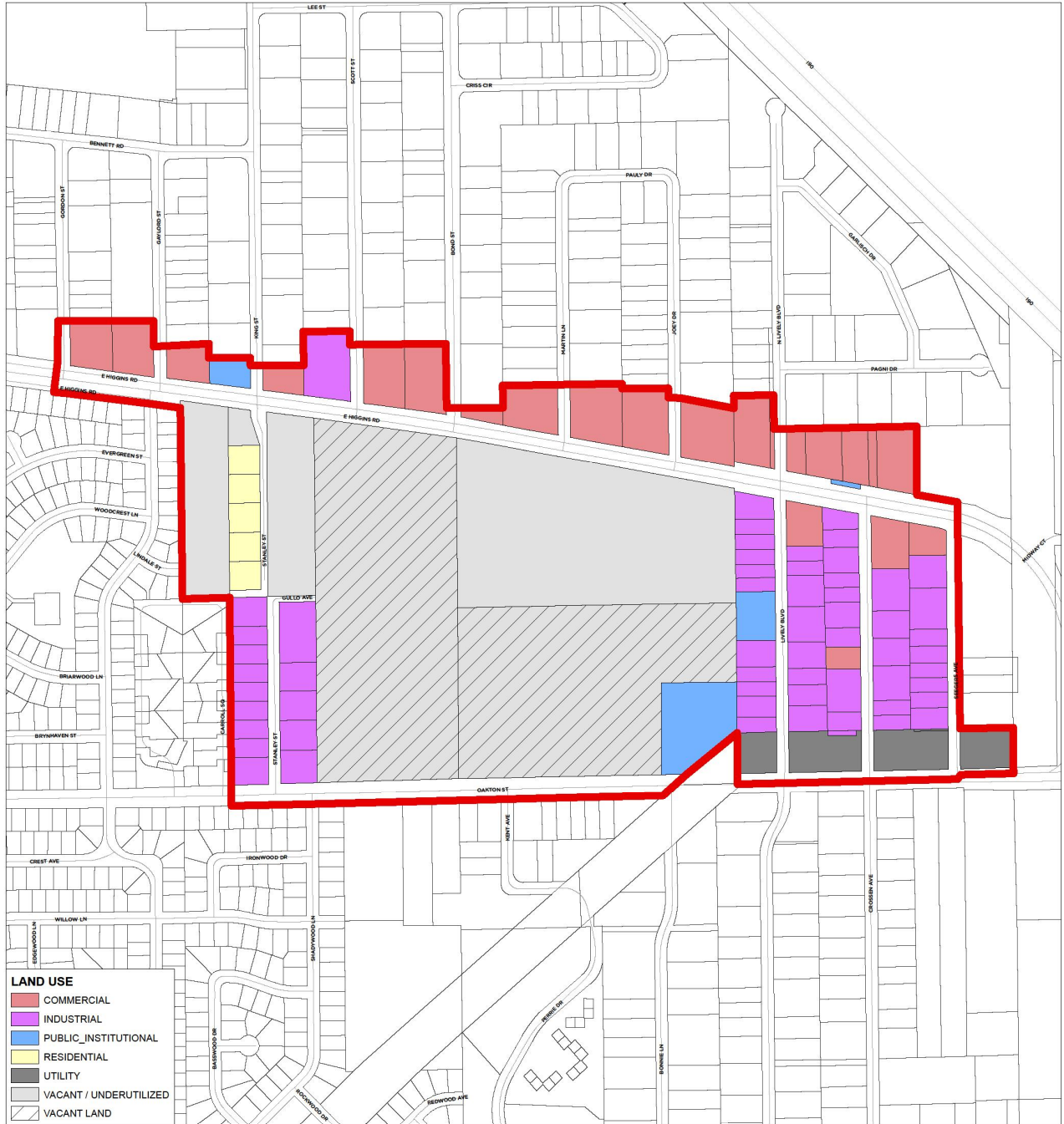


Figure C: Existing Land Use

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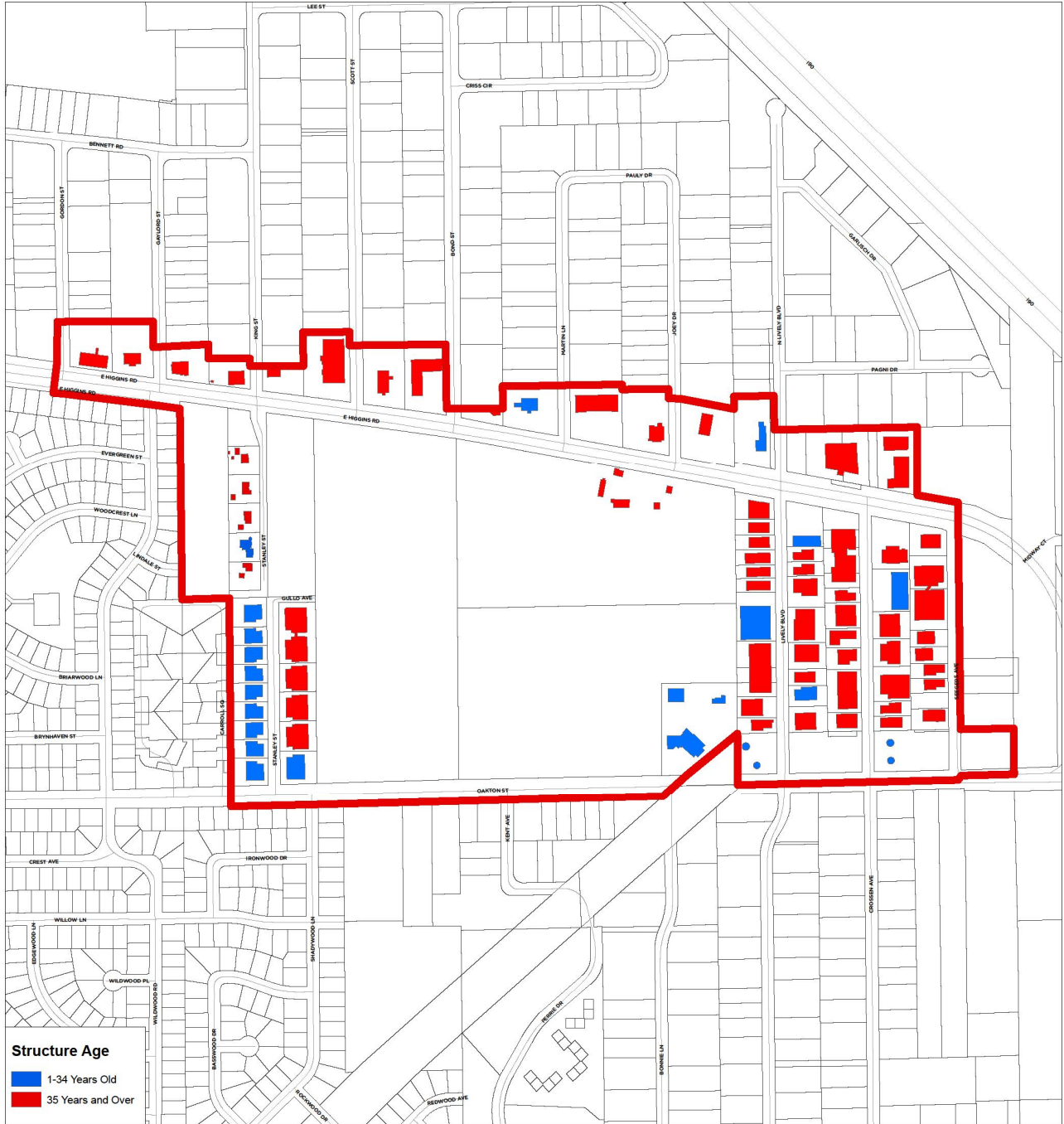


Figure D: Building Age

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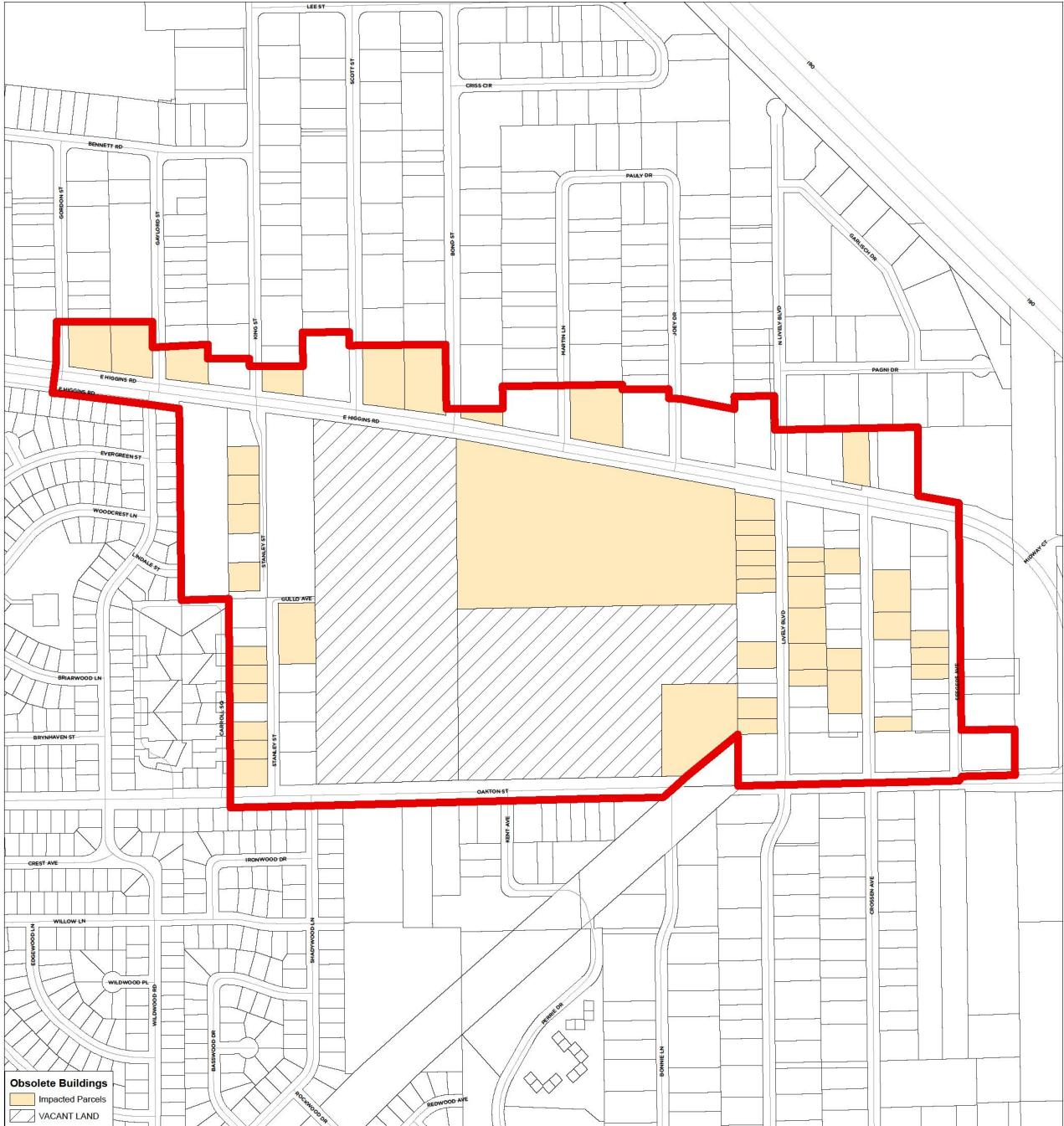
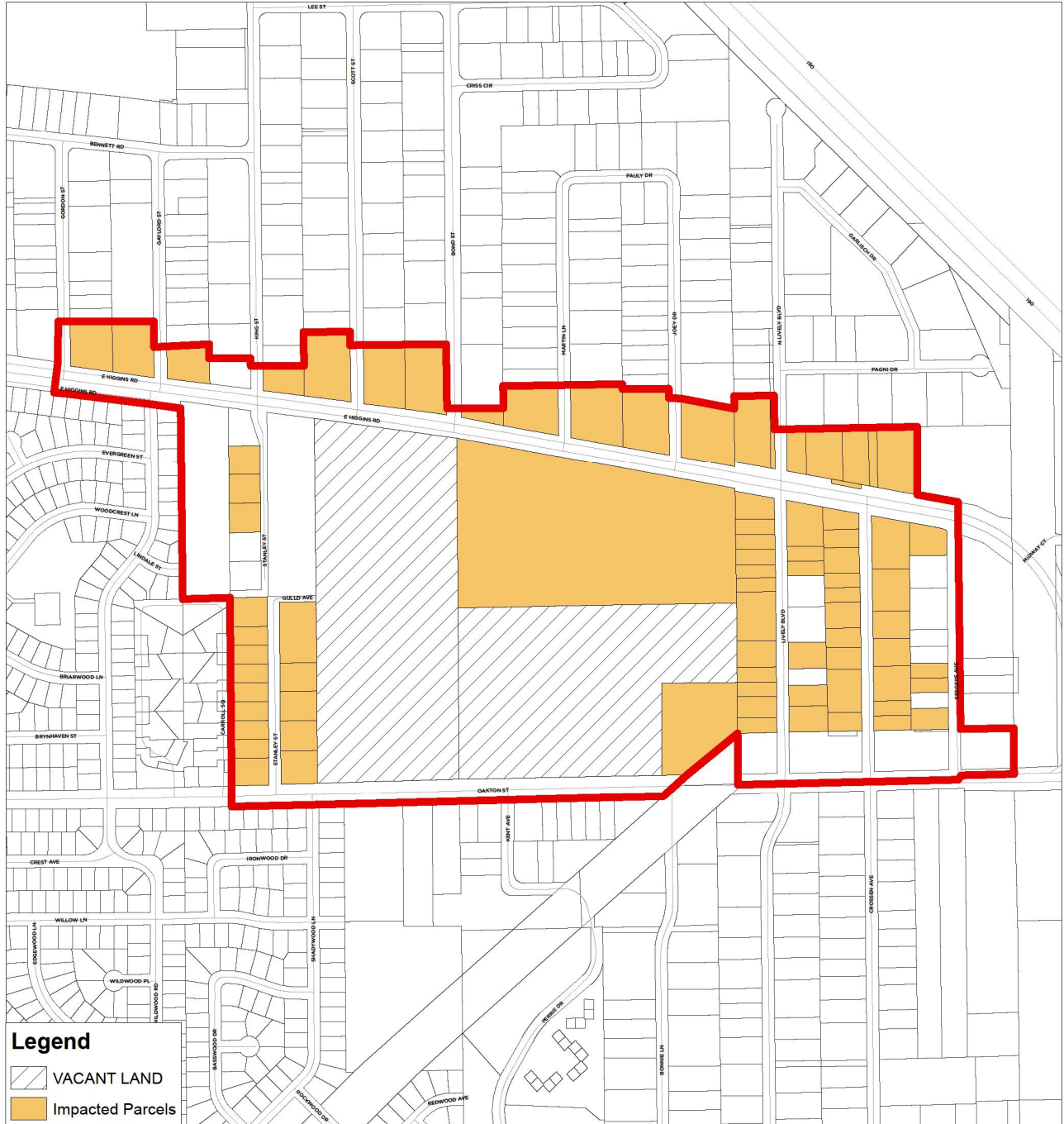


Figure E: Obsolescence

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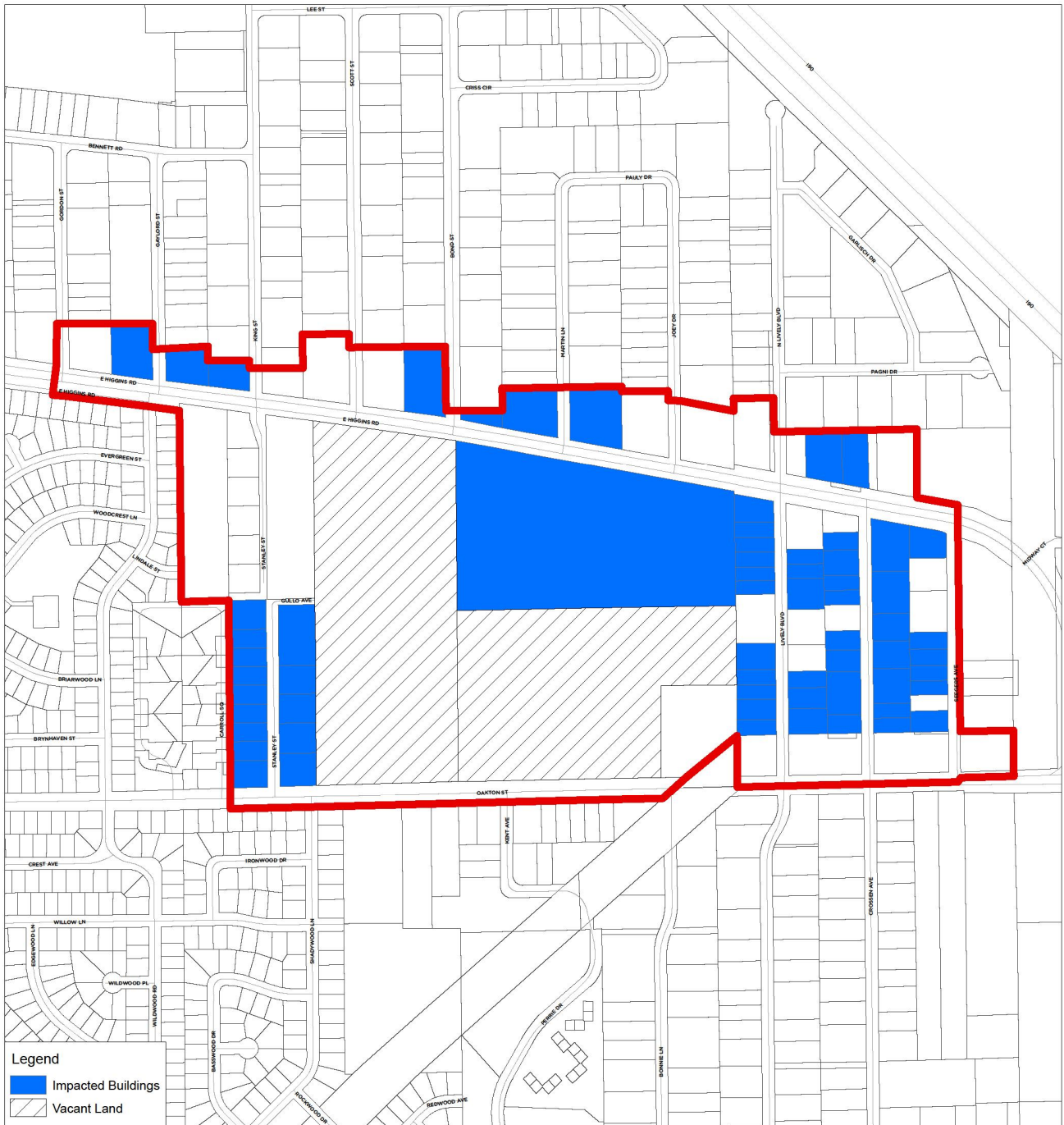


Figure G:
Structures Below Minimum
Code Standards

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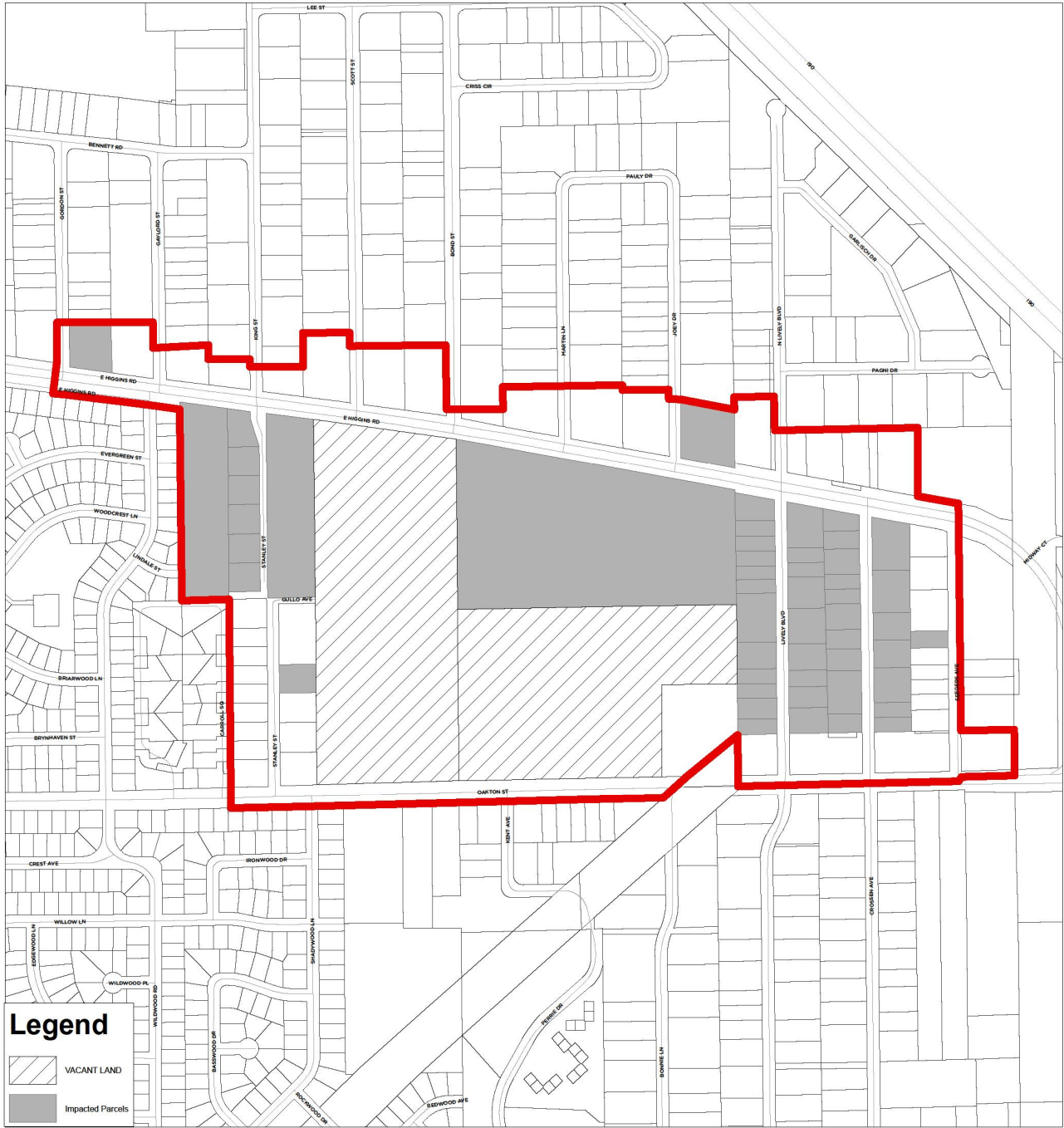


Figure H: Inadequate Utilities

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Figure I:
Excessive Land Coverage and
Overcrowding of Community Facilities

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APPENDIX D
HIGGINS ROAD CORRIDOR TIF
REDEVELOPMENT PROJECT AREA
INITIAL EQUALIZED ASSESSED VALUE BY PIN

#	2016 PIN	2016 EAV	#	2016 PIN	2016 EAV
1	08-21-401-010-0000	\$329,354	39	08-22-304-006-0000	\$45,641
2	08-21-401-027-0000	\$738,413	40	08-22-400-044-0000	\$127,862
3	08-22-300-006-0000	\$1,877,056	41	08-22-400-045-0000	\$439,612
4	08-22-300-009-0000	\$480,513	42	08-22-400-046-0000	\$511,584
5	08-22-300-012-0000	\$655,638	43	08-22-400-047-0000	\$68,799
6	08-22-300-031-0000	\$376,495	44	08-22-400-049-0000	\$537,937
7	08-22-300-044-0000	\$0	45	08-22-400-054-8001	\$0
8	08-22-300-059-0000	\$337,474	46	08-22-400-054-8002	\$891
9	08-22-301-009-0000	\$280,320	47	08-22-400-055-0000	\$37,468
10	08-22-301-029-0000	\$950,801	48	08-22-400-064-0000	\$434,863
11	08-22-301-031-0000	\$490,560	49	08-22-402-007-0000	\$220,163
12	08-22-301-065-0000	\$297,722	50	08-22-402-008-0000	\$177,703
13	08-22-301-067-0000	\$682,540	51	08-22-402-009-0000	\$339,482
14	08-22-302-002-0000	\$6,238	52	08-22-402-010-0000	\$147,401
15	08-22-302-003-0000	\$265,704	53	08-22-402-015-0000	\$522,065
16	08-22-302-005-0000	\$69,769	54	08-22-402-016-0000	\$209,438
17	08-22-302-012-0000	\$360,912	55	08-22-402-017-0000	\$192,720
18	08-22-302-016-0000	\$248,624	56	08-22-402-018-0000	\$96,542
19	08-22-302-017-0000	\$248,624	57	08-22-402-019-0000	\$181,479
20	08-22-302-018-0000	\$248,624	58	08-22-402-020-0000	\$210,240
21	08-22-302-019-0000	\$327,927	59	08-22-402-021-0000	\$182,208
22	08-22-302-020-0000	\$208,348	60	08-22-402-038-0000	\$219,561
23	08-22-302-021-0000	\$86,599	61	08-22-402-039-0000	\$138,041
24	08-22-302-022-0000	\$74,075	62	08-22-402-040-0000	\$382,466
25	08-22-302-023-0000	\$126,867	63	08-22-402-041-0000	\$242,993
26	08-22-302-024-0000	\$220,752	64	08-22-402-042-0000	\$212,979
27	08-22-302-025-0000	\$130,413	65	08-22-402-043-0000	\$394,253
28	08-22-302-026-0000	\$196,297	66	08-22-402-044-0000	\$198,677
29	08-22-302-027-0000	\$169,832	67	08-22-402-046-0000	\$383,851
30	08-22-302-028-0000	\$502,569	68	08-22-402-047-0000	\$315,727
31	08-22-303-002-0000	\$4,808	69	08-22-402-048-0000	\$143,302
32	08-22-303-008-0000	\$0	70	08-22-402-049-0000	\$399,456
33	08-22-303-009-0000	\$4,995	71	08-22-402-050-0000	\$414,874
34	08-22-304-001-0000	\$24,576	72	08-22-402-051-0000	\$481,800
35	08-22-304-002-0000	\$62,850	73	08-22-402-052-0000	\$595,680
36	08-22-304-003-0000	\$81,055	74	08-22-402-054-0000	\$25,543
37	08-22-304-004-0000	\$37,080	75	08-22-402-055-0000	\$322,368
38	08-22-304-005-0000	\$128,885	76	08-22-402-056-0000	\$273,312

#	2016 PIN	2016 EAV
77	08-22-402-057-0000	\$0
78	08-22-402-058-0000	\$273,088
79	08-22-402-060-0000	\$268,911
80	08-22-402-061-0000	\$290,832
81	08-22-402-064-0000	\$381,437
82	08-22-402-065-0000	\$188,302
83	08-22-402-067-0000	\$150,950
84	08-22-402-068-0000	\$332,880
85	08-22-402-069-0000	\$170,322
86	08-22-402-070-0000	\$385,440
87	08-22-402-071-0000	\$178,272
88	08-22-402-072-0000	\$78,394
89	08-22-402-073-0000	\$313,081
90	08-22-402-074-0000	\$330,508
91	08-22-402-075-0000	\$148,570
92	08-22-402-079-0000	\$151
93	08-22-402-081-0000	\$553,366
94	08-22-402-082-0000	\$2,453
95	08-22-402-083-0000	\$26,249
96	08-22-402-084-0000	\$727,781
97	08-22-402-085-0000	\$135,762
98	08-22-402-086-0000	\$181,286
Total		\$26,280,325