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VILLAGE OF DOWNERS GROVE Report for the Village 5/10/2022

SUBJECT:	SUBMITTED BY:
Washington and Curtiss Street TIF - Adoption	Stan Popovich, AICP Director of Community Development

SYNOPSIS

The Village is requesting approval of three ordinances which are required to establish the proposed Washington and Curtis Street TIF District. These ordinances include:

- Ordinance approving the Washington and Curtiss Street TIF District Redevelopment Project Area.
- Ordinance designating the Washington and Curtiss Street TIF District Redevelopment Project Area.
- Ordinance adopting the Tax Increment Allocation Financing for the Washington and Curtiss Street TIF District.

STRATEGIC PLAN ALIGNMENT

The goals for 2021-2023 include Steward of Financial, Environmental and Neighborhood Sustainability, Exceptional Municipal Services, Top Quality Infrastructure, and Continual Innovation.

FISCAL IMPACT

N/A

RECOMMENDATION

UPDATE & RECOMMENDATION

This item was discussed at the May 3rd, 2022 Village Council meeting. Staff recommends approval on the May 10, 2022 active agenda per the Joint Review Board's 7-0 recommendation to adopt the proposed Washington and Curtiss Street TIF District and the associated ordinances.

BACKGROUND

The FRSP provides a complete financing plan for all costs associated with the design and construction of the new Civic Center facility and related site improvements. One of the funding sources includes the sale of land (approximately 1.3 acres of the existing Civic Center property) for construction of an apartment development. Property taxes from the new development will be collected and also used to support the FRSP. This revenue source will assist in making annual payments on the bonds that will be issued to support construction of the

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Civic Center facility and related site improvements. The establishment of a TIF District with boundaries that encompass the Civic Center property provides the mechanism for the collection of this property tax revenue.

A draft eligibility report and TIF Plan was prepared and placed on file with the Village Clerk. The plan meets all statutory requirements for the establishment of the TIF District. It identifies that conditions such as obsolescence, deterioration, inadequate utilities, deleterious layout and lack of community planning were exhibited in the project area, qualifying the project area as a "redevelopment project area" pursuant to the TIF Act. The Village held a public hearing regarding the proposed Redevelopment Plan and Redevelopment Projects, Redevelopment Project Area and Adoption of Tax Increment Allocation Financing on April 12, 2022.

The following table summarizes the project schedule necessary to comply with the required steps for the establishment of the TIF District.

Action Item	Date
TIF Plan and Eligibility Report placed on file at Village Clerk's Office	December 23, 2021
Village Council adopted an ordinance authorizing the public hearing regarding the draft TIF Plan and Eligibility Report. The ordinance also called for the Joint Review Board to be properly noticed and convened.	January 18, 2022
Joint Review Board convened to review the planning documents. The Board unanimously recommended approval of ordinances for the proposed TIF District (see attached minutes and recommendation).	February 14, 2022
Village Council holds Washington and Curtiss Street TIF Public Hearing	April 12, 2022
Village Council, under first reading, considers ordinances to adopt TIF Plan, establish the Redevelopment Project Area and to adopt tax increment financing	May 3, 2022
Village Council adopts of TIF ordinances	May 10, 2022

ATTACHMENTS

- 1. Ordinances
- 2. JRB Recommendations
- 3. Draft Minutes February 14, 2022 JRB Meeting

VILLAGE OF DOWNERS GROVE COUNCIL ACTION SUMMARY

INIT	TATED:	Village Attorney	DATE:	May 10, 2022
		(Name)		
REC	OMMENDA	ATION FROM:		FILE REF:
			oard or Department)	
NAT	URE OF AC	CTION:	STEPS NEEDED	TO IMPLEMENT ACTION:
<u>X</u>	Ordinance		_	AN ORDINANCE APPROVING NT REDEVELOPMENT PLAN
	Resolution	ı	AND REDEVELO	PMENT PROJECT FOR ON AND CURTISS STREET
	Motion			VT PROJECT AREA", as
	Other		presented.	68
<u>SUM</u>	MARY OF	ITEM:		
Adop projec		dinance shall approve	the Washington and Cu	urtiss Street redevelopment plan and
REC	ORD OF AC	CTION TAKEN:		
-			,	

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ORDINANCE NO. 2022-____

AN ORDINANCE OF THE VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY, ILLINOIS, APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR THE WASHINGTON AND CURTISS STREET REDEVELOPMENT PROJECT AREA

PASSED AND APPROVED BY THE COUNCIL THIS ____ DAY OF _____, 2022

Published in pamphlet form by Authority of the Corporate Authorities of Downers Grove, Illinois The _____ day of _____, 2022 ORD 2022-9425 Page 5 of 79

ORDINANCE NO. 2022 -

AN ORDINANCE OF THE VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY, ILLINOIS, APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR THE WASHINGTON AND CURTISS STREET REDEVELOPMENT PROJECT AREA

WHEREAS, it is desirable and in the best interest of the citizens of the Village of Downers Grove, DuPage County, Illinois (the "Village"), for the Village to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan and Project") within the municipal boundaries of the Village and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Council of the Village of Downers Grove (the "Corporate Authorities") called and conducted a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act on April 12, 2022; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Illinois Department of Commerce and Economic Opportunity by certified mail on January, 21, 2022, by publication on March 17, 2022 and March 18, 2022 and by certified mail to taxpayers within the Area on March 21, 2022; and

WHEREAS, on January 21, 2022, notice was provided by mail to all residential addresses that, after a good faith effort, the Village determined were located within 750 feet of the Area; and

WHEREAS, the Village did heretofore convene a Joint Review Board as required by and in all respects in compliance with the provisions of the Act; and

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WHEREAS, the Joint Review Board met on February 14, 2022 to review the public record, planning documents and proposed ordinances approving the Plan and Project and consider whether the Plan and Project and Area satisfy the requirements of the Act; and

WHEREAS, on February 14, 2022, the Joint Review Board considered recommended approval of the Plan and Project and the designation of the Area; and

WHEREAS, the Plan and Project set forth the factors that caused the proposed Area to qualify as a "conservation area" and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that have caused all or part of the Area to be a "conservation area" as defined in the Act; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would substantially benefit from the proposed Project improvements; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Village as a whole to determine whether the proposed Plan and Project conform to the comprehensive plan of the Village.

NOW, THEREFORE, BE IT ORDAINED by the Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

Section 1. Findings. That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

- b. Conditions exist which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a "conservation area" as defined in the Act.
- c. The proposed 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 Plan.
- d. The Plan and Project conform to the comprehensive plan for the development of the Village as a whole.
- e. As set forth in the Plan it is anticipated that construction activities of the Project will be completed within twenty-three (23) years after the Area is designated and that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan shall be retired not later than December 31 of the year in which payment to the municipal treasurer is made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which this ordinance approving the Plan and Project is adopted by the Corporate Authorities.
- f. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.
- g. The implementation of the Plan and Project will not result in the displacement of residents from ten (10) or more inhabited residential dwelling units.

h. The Area does not contain seventy-five (75) or more inhabited residential dwelling units.

Section 2. Plan and Project Approved. That the Plan and Project, which were the subject matter of the public hearing held April 12, 2022 are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

Section 3. Invalidity of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 4. Superseder and Effective Date. All ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage and approval in the manner provided by law.

day of

, 2022.

		•	
AYES:		_	
NAYS:		_	
ABSENT:		_	
		MAYOR	
ATTEST:			
VILLAGE CLE	RK		

1\mw\ord.22\TIF- Washington & Curtiss Apv Plan & Project

PASSED and APPROVED this

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EXHIBIT A

Proposed Washington and Curtiss Street Redevelopment Project Area - Legal Description

That part of Section 8, Township 38 North, Range 11 East of the Third Principal Meridian, described as follows:

(Described with the intent to follow the existing right-of-way lines and existing property boundary lines, and as such, the courses and distances described herein are superseded by the right-of-way lines and property lines that they are intended to follow as shown on "Exhibit A")

Beginning on the northerly line of Lot 5 in Wallace's Subdivision (recorded as document number R1897-063726) at the intersection of the north line of said Lot 5 with the northwest line of said Lot 5; thence easterly, along the north line of said Lot 5 a distance of 100 feet to the northeast corner of said Lot 5; thence southeasterly, along the easterly line of said Lot 5, to a point on a line that is 20-feet southerly of the north line of said Lot 5 (as measured at right angles to the north line); thence westerly, along a line that is 20-feet southerly of and parallel with the northerly line of said Lot 5, to the easterly line of Lot 6 in said Wallace's Subdivision; thence southeasterly along the easterly line of said Lot 6 to a point that is 35 feet south of the northerly line of said Lot 6 (as measured at right angles to the north line of said Lot 6); thence southwesterly, along a line that is 35 feet south of and parallel with the north line of Lot 6 and 7 in said Wallace's subdivision to the westerly line of said Lot 7; thence northwesterly along the westerly line of said Lot 7 a distance of 35 feet to the northwest corner of said Lot 7; thence southwesterly along the northerly line of Lot 8 in said Wallace's subdivision and continuing along the northerly line of lot 5 in Assessor's Subdivision of Part of Section 7 and 8 (recorded as document number R1871-014481) and further continuing along the northerly line of Lot 1 in Buschmann's Subdivision (recorded as document number R1918-133679) to the northwest corner of said Lot 1 (said point also being on the east line of Mackie Place); thence northwesterly to the northeast corner of Lot 1 in Peter Halkier's Resubdivision (recorded as document number R1941-429519) (said point being at the intersection of the westerly line of Mackie Place and the southerly line of Curtiss Street; thence southwesterly along the southerly line of Curtiss Street to a point that is at the intersection of said southerly line of Curtiss Street with the east line of the west 50 feet of Lot 6 in Block 2 of Curtiss' Addition to Downers Grove Subdivision (recorded as document number R1866-007317) extended south; thence northerly on the extension of the east line of the west 50 feet of Lot 6 in Block 2 in Curtiss' Addition to Downers Grove aforesaid and the east line of the west 50 feet of Lot 6 aforesaid to the north line of said Lot 6: thence northeasterly, along the northerly line of said Lot 6 and Lot 5 in said Curtiss' Addition to Downers Grove, to the west line of the east 5.5 feet of Lot 7 in Randall's Resubdivision (recorded as document number R1875-020748); thence northerly along the west line of the east 5.5 feet of Lot 7 in Randall's Resubdivision aforesaid to the southerly line of Burlington Avenue; thence northerly to the intersection of the north line of Warren Avenue with the west line of Washington Street (said point being 14.00 feet north of the southeast corner of Lot 13 in Gallagher's Subdivision recorded as document R1923-162910); Thence easterly to a point on the east line of Washington Street that is 14 feet north of the southwest corner of Lot 6 in Beardsley's Addition to Downers Grove (recorded as document R1868-009654); thence southerly, along the east line of

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Washington Street to the intersection with the North line of Warren Avenue (said point being the Southwest corner of Lot 6 in Beardsley's Addition aforesaid; thence easterly along the north line of Warren Avenue to a point drawn on a line from the point of beginning perpendicular to the north line of Warren Avenue; thence southerly to the point of beginning; all in DuPage County, Illinois.

Except for leasehold PINs 09-08-211-016 and 09-08-211-015

09-08-131-018 09-08-131-019 09-08-211-001 09-08-211-002 09-08-211-003 09-08-211-014 09-08-304-008 09-08-502-001 09-08-502-007 09-08-502-008 ORD 2022-9425 Page 11 of 79

EXHIBIT B

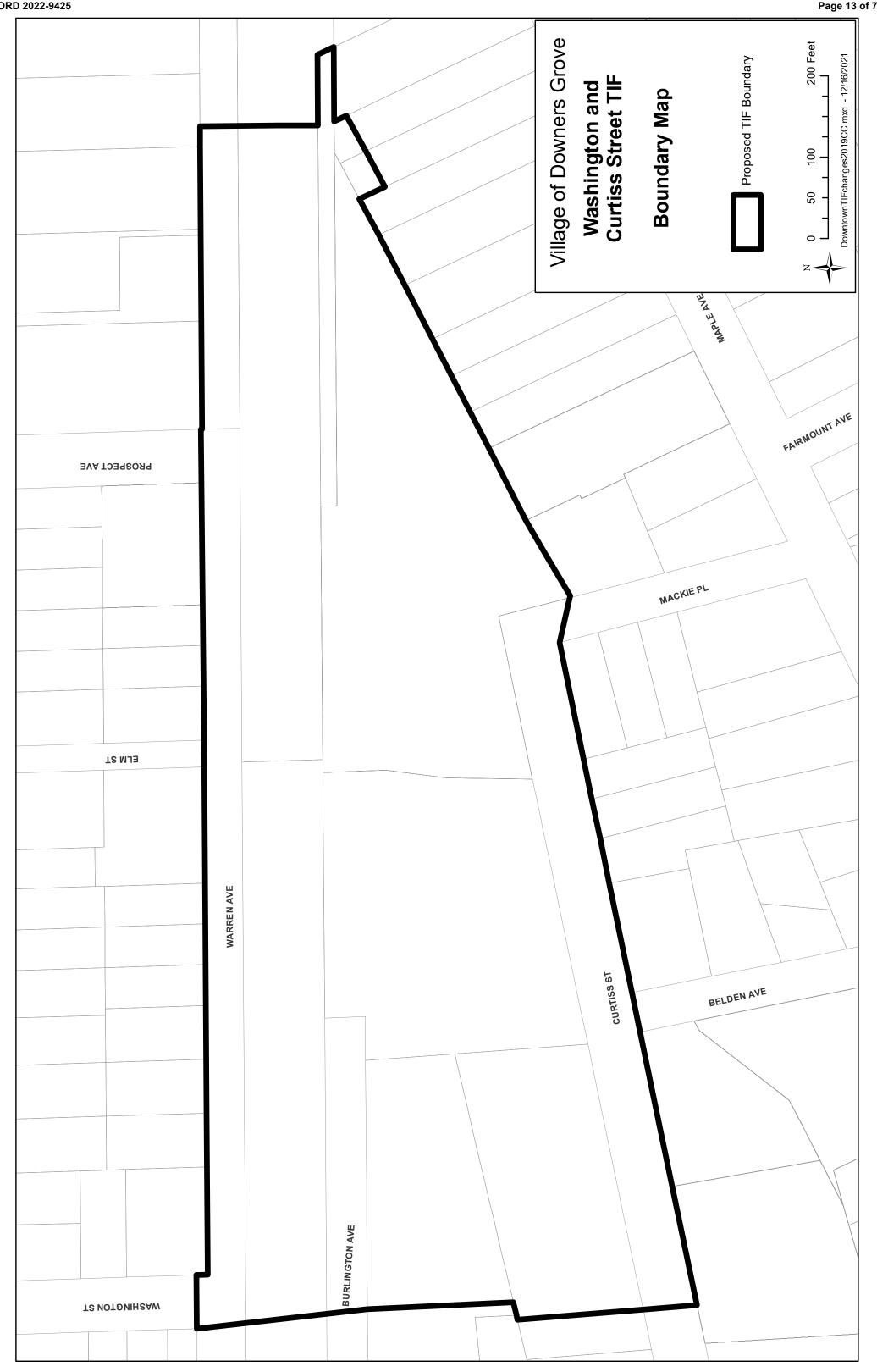
General Street Location

The proposed Redevelopment Project Area is generally described as a contiguous area which generally includes parcels bordered by Warren Avenue to the north, Curtiss Street to the south, the borders of parcels of property owned by the Village to the east and to the west and including adjacent rights of way.

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EXHIBIT C

Boundary Map



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EXHIBIT D

Redevelopment Plan and Project

VILLAGE OF DOWNERS GROVE REDEVELOPMENT PLAN AND PROJECT TAX INCREMENT FINANCING (TIF) WASHINGTON AND CURTISS STREET REDEVELOPMENT PROJECT AREA

Jointly Prepared By:

Village of Downers Grove, Illinois

And

Kane, McKenna and Associates, Inc.

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EXHIBITS

Exhibit 1	-	Boundary Map
Exhibit 2	-	Legal Description
Exhibit 3	-	TIF Eligibility Report
Exhibit 4	-	Existing Land Use Map
Exhibit 5	-	Proposed Land Use Map

I. <u>INTRODUCTION</u>

The Village of Downers Grove (the "Village") is located in DuPage County, approximately twenty-two (22) miles west of the City of Chicago. The Village was incorporated in 1873.

In the context of planning for the Washington and Curtiss Street Redevelopment Project Area, the Village has initiated actions related to the study of the redevelopment project area pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et. seq., as amended (the "Act" or the "TIF Act") in its entirety to determine whether the area qualifies for consideration as redevelopment project area pursuant to the TIF Act (the "RPA" or "Redevelopment Project Area").

The RPA is generally bounded by Warren Avenue on the north, Curtiss Street on the south, the property lines of the Village properties to the east and the property lines of the Village properties to the west and consists of approximately 14.54 acres (including right of way property).

The RPA includes institutional uses including the Village's police station, fleet services facility and administrative building, a building converted from a single-family home to a commercial/office use and commuter and public parking lots.

Conditions such as: obsolescence, deterioration, inadequate utilities, deleterious layout and lack of community planning were identified and have been documented pursuant to site visits and Village review.

The RPA may be suitable for reuse if there is coordination of redevelopment activities by the Village. Under this Redevelopment Plan and Project and as part of its comprehensive economic development planning, the Village intends to attract and encourage commercial and mixed uses to locate, their facilities within the Village and to reinvest in the RPA. The Village has undertaken an initiative, through the designation of the RPA, to redevelop the property and, in doing so, stabilize and expand benefits to the community and affected taxing districts.

A. The Redevelopment Plan

The Village recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA and to stimulate and enhance private development. Private investment attraction and redevelopment of properties are key components of the strategy. The needed private investment may only be possible if tax increment financing (TIF) is adopted pursuant to the terms of the TIF Act. Incremental property tax revenue generated by redevelopment activities will play a decisive role in encouraging private redevelopment. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts which encompass the area in the form of a significantly expanded tax base.

Comprehensive Plan

The Village's Comprehensive Plan sets for a long-term guide for development and redevelopment within the Village including the identification of various key focus areas. The plans in the Comprehensive Plan include a Commercial Areas Plan, a Downtown Focus Area, a Transportation Plan and a Community Facilities Plan that apply to the proposed RPA. The key focus areas of the Comprehensive Plan include the Downtown area of the Village

As reflected in the Village's Comprehensive Plan, the importance of the redevelopment of the Downtown area (of which the RPA is one portion) is identified in the Commercial Areas Plan:

"The Village of Downers Grove Commercial Areas Plan promotes high quality commercial development. It presents recommendations that are intended to capitalize on the Village's strong position within the region, its excellent access to expressways and transit while at the same time diversifying the Village's tax base and providing the residents with goods and services. The primary goal of the Commercial Areas Plan is to retain, attract and expand high-quality commercial retailers, service providers and employers by addressing the location, size and appearance of commercial areas."

"Downtown Downers Grove is characterized as a mix of uses, dense and compact development, and a pedestrian friendly environment within which to shop, dine, work, and live. The Downtown area, anchored by the Main Street Metra station, provides a unique shopping destination within the community. As the symbolic heart of the Village, providing a unique atmosphere, it is vital that reinvestment redevelopment, and new development reinforce these qualities and preserve and enhance the pedestrian-oriented atmosphere of Downtown Downers Grove. To continue its success and vibrancy, a diverse mix of uses should be promoted and maintained Downtown, including retail, dining, entertainment, professional office and residential uses."

"The activity and physical appearance of vacant or over-parked sites has a significant influence on how visitors and potential patrons to Downers Grove business perceive the community. The Village should promote the redevelopment of underutilized properties."

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, pages 44-50.

The Transportation Plan of the Village's Comprehensive Plan identifies certain policies and recommendations with respect to the street configurations within the Downtown:

"Protect and improve the function of the street network through controlled access, land-use decisions, and street intersection design improvements."

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, page 68.

The Community Facilities Plan of the Village's Comprehensive Plan identifies the needs and long-range recommendations for each community service provider. The Community Facilities Plan identifies the Civic Center for potential redevelopment:

"As the Village explores options to meet future facility needs, there may be opportunities to capitalize on the redevelopment potential of the site and support an appropriate and well-designed transit-oriented development."

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, page 89.

Furthermore, policies and recommendations related to the Community Facilities Plan include recommendations related to the Civic Center site:

"Public sites and buildings should be viewed as potential catalysts for improvement and/or redevelopment of an area. New facilities should be located, designed and developed as focal points and "signature" projects within the community."

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, page 92.

"The importance of public uses (churches, Village Hall, parks, library, post office, and social services) cannot be overstated for the continued success of the Downtown. Preserving key streets as commercial corridors (e.g. Main Street) while also providing areas for public uses encourages visitors to make several stops during a trip to Downtown and encourages them to stay longer"

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, page 110.

The Downtown area has been identified as a key focus area in the Comprehensive Plan and includes recommendations related to certain infrastructure improvements that would benefit the proposed RPA:

"As new development or redevelopment occurs, infrastructure improvements such as the BNSF crossing at Washington Street, may be necessary to accommodate increased residential density."

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, page 106.

RPA Deficiencies

The designation of the area as a Redevelopment Project Area will allow the Village to address area deficiencies including (but not limited to):

- Providing viable uses/redevelopment for the property located within the RPA;
- Redevelop the property in conformance with Village standards;

- Coordinate assembly or consolidation of properties for redevelopment activities;
- Providing infrastructure that is adequate in relation to Village redevelopment plans;
- Provision of continued review of ingress and egress requirements that satisfy area circulation, parking and connections to major arterials;
- Entering into redevelopment agreements in order to include the redevelopment of property and/or to induce new development to locate within the RPA; and
- Improving area appearance through landscape, streetscape and signage programs.

A map of the RPA boundaries is included in Exhibit 1 and is a part of this Redevelopment Plan and Project. The area on the whole would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of a Redevelopment Plan and Project. The Village, with the assistance of Kane, McKenna and Associates, Inc. has commissioned this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will assist in the redevelopment of the area with private capital and provide for increased valuation of the property.

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

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

B. Summary

It is found and declared by the Village, though legislative actions as required by the Act, that in order to promote and protect the health, safety, and welfare of the public, that certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken; and, to alleviate the existing adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas. Public/private partnerships are determined to be necessary in order to achieve redevelopment goals. Without the redevelopment focus and resources

provided under the Act, the redevelopment goals of the Village would not reasonably be expected to be achieved.

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

It is further found, and certified by the Village, in connection to the process required for the adoption of this Redevelopment Plan and Project pursuant to 65 ILCS 5/11-74.4.3(n)(5) of the Act, that this Redevelopment Plan and Project will <u>not</u> result in the displacement of 10 or more inhabited residential units. Therefore, this Redevelopment Plan and Project does not include a housing impact study.

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

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

II.	REDEVELOPMENT	<u>' PROJECT AREA</u>	<u>A LEGAL DESCRIPTION</u>

The Redevelopment Project Area legal description is attached in Exhibit 2.

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III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in conformance with the Village's Comprehensive Plan (including any amendments thereto). The Village's Comprehensive Plan was established in 1965, as supplemented and amended, and the Village's Comprehensive Plan adopted in 2011 and updated in 2015 and 2017. In addition, the Downers Grove Central Business District Master Plan adopted in 1997 and the Facility Condition Assessment, 2012, also provide guidance related to redevelopment activities.

A. General Goals of the Village

The Land Use Plan, the Comprehensive Plan and Facility Sustainability Plan identify the polices that are associated with Village development and planning issues and key concepts that are associated with Village development and planning issues related to the Village's Downtown.

"The Land Use Plan builds upon the existing land uses and development patterns within the Village and is an extension of the Comprehensive Plan's vision, policies and recommendations. The Land Use Plan is intended to promote a sustainable and holistic approach to growth and development that protects and enhances existing neighborhoods and promotes energy efficient building practices, strengthens commercial areas, protects industrial areas and employment centers and enhances the Village's network of parks and open space and provision of community services. The Land Use Plan is a guide for future land use and development that is respective of the fact that the Village is a developed and mature, established community. The Land Use Plan:

- A) Strives to maintain and enhance the traditional form, character and distinguishing features of Downers Grove while accommodating high quality and compatible improvements and new development in selected locations.
- B) Attempts to address land use conflicts that may have arisen as the community plan matured.
- C) Is intended to be sufficiently flexible to accommodate unique or compelling circumstances and the consideration of creative approaches to development that are consistent with overall policies and guidelines in the Comprehensive Plan.

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, page 24.

The Comprehensive Plan identifies the Downtown as a key focus area. The key concepts relating to the development and planning issues for the Downtown include:

- A) Developing boundaries for the Downtown's transition areas with acknowledgment that there may be opportunities for intensification.
- B) The priority for the Downtown should be on infill development and redevelopment of key sites in order to maximize the Downtown's potential.
- C) Importance of public uses cannot be overstated for the continued success of the Downtown.

D) Review circulation patterns, roadway capacities and parking availability downtown after the completion of current developments.

E) As new development or redevelopment occurs, infrastructure improvements such as the BNSF crossing at Washington Street may be necessary to accommodate increased residential density.

Source: Village of Downers Grove Comprehensive Plan adopted 2011, as updated in 2015 and 2017, pages 104-106.

The Facility Condition Assessment identified significant maintenance needs in both the Village Hall and Police Station facilities for which the Village has limited resources available to undertake improvements to these facilities. The Village intends to identify resources sufficient from both the redevelopment of the RPA and other sources of funds available to the Village to construct a combined Village Hall/Police Station facility to provide public services to both the RPA and the Village as a whole and thereby allowing for the redevelopment of the entire RPA.

B. Specific Objectives for the RPA

- A) Promote the redevelopment of existing vacant or underutilized property located within the RPA.
- B) Provide for the assembly or coordination of property for viable redevelopment projects.
- C) Improve existing roads and right-of-ways, including the coordination of parking improvements, if needed.
- D) Provide for the necessary site preparation, grading, and demolition (if necessary) of property located within the RPA.
- E) Coordinate redevelopment activities within the RPA in a manner that conforms with the fiscal and economic development policies of the Village.

C. General Redevelopment Objectives

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

- A) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal;
- B) Reduce or eliminate negative factors as more fully described in the TIF Eligibility Report;
- C) Accomplish redevelopment over a reasonable time period;
- D) Provide for high quality development within the RPA;
- E) Provide for an attractive overall appearance of the area; and

F) Return the property to productive reuse as part of the wider Downtown area.

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

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

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

As found in Exhibit 3 of this Redevelopment Plan and Project, the RPA has suffered from certain impediments to redevelopment. The area has not in recent years benefited from significant private investment and/or development. As a result, the RPA is not likely to gain in value without encouragement by the Village.

The RPA evidences inadequate utilities, obsolescence, deleterious layout, deterioration and lack of community planning among other factors.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is not anticipated that the implementation of this Redevelopment Plan and Project will have a negative financial impact on the affected taxing districts. Instead, actions taken by the Village to stabilize and cause growth of its tax base through the implementation of this Redevelopment Plan and Project will have a positive impact on the affected taxing districts by arresting potential assessed valuation declines.

It is not anticipated that the RPA will require increased services from any affected taxing districts except by the Village. Though strategies will be encouraged to promote growth via private investment within the area, specific objectives are geared to stabilize the RPA's existing strengths and revitalize the RPA's redevelopment potential. Should the Village achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the Village will consider the declaration of sufficient surplus funds, which funds are neither expended nor obligated, as provided by the Act, to assist affected taxing districts in paying the costs for the increased services. School district impacts are expected to be addressed through the utilization of payments required to be made pursuant to the TIF Act with respect to residential projects assisted by TIF funding.

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

V. <u>TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA</u>

A. <u>Findings</u>

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district as a "conservation area" under Illinois law. Refer to the TIF Eligibility Report, (Exhibit 3) which is attached as part of this Plan.

B. Eligibility Survey

The evaluation of the RPA initially commenced in December, 2018, and commenced again in November, 2021 and continuing to the date of this Redevelopment Plan and Project by representatives of Kane, McKenna and Associates, Inc., (KMA) and Village staff. Analysis was aided by certain reports obtained from the Village and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for a TIF district.

VI. HOUSING IMPACT STUDY IN THE REDEVELOPMENT PROJECT AREA

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The Village has found that the area will not displace ten (10) or more residential units and that the RPA contains less than seventy-five (75) inhabited residential units, thus a housing impact study is not required to be completed. If at a later date, the Village does decide to dislocate more than ten (10) units or add seventy-five (75) or more inhabited residential units as part of an amendment, then the Village must complete a housing impact study.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

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

- 1) By implementing a plan that provides for the attraction of investment to redevelop underutilized property and buildings that are available within the RPA.
- 2) By assisting in the assembly or combination of property acquisition for redevelopment activities.
- 3) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements
 - ii. Utility improvements (including, but not limited to, water, stormwater sewer, and sanitary sewer projects consisting of construction and rehabilitation)
 - iii. Storm water management
 - iv. Signalization, traffic control and lighting
 - v. Landscaping and beautification
 - vi. Coordinated parking improvements
- 4) By entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of interest rate subsidy as allowed under the Act.
- 5) By providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation as necessary and appropriate.
- By the redevelopment of certain existing buildings through necessary rehabilitation and/or improvement of structures, and replacing of existing public buildings, if necessary.

B. Redevelopment Activities

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

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Land Assembly

Property may be acquired, assembled and reconfigured into appropriate redevelopment sites.

Site Preparation, Clearance, and Demolition

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

Public Improvements

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

- Improvements and/or construction of public utilities including roadways, the extension of water mains as well as sanitary and storm sewer systems and detention related improvements;
- Public and commuter parking;
- Storm water management;
- Beautification, identification makers, landscaping, lighting, streetscape, and signage of public right-of-ways; and
- Replacing of existing public buildings.

Rehabilitation

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

Interest Rate Write-Down

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

School Tuition Costs

The Village may fund school tuition costs as provided for by the TIF Act.

C. General Land Use Plan

Existing land use generally consists of parking and institutional uses. Existing land uses are shown in Exhibit 4, attached hereto and made a part of this Plan. Exhibit 5, attached hereto and made a part of this Plan designates intended general land uses in the Redevelopment Project Area that will include Downtown Mixed Use. The land uses will conform to the Comprehensive Plan, as amended, of the Village.

D. Additional Design and Control Standards

The appropriate design controls including Downtown Design Guidelines and any Planned Unit Developments, as set forth in the Village's Zoning Ordinance, as amended, shall apply to the RPA.

E. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the Act, and any such costs incidental to this Redevelopment Plan and Project. Private investments, which supplement "Redevelopment Project Costs", are expected to substantially exceed such Redevelopment Project Costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

- 1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
 - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
- 2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- 3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

- 4. 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;
- 5. 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, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
- 6. Costs of job training and retraining projects including the costs of 'welfare to work' programs implemented by businesses located within the redevelopment project area;
- 7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

- 8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- 9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.
 - b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900,

excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

- (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
- (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
- (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- Any school district in a municipality with a population of 1,000,000, additional restrictions apply. Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

- 11. 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;
- 12. Payment in lieu of taxes;
- 13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
- 14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
 - e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);

f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income 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 subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants.

The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

- 15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
- 16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
- 17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
- 18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown on the next page. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

Table 1 Redevelopment Project Cost Estimates

	Estimated	
	Redevelopment	
Program Actions/Improvements	Projects Costs ⁽¹⁾	
Site Preparation, Demolition and Environmental Remediation	\$	160,000
Public Facilities and Improvements including Utility Improvements (Including Water, Storm, Sanitary Sewer), Parking Facilities, Utility Services (including electric, gas, and telephone) and Road Improvements Essential to the Preparation of the RPA for use in accordance with the Redevelopment Plan	\$	970,000
Costs Related to Replacing Existing Public Buildings	\$	9,870,000
Redeveloper Interest Costs Pursuant to the Act (as limited by the Act)	\$	100,000
Rehabilitation	\$	100,000
Professional Service Costs (Including Planning, Legal, Engineering, TIF Consulting, Administrative, Annual Reporting, and Marketing) for the implementation of the Redevelopment Plan	\$	300,000
School District New Student Reimbursement (as provided for in the TIF Act)	\$	1,500,000
TOTAL ESTIMATED REDEVELOPMENT PROJECT COSTS ⁽²⁾⁽³⁾	\$	13,000,000

Notes:

- (1) All redevelopment project cost estimates are in year 2022 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the redevelopment project costs identified in Table 1 above, any bonds, notes, or other obligations issued to finance redevelopment project costs may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such obligations, and (c) capitalized interest and reasonably required reserves.
- (3) Adjustments to the line-items above for estimated redevelopment project costs attributable to a Program Action/Improvement are expected. Adjustments may be made by either increasing or decreasing line-item costs for a redevelopment Program Action/Improvement, so long as the total amount of redevelopment project costs paid do not exceed the Total Estimated Redevelopment Project Costs identified above. Each individual Program Action/Improvement and its associated redevelopment project cost will be reevaluated in light of the projected

private development and resulting tax revenues as they are considered for public financing under the provisions of the TIF Act. The total of a specific line-item for a category of Program Action/Improvement set forth above is not intended to place a total limit on the expenditures for that Program Action/Improvement and as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the Total Estimated Redevelopment Project Costs identified above (except as noted in Note (1) above) and all as provided for in the TIF Act.

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

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

"Redevelopment Project Costs" specifically contemplate those eligible costs set forth in the Act. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the Village Board, only to leverage and commit private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2020 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

G. Nature and Term of Obligations to be Issued

The Village may issue obligations secured by the tax increment Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. The actual date for such retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer, pursuant to the Act, is to be made with respect to ad valorem taxes levied in the 23rd calendar year, occurring after adoption of the Ordinance which establishes the RPA. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all

obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

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

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the Village may determine.

H. <u>Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area</u>

The most recent equalized assessed valuation (EAV) for tax year 2020 of the property within the RPA is \$ - 0 -. The EAV would be updated upon the certification of the EAV for the 2021 tax year. The Boundary Map, Exhibit 2, shows the location of the RPA.

I. <u>Anticipated Equalized Assessed Valuation (EAV)</u>

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will be approximately \$7,500,000 to \$8,500,000.

VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding.

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

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

<u>Demolition, Site Preparation and Relocation:</u> Existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition and site preparation activities may be necessary for future projects.

<u>Rehabilitation</u>: The Village may assist in the rehabilitation of buildings or site improvements located within the RPA.

<u>Construction of Replacement Public Facilities</u>: The Village may fund the acquisition of land and construction of facilities to replace existing public buildings.

<u>Landscaping/Buffering/Streetscaping</u>: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

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

<u>Roadway/Street/Parking Improvements:</u> Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed. Related sidewalk, curb, gutter, and paving improvements could also be constructed as needed.

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

<u>Traffic Control/Signalization</u>: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

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

<u>Interest Rate Write Down:</u> The Village may fund a portion of interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

<u>Professional Services:</u> The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself for eligible administrative costs pursuant to the Act.

School Tuition Costs: The Village may fund school tuition costs as provided for by the TIF Act.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

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

C. <u>Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs</u>

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

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

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

https://kanemckenna.sharepoint.com/sites/Clients_C-G/Shared Documents/D/Downers Grove/Washington and Curtiss TIF 2021/Reports/TIF Redevelopment Plan and Project (final) 04.21.22.docxx

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EXHIBIT 1

BOUNDARY MAP

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EXHIBIT 2 LEGAL DESCRIPTION

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Legal Description for the proposed Washington and Curtiss Street TIF District

That part of Section 8, Township 38 North, Range 11 East of the Third Principal Meridian, described as follows:

(Described with the intent to follow the existing right-of-way lines and existing property boundary lines, and as such, the courses and distances described herein are superseded by the right-of-way lines and property lines that they are intended to follow as shown on "Exhibit A")

Beginning on the northerly line of Lot 5 in Wallace's Subdivision (recorded as document number R1897-063726) at the intersection of the north line of said Lot 5 with the northwest line of said Lot 5; thence easterly, along the north line of said Lot 5 a distance of 100 feet to the northeast corner of said Lot 5; thence southeasterly, along the easterly line of said Lot 5, to a point on a line that is 20-feet southerly of the north line of said Lot 5 (as measured at right angles to the north line); thence westerly, along a line that is 20-feet southerly of and parallel with the northerly line of said Lot 5, to the easterly line of Lot 6 in said Wallace's Subdivision; thence southeasterly along the easterly line of said Lot 6 to a point that is 35 feet south of the northerly line of said Lot 6 (as measured at right angles to the north line of said Lot 6); thence southwesterly, along a line that is 35 feet south of and parallel with the north line of Lot 6 and 7 in said Wallace's subdivision to the westerly line of said Lot 7; thence northwesterly along the westerly line of said Lot 7 a distance of 35 feet to the northwest corner of said Lot 7; thence southwesterly along the northerly line of Lot 8 in said Wallace's subdivision and continuing along the northerly line of lot 5 in Assessor's Subdivision of Part of Section 7 and 8 (recorded as document number R1871-014481) and further continuing along the northerly line of Lot 1 in Buschmann's Subdivision (recorded as document number R1918-133679) to the northwest corner of said Lot 1 (said point also being on the east line of Mackie Place); thence northwesterly to the northeast corner of Lot 1 in Peter Halkier's Resubdivision (recorded as document number R1941-429519) (said point being at the intersection of the westerly line of Mackie Place and the southerly line of Curtiss Street; thence southwesterly along the southerly line of Curtiss Street to a point that is at the intersection of said southerly line of Curtiss Street with the east line of the west 50 feet of Lot 6 in Block 2 of Curtiss' Addition to Downers Grove Subdivision (recorded as document number R1866-007317) extended south; thence northerly on the extension of the east line of the west 50 feet of Lot 6 in Block 2 in Curtiss' Addition to Downers Grove aforesaid and the east line of the west 50 feet of Lot 6 aforesaid to the north line of said Lot 6; thence northeasterly, along the northerly line of said Lot 6 and Lot 5 in said Curtiss' Addition to Downers Grove, to the west line of the east 5.5 feet of Lot 7 in Randall's Resubdivision (recorded as document number R1875-020748); thence northerly along the west line of the east 5.5 feet of Lot 7 in Randall's Resubdivision aforesaid to the southerly line of Burlington Avenue; thence northerly to the intersection of the north line of Warren Avenue with the west line of Washington Street (said point being 14.00 feet north of the southeast corner of Lot 13 in Gallagher's Subdivision recorded as document R1923-162910); Thence easterly to a point on the east line of Washington Street that is 14 feet north of the southwest corner of Lot 6 in

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Beardsley's Addition to Downers Grove (recorded as document R1868-009654); thence southerly, along the east line of Washington Street to the intersection with the North line of Warren Avenue (said point being the Southwest corner of Lot 6 in Beardsley's Addition aforesaid; thence easterly along the north line of Warren Avenue to a point drawn on a line from the point of beginning perpendicular to the north line of Warren Avenue; thence southerly to the point of beginning; all in DuPage County, Illinois.

Except for leasehold PINs 09-08-211-016 and 09-08-211-015

09-08-131-018 09-08-131-019 09-08-211-001 09-08-211-002 09-08-211-003

09-08-211-014 09-08-304-008

09-08-502-001

09-08-502-007

09-08-502-008

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EXHIBIT 3

TIF ELIGIBILITY REPORT

DRAFT DATED 12/22/21

VILLAGE OF DOWNERS GROVE, ILLINOIS TIF QUALIFICATION REPORT WASHINGTON AND CURTISS STREET REDEVELOPMENT PROJECT AREA

An analysis to assess the likelihood that all or a portion of an area located in the Village of Downers Grove could qualify as a conservation area as defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared for: Village of Downers Grove, Illinois

Prepared by: Kane, McKenna and Associates, Inc.

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PROPOSED WASHINGTON AND CURTISS STREET REDEVELOPMENT PROJECT AREA TIF QUALIFICATION REPORT

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Downers Grove, Illinois (the "Village") to conduct an analysis of the potential qualification and designation of certain property located in the Village, to be addressed herein as the proposed redevelopment project area (the "Study Area") as shown in the map attached as Exhibit A. Essentially the Study Area includes the Village's municipal buildings including the Village Hall, Police Station, Fleet Services facilities and a converted single-family home. The Study Area is generally bordered by Warren Avenue on the north, Curtiss Street on the south, the property lines of the Village properties to the east and the property lines of the Village properties to the west. The qualification review is being carried out pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the "TIF Act") in order to determine whether the Study Area would qualify as a "redevelopment project area" pursuant to the TIF Act (the "Redevelopment Project Area").

The Village is pursuing the Study Area designation as part of its ongoing redevelopment of the Downtown area in order to assist in the revitalization of the property and adjacent uses. By undertaking the designation, the Village will help strengthen the Study Area as a significant contributor to the Village's overall economic base.

Based upon the preliminary analysis completed to date, KMA has reached the following conclusions regarding the potential qualification of the Study Area as a Redevelopment Project Area:

- 1) The proposed TIF District could meet the criteria for a "conservation area," as the term is defined under the TIF Act subject to the provision of additional documentation. Because 50% or more of the structures are over 35 years of age, the Study Area meets the threshold finding for such designation.
- 2) Current conditions impede redevelopment Without the use of Village planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible. This observation is also noted in the Village's Downtown Master Plan as part of "Implementation" (Section 5) adopted in 1999.
- 3) Viable redevelopment sites could produce incremental revenue Within the proposed Study Area, there are parcels which potentially could be redeveloped and thereby produce incremental property tax revenue or other additional revenues to the Village. As part of the Village's planning efforts, several potential development sites are included in the Study Area. Such revenue, used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the Study Area.
- 4) Review of TIF designation To mitigate certain conditions and to leverage the Village's investment and redevelopment efforts, the Village is proposing the designation of the Study Area in order to encourage private investment and to provide upgraded public facilities to serve the Study Area and the Village as a whole.

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I. BACKGROUND

Current Land Use. The Study Area is generally bounded by Warren Avenue on the north, the property line of Village property on the east and west, and Curtiss Street on the south. The proposed Study Area consists of ten (10) tax parcels (excluding public right of way parcels) and is approximately 14.54 acres in size (approximately 6.7 acres including public rights of way). Current land uses include various institutional uses in the Study Area.

A 2012 Facility Condition Assessment identified several million dollars of maintenance needs in the Village Hall and Police Station. The age and condition of both facilities resulted in operational deficiencies that could interfere with efficient service delivery and effective employee/customer interaction. The Village noted that the Village had limited resources available to undertake improvements to these facilities.

Between January and April of 2016, the Village considered a range of options for facility improvements based on the resources that the Village Council was willing to consider. Options included replacement of existing systems, remodeling of one or both buildings, and construction of an addition to the Police Station. On May 17, 2016, the Village Council approved a Facilities Sustainability Plan that called for the expansion and renovation of the Police Station and minimal maintenance improvements to Village Hall.

In July and October of 2016, the Village Council discussed the Downtown Focus Area Plan as part of the update of the Comprehensive Plan. During these discussions, Council members expressed support for the redevelopment of the Civic Center property.

Based on the Village Council discussion of the Downtown Focus Area Plan and formal direction provided by the Council in October, the Village published a Request for Proposals (RFP) for the redevelopment of the Civic Center property with a new combined Police Station & Village Hall and multi-family residential development. The purpose of the RFP was to determine the viability and financial impact of redeveloping the Civic Center.

The Village received four development proposals, all of which were reviewed and evaluated to determine whether the revenue generated by the proposed private development would cover the additional costs needed to build a new combined Police Station/Village Hall facility.

Evaluation of the development proposals began in 2017, and with the assistance of the Village's TIF consultant, the Village determined that all of the developers were qualified and had the capacity to undertake the project as proposed. In addition, there were a number of other factors for the Village Council to consider in determining which option to pursue.

The RFP responses were not approved and further consideration of redevelopment was deferred until 2018. In 2018, Location Finders, Inc. proposed a medical office building redevelopment which provided a partial source of funding to build a new combined Police Station/Village Hall facility. Location Finders, Inc. determined that it would not proceed with the redevelopment.

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The Village intends to redevelop the Civic Center property by constructing a new combined Police Station and Village Hall facility and publishing a Request for Proposals (RFP) for the construction of a multi-family residential development.

Overall, the Study Area faces a number of potential redevelopment impediments as described in Section IV of this report. Additionally, while the area has certain assets, the current state of the local and national economy, characteristics of parcel sizes, existing uses, and redevelopment challenges associated with older buildings and smaller sites contribute to constraints related to redevelopment.

The Village has determined that the redevelopment of the proposed Study Area could be beneficial to the community. With a redevelopment strategy in place, the economic base of the Study Area would be stabilized and increased – thereby benefiting the community as a whole.

General Scope and Methodology. KMA performed its analysis by conducting a series of discussions with Village staff, initially in December, 2018 and again in November, 2021 and continuing periodically up to the date of this report. The purpose of the review was to gather data related to the qualification criteria for properties included in the Study Area. These discussions were complemented by a series of field surveys for the entire area to evaluate the condition of the Study Area. The field surveys and data collected have been utilized to test the likelihood that the Study Area could qualify for designation as a Redevelopment Project Area.

The qualification factors discussed in this report would assist in the qualification of the Study Area as a conservation area, as the term is defined pursuant to the TIF Act.

For additional information about KMA's data collection and evaluation methods, refer to Section III of this report.

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II. QUALIFICATION CRITERIA

With the assistance of Village staff, Kane, McKenna and Associates, Inc. assessed the proposed Study Area to determine the likelihood that qualifying factors listed in the Act would be present. The relevant provisions of the Act are cited below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (Study Area). By definition, a "redevelopment project area" is:

"An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas."

Under the Act, "conservation area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a Conservation Area. In accordance with the TIF Act, KMA performed a two-step assessment to determine if the proposed Study Area qualified as a conservation area. First, KMA analyzed the threshold factor of age to determine if 50% or more of the structures were 35 years of age or older.

Secondly, the area was examined to determine if a combination of three (3) or more of the following factors were present, each of which is (i) present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area. Per the TIF Act, such an area is not yet a blighted area but because of a combination of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

- (A) <u>Dilapidation</u>. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.
- (B) <u>Obsolescence.</u> The condition or process of falling into disuse. Structures become ill-suited for the original use.

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

- (D) <u>Presence of Structures Below Minimum Code Standards.</u> All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.
- (E) <u>Illegal Use of Individual Structures</u>. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- (F) <u>Excessive Vacancies</u>. The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.
- (G) <u>Lack of Ventilation, Light, or Sanitary Facilities.</u> The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
- (H) <u>Inadequate Utilities.</u> 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, and obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

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

- (J) <u>Deleterious Land-Use or Layout.</u> The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive or unsuitable for the surrounding area.
- (K) Environmental Clean-Up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the redevelopment project area.
- (L) <u>Lack of Community Planning.</u> The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.
- (M) <u>"Stagnant" or "Declining" EAV.</u> The total equalized assessed value ("EAV") of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last 5 years for which information is available.

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III. EVALUATION METHODOLOGY

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

- 1) Site surveys of the Study Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Preliminary surveys were completed of properties located within the Study Area.
- KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration and obsolescence. Additionally, KMA reviewed the following data: 2015-2020 tax information from DuPage County, the Downers Grove Township Assessor, tax maps, aerial photos, site data, local history (including discussions with Village staff), and an evaluation of area-wide factors that have affected the area's development (e.g., inadequate utilities, lack of community planning, etc.).
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 4) The Study Area was examined to assess the applicability of the different factors required for qualification as a Redevelopment Project Area. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the thirteen (13) different factors, as defined under the Act, which would qualify the area as a Redevelopment Project Area.

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IV. QUALIFICATION FINDINGS FOR PROPOSED STUDY AREA

Based upon KMA's preliminary evaluation of parcels in the proposed Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support preliminary qualification of the proposed Study Area as a conservation area under the TIF Act – to be supplemented by additional data, if the Village decides to proceed with the designation. These factors are summarized in the table below.

Exhibit 1 Summary of TIF-Qualifying Factors

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed Study Area
13	3	 Obsolescence Deleterious Layout Deterioration Lack of Community Planning Inadequate Utilities

Findings for Study Area. The proposed Study Area meets the qualifications for a conservation area under the statutory criteria set forth in the TIF Act. As a first step, KMA determined that 4 of 4 structures (100%) were 35 years in age or older based upon data provided from Village files. Secondly, KMA reviewed the 13 aforementioned criteria needed to qualify the area as a conservation area, determining that 5 factors were present:

1. <u>Obsolescence</u>. The TIF Act states that obsolescence is the condition or process of falling into disuse or structures and original uses. Due to the age of structures and original uses (in particular the Village Hall and the former single-family home), obsolescence would be present.

The Village Hall was initially constructed as a ball bearing manufacturing facility with office and support functions in 1929. The Village occupied the facility in 1969 and converted the use to administrative and public works purposes. Since that time, it has been determined that existing facility is obsolete due to a number of factors:

- Building systems (HVAC, plumbing, and electrical) are at the end of their useful life and need replacement;
- The three level layout and current space allocations are not adequate for Village administrative functions and creates accessibility challenges;
- The roof is at the end of its useful life as further exhibited by frequent leaking;
- Deterioration is present at sidewalk and stairs, and
- Doors and windows require replacement due to age and inefficiency.

Similarly, the Police Station, constructed in 1979, is obsolete in terms of size, accessibility guidelines, and the HVAC components are near the end of their useful life. The site also evidences

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a steep slope to the south and this would constrain expansion of the existing building footprint. Similar to the Village Hall, both the roof and door/window components require replacement due to age and condition.

Several Village studies undertaken in 2007 and 2012 have identified the significant costs of addressing the deficiencies. However, the overall layout and size of the existing facilities require replacement by more efficiently designed and constructed facilities in order to address current and projected service needs of the Village facilities.

The former single-family home at 842 Curtiss is a conversion from single-family use to commercial and office uses. The age of the building (1940's) and conversion to an alternate use demonstrate the structure is "ill-suited for its original use".

Certain components of the public works facility will also need to be addressed as part of any reuse plan, in order to provide efficient service and functions.

2. <u>Deleterious Layout</u>. A municipality can make a finding of deleterious layout or land use when there exists either (a) incompatible land-use relationships, (b) buildings occupied by inappropriate mixed-uses or uses considered to be noxious, or (c) uses offensive or unsuitable for the surrounding area.

Another determinant in the deleterious land use and layout relates to the following incompatible land use relationships:

- Ability to manage traffic flow and volumes along Burlington Avenue, Curtiss Street and ancillary streets.
- The bisection of the Downtown area by the railroad right of way. This creates additional challenges for Downtown patrons for connectivity.
- The use of the access drive to the Civic Center parking lot as a pass through street between Curtiss Street and Burlington Avenue causing pedestrian safety issues.
- Improvements to parking related signage and circulation.
- Integration with adjacent uses.
- The lack of buffering or transitional uses between institutional uses and lower intensity residential uses.
- Grade changes at the south also contribute to deleterious layout.
- 3. <u>Deterioration</u>. As noted in Section II, "deterioration" under the TIF Act is defined to include deteriorated surface improvements or structures (specifically evidenced by surface cracking, crumbling, potholes, depressions, loose paving material and weeds). Various degrees of deterioration were observed throughout the Study Area. Much of the observed deterioration centered around the condition of surface improvements such as the storage areas and parking lots. These surface improvements had multiple potholes, uneven pavement and cracks.

Building site improvement conditions were mixed: the rear portions of the Public Works buildings exhibited elements of deterioration. Sidewalks and concrete stairs at Village Hall and the Police

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Station also exhibited deterioration. Overall, most instances of deterioration related to site improvements, including parking lots and drives throughout the area.

- 4. <u>Lack of Community Planning</u>. The TIF Act indicates that this factor is present if the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.
 - Three of the area's structures were developed prior to the Village's adoption of its first comprehensive plan in 1965.
 - Inadequate street layout is present both as to internal circulation and access to properties.
 - Parcels of improper subdivision or shape and size are present and would require revision in order to accommodate newer development standards.
- 5. <u>Inadequate Utilities</u>. This factor is defined to be present based on "Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated and obsolete or in disrepair; or (iii) lacking within the redevelopment project area."

Existing utility service will need to be upgraded, relocated or added to in order to serve the redevelopment project area and as a result are obsolete in relation to proposed uses.

Review with the Village's Public Works department indicated that utilities serving the proposed Study Area are inadequate for proposed redevelopment uses. Any proposed redevelopment will likely require numerous utility upgrades, relocations and/or additions to existing services such as those described below:

- Electric redevelopment activities will require the removal and relocation of underground electric transmission lines, existing transformers, switch gears, backup generators and accessory structures. New transformers and upgrades will be required for the proposed increased density within the proposed redevelopment project area (multiple buildings and additional square footage to be constructed). Currently the electrical systems are undersized for the needs of the Police Department and Village Hall with many worn components.
- Natural Gas redevelopment will require the relocation of a gas main and services serving the proposed redevelopment project area. In addition, gas services will need to be reconfigured to serve new uses. The Village Hall facility consumes electricity and natural gas in an inefficient manner due to the expansive layout and outdated building systems.

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- Water – water mains will need to be removed and replaced to re-establish the water loop in the proposed redevelopment project area. Hundreds of feet of new water services (including new fire hydrants) will be required to service new uses.

- Sanitary Sewer removal and replacement of existing mains and services will be required as part of the redevelopment of the proposed redevelopment project area.
- Stormwater Management current Village Engineering standards will result in additional water quality control facilities to serve the redevelopment project area.

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V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the Village's potential designation of the proposed Redevelopment Project Area.

- 1. The area is contiguous and is greater than $1\frac{1}{2}$ acres in size;
- 2. The proposed Redevelopment Project Area will qualify as a Conservation Area. Further, the Conservation Area factors found in the Redevelopment Project Area are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
- 3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
- 4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area; and
- 5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the property as a Redevelopment Project Area.

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EXHIBIT A

Boundary Map

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Legal Description for the proposed Washington and Curtiss Street TIF District

That part of Section 8, Township 38 North, Range 11 East of the Third Principal Meridian, described as follows:

(Described with the intent to follow the existing right-of-way lines and existing property boundary lines, and as such, the courses and distances described herein are superseded by the right-of-way lines and property lines that they are intended to follow as shown on "Exhibit A")

Beginning on the northerly line of Lot 5 in Wallace's Subdivision (recorded as document number R1897-063726) at the intersection of the north line of said Lot 5 with the northwest line of said Lot 5; thence easterly, along the north line of said Lot 5 a distance of 100 feet to the northeast corner of said Lot 5; thence southeasterly, along the easterly line of said Lot 5, to a point on a line that is 20-feet southerly of the north line of said Lot 5 (as measured at right angles to the north line); thence westerly, along a line that is 20-feet southerly of and parallel with the northerly line of said Lot 5, to the easterly line of Lot 6 in said Wallace's Subdivision; thence southeasterly along the easterly line of said Lot 6 to a point that is 35 feet south of the northerly line of said Lot 6 (as measured at right angles to the north line of said Lot 6); thence southwesterly, along a line that is 35 feet south of and parallel with the north line of Lot 6 and 7 in said Wallace's subdivision to the westerly line of said Lot 7; thence northwesterly along the westerly line of said Lot 7 a distance of 35 feet to the northwest corner of said Lot 7; thence southwesterly along the northerly line of Lot 8 in said Wallace's subdivision and continuing along the northerly line of lot 5 in Assessor's Subdivision of Part of Section 7 and 8 (recorded as document number R1871-014481) and further continuing along the northerly line of Lot 1 in Buschmann's Subdivision (recorded as document number R1918-133679) to the northwest corner of said Lot 1 (said point also being on the east line of Mackie Place); thence northwesterly to the northeast corner of Lot 1 in Peter Halkier's Resubdivision (recorded as document number R1941-429519) (said point being at the intersection of the westerly line of Mackie Place and the southerly line of Curtiss Street; thence southwesterly along the southerly line of Curtiss Street to a point that is at the intersection of said southerly line of Curtiss Street with the east line of the west 50 feet of Lot 6 in Block 2 of Curtiss' Addition to Downers Grove Subdivision (recorded as document number R1866-007317) extended south; thence northerly on the extension of the east line of the west 50 feet of Lot 6 in Block 2 in Curtiss' Addition to Downers Grove aforesaid and the east line of the west 50 feet of Lot 6 aforesaid to the north line of said Lot 6; thence northeasterly, along the northerly line of said Lot 6 and Lot 5 in said Curtiss' Addition to Downers Grove, to the west line of the east 5.5 feet of Lot 7 in Randall's Resubdivision (recorded as document number R1875-020748); thence northerly along the west line of the east 5.5 feet of Lot 7 in Randall's Resubdivision aforesaid to the southerly line of Burlington Avenue; thence northerly to the intersection of the north line of Warren Avenue with the west line of Washington Street (said point being 14.00 feet north of the southeast corner of Lot 13 in Gallagher's Subdivision recorded as document R1923-162910); Thence easterly to a point on the east line of Washington Street that is 14 feet north of the southwest corner of Lot 6 in

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Beardsley's Addition to Downers Grove (recorded as document R1868-009654); thence southerly, along the east line of Washington Street to the intersection with the North line of Warren Avenue (said point being the Southwest corner of Lot 6 in Beardsley's Addition aforesaid; thence easterly along the north line of Warren Avenue to a point drawn on a line from the point of beginning perpendicular to the north line of Warren Avenue; thence southerly to the point of beginning; all in DuPage County, Illinois.

Except for leasehold PINs 09-08-211-016 and 09-08-211-015

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EXHIBIT B

Tax Parcel List

09-08-131-018 09-08-131-019 09-08-211-001 09-08-211-002 09-08-211-003 09-08-211-014 09-08-304-008 09-08-502-001 09-08-502-007 09-08-502-008 ORD 2022-9425 Page 72 of 79

EXHIBIT 4 EXISTING LAND USE MAP

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EXHIBIT 5 PROPOSED LAND USE MAP

JOINT REVIEW BOARD RECOMMENDATION IN REGARD TO THE PROPOSED DESIGNATION OF THE WASHINGTON AND CURTISS STREET REDEVELOPMENT PROJECT AREA AND THE APPROVAL OF THE REDEVELOPMENT PLAN AND PROJECT IN RELATION THERETO

To: Village Council

Village of Downers Grove, Illinois

Pursuant to the Notice sent to all taxing districts impacted by the proposed designation of the Washington and Curtiss Street Redevelopment Project Area on January 21, 202, the Washington and Curtiss Street Redevelopment Project Area Joint Review Board (hereinafter the "Joint Review Board") met on February 14, 2022. After appointing Phil Stromberg as the Public Member of the Joint Review Board, appointing the Village of Downers Grove's Authorized Representative Mike Baker as the Chairperson of the Joint Review Board, and hearing presentations by Robert Rychlicki and Zoran Milutinovic of Kane, McKenna and Associates, Inc., and after reviewing the public records, the planning documents, the proposed ordinances approving the designation of the Redevelopment Project Area, the Eligibility Report, and the Redevelopment Plan and Project relative to the Washington and Curtiss Street Redevelopment Project Area, the Joint Review Board, by a 7 to 0 vote of those members present and voting, Downers Grove Elementary School District #58 (Dr. Kevin Russell) - aye; Community High School District #99 (Jeree Ethridge) – aye; County of DuPage (Paul Hoss) – aye; Downers Grove Park District (Bill McAdam) - aye; Downers Grove Township (Paul Coultrap) - aye; Public Member (Phil Stromberg) - aye; and Village of Downers Grove (Mike Baker) - aye voted to recommend that the Village Council of the Village of Downers Grove move forward with the designation of the Washington and Curtiss Street Redevelopment Project Area and approve the Redevelopment Plan and Project in relation thereto, as required by 65 ILCS 5/11-74.4-5(b).

Date: February 14, 2022

Mike Baker

Chairperson of the Joint Review Board

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VILLAGE OF DOWNERS GROVE WASHINGTON-CURTISS TIF Joint Review Board Meeting February 14, 2022

The meeting was called to order at 3:30 PM

ROLL CALL:

PRESENT: Julie Milavec (DG Library)

Bill McAdam (DG Park District) Jeree Ethridge (School Dist. #99) Todd Drafall (School Dist #58)

Phil Stromberg (Public)
Paul Coultrap (DG Township)
Mr. Paul Hoss (DuPage County)

Michael Baker, Chairperson (VDG Deputy Village Mgr.)

ABSENT: Mr. Scott Brady (College of DuPage)

ALSO PRESENT: Dave Fieldman, Village Manager; Enza Petrarca, Village Attorney; Stan

Popovich, Community Development Director; Jason Zawila, Planning Manager; Flora Leon, Senior Planner; Gabriella Baldassari, Development Planner; Robert Rychlicki and Zoran Milutinovic, Kane, McKenna and

Associates, Inc. (Village Consultant)

- I. Call to Order
- II. Roll Call

Present: Julie Milavec (DG Library – Non Voting Member), Bill McAdam (DG Park

District), Jeree Ethridge (School Dist. #99), Todd Drafall (School Dist #58), Phil Stromberg (Public), Paul Coultrap (DG Township), Mr. Paul Hoss

(DuPage County), Michael Baker (VDG Deputy Village Mgr.)

Absent: Mr. Scott Brady (College of DuPage)

- III. Appointment of the Public Member to the Joint Review Board: Member Coultrap made a motion, seconded by Member Hoss, to appoint Phil Stromberg as the Joint Review Board Public Member. By a voice vote, the motion passed unanimously.
- IV. Appointment of the Chairperson for the Joint Review Board: Member Coultrap made a motion, seconded by Member Hoss to appoint the Mike Baker Representative on the Joint Review Board as the Chairperson. By a voice vote, the motion passed

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unanimously.

V. Overview of Joint Review Board Duties: Robert Rychlicki, Village Consultant, gave an overview of the Joint Review Board's duties relative to the proposed Washington-Curtiss Tax Increment Financing District. A copy of said overview, which was handed out to the Joint Review Board members.

- VI. Overview of the Proposed Redevelopment Project Area, Eligibility Report, Housing Impact Study and Redevelopment Project and Plan for the Proposed Downtown Tax Increment Financing District: Mr. Rychlicki, Village Consultant, provided an overview of the Downtown Tax Increment Financing District Redevelopment Project Area, Eligibility Report, and Redevelopment Project and Plan. Consultants indicated that the Redevelopment Project Area for the proposed Washington-Curtiss Tax Increment Financing District qualifies as a "conservation area" in that more than 50% of the buildings are over 35 years in age, and 5 of the 13 qualifying factors exist (with only 3 of the 13 qualifying factors needed for TIF District certification). Consultants indicated that there is a permanent tax index number (PIN) list in the appendix of the Eligibility Report. The current equalized assessed value of the proposed TIF District is \$0. Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will be approximately \$7,500,000 to \$8,500,000.
- VII. Review of Draft TIF Ordinances: Mr. Rychlicki, Village Consultant, referenced that each member was provided the required TIF ordinances and provided an overview of each ordinance that are proposed to be adopted by the Village Council in May.

VIII. Public Comment: None

- IX. Joint Review Board Questions: Member Coultrop confirmed if an apartment was planned for the middle site of the subject property. This was confirmed by Member Baker, who also offered an overview of the phasing of the project on the current civic center campus, which included development of the second lot by a private entity. Member Stromberg inquired if the development of the second lot could also be an office building, similar to one of the more recent plans. Baker confirmed support for development of the lot as an apartment building. Member Stromberg inquired if the private properties on the eastern side of Washington Street were included as part of the TIF. Consultant confirmed they were not.
- X. Making a Recommendation Member Hoss made a motion, seconded by Member Coultrap, to recommend that the Downers Grove Village Board move forward with the designation of the Redevelopment Project Area for the Downtown Tax Increment Financing District, and approve the Redevelopment Project and Plan in relation thereto, and to authorize the Chairperson of the Joint Review Board to draft and sign a written recommendation to that effect, on behalf of the Joint Review Board, and forward same to the Downers Grove Village Board.

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By a roll call, the motion passed unanimously.

XI. Timetable and Next Steps: Mr. Rychlicki, Village Consultant referenced the timetable was provided as part of his earlier presentation, but noted where the Village was in the process and next steps.

XII. Adjournment: Member Coultrap made a motion, seconded by Member Hoss to adjourn the meeting of the Joint Review Board. By a voice vote, the motion passed unanimously.

The meeting was adjourned at 3:57PM

Village Staff
Recording Secretary
(As transcribed by MPEG Video)