

Draft Date: 01.04.23

**VILLAGE OF ITASCA, ILLINOIS
DOWNTOWN NORTH TIF DISTRICT
REDEVELOPMENT PLAN AND PROJECT**



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January 2023

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I. Introduction

The Village of Itasca (the “Village”) is a suburban municipality serving a population of over 9,543 citizens (according to the 2020 U.S. Census). Itasca is located approximately twenty (20) miles northeast of Downtown Chicago in DuPage County and enjoys a high level of regional and international multi-modal access due to the area’s network of interstates, highways, commuter rail, and proximity to O’Hare International Airport. The Village is bounded on the east by the City of Wood Dale, on the north by Elk Grove Village, on the northwest by the Village of Roselle, and on the west and south by unincorporated DuPage County.

Itasca was incorporated in 1890. In 1873, the original platting of the town was completed and rail service from Chicago was installed, establishing a long-term engine for commerce and transportation. Much of Itasca’s early growth followed a “traditional” pattern of smaller lots on a gridded street network established in 1873. However, more “suburban” development took hold in the Village’s outlying areas in later years, expanding the Village’s population, geographic footprint, and prominence in industry and commerce. Today Itasca is a diverse community consisting of quiet residential neighborhoods, active industrial areas, commerce centers and office towers, and parks and environmental amenities.

Itasca is located at the junction of Interstate 290/355 and the Illinois Route 390 (formerly Elgin O’Hare Expressway). State Highway 19 (Irving Park Road), which connects Chicago and Elgin, runs east–west through the center of town, including through the downtown area of Itasca. State Highway 53 (Rohling Road) runs north–south through the western edge of the village. Itasca is also located on Metra’s Milwaukee District/West Line commuter rail line which provides daily rail service between Elgin and Chicago’s Union Station. Itasca’s Metra Station is located in the center of the Village’s downtown.

In this report, the Village proposes a Tax Increment Financing Redevelopment Plan and Project (the “Redevelopment Plan”) pursuant to the TIF Act (as defined below) to enable a certain area within the Village to overcome a number of redevelopment barriers. Kane, McKenna and Associates (“KMA”) has been retained by the Village to assist in the drafting of this Redevelopment Plan.

The Village’s 2015 Comprehensive Plan (“the Comprehensive Plan”) describes a number of policies or plans that may, in concert with the Redevelopment Plan, “help shape the community over the next fifteen to twenty years.” One such plan identified in the 2015 Comprehensive Plan is the 2003 Downtown Strategic Action Plan which was incorporated into the Village’s 1994 Comprehensive Plan, and outlines “a number of recommendations aimed at strengthening the Downtown business environment.” The 2015 Comprehensive Plan states that “the Downtown Strategic Action Plan supplement the recommendations of the Comprehensive Plan and continue to be utilized by the Village to help guide development and redevelopment within Downtown.” In 2022, the Village and the Regional Transportation Authority prepared a separate 2022 Downtown Itasca Strategic Action Plan (the “Strategic Plan”) which now serves as the Village’s current planning document to guide “future investment and development activity within and near the Downtown.”

The 2015 Comprehensive Plan states “the Village’s Community Development Department should continue to work with Village officials to closely examine strategies to encourage new development, foster redevelopment, recruit new businesses, and retain, enhance and expand existing businesses.” The Comprehensive Plan also states that “the Village should continue to explore and consider the wide range of local, state, and federal resources and programs that may be available to assist in the implementation of planning recommendations,” including Tax Increment Financing.

In addition, the goal of the Strategic Plan is to “create a vision for Downtown Itasca and the surrounding neighborhoods that leverages existing transportation, real estate, and community involvement to create a Downtown that is a welcoming and active meeting place for residents and visitors.” The Strategic Plan goes on to assert that “financial incentives are likely going to be needed over the near term to attract developers and businesses into Downtown Itasca,” and identifies “tax increment financing (“TIF”) as one such tool that the Village could deploy to achieve this objective.”

In order to help achieve the goals and objectives of the Plan and the Strategic Plan, the Village has proposed the creation of a “Downtown North TIF District” (as defined below) for the north side of the Village’s downtown area to facilitate redevelopment in a coordinated manner. The Village, with the assistance of KMA, has commissioned this Redevelopment Plan to use tax increment financing in order to alleviate those conditions which deter private investment in the area and meet the Village’s redevelopment goals and objectives.

A. Overview of Tax Increment Financing (TIF)

Tax Increment Financing (“TIF”) is an economic development tool which uses future tax revenues to finance redevelopment activity. In the State of Illinois, an area can be designated as a “redevelopment project area” pursuant to the TIF Act if it faces certain impediments to redevelopment. At the time of designation, the equalized assessed value of tax parcels within the boundaries of the district are “frozen” for the term of the redevelopment project area. Taxing jurisdictions that overlap that district continue to receive property taxes, but those revenues are limited to those based on the “frozen” or base equalized assessed values. Any property tax revenue generated from increases in equalized assessed value relative to the frozen values are deposited in a special tax allocation fund. This revenue is then used to finance redevelopment activities within the district to accomplish various community and economic development goals.

B. The Redevelopment Plan

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended (the “TIF Act” or “Act”) enables Illinois municipalities to establish a “redevelopment project area” either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate

adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas” (65 ILCS 5/11-74.4-2(b)).

To establish an area as a “Redevelopment Project Area (RPA)” pursuant to the Act, Illinois municipalities must adopt several documents including a Redevelopment Plan and Qualification Report that provides in reasonable detail the basis for the eligibility of the RPA. A Redevelopment Plan is any comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions which qualify the redevelopment project area as a "blighted area," "conservation area," (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the TIF Act.

The Village has authorized KMA to study the area identified in the boundary map attached hereto as Exhibit 1 (the “Redevelopment Project Area,” “RPA,” or “TIF District”) in relation to its eligibility as a Redevelopment Project Area under the TIF Act, to prepare a report for the eligibility of the RPA (the “Qualification Report”) and to prepare a Redevelopment Plan for the RPA.

C. Findings Pursuant to the TIF Act

It is found and declared by the Village through legislative actions as required by the Act that:

1. To alleviate the 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;
2. Public/private partnerships are determined to be necessary in order to achieve development goals;
3. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this redevelopment plan;
4. The use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs that are incurred in the redevelopment of the RPA will incentivize such redevelopment and benefit such taxing districts in the long run, by alleviating the conditions identified in the Eligibility Report and increasing the assessment base;
5. Such increased assessment base is not likely to be achieved without using such incentives to first alleviate such conditions; and
6. The Redevelopment Plan and Project conforms to the Village’s 2015 “Comprehensive Plan” which guides development of the Village as a whole, and the Village’s 2022

“Downtown Strategic Action Plan” which is intended to guide future investment and development activity within and near the Downtown.

It is further found, and certified by the Village, in connection to the process required for the adoption of this Redevelopment Plan pursuant to 65 ILCS 5/11-74.4-3(n)(5) of the Act, that this Redevelopment Plan will not result in the displacement of ten (10) or more inhabited residential units. Therefore, this Redevelopment Plan does not include a housing impact study as is required under the Act.

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 costs are funded by the RPA.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the Redevelopment Plan. Also pursuant to the Act, the area of the RPA in the aggregate is more than one and one-half (1½) acres.

II. Redevelopment Project Area

A. Redevelopment Project Area Summary

The RPA is generally located primarily between Center Street to the north and Irving Park Road to the south, and between I-290/355 to the west and First Street to the east, with a combination of commercial, mixed-use, recreational, and residential uses.

B. Legal Description of Redevelopment Project Area

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

III. Redevelopment Goals

A. Village Goals

The Village has established certain goals, objectives and strategies which would determine the kinds of activities to be undertaken within the RPA. Important underlying documents are the Village’s 2015 Comprehensive Plan and the 2022 Downtown Itasca Strategic Action Plan as elements of the planning process which describe the overall vision for the Village and the Village’s downtown area and are the foundation for Village initiatives. These planning documents influence all other Village planning processes including those related to TIF. The below Tables 1 summarizes goals and objectives in the 2015 Comprehensive Plan and the below Table 2 summarizes goals and objectives in the 2022 Downtown Itasca Strategic Action Plan that are applicable to the RPA

Source: Village of Itasca 2015 Comprehensive Plan

Table 1. 2015 Comprehensive Plan

Goals and Objectives and Relevant to Redevelopment of the RPA

Goals	Objectives
<p>Provide opportunities for attractive commercial development in Downtown and along the Village’s key corridors to meet the needs of Itasca residents and, where appropriate, draw shoppers from the larger region, to help strengthen and diversify Itasca’s tax base.</p>	<p>Maintain a range of retail and service activities throughout the Village, including commercial uses catering to the needs of Itasca residents in easily accessible locations.</p> <p>... the Village should continue to promote a mixture of uses including commercial, office, restaurant, and residential development within Downtown and fully implement and enforce design standards established in the 2006 Downtown Design Guidelines.</p> <p>Ensure that zoning is aligned to accommodate commercial development in desired locations and can foster and accommodate desired uses, considering site design, context, and other development concerns.</p> <p>... the Village will continue to work cooperatively with IDOT. Both Irving Park Road and Rohlwing Road are within IDOT’s jurisdiction, and desired improvements within the right-of-way, including improved landscaping, lighting, and gateway signage, will require their approval.</p>

<p>Sustain and improve the safety, quality and value of the Village’s housing stock and its neighborhoods while providing access to amenities, shopping areas and other community destinations.</p>	<p>Promote the importance of maintaining a variety of housing types (single-family and multi-family) and economic choices (owner-occupied and rental) within the Village to provide for the specific needs of all people and allow for residents to remain in Itasca through all stages of life.</p> <p>Ensure adequate infrastructure is provided to meet resident’s demands for modern water, sewer, stormwater, utilities, and telecommunications.</p>
<p>Provide an interconnected system of transportation infrastructure consisting of roads, sidewalks, trails, paths, and public transit to facilitate the safe and efficient movement of vehicles and pedestrians within and through the Village of Itasca.</p>	<p>. . . pedestrian crosswalks, such as the intersection of Irving Park Road and Walnut Street, should be improved where feasible. Additional lighting, signalization, bollards, bulb outs, and curb extensions would create safer and more noticeable crosswalks.</p> <p>... the Village should work toward completing logical “gaps” in the existing roadway network, such as extending Country Club Lane and Walnut Street.</p> <p>Establish a Sidewalk Gap Program to expand the community’s pedestrian infrastructure and take a proactive stance on improving sidewalks where a general public benefit exists.</p> <p>To help promote unique assets and to assist with navigation throughout the Village, establish wayfinding and directional signage systems to help motorists navigate to key retail, office, industrial, and community facility destinations.</p>

Table 2. 2022 Downtown Itasca Strategic Action Plan

Goals and Objectives Relevant to Redevelopment of the RPA

Goals	Objectives
<p>Refine and strengthen the character of Downtown to better reflect the intended image of the community.</p>	<p>Improve the pedestrian experience and establish a higher quality character along North Walnut Street and West Orchard Street. Consider lighting, seating, pavement materials, and signage elements to improve this quality.</p> <p>Create more engaging frontage conditions at locations along North Walnut and West Orchard with higher visibility and activity. The public and private realms should blend seamlessly and create interest along the street.</p> <p>Redevelop sites with strong potential for infill or redevelopment as higher intensity uses, which occur on both sides of North Walnut Street between Orchard and Center Streets.</p>

	<p>Strengthen connectivity between north and south areas of Downtown to the Metra Station and across Irving Park Road through improved paths and sidewalk connections.</p> <p>Enhance amenities and facilities adjacent to the Metra station including plaza improvements, seating, and bike parking. Work with Metra to consider reuse of the train station building to a commercial or public access use.</p> <p>Activate underutilized spaces and connect a network of public and private open spaces. Create programs and events focused in these spaces to bring interest and activity to Downtown.</p> <p>Improve key intersections at North Walnut and Center Street, and North Walnut and Orchard Street, to promote pedestrian safety and urban design character.</p> <p>The entrance to Downtown at North Walnut and East Orchard Streets should be identified and highlighted with signage, public art, and wayfinding elements.</p> <p>Promote facade and building improvements to enhance existing building character along North Walnut for properties that do not redevelop.</p>
<p>Strengthen Downtown Itasca’s Market Position & Enhance the Physical Environment of Downtown</p>	<p>Prioritize development on vacant and underutilized sites in prominent locations.</p> <p>Prioritize mixed-use development with active commercial frontage (i.e., storefronts & services), however other uses, such as residential or office, may also be acceptable if designed properly. This includes maintaining active uses at key corners such as North Walnut and West Orchard and avoiding blank façades.</p>

Source: 2022 Downtown Itasca Strategic Action Plan

Implementation of this Redevelopment Plan will facilitate the accomplishment of these, and other goals described in the Village’s 2015 Comprehensive Plan and 2022 Downtown Itasca Strategic Action Plan. It is further expected that the “redevelopment projects” as defined in the TIF Act will return the RPA to economically productive uses. Thus, accomplishing the Village’s general goals regarding enhancing and strengthening the Village’s tax base.

B. Redevelopment Project Area Goals

Given the potential community benefits that may be gained from redevelopment of the RPA, efforts should be made to achieve the following goals for the RPA:

1. Reduce or address those adverse impacts described in the TIF Qualification Report which deter private investment in the RPA;
2. Return underutilized property located within the RPA to productive use and strengthen and enhance the Village's tax base;
3. Provide for high-quality development within the RPA that facilitates community and economic development goals; and
4. Spur redevelopment in the RPA within the duration of the TIF.

These goals may be accomplished by pursuing the following objectives for the RPA:

1. Partner with private developers to promote redevelopment of underutilized properties located within the RPA;
2. Facilitate land assembly or acquisition of private and public properties to incentivize redevelopment;
3. Improvement of existing rights-of-way and infrastructure including, but not limited to roadways, streetscape, traffic signalization, parking improvements, and pedestrian and bicyclist improvements in conjunction with private investment projects;
4. Partner to prepare sites for redevelopment including but not limited to eligible grading demolition, environmental remediation, and utility expansion; and
5. Establishing public investment programs that improves the physical condition and visual aesthetic of private buildings and public spaces.

These objectives may be pursued independently by the Village or in public-private partnership by entering into redevelopment agreements in order to redevelop existing property or induce new development to locate within the RPA.

IV. Evidence of Lack of Development and Growth

A. Qualification Report

The Redevelopment Plan Area’s qualification under the TIF Act was evaluated by representatives of KMA from June 2022 through the date of this report. Analysis was aided by certain reports obtained from the Village and other sources. Only information which would directly aid in the determination of eligibility for a redevelopment project area was utilized.

The reported results of this evaluation are attached as Exhibit 3, “TIF Qualification Report Downtown North TIF Study Area” of this Redevelopment Plan.

B. Findings

As found in Exhibit 3 of this Redevelopment Plan, the RPA has suffered from certain impediments to redevelopment. The area has been burdened with a lack of significant private investment and/or development. As a result, the RPA is not likely to experience significant development and growth without the use of Village resources.

Factors which constitute evidence of the property as a “conservation area” and which impair sound growth in the RPA are: (i) deterioration of structures or site improvements; (ii) lagging EAV; (iii) inadequate utilities; (iv) obsolescence; (v) deleterious layout; and (vi) lack of community planning.

V. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan will have a positive financial impact on the affected taxing districts. Actions to be taken by the Village to enhance its tax base through the implementation of this Redevelopment Plan will also have a positive impact on the affected taxing districts.

Strategies will be encouraged to promote growth via private investment within the area, while specific objectives will be geared toward stabilizing the RPA's existing strengths and revitalizing the RPA's redevelopment potential.

It is anticipated that the RPA will require minimal increased services from affected taxing districts other than the Village. 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 TIF Act, to assist affected taxing districts in paying the costs for the increased services.

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

VI. Housing Impact Study

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act.

A housing impact study is not required to be completed because the Village will certify that it will not displace ten (10) or more residential units. A limited number of residential units are located within the RPA.

If, later, the Village does decide that it is necessary to displace ten (10) or more residential units, then the Village must complete a housing impact study and amend the Redevelopment Plan herein.

VII. Redevelopment Project

A. Redevelopment Activities

The Village will implement a coordinated program of actions allowed under the Act, including, but not limited to, the following actions:

Land Assembly: Property within the RPA may be acquired, assembled, and reconfigured into appropriate redevelopment sites. The Village may also cover any relocation costs related to land assembly activities.

Site Preparation, Clearance and Demolition: Property within the RPA may be improved by site clearance, excavation, regrading, environmental remediation or demolition.

Public Improvements: Public improvements within the RPA may be provided or repaired to support the Redevelopment Plan and Project. Examples of such public improvements may include but are not limited to: (i) public utilities and infrastructure including roadways, sidewalks, water mains, sanitary sewer systems and storm sewer systems; (ii) public parking facilities; (iii) storm water management and detention facilities; and (iv) landscaping, lighting, traffic signalization, signage and other improvements to the streetscape. Relocation of utilities or infrastructure may also be funded as determined by the Village.

Rehabilitation and Construction: 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 commercial signage upgrades, exterior and facade related work as well as interior related work.

Interest Rate Write-Down: Entering into agreements with property 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.

Job Training: Assisting facilities and enterprises located within the RPA in providing job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to, federal programs, state programs, applicable local vocational educational programs including community college sponsored programs and other federal, state, county or non-profit operated programs that are available or will be developed and initiated over time.

B. General Land Use Plan

Existing land uses consists largely of retail/commercial, mixed-use, institutional, recreational and some single- and multi-family residential uses. Existing land uses are shown in Exhibit 4, attached hereto.

Proposed land uses in the RPA are to consist of commercial, retail, mixed-use, residential, and recreational uses. Intended land uses will generally conform to the Village's Comprehensive Plan, Strategic Plan, and this Plan. Exhibit 5, attached hereto and made a part of this Plan, designates the proposed general land uses in the Redevelopment Project Area.

C. Additional Design and Control Standards

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

D. Eligible Redevelopment Project Costs

Redevelopment project costs mean and include the sum 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. Private investments, which supplement municipal 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 include:

1. *Professional Services* - 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. *Marketing* - 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. *Rehabilitation Costs* - 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. *Public Works and Improvements* - 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. *Job Training* - 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 Incentives* - 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. *Capital Costs* - 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. *School-related Costs* - 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.

- c) 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. *Library Costs* - 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* - Those estimated tax revenues from real property in a redevelopment project area derived from real property that has been acquired by a municipality which according to the redevelopment project or plan is to be used for a private use which taxing districts would have received had a municipality not acquired the real property and adopted tax increment allocation financing and which would result from levies made after the time of the adoption of tax increment allocation financing to the time the current equalized value of real property in the redevelopment project area exceeds the total initial equalized value of real property in said area.
13. *Job Training* - 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 pertaining 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. *Day Care* - 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.

The TIF Act prohibits certain costs, including the following:

Construction of Privately-owned Buildings - Unless explicitly stated herein the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;

Retail Displacement - 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;

Historic Building Demolition - 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 in the below Table 2.

Table 2. Redevelopment Project Cost Estimates

Program Actions/Improvements	Estimated Costs
Land and Property Acquisition and Assembly Costs (including Relocation Costs)	\$ 11,500,000
Site Preparation, Demolition, and Environmental Cleanup	\$ 6,500,000
Public Works or Improvements including, but not limited to, water, storm sewer, sanitary sewer, traffic management, roadway and streetscape improvements, and utility relocations	\$ 14,500,000
Rehabilitation of Existing Structures	\$ 5,000,000
Professional Service Costs (Including without limitation Planning, Legal, Engineering, Architectural, Financial, Administrative, Annual Reporting and Marketing)	\$ 3,000,000
Interest Costs Pursuant to the Act	
School Tuition/Library Costs/Capital Improvements (per the TIF Act)	\$ 2,000,000
Job Training	\$ 300,000
School Tuition, Library Costs, and Taxing District Capital Costs as Provided by the Act	\$ 3,000,000
TOTAL ESTIMATED TIF BUDGET	\$ 45,800,000

Notes:

(1) All project cost estimates are in 2023 dollars. Costs may be adjusted for inflation per the TIF Act.
 (2) In addition to the costs identified in the exhibit above, any bonds, notes or other obligations issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, notes, or other obligations, and (c) capitalized interest and reasonably required reserves. (3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line-items set forth above are not intended to place a total limit on the described expenditures, as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall Total Estimated TIF Budget amount outlined above and all as provided for in the Act.

E. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for public improvements and other project costs eligible under the TIF Act are to be derived principally from property tax increment revenues, and proceeds from municipal obligations, if any. Any such obligations would be retired primarily with tax increment revenues and interest earned on surplus revenue available, but not immediately needed, for the Redevelopment Plan. The Village may utilize incremental revenues from contiguous redevelopment project areas to pay for redevelopment project costs within the RPA, and conversely, transfer incremental revenues from the RPA to contiguous TIFs, as provided for in the TIF Act.

Any publicly funded “redevelopment project costs” as defined in the TIF Act are subject to (a) approval by the Village; (b) having specific cost categories as set forth in the TIF Act; and (c) pursuant to the Village’s incentive policy.

The tax revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be derived from 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 2021 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.

F. Nature and Term of Obligations

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 Statutes.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired not 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, occurring after adoption of the ordinance which establishes the RPA.

The final maturity date of any obligations issued pursuant to the Act may not be later than twenty 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. 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, 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.

G. Most Recent and Anticipated Equalized Assessed Value (EAV)

The most recent estimate of equalized assessed valuation (“EAV”) for tax year 2021 of the property within the RPA is approximately \$4,865,800. This is only an estimate and the certified EAV of the RPA will be determined by the County subsequent to adoption of the Village’s TIF ordinances.

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three-year period, it is estimated that the equalized assessed valuation of the property within the Redevelopment Project Area will range from approximately \$30,000,000 to \$40,000,000.

VIII. 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.

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, those redevelopment activities described in Section VII may be included in each phase.

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 parties 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 Village' most recent 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 disabilities. These nondiscriminatory practices will apply to all areas of employment, including hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

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

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, all 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.

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

C. Completion of Redevelopment Project

The estimated date for Completion of the Redevelopment Project completion shall not be later than December 31st 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 Redevelopment Plan and Project

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

EXHIBIT 1
BOUNDARY MAP



VILLAGE OF ITASCA DOWNTOWN NORTH TIF

POINT OF BEGINNING

Legend

-  Downtown North TIF
-  Description Direction
-  Downtown North TIF Parcels



EXHIBIT 2
LEGAL DESCRIPTION

LEGAL DESCRIPTION (Village of Itasca Downtown North TIF)

Those parts of the Northeast Quarter of Section 7, the Northwest Quarter of Section 8, and the Southwest Quarter of Section 8, all in Township 40 North, Range 11 East of the Third Principal Meridian, in the Village of Itasca, DuPage County, Illinois, more particularly described as follows:

Beginning at the southwest corner of Lot 1 in Helms Resubdivision (being a subdivision of Lot 19 in First Addition to Itasca Heights Unit Two, a subdivision in the Northeast Quarter of said Section 7 as per plat thereof recorded August 14, 1995, as document R95-106292, in the Office of the DuPage County, Illinois Recorder);

Thence southeasterly along the south line of said Helms Resubdivision to the southeast corner of Lot 2 in said Helms Resubdivision, also the southwest corner of Lot 32 in Itasca Heights Unit Two Subdivision (being a subdivision in the Northeast Quarter of said Section 7 as per plat thereof recorded May 8, 1956, as document 799549, in the Office of the DuPage County, Illinois Recorder);

Thence continuing southeasterly along the south line of said Itasca Heights Unit Two Subdivision to the southeast corner of Lot 39 in said Itasca Heights Unit Two Subdivision, also the southwest corner of Lot 14 in Itasca Heights Subdivision (being a subdivision in the Northeast Quarter of said Section 7 as per plat thereof recorded September 2, 1955, as document 771838, in the Office of the DuPage County, Illinois Recorder);

Thence continuing southeasterly along the south line of said Itasca Heights Subdivision to the intersection of the east line of Catalpa Street, also the southwest corner of Lot 3 in Itasca Heights First Resubdivision (being a subdivision in the Northeast Quarter of said Section 7 as per plat thereof recorded January 7, 1999, as document R99-004609, in the Office of the DuPage County, Illinois Recorder);

Thence continuing southeasterly along the south line of said Itasca Heights First Resubdivision, and the southeasterly prolongation thereof to the center line of Willow Street, as shown in Clover's First Addition To Itasca (being a subdivision in the Northwest Quarter of said Section 8 as per plat thereof recorded May 9, 1924, as document 177464, in the Office of the DuPage County, Illinois Recorder);

Thence northerly along the center line of said Willow Street, to the northwesterly prolongation of the south line of Lot 2 in said Clover's First Addition To Itasca;

Thence southeasterly along said northwesterly prolongation thereof and the south line of said Lot 2 to the southeast corner of the west 70 feet of said Lot 2, also the southwest corner of Lot 1 in Clover's Center Street Subdivision (being a subdivision in the Northwest

Quarter of said Section 8 as per plat thereof recorded November 16, 1945, as document 487341, in the Office of the DuPage County, Illinois Recorder);

Thence southeasterly along the south line of said Clover's Center Street Subdivision to the southeast corner of Lot 5 in said Clover's Center Street Subdivision;

Thence northerly along the east line of Lot 5 in said Clover's Center Street Subdivision to the westerly prolongation of the south line of Lot 6 in said Clover's Center Street Subdivision;

Thence easterly along said westerly prolongation thereof and the south line of Lot 6, the south lines of Lot 7 through Lot 10 (both inclusive) in said Clover's Center Street Subdivision to the northerly prolongation of the east line of Lot 12 in said Clover's Center Street Subdivision;

Thence northerly along said northerly prolongation to the westerly prolongation of the south line of Lot 11 in said Clover's Center Street Subdivision;

Thence easterly along said westerly prolongation thereof, the south line of Lot 11, and the easterly prolongation of the south line of said Lot 11 in said Clover's Center Street Subdivision to the northerly prolongation of the west line of Lot 8 in Block 15 in Itasca (being a subdivision in the Northwest Quarter of said Section 8 as per plat thereof recorded June 19, 1874, as document 18314, in the Office of the DuPage County, Illinois Recorder);

Thence southerly along the northerly prolongation of the west line of said Lot 8 to the north line of said Lot 8;

Thence easterly along the north line of said Lot 8, the north lines of Lot 9 through Lot 11 (both inclusive) in Block 15 in said Itasca Subdivision to the west line of Lot 3 in Block 15 in said Itasca Subdivision;

Thence northerly along said west line to the north line of said Block 15;

Thence easterly along the north line of said Block 15 to the northeast corner of said Block 15;

Thence easterly to the northwest corner of Block 12 in said Itasca Subdivision;

Thence easterly along the north line of said Block 12 to the northeast corner of Lot 14 in Block 12 in said Itasca Subdivision;

Thence southerly along the east lines of Lot 14 through Lot 8 (both inclusive), and the southerly prolongation of the east line of Lot 8 in said Block 12 to the north line of Premier

Place Condominium as shown in plat of survey provided for in Declaration of Condominium Ownership and Easements, Restrictions, and Covenants For Premier Place Condominiums, in the Northwest Quarter of said Section 8, recorded September 3, 2014 as document R2014-079977 in the Office of the DuPage County, Illinois Recorder;

Thence westerly along said north line to the west line of said Premier Place Condominium;

Thence southerly along said west line to the south line of said Premier Place Condominium;

Thence southeasterly along the south line of said Premier Place Condominium to the southern most southeast corner of said Premier Place Condominium, also the southwest corner of Lot 3 in Block 11 of Itasca Subdivision (being a subdivision in the Northwest Quarter of said Section 8 as per plat thereof recorded June 19, 1874, as document 18314, in the Office of the DuPage County, Illinois Recorder);

Thence southeasterly along the south line of said Lot 3 to the southeast corner of said Lot 3;

Thence southeasterly to the southwest corner of Lot 5 in Block 9 of said Itasca Subdivision also the southwest corner of real estate conveyed and by Warranty Deed to Itasca Golf Real Estate Holdings, LLC recorded September 10, 2014 as document R2014-082366 in the Office of the DuPage County, Illinois;

Thence southeasterly, northeasterly, and southeasterly along the southern line of said Warranty Deed to Itasca Golf Real Estate Holdings, LLC to the center line of a 66 foot wide street (now known as Rush Street) between Block 3 and Block 4 of said Itasca Subdivision;

Thence southerly along said center line to the southeasterly prolongation of the south line of Lot 6 in Block 4 of said Itasca Subdivision;

Thence southwesterly to the southeast corner of Lot 1 in Senne's Subdivision (being a subdivision in the Northwest Quarter of said Section 8 as per plat thereof recorded November 29, 1876 as document 22574 in the Office of the DuPage County, Illinois Recorder);

Thence westerly along the south line of said Senne's Subdivision to the northeast corner of First Street Square Townhomes Subdivision (being a subdivision in the Southwest Quarter of said Section 8 as per plat thereof recorded July 7, 1993, as document R93-143145 in the Office of the DuPage County, Illinois Recorder);

Thence southerly along the east line of said First Street Square Townhomes Subdivision 25 feet to the south line of a hereby dedicated right of way in said First Street Square Townhomes Subdivision;

Thence westerly along said south line to the west line of said First Street Square Townhomes Subdivision;

Thence southerly along said west line, and the west line of First Addition to First Street Square Subdivision (being a subdivision in the Southwest Quarter of said Section 8 as per plat thereof recorded December 1, 1995, as document R95-169374 in the Office of the DuPage County, Illinois Recorder), and the southerly prolongation thereof, to the northeast line of a parcel of land described in a plat of survey recorded October 4, 2001, as document R2001-212418 in the Office of the DuPage County, Illinois Recorder);

Thence northwesterly along said northeast line and the northeast line of parcel of real estate conveyed and described by Special Warranty recorded July 22, 2022, as document R2022-069822 in the Office of the DuPage County, Illinois Recorder, to the north line of parcel of real estate conveyed by said document R2022-069822;

Thence westerly along said north line and the westerly prolongation thereof to the northeast corner of Lot 1 in Block 1 of William H. Wischstadt's Addition to Itasca (being a subdivision in Southwest Quarter of said Section 8 as per plat thereof recorded November 13, 1893, as document 53819 in the Office of the DuPage County, Illinois Recorder);

Thence northerly along the northerly prolongation of the east line of said Lot 1, to the south line of Lot 1 in Irving Walnut Subdivision (being a subdivision in the Northwest Quarter of said Section 8, as per plat thereof recorded April 4, 2005, as document R2005-067710).

Thence easterly along the south line of said Lot 1, to the east line of said Lot 1;

Thence northerly along the east line of said Lot 1 and the east line of Lot 2 in said Irving Walnut Subdivision, to the northeast corner of said Lot 2;

Thence northwesterly along the limits of Lot 2 in said Irving Walnut Subdivision, to the northwest corner of said Irving Walnut Subdivision;

Thence northwesterly to the northeast corner of Itasca Riverwalk I Subdivision (being a subdivision in the Northwest Quarter of said Section 8 as per plat thereof recorded May 9, 2005, as document R2005-094877 in the Office of the DuPage County, Illinois Recorder);

Thence westerly along the northern limits of Lot 1 in said Itasca Riverwalk I Subdivision to the northwest corner of said Itasca Riverwalk I Subdivision also the northeast corner of Springbrook Assessment Plat (being in the Northwest Quarter of said Section 8 and recorded December 23, 2008, as document R2008-180082 in the Office of the DuPage County, Illinois Recorder);

Thence westerly along the northern limits of Parcel 1 in said Springbrook Assessment Plat to the northwest corner of said Springbrook Assessment Plat also the northeast corner of Itasca Bank and Trust Company Assessment Plat (being in the Northwest Quarter of said Section 8 and recorded December 20, 2004, as document R2004-317139 in the Office of the DuPage County, Illinois Recorder);

Thence westerly along the northern limits of Parcel 2 and Parcel 1 in said Itasca Bank and Trust Company Assessment Plat to the northwest corner of said Itasca Bank and Trust Company Assessment Plat also the northeast corner of parcel of land conveyed and described in Deed in Trust recorded January 6, 1993, as document R93-003148 in the Office of the DuPage County, Illinois Recorder);

Thence westerly along the northern limits of said Deed in Trust also the southern limits of Irving Park Boulevard existing as of December 7, 2022, to the northwest corner of said Deed In Trust;

Thence westerly along the southern limits of Irving Park Boulevard existing as of December 7, 2022, to the eastern limits of Interstate 290 existing as of December 7, 2022;

Thence northerly and northeasterly along the eastern limits of Interstate 290 existing as of December 7, 2022 to the Point of Beginning.

EXHIBIT 3
QUALIFICATION REPORT

Draft Dated 01.04.23

VILLAGE OF ITASCA, ILLINOIS
TIF QUALIFICATION REPORT
DOWNTOWN NORTH TIF STUDY AREA



An analysis to assess the likelihood that all or a portion of an area located in the Village of Itasca would 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 Itasca, Illinois

Prepared by: Kane, McKenna and Associates

January 2023

**ITASCA DOWNTOWN NORTH TIF
REDEVELOPMENT PROJECT AREA/STUDY AREA
TIF QUALIFICATION ASSESSMENT**

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I. INTRODUCTION AND BACKGROUND

In considering the designation of the proposed Downtown North TIF Project Area (“TIF District”), the Village of Itasca (the “Village”) has authorized a study of the area indicated in the map attached hereto as Exhibit A (the “Study Area”) to determine whether it qualifies for consideration as a “redevelopment project area” (“TIF”) pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (“TIF Act” or the “Act”). Kane, McKenna and Associates (“KMA”) has agreed to undertake the study of the Study Area. The Study Area consists of forty-three (43) tax parcels (as described in Exhibit B) comprised of approximately 21 acres, and twenty-three (23) buildings with a combination of commercial, mixed-use, recreational, and residential uses. The proposed TIF designation will serve to improve the north side of the Village’s downtown area.

The proposed TIF District was found to have various qualification factors that would enable the Village to designate the Study Area as a “conservation area” as defined in the TIF Act. Twenty (20) of the twenty-three (23) buildings, or almost 87%, are over thirty-five (35) years in age. These building ages qualify the Study Area as a “conservation area”, pursuant to the TIF Act. Additional qualifying factors in the Study Area include deterioration of building and site improvements, stagnant or decline in Equalized Assessed Value (EAV), inadequate utilities, obsolescence, deleterious layout, and lack of community planning.

Village Goals

Downtown Itasca is concentrated around the Metra Station and the Walnut Avenue/West Irving Park Road intersection. West Irving Park Road bisects and provides primary access to Downtown. In 2022, the Village of Itasca adopted the “Downtown Itasca Strategic Action Plan,” (“Strategic Plan”), a planning tool jointly prepared by the Village of Itasca and the Regional Transportation Authority as “an important policy document to guide future investment and development activity within and near the Downtown, in addition to the Village’s 2015 Comprehensive Plan. According to the Strategic Plan, “Irving Park Road presents both a challenge and opportunity for improvement in Downtown Itasca,” and further states that Irving Park Road provides “access to Downtown, serves as a gateway, and is the primary entry point to Downtown.” The goal of the 2022 Downtown Itasca Strategic Action Plan is to “create a vision for Downtown Itasca and the surrounding neighborhoods that leverages existing transportation, real estate, and community involvement to create a Downtown that is a welcoming and active meeting place for residents and visitors.” The Strategic Plan goes on to assert that “financial incentives are likely going to be needed over the near term to attract developers and businesses into Downtown Itasca,” and the Strategic Plan identifies “tax increment financing (“TIF”) as one such tool that the Village could deploy to achieve this objective.” The Strategic Plan contains the following key strategies for accomplishing the goal of the Strategic Plan:

- Improve the pedestrian experience and establish a higher quality character along North Walnut Street and West Orchard Street.
- Create more engaging frontage conditions at locations along North Walnut and West Orchard with higher visibility and activity.
- Redevelop sites with strong potential for infill or redevelopment as higher intensity uses, which occur on both sides of North Walnut Street between Orchard and Center Streets.
- Strengthen connectivity between north and south areas of Downtown to the Metra Station and across Irving Park Road through improved paths and sidewalk connections.
- Enhance amenities and facilities adjacent to the Metra station including plaza improvements, seating, and bike parking.
- Explore opportunities to activate underutilized spaces and connect a network of public and private open spaces.
- Improve key intersections at North Walnut and Center Street, and North Walnut and Orchard Street, to promote pedestrian safety and urban design character.
- Identify and highlight with signage, public art, and wayfinding elements the entrance to Downtown at North Walnut and East Orchard Streets
- Promote facade and building improvements to enhance existing building character along North Walnut for properties that do not redevelop.

Source: 2022 Downtown Itasca Strategic Action Plan

Given these Village strategies under its downtown area planning process and the conditions briefly summarized above, the Village has made a determination that it is highly desirable to promote the redevelopment of the Study Area. The Village has conceptualized the Study Area as one of the Village’s economic development target areas since the area has experienced upward-trending commercial vacancies over the last few years. The Village intends to create and implement a “redevelopment plan” as defined in the TIF Act (the “TIF Redevelopment Plan”) in order to increase tax revenues by undertaking redevelopment activities to increase the community’s tax base.

The Village is favorably disposed toward supporting redevelopment efforts in areas of underutilization and disinvestment and to proactively position the area in relation to the marketplace. Accordingly, the Village has determined that additional redevelopment strategies take place with the benefit and guidance of comprehensive economic planning by the Village. Through such a coordinated effort, the economic benefits of the Village’s other redevelopment efforts, including current downtown area redevelopment efforts, can be broadened into the proposed TIF District area to further complement the Village’s overall

redevelopment activities. Development barriers, inherent with current conditions within the proposed TIF District, which impede economic growth under existing market standards, can be expected to be mitigated.

The Village has determined that redevelopment currently planned for the area may only be feasible with public financial assistance coordinated with private sector investment. The creation and utilization of a TIF redevelopment plan is intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the area.

The use of tax increment financing relies upon induced private redevelopment in the area thus creating higher real estate value that would otherwise decline or stagnate without such investment, leading to increased property taxes compared to the previous land use (or lack of use). In this way, the existing tax base for all tax districts is protected and a portion of future increased taxes are pledged to attract the needed private investment.

II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, KMA examined the Study Area from June 2022 through the date of this report, and reviewed information collected for the Study Area to determine the presence or absence of appropriate qualifying factors listed in the TIF Act. The relevant sections of the TIF Act are found below. The TIF Act sets out specific procedures which must be adhered to in designating a redevelopment project area. By definition, a “redevelopment project area” is:

“an area designated by the municipality, which is not less in the aggregate than 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 area and conservation area”

Under the TIF Act, a “conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the factors identified below, may be considered as a “conservation area”.

Conservation Area

In accordance with the TIF Act, KMA assessed the following factors to determine qualification of the Study Area as a “conservation area”. Pursuant to the TIF Act, such an area qualifies as a “conservation area” provided that:

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

- A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required, or the defects are so serious and so extensive that the buildings must be removed.
- B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.
- C) Deterioration: With respect to buildings, defects including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and

surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

- D) Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.
- E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- F) Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.
- G) Lack of Ventilation, Light or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
- H) Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the redevelopment project area.
- I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

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

III. THE STUDY AREA

The Study Area is primarily between Center Street to the north and Irving Park Road to the south, and between I-290/355 to the west and First Street to the east (the “Study Area”). A map of the Study Area can be found in Exhibit A. The Study Area consists of forty-three (43) tax parcels as described in Exhibit B.

IV. METHODOLOGY OF EVALUATION

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

- A) A site survey of the Study Area was undertaken by representatives from KMA. KMA reviewed the Study Area in its entirety by doing the following. First, KMA completed an exterior evaluation of structures, which included conducting a photographic analysis to aid this evaluation. Second, KMA assessed 2016 through 2012 tax information the DuPage County Clerk's Office, Sidwell parcel tax maps, site data, discussion with Village staff regarding local history, and an evaluation of area-wide factors that affected the Study Area's development (e.g., lack of community planning). Lastly, KMA reviewed the Village's redevelopment goals and objectives for the Study Area with Village staff.
- B) KMA's survey of structures and sites in the Study Area reviewed for the TIF Act's criteria factors. Initial survey of existing structures and site conditions were reviewed for dilapidation, obsolescence, deterioration, and vacancies to the best and more reasonable extent possible. Additionally, KMA discussed with Village staff regarding deleterious land use and layout of sites, excessive land coverage, inadequate utilities, and illegal uses in the Study Area.
- C) The Study Area was examined to assess the applicability of the different factors required for qualification for TIF designation under the TIF Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was examined to determine the applicability of the thirteen (13) different "conservation area" factors for qualification for TIF designation under the TIF Act.

V. **QUALIFICATION FINDINGS OF PROPOSED STUDY AREA**

As a result of KMA’s evaluation of the Study Area included in the proposed TIF District and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of part of the proposed TIF District as a “conservation area.”

A) **Conservation Area Threshold Factors**

Age

Based upon the site survey and data from the DuPage County Assessor’s office, almost 87% (20 of the 23 structures) within the Study Area were found to be thirty-five (35) years of age or greater.

B) **Other Conservation Area Factors (Must Include Three or More Additional Factors)**

Table 1

Summary of TIF-Qualifying Factors	
Maximum Possible Factors per Statute	Thirteen (13)
Minimum Factors Needed to Qualify per Statute	Three (3)
Qualifying Factors Present in Proposed Study Area:	Six (6)
1. Deterioration of Building & Site Improvements	
2. Lagging or Decline in Equalized Assessed Value (EAV)	
3. Inadequate Utilities	
4. Obsolescence	
5. Deleterious Layout	
6. Lack of Community Planning	

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 20 of 23 structures, or almost 87%, were 35 years in age or older. Secondly, KMA reviewed the thirteen aforementioned criteria needed to qualify the area as a conservation area, determining that six (6) factors were present:

1. **Deterioration of Buildings and Site Improvements.** The Act states that with respect to buildings, defects include, but are not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, down spouts and fascia. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas show evidence of deterioration,

including, but not limited to surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Certain properties in the Study Area exhibit deteriorated conditions in either site improvements or building components or both. These site conditions are characterized by, among other things, the following:

- Extensively cracked and crumbling asphalt pavement, along with potholes and other settlement in parking lot areas and driveways, requiring re-surfacing
- Weed and vegetation growth in cracked pavement and/or loose pavement material
- Faded and cracked parking space striping and curb caution paint, requiring re-painting
- Crumbling curb and gutter throughout parking areas and approaches, requiring removal and replacement
- Cracked public walks with weed growth

Village staff also report that some streets and pathways within the Study Area are in need of upgrading to be made pedestrian and bicycle accessible.

Building deterioration was found to consist of cracked or damaged exterior building surfaces including masonry facades in need of tuckpointing, faded and peeling trim paint, deteriorated windows or doors or window/door frames, rusted metal service doors, rusted metal fencing, and damaged gutters or downspouts, for example.

2. **Lagging or Declining EAV.** The Act states that if the total equalized assessed value 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 tax years for which information is available.

The table below indicates that the total EAV of the Study Area has been increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available. It should be noted that the finding of “lag in EAV” based on the table above is tentative and subject to change when DuPage County publishes its certified 2022 EAV data early next year.

Table 2

	2021	2020	2019	2018	2017
Total EAV:	\$ 4,946,520	\$ 4,788,240	\$ 4,668,830	\$ 4,246,320	\$ 3,960,200
% Change from Previous Year:	3.3%	2.6%	3.9%	5.8%	6.4%
Village of Itasca	\$726,071,280	\$696,144,778	\$668,567,143	\$646,603,721	\$631,126,929
Balance of Municipality EAV	\$721,124,760	\$691,356,538	\$663,898,313	\$642,109,771	\$626,880,609
Percentage increase/decrease	4.3%	4.1%	3.4%	2.4%	7.1%
CPI All Urban Consumers	4.7%	1.2%	1.8%	2.4%	2.1%

Source: DuPage County and Addison Township Assessor, U.S. Bureau of Labor Statistics
Lagging/Declining values are indicated in **red bold font**

3. **Inadequate Utilities.** The Act defines “inadequate utilities” as underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the Redevelopment Project Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Redevelopment Project Area.

According to the Village’s public works staff, the water mains along Orchard and Maple Streets and Irving Park Road were installed in the 1940s and 1950s and are, nearing their lifespan. Village public works staff also report that these ten-inch (10”) mains were also originally installed with lead joints, as was typical at that time, and are undersized for current development standards. These water mains require replacement with a minimum twelve-inch (12”) mains to provide increased capacity for fire protection and service needs since one of the Village’s goals for the Study Area is to increase density by converting single commercial use sites into mixed-use developments. In addition, according to Village public works staff, due to their age and condition, there exists a history of failures and repairs. Village public works staff have advised that failures and need for repairs occur every three to four years, which is considered to be a significant failure. These failures have caused periodic flooding into buildings, required service shutoffs that have interrupted water service for residents and businesses in the north downtown area. Finally, Village public works staff report that there is a six-inch (6”) dead-end water main that runs from the Metra parking lot exit to a warehouse building, whose sizing is too small for the length of this dead-end configuration and should be looped in order to improve flow rates and eliminate potential threats to public safety in the long run. Village public works staff also report that while the existing eight-inch (8”) sanitary sewer service lines in the Study Area meet minimum size standards for sanitary sewer mains, these mains may need to be increased to ten-

inch (10”) in order to accommodate anticipated future higher-density land uses in the area.

Spring Brook Creek, which runs along the south edge of the Study Area, is the primary discharge outlet for the majority of the north side of Itasca. In 2019, the Village commissioned the “Northside Drainage Investigation Project” report by Robinson Engineering Ltd. which focused on areas of concern regarding the April 2013 and May 2018 flooding events combined with home flood investigations. The North Side drainage area is bounded by I-290, Irving Park Rd., Prospect Ave., & Village corporate limits. This area includes the Downtown North TIF Study Area. The report states that storm sewers “within the North Side are insufficiently sized to convey the 10-year recurrence event storm from the tributary right-of-way areas.” The report attributes two “catch basins” for stormwater run-off within Itasca’s north downtown area between Linden and Willow Streets, “Basins #10 and #10A”. The report more specifically states that, “[t]here is minimal storm sewer present within Basin #10, and those that exist are undersized 6”, 10” and 12”” and even run beneath a number of homes and businesses. The report describes the twelve-inch (12”) sewer as “ancient”. The report also states that “[t]he only storm sewer present in Basin #10A is along Maple Street at Center Street,” and that “there is known ponding at the intersection of Maple Avenue and Center Street.” The report recommends installation of more and larger storm sewers, ranging from 18” to 36” within these two drainage basins. Robinson’s “proposed design removes surface water from existing drain tile to alleviate flooding and would allow for the future abandonment of the existing drain tile under the existing residences and businesses.”

Commonwealth Edison’s power lines in the Study Area are nearly 100% overhead and will need to be buried to accommodate future development and redevelopment. Village staff report that the electrical conduit serving the streetlights consists of galvanized conduit which is eroding and causing streetlight outages within the Study Area. Village staff have also indicated that the past few storms have caused power outages for properties in and around the north downtown area. In addition, there are many locations within the north downtown area where utility poles are located in the middle of pedestrian pathways, which interferes with efficient pedestrian mobility in the north downtown area.

4. **Obsolescence.** Under the Act, obsolescence is defined as the condition or process of falling into disuse. Structures have become ill suited for the original use. The Study Area potentially includes both functional and economic obsolescence.

Functional obsolescence can be present due to age, physical condition, poor layout and building orientation. As mentioned previously, almost 87% of the 23 structures within the Study Area are over 35 years old. Of these, over 85% are over 50 years old and 40% are over 75 years old. All but four of the structures over 35 years old range in age from 40 to 122 years old. The advanced ages of almost all of the structures within the Study Area, along with their associated deterioration, make

them obsolete in comparison to contemporary construction and development standards.

Further examples of obsolescence can be seen in the structures that consist of former single family residential structures, ranging in age from 76 to 101 years old, that have been converted to multi-unit commercial uses, demonstrating that their original intended residential uses are obsolete for their location. One example of this is a vacant building located on Irving Park Road, originally constructed as a single-family residence in 1952. It was later converted to multiple office uses and occupied by such businesses as attorneys, a pharmacy, and a tavern, to name a few. Additionally, the configuration of this structure is poorly laid out (including multiple site grade changes) and not conducive for occupancy by a single user. Another example of functional obsolescence can be seen in the fact that almost twenty-three percent (23%) of the buildings within the Study Area consist of older, smaller two-story structures with commercial uses on the first floor and residential uses either on the second floor or in the rear. These building uses were originally appropriate when business owners often lived above or behind their businesses, but this is no longer consistent with current development standards.

Two other examples of obsolescence can be seen where two warehouse buildings exist adjacent to the rail right-of-way. Both of these structures and their warehouse uses are no longer appropriate for a suburban downtown location surrounded by residential neighborhoods. Indeed, the use of the warehouse building by a moving company is not a permitted use in the corresponding zoning district.

Evidence of economic obsolescence can be seen in the fact that almost fifteen percent (15%) of the commercial units within the Study Area are vacant and over thirty-seven (37%) of the residential units within the Study Area are vacant, as of September 2022. Commercial vacancies include the former bank building on Irving Park Road which has been vacant since 2019, and the vacancies of all of the commercial units at another property located Irving Park Road. These vacancies indicate that their respective former uses have become ill suited for their original intended use. Most of the residential vacancies are found among the two-story mixed-use structures that have second floor residential rental units, suggesting that these second story residential uses have become ill-suited for their intended original use, which were often designed to serve as residences for the owners of the businesses located in the first floors.

5. **Deleterious Layout.** The Act defines “deleterious layout” as 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.

Deleterious layout is found within the Study Area as street, sidewalk, parking lot, and building/lot configurations that provide for uncontrolled and/or dangerous

vehicular and pedestrian traffic patterns. According to the Village's 2022 Downtown Itasca Strategic Action Plan, Irving Park Road "serves as a challenge both in terms of physical barrier and perceived hazard. Pedestrian safety is compromised crossing between north and south parts of the Downtown." In addition, Irving Park Road is a one-lane road in each direction with a common turn lane and no on-street parking. This width is not sufficient for safe use by both motorists and bicyclists as there are no dedicated bike lanes. The 2022 Downtown Itasca Strategic Action Plan states, "[t]he West Irving Park Road streetscape character is auto oriented and lacks pedestrian scale or amenities. Although it includes continuous sidewalks along both sides of the street, the narrow sidewalks offer little protection or barrier from the trucks and other fastmoving traffic along West Irving Park Road. This truck traffic increases the safety risks for pedestrians and bicyclists. The 2015 Comprehensive Plan also notes that "Irving Park Road and the railroad tracks create a challenge to connectivity and pedestrian safety," and notes that "Metra found that a lot of people who live south of Irving Park choose to drive to the station due to safety concerns with Irving Park Road and a lack of signage, even if they live within a walkable distance of the station."

There have also been significant vehicular crashes on Irving Park Road in the north downtown area between Catalpa Avenue and First Street, which has an approximate distance of less than half of a mile. Between 2017-2019 twenty-nine (29) crashes occurred, of which six (6) included injuries and twenty-three (23) included damage to property. According to the Strategic Plan, IDOT crash data for the five-year period 2014 to 2018 "shows that, more crashes took place in the area along West Irving Park Road between Walnut Road and Rush Street, as well as near Catalpa Avenue" than at other locations in the Study Area.

In addition, the pedestrian system consisting of sidewalks, paths, and/or trails are inconsistent and incomplete within and near the north downtown area. This results in pedestrians encountering dead-end sidewalks with no marked or signalized crosswalk in the north downtown area. These issues are reflected in the relatively low walkable score of "60" for the downtown area from "Walk Score" dated 2021 indicating only some citizen mobility can be completed on foot. New streets also need to be constructed to eliminate dead ends, including constructing a street adjacent to the southside of the rail track connecting Catalpa Ave. and Willow St. In addition, there are many locations within the north downtown area where utility poles are located in the middle of pedestrian pathways.

(www.walkscore.com measures the walkability and pedestrian friendliness of an area by analyzing population density and road metrics such as block length and intersection density)

There are additional examples of incompatible land use relationships and inappropriate mixed uses within the north downtown area along Irving Park Road. These can be seen in the two warehouse buildings located on Willow Street and Catalpa Avenue, whose uses are no longer suitable within a contemporary transit-oriented suburban downtown location. As stated previously, the warehouse use is not a permitted use in the corresponding zoning district.

6. **Lack of Community Planning.** The 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.

The Village's first Comprehensive Plan was adopted in 1959 when it had a population of only 3,151 and the total area of the Village was only 891 acres with over 36 percent in residential was land use, only 1.2 percent of the corporate area in business and commercial uses, and no manufacturing. The Village's second Comprehensive Plan (amendment) was developed over a three-year period between 1974 and 1977, with adoption of the General Development Plan in late 1977. In 1994, the 1977 Comprehensive Plan was amended, again, with adoption of the 1994 Amendatory Development Plan and this amendment was extensive. The 1994 Amendatory Comprehensive Plan states that in the previous Comprehensive Plans there "appear to be a lack of addressing any problems and/or opportunities other than existing land use in developing the Village of Itasca." The 1994 Comprehensive Plan also states that only since 1977 was there "controlled growth and development which is consistent with the past and present planning concepts and standards in the adopted Comprehensive Plans." Thus, while there was a Comprehensive Plan for the Village of Itasca as early as 1959, it was not until 1977 that the Village had a robust Comprehensive Plan that effectively directed growth and development in the Village. The Village subsequently added a 2003 Downtown Strategic Action Plan to the 1994 Comprehensive Plan. The Village adopted the 2015 Comprehensive Plan which provides a plan "for future development, redevelopment, reinvestment, and growth within the Village of Itasca and unincorporated areas that surround the community have the potential to be annexed into the Village." In 2022, the Village adopted a newer 2022 Downtown Itasca Strategic Action Plan as a separate planning document to guide future development and redevelopment in the downtown area.

While almost forty-one percent (41%) of the developed properties in the Study Area were developed prior to 1959 (the year of the Village's first Comprehensive Plan), seventy-three percent (73%) of the developed properties within the Study Area were developed prior to the 1977 Comprehensive Plan and are characterized by ineffective community planning that has generated adverse land use relationships, inadequate street layout, and parcels of inadequate shape and size that meet current development standards. To address these issues, the Village adopted the previously mentioned "Downtown Strategic Action Plan" in 2003 as an amendment to the Village's 1994 Comprehensive Plan, and then the 2022 Downtown Itasca Strategic Action Plan.

Most of the issues resulting from adverse land use relationships resulting from a lack of community planning are those that were described in Section 4 above, such as the safety issues. Again, “traffic volumes on Irving Park Road create a negative walking experience, resulting in an unsafe and unprotected pedestrian environment, according to the 2022 Downtown Itasca Strategic Action Plan. The Plan notes that “opportunities exist to address access challenges and constraints, such as West Irving Park Road crossings, disconnected sidewalks, lack of direct pedestrian paths to the station, and wayfinding.”

Also, as suggested previously, incompatible land uses include the two warehouse buildings located on Willow Street and Catalpa Avenue, whose uses are no longer consistent with their suburban downtown location, and one of which is not permitted in the existing zoning district. The Strategic Plan states that it is “important to encourage the relocation of those land uses that are not appropriate to a downtown or pedestrian friendly location, and to free up their sites and/or their buildings for new, more desirable uses.” Another example of incompatible land uses is the proximity of the Metra parking lot at the corner of North Maple and East Orchard Streets to single-family residential lots which, according to the Plan, “precluded in-depth analysis of redevelopment options although some opportunities may exist.” Second, the Strategic Plan suggests that effective community planning should include higher intensity uses on both sides of North Walnut Street between Orchard and Center Streets. Third, the Strategic Plan calls out the “vastly underutilized” west side of North Walnut Street which is “largely comprised of parking lots.” Lastly, the Strategic Plan also describes “underutilized sites along the north side of Irving Park Road and vacant sites near Catalpa Avenue.” The Strategic Plan further notes that weaknesses in the Study Area include “a lack of local businesses, a missing community gathering space, and outdated streetscapes and building facades.”

VI. SUMMARY OF FINDINGS; OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as they relate to the Village potentially designating the proposed Study Area as a TIF District:

- The area is contiguous and is greater than 1½ acres in size
- The qualification factors described in Section V of this report are present to a meaningful extent and reasonably distributed throughout the Study Area.
- The proposed Study Area would meet the criteria for a conservation area TIF District if the Village pursues this course of action

In the judgment of KMA, these findings would be sufficient for the Village to proceed with the designation of the Study Area as a TIF District.

Exhibit A
Boundary Map



VILLAGE OF ITASCA DOWNTOWN NORTH TIF

POINT OF BEGINNING

Legend

- Downtown North TIF
- ▶ Description Direction
- Downtown North TIF Parcels

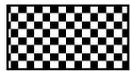
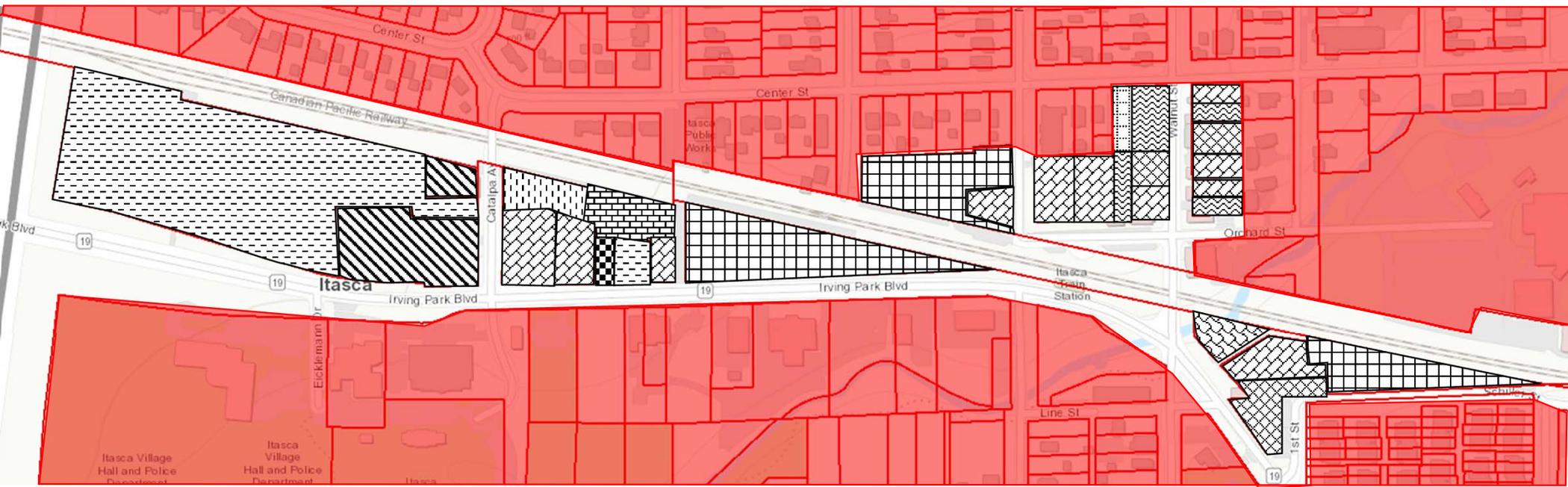


Exhibit B
Tax Parcel List

0307210005
0307210006
0307210008
0307210009
0307210010
0307210012
0307210013
0307210014
0307215002
0307215003
0307215010
0307215011
0307215012
0307215013
0307215014
0307215016
0307215017
0307504002
0308119012
0308119013
0308120005
0308120008
0308120009
0308120010
0308120011
0308120014
0308120017
0308120018
0308121001
0308121002
0308121004
0308121005
0308121006
0308121013
0308121014
0308128001
0308128002
0308128003
0308137001
0308137020
0308137021
0308303001
0308504001

EXHIBIT 4
EXISTING LAND USE MAP

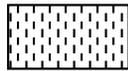
DOWNTOWN NORTH TIF CURRENT LAND USE MAP



Automotive



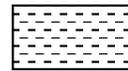
Office



Recreation



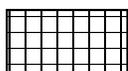
Retail/Service



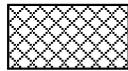
Vacant/Undeveloped



Commercial



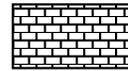
Public
Parking Lot



Restaurant



Right-of-Way

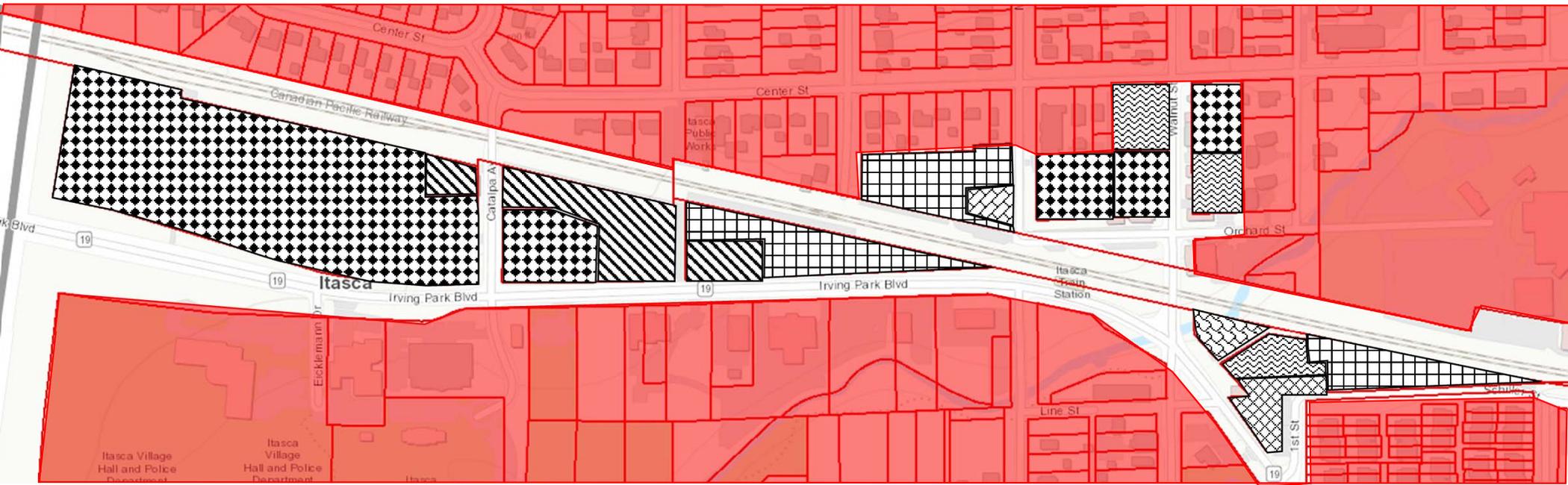


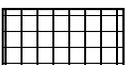
Warehouse

EXHIBIT 5

PROPOSED LAND USE MAP

DOWNTOWN NORTH TIF FUTURE LAND USE MAP



- | | | | | | | | |
|---|---|---|-----------------------|---|----------------|---|--------------|
|  | Commercial |  | Office |  | Restaurant |  | Right-of-Way |
|  | Mixed-Use:
Retail/
Restaurant
&
Residential |  | Public
Parking Lot |  | Retail/Service | | |