

VILLAGE OF BARTLETT

COMMITTEE AGENDA

FEBRUARY 17, 2015

PLANNING & ZONING

Downtown Tax Increment Financing (TIF) District

EXECUTIVE SESSION:

To Discuss Property Acquisition
Pursuant to Section 2(c)5
of the Open Meetings Act



Agenda Item Executive Summary

Item Name Downtown Tax Increment Financing (TIF) Committee
District or Board Committee

BUDGET IMPACT

Amount: n/a Budgeted n/a
List what
fund n/a

EXECUTIVE SUMMARY

Downtown Tax Increment Financing (TIF) District

Staff is requesting direction to continue proceeding in the creation of a new Tax Increment Financing (TIF) District, in conjunction with TIF consulting firm Kane, McKenna Associates.

To date, the Village has paid Kane, McKenna \$25,540 for consulting services including meetings and data collection to determine that the Downtown Commercial District meets that State's criteria as a Conservation Area TIF.

The next step in order to proceed is for the Village Board to adopt a Resolution to convene a Joint Review Board (JRB) comprised of local taxing districts to review the TIF Qualification Report and Redevelopment Plan, and then to render a recommendation to the Village Board in regard to the adoption of Ordinances to create a new TIF District.

ATTACHMENTS (PLEASE LIST)

CD Memo 15-015, Economic Development Commission Minutes and the Redevelopment Plan and Downtown Tax Increment Financing District Preliminary Draft

ACTION REQUESTED

Direct Staff to prepare TIF Resolution to hold Joint Review Board meeting and conduct the Public Hearing in regard to creation of the new TIF District.

Resolution _____

Ordinance _____

Motion:

Staff: Jim Plonczynski, Community Develop. Director Date: 2/9/2015

COMMUNITY DEVELOPMENT MEMORANDUM

15-015

DATE: February 9, 2015
TO: Valerie L. Salmons, Village Administrator
FROM: Jim Plonczynski, C.D. Director
RE: Downtown TIF District

PREVIOUS DISCUSSION:

Since February 2014, the Village has been considering the creation of a Tax Increment Financing (TIF) District to encompass the Downtown Business District. The Village has considered the creation of this TIF as portions of the downtown area have struggled with a lack of private investment over the past four years, since the expiration of the original 1986 Downtown TIF District expired at the end of 2010.

The Economic Development Commission (EDC) recommended the creation of a new Downtown TIF District as a financial tool to remedy the lack of private investment with public/private partnerships, and to assist the Village in continuing its proactive economic development efforts.

The Village Board directed Staff to engage the services of Kane, McKenna Associates (KMA), a leading TIF consulting firm, at its June 17, 2014 meeting. Staff worked closely with KMA in determining the TIF's boundaries, possible projects including infrastructure improvements, studying the vacancy rate and other issues to determine TIF eligibility and to create a Redevelopment Plan for the downtown area.

The Planning & Zoning Committee reviewed the TIF Redevelopment Plan and the Qualification Report at its December 2, 2014 meeting, at which time the Committee referred the matter to the EDC for its input and recommendation.

MOST RECENT DISCUSSION:

The EDC reviewed KMA's TIF Redevelopment Plan and Qualification Report at its January 12, 2015 meeting. After a review of the documents, and several questions of the TIF consultant and Staff regarding the mechanisms and potential uses of TIF funds, ***the EDC voted six to zero recommending in favor of moving the TIF forward.***

Attached are the EDC minutes containing their recommendation.

The next step in the designation of a TIF District is conducting a Joint Review Board meeting, comprised of representatives of taxing districts included within the proposed TIF, including the elementary and high school district, the township, fire protection district, community college district, the park district, library district, the Village, the county and a public member.

The Joint Review Board meeting must be held at least fourteen (14) days after the notice by the municipality to all the taxing districts, which shall not be less than forty-five (45) days prior to the public hearing.

RECOMMENDATION:

Staff is requesting that the Village Board Committee direct Staff to prepare a Resolution calling for a public hearing and a Joint Review Board meeting to consider the designation of a Redevelopment Project Area and the approval of a Redevelopment Plan and Project for the Village of Bartlett Downtown Tax Increment Financing District.

Minutes

Village of Bartlett
Economic Development Commission

January 12, 2015

Chairman Kubaszko called the meeting to order at 7:00 pm.

Roll Call

Present: G. Kubaszko, C. Green, D. Weir, R. Perri, J. Petro, T. Smodilla, M. Sobel

Absent: N. Mehta

Also Present: J. Plonczynski, CD Director; T. Fradin, Economic Development Coordinator

Approval of Minutes

A motion was made to approve the minutes of the December 8, 2014 meeting.

Motioned by: C. Green

Seconded by: R. Perri

The motion carried with all members voting aye (voice vote).

Proposed Downtown Tax Increment Financing District – Review of Redevelopment Plan and TIF Eligibility Report

Jim Plonczynski introduced consultant for the project, Chuck Durham with Kane, McKenna and Associates (KMA). He also introduced audience member, Adam Hopkins, Bartlett Village Trustee candidate.

Jim Plonczynski stated tonight's discussion includes the Eligibility Study and Redevelopment Plan, as proposed by Kane and McKenna. The project originates from the Village's Strategic Plan goal of attracting and retaining a diverse business population and the EDC's recommendation to create a new Downtown Tax Increment Financing (TIF) District to create a future funding source for marketing, financial support of events and potential incentives for future businesses. He noted that the proposed area is larger than the original TIF District. It was expanded eastward to include the Flexonics property as well as the commercial area along Prospect Avenue and Wilmington Drive.

Jim Plonczynski stated the Redevelopment Plan has seven goals: 1) sustain and enhance the downtown area; 2) improve and augment the area's overall land use mix; 3) attract new shopping and service business opportunities; 4) improve the overall physical conditions of the area; 5) maintain an attractive pedestrian environment; 6) improve pedestrian, bicycle, and vehicular circulation; and 7) create a cooperative partnership between the Village and prospective business owners and developers.

Jim Plonczynski stated the estimated project costs are based on TIF eligible costs. These costs/activities include infrastructure; land acquisition; environmental remediation; rehabilitation; tax district costs; planning costs; interest costs; legal and administrative costs. The total estimated TIF budget is \$17.5 million.

Jim Plonczynski stated the TIF Qualification Report concluded the potential TIF District qualifies as a "conservation area" under the Illinois Tax Increment Allocation (TIF) Act. Under the Act, "blighted area" or "conservation area" means any improved or vacant area within the boundaries of a development project area located within the territorial limits of the municipality where certain conditions are met. Jim Plonczynski stated that out of a maximum of 13 factors and where a minimum of 3 factors are needed to qualify as a "conservation area", Bartlett has a total of 6 qualification factors present. This is in addition to meeting the age requirement that states a majority of buildings must be over 35 years in age. The six factors that were present are: 1) lag in the EAV growth; 2) inadequate utilities; 3) excessive vacancies; 4) lack of community planning; 5) deterioration of structures and site improvements; and 6) obsolescence.

Jim Plonczynski stated the Summary of Findings for the Eligibility Report show:

- ✓ the area is contiguous and is greater than 1 ½ acres in size
- ✓ it qualifies as a "conservation area"
- ✓ all property would substantially benefit
- ✓ the sound growth of taxing districts, including the Village, has been impaired by the factors found present
- ✓ the area would not be subject to redevelopment without the investment of public funds, including property tax increments

Jim Plonczynski stated that concludes his presentation but he and Chuck Durham were present to answer any questions. He stated Staff is looking for a positive recommendation from the EDC to the Village Board in order to continue the process and to conduct the Joint Review Board meeting and Public Hearing necessary to adopt the TIF District.

Commissioner Perri asked what the qualification of a "blighted" versus "conservation" area and the difference in what the Village is allowed to do. *Chuck Durham's reply was inaudible.*

Commissioner Perri asked if we are required to utilize the funds for remodeling structures over 35 years of age or could we simply knock them down? Chuck Durham replied that the TIF Act provides for flexible uses of the funds. *(the remainder of Mr. Durham's response is inaudible)*

Commissioner Smodilla noted that one of the qualifying factors enumerated in the report was the lack of a distinct Community Plan for this area. She asked if the cost for a revised plan is included in the TIF budget and would it be part of the site preparation/remediation category. Jim Plonczynski replied that is a possibility, but reminded the Commission that the Village applied for and was granted RTA funding for the Downtown Transit Oriented Development (TOD) Plan. He explained that the RTA Grant would go hand-in-hand with the TIF. It would enable the Village to go through the TOD planning process fairly soon; probably this spring and this summer. He stated that once that plan is prepared, the TIF would follow as the funding mechanism to implement that plan. Commissioner Smodilla asked if we would then consider redoing the Metra platform and erecting vertical parking structures. Jim Plonczynski replied that those types of items could come out in the planning process.

Commissioner Sobel asked if the areas on the map that are labeled "not included" because they are primarily residential areas. Chuck Durham replied the focus was on the commercial areas and generally recommend staying away from large residential properties. Commissioner Sobel asked if any property south of Devon Avenue was ever considered or was the area restricted only to the north side of Devon. Chuck Durham replied that south of Devon was considered, but they only included the north side of Devon because: 1) there is a distinct disadvantage of commercial properties in Cook County, and 2) the inclusion of properties in multiple counties would greatly impact the length of time it would take for the TIF process, along with additional reporting requirements.

Commissioner Petro stated the report cited "inadequate utilities" as another qualifying factor. He asked what specific utilities fall under that category. Chuck Durham replied that many of the underground utilities fall into this category, i.e. water mains and sewers. Commissioner Petro asked if there is a fee payable to the State of Illinois to formally submit for a TIF. Chuck Durham replied that as far as adopting a TIF Plan and establishing a TIF District, the answer is absolutely no. He stated the Village does not pay any fees to the State, however Bartlett must keep the State informed of the Public Hearing meetings and produce an annual report to the State of Illinois. He added that if you do not comply with the deadlines for these reporting activities, there are/may be late fees for failure to comply with these reporting deadlines. Jim Plonczynski added that the Asst. Finance Director is very vigilant and makes sure all of the reports for the existing TIFs are filed on time every year.

Commissioner Petro asked if Staff has ever had any pushback or jealousy from other businesses that are not included in a TIF District, and do you anticipate there may be some jealousy or resentment from other commercial properties not included in this TIF. Tony Fradin replied that it hasn't been a large issue because the downtown area has always had a number of disadvantages over other commercial properties in the Village, but the issue has been raised in the past. Jim Plonczynski added that other

commercial property (shopping center) owners have been granted other incentives such as sales tax incentives or infrastructure improvements to help those owners that need help in those areas.

Commissioner Smodilla asked if there has been any sense of anticipation of the creation of a TIF District by the existing downtown businesses. She stated that Lucky Jack's is the building that immediately comes to mind. Tony Fradin replied yes there is an interest, especially by the downtown business property owners.

Commissioner Smodilla stated that although she generally believes in a TIF district, especially for a downtown area, she agrees with Commissioner Petro regarding the business owners in other sections of the village that are not able to take advantage of TIF dollars. She stated she also would hate to think that the downtown business owners are putting off necessary improvements to their businesses simply to take advantage of a possible rebate of tax money. She added that she is somewhat hesitant about a Downtown TIF District, given that it wasn't that long ago since the last one. Jim Plonczynski replied the last one concluded in 2010 and stated there were many businesses that took advantage of TIF dollar rebates to upgrade their properties. He added that there are new businesses now that can take advantage of TIF dollars, in the form of rebates, to upgrade or redevelop their properties/businesses.

Commissioner Sobel asked if there were any lessons learned from previous TIF experiences. Jim Plonczynski comically replied that the lesson he has learned was to never do this when the economy is about to crash. He stated that was the precise problem with the TIF at Route 59 and Lake Street, although he added that a big error on Bartlett's part was the failure to make that TIF district big enough and capture enough of the surrounding properties. Jim Plonczynski stated that one other lesson learned was not to set the parameters of the dollar amounts too strictly and perhaps to be more flexible in terms of what the rebates can be used for. He added that the Village learned about budgeting for environmental issues that may be encountered along the way. Commissioner Sobel asked that the Village make a list of "best practice" items to be included, based on the experiences of past TIFs. Jim Plonczynski replied that will be included and further defined later in the process.

Commissioner Smodilla stated that Lucky Jack's is a perfect example of a blighted property. She asked if there are any development plans for that building that have been tossed about. She added that it seemed to go back to the idea that Bartlett lacks a community plan for this area and suggested we go back to the drawing board to define what the vision is for the downtown area and the ability to attract the right use for the space and develop a continuity plan. Jim Plonczynski replied some developers want to act quickly and in the case of Lucky Jack's that seems to be the case. Other developers seem to have a long, vision that runs along the lines of land assembly for greater commercial use with a component of residential in a vertical fashion. Commissioner Smodilla stated it seems obvious that we should develop a robust vision for that area. Jim Plonczynski stated the RTA Grant is on board and the next step is to pick a consultant in that process, but meanwhile, the TIF District still has to move forward in order to qualify for the State requirements. He reiterated that the TIF District has to be in place for the funds to be in place.

Commissioner Weir asked what would be involved if we now decided to increase the TIF District boundaries to go further toward Lake Street in order to include the strip mall at Lake and Oak Streets. Jim Plonczynski replied that the Village Trustees have, in the past, looked at other areas in the Village that could qualify as blighted areas and therefore be designated as additional TIF Districts. He stated one area that was looked at was the corridor that runs along Lake Street, basically from the realignment of North Bartlett Road and Oak Avenue that would run east to the village boundary, which would be

approximately Park Boulevard. Presently, the new TIF District boundaries end at North Avenue at Oak Avenue so as not to include residential areas between North Avenue and Lake Street. So, instead of extending this downtown TIF to Lake Street, it would be more prudent to create one along that Lake Street corridor because it could clearly be classified as a blighted area and/or a conservation area. It certainly has been considered over the years, but has not yet made the priority list for the Village Board in its Strategic Plan. *Chuck Durham's response was inaudible.* Commissioner Petro asked if the omission of the dental surgery business at Oak and North Avenues was because it would skew the numbers for the TIF District. Jim Plonczynski replied that it was not included in the previous TIF, but it could be if that is what the Commissioners recommend. Chuck Durham stated it is easier to change the boundaries now rather than later. Commissioner Green stated and Commissioner Smodilla agreed that it seems like a glaring omission. Jim Plonczynski stated that property is actually zoned residential and the business use has been grandfathered in. In order to qualify for any consideration for a TIF rebate, the property may have to be re-zoned as a commercial property.

Commissioner Green asked for clarification regarding the eight items listed in the memo as activities and what TIF funds could be used for if the Redevelopment Area was approved. Chuck Durham replied it was simply a blueprint or menu of activities that TIF funds could cover. Commissioner Green stated that in the last TIF, the school and library payments didn't kick in until the TIF expired and what was left over. She asked if this document said they would be eligible for TIF funding during the life of the TIF. Chuck Durham replied that under new TIF guidelines, if a residential project occurs in the future and utilizes the services of the schools and the library, you are entitled to a payment. If they do not occur, you are not entitled to a payment. Commissioner Green asked if included an increase of people using these services, anywhere in the Village or simply increasing people in the TIF area. Jim Plonczynski replied that it would be only in the TIF area. It would be if there was an increase of residential development within the TIF district in the Redevelopment areas, then it would kick in.

Commissioner Green stated that the Village Board has viewed this document and asked what the next step was. Jim Plonczynski replied the Village Board reviewed this item at the Village Board Committee level and referred it to the EDC for discussion and recommendation. He stated it will go back to the Village Board, they will conduct a Public Hearing and then it will go for a final vote and creation of three ordinances. Commissioner Petro restated that the EDC needs to make a formal motion of recommendation that will be forwarded to the Village Board.

A motion was made to recommend the Village Board proceed and move forward with the creation of a Downtown TIF District.

Motioned by: J. Petro

Seconded by: M. Sobel

The motion carried with all present members voting aye with one abstention (voice vote).

Commissioner Smodilla asked if the EDC could again discuss the Spartan Consultant Report that was presented last month, as there were many details that resonate with the current TIF study. Jim Plonczynski replied that John Karnatz indicated there is a written report that was supposed to be given to the Village at the conclusion of the semester. He added that Bartlett Staff will follow up to get that full report. Commissioner Smodilla strongly suggested that Bartlett utilize the bucket of resources available wisely and tap into the enormous information put forth by the Spartan Consulting Report and the Kane, McKenna Associates proposed Redevelopment Plan. Commissioner Smodilla suggested that the EDC also

review the Village Marketing Plan. Jim Plonczynski stated that would be a likely off-shoot of the Village's Strategic Plan.

Commissioner Green asked about the Video Contest. Jim Plonczynski replied that the Video Contest is open and Bartlett will be working with a South Elgin High School video class this semester in hope of making an economic development video.

New Business

Tony Fradin announced that two small businesses just opened as of the first of the year, Ion Nutrition located at 138 S. Oak Avenue and Book Lady's Book Attic, also located at 138 S. Oak Avenue (upstairs unit).

Tony Fradin stated that Ion Nutrition is located in the space previously occupied by the candy store. Former Bartlett resident, Neal Cervone, opened the business and strives to be your source for vitamins, sport nutrition, diet supplements, protein, and much more at competitive prices.

Tony Fradin stated that Book Lady's Book Attic is located upstairs from Ion Nutrition at 138 S. Oak Avenue. Owner and Village resident, Pam Jaramillo, has turned her long-term love and knowledge of books into a used book store in downtown Bartlett.

Tony Fradin stated both of these businesses are small, single proprietorship businesses and urged the Commissioners and residents to shop local as much as possible.

Commissioner Perri asked if there has been any interest in the old Dominick's building. Tony Fradin replied there is no solid, potential tenant for that space. He added that the parent company, Safeway, continues to pay the rent for that space.

Commissioner Perri asked if the dirt removal on the property located at Route 59 and West Bartlett Road is being done at the request of a developer. Jim Plonczynski replied that is being done at the request of the property owner.

Commissioner Smodilla asked if there has been any change in the vacancies in Brewster Creek Business Park. She noted that the RhinoDox building had a name change. Tony Fradin replied they were acquired by a larger company. He added that a very large candy packaging and processing company in the market will soon be locating in in the former Victory Land Group building in Brewster Creek Business Park. Commissioner Smodilla asked how many jobs that would bring to the area. Tony Fradin replied that it would be approximately 300, however it would be 20 to 30 full time positions and the remaining positions are hourly and contractual positions.

The meeting adjourned at 8:30 pm.

**VILLAGE OF BARTLETT
REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT
DOWNTOWN TAX INCREMENT FINANCING DISTRICT**

“Redevelopment Plan” means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "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 Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

Jointly Prepared by:

Village of Bartlett, Illinois

And

Kane, McKenna and Associates, Inc.

NOVEMBER 2014

**VILLAGE OF BARTLETT
REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT
DOWNTOWN TAX INCREMENT FINANCING DISTRICT**

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LIST OF EXHIBITS

EXHIBITS

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

I. INTRODUCTION

The Village of Bartlett (the “Village”) is community located in Cook County, DuPage County, and Kane County in the state of Illinois, approximately thirty-six (36) miles northwest of the City of Chicago’s “Loop”. The Village lies adjacent to the municipalities of Elgin, South Elgin, Streamwood, Hanover Park, Carol Stream, and Wayne.

The primary land uses of the Village are residential, commercial, industrial, institutional, open space and tax exempt uses.

Illinois Route 59 bisects the Village on a north-south axis, while Lake Street, Bartlett Road, and Stearns Road run through the Village on east-west routes. The Village is serviced by Metra’s Milwaukee District West Line (MD-W) and is situated approximately six (6) miles south of Interstate 90 and seventeen (17) miles west of Interstate 355. The Village is approximately twenty (20) miles west of Chicago O’Hare International Airport and sixty (60) miles east of Chicago-Rockford International Airport.

The Downtown Tax Increment Financing (TIF) area discussed in this Plan (the “Redevelopment Project Area” or “RPA”) is generally bounded by Wilmington Drive on the east, Devon Avenue on the south, Western Avenue on the west and Oneida Avenue on the north. The area includes residential, commercial and other mixed-uses. The RPA is legally described in Exhibit 1. A boundary map of the RPA is included as part of Exhibit 2.

Recognizing the strategic location and economic significance of the RPA, the Village is taking a proactive step toward encouraging creative approaches for restoration, rehabilitation, and/or adaptive reuse of structures within the RPA through private investment and the use of Tax Increment Financing. The Village believes that the RPA should be redeveloped in a coordinated and planned basis consistent with the highest quality standards of design that would meet the revitalization goals for the Project Area and the overall goals and objectives of the Village’s development strategy. The Village intends to attract and encourage mixed use commercial and retail uses to locate within the Village as part of its ongoing economic development planning.

The RPA consists of residential, commercial, retail, and light industrial uses. Due to the strategic location and economic significance of the RPA to the Village’s downtown and commercial district the Village’s intent is to focus attention on those areas that can provide increases to the local tax base. The Village’s goal is to enhance this area and the downtown area as a whole as a thriving, mixed use district.

The Redevelopment Plan

The Village recognizes the need for implementation of a strategy to revitalize the property within the boundaries of the RPA and to stimulate and enhance private development. The enhancement of private investment is a key component of the strategy. The needed private investment may only be possible if tax increment financing (TIF) is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the "Act") Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 et seq., as amended.

Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts, which encompass the area in the form of a significantly tax base.

The designation of the area as a RPA will allow the Village to address area deficiencies cited in the *Bartlett Town Center Improvement Plan* and *The Strategic Plan 2014-2015* including (but not limited to):

- Increase residential densities throughout the project area to support transit and new commercial activity;
- Attract and retain a diverse business population;
- Foster development that serves as community focal points and considers adjustments to reflect evolving needs and market trends;
- Promote an inviting outdoor environment;
- Continue to provide and maintain infrastructure, facilities and services to focus on core municipal service areas; and
- Provide needed improvements or facilities, including, but not limited to, parking and streetscape improvements in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.

Source: *Village of Bartlett Strategic Plan 2014-2015* and *Bartlett Town Center Improvement Plan*

The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of a Redevelopment Plan and Project. Therefore, the Village, with the assistance of Kane, McKenna and Associates, Inc. has undertaken this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to operation of viable retail, commercial and mixed uses within the area.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1 ½ acres.

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

Village Findings

The Village, through legislative actions as required by the Act, finds:

- 1) That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- 2) That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- 3) 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;
- 4) That public/private partnerships are determined to be necessary in order to achieve development goals;
- 5) That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and development would not reasonably be expected to be achieved;

- 6) That 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 is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and
- 7) That the TIF Redevelopment Plan conforms to the Village's Comprehensive Plan, as detailed in Section III of this report.

It is further found, and certified by the Village, in connection to the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA will not result in the displacement of 10 or more inhabited residential units. Therefore, *this Plan does not include a Housing Impact Study.*

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

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

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the Village's comprehensive planning process. The Redevelopment Plan and Project also conform to the Village's economic development strategy and community development goals and objectives.

General Redevelopment Goals of the Village

- 1) To sustain and enhance the Bartlett downtown area;
- 2) To improve and augment the area's overall land-use mix;
- 3) To attract new shopping and service business opportunities;
- 4) To improve the overall physical conditions of the area;
- 5) To maintain an attractive pedestrian environment;
- 6) To improve pedestrian, bicycle, and vehicular circulation; and
- 7) To create a cooperative partnership between Village and prospective business owners and developers

Redevelopment Objectives

RPA designation will allow the Village to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive business environment;
- 2) Reduce or eliminate negative factors, such as vacant structures, within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality development within the RPA; and
- 5) Provide for an attractive overall appearance of the area

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

Specific Strategies for the RPA

TIF designation would allow the Village to pursue the following objectives within the RPA:

- 1) Encourage redevelopment activities along Main Street and the downtown area;
- 2) Enhance the necessary infrastructure and related improvements in order to support the redevelopment of the parcels;
- 3) Improve existing roadway service, and ingress/egress to parcels located within the RPA, where necessary;
- 4) Provide for the necessary site preparation, site remediation if warranted, grading, and excavation of property located within the RPA;
- 5) Coordinate the rehabilitation and redevelopment of uses within the RPA; and
- 6) Coordinate redevelopment activities within the RPA in a manner that conforms to the fiscal and economic development policies of the Village and its common interests with overlapping tax districts

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

Evidence of the Lack of Development and Growth within the RPA

As demonstrated in Exhibit 5 of this Plan, the RPA qualifies as a “conservation area” as defined in the Act. The area has not benefited from significant private investment and/or development. The Village seeks to encourage redevelopment along an important arterial road and improve area appearance.

Assessment of Fiscal Impact on Affected Taxing Districts

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

It is not anticipated that the RPA will require increase services from any affected taxing districts except by the Village. Though strategies will be encouraged to promote growth via private investment within the area, specific objectives are geared to stabilize the RPA’s existing strengths and revitalize the RPA’s redevelopment potential.

To the extent that the Village utilizes TIF funding to assist in the redevelopment of residential units and that redevelopment results in increased enrollment and use for eligible school districts and library districts than reimbursement shall occur per the TIF Act. In such cases, the Village will provide for the cost incurred by eligible school districts and library districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act.

V. TIF QUALIFICATION FACTORS PRESENT IN THE REDEVELOPMENT PROJECT AREA

Findings

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

Eligibility Survey

The RPA was evaluated from June to this date, by representatives of Kane, McKenna and Associates, Inc., (KMA), Village staff and the Village engineer. Analysis was aided by certain reports obtained from the Village and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for a TIF District.

VI. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

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

- 1) By implementing a plan that provides for the attraction of users to redevelop and improve property in the downtown area.
- 2) By continuing to maintain and enhance the streetscape and pedestrian areas. The overall streetscape should be continued to address the following:
 - i. Special paving on corners and crosswalks;
 - ii. Landscaping;
 - iii. Planters, benches, lighting, signage; and
 - iv. Recreational facilities and public improvements.
- 3) By entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for site preparation and clearance, including demolition, grading excavation, and environmental mitigation if necessary.
- 5) Coordinating improvements and efforts associated with several public uses located within the RPA (Village, educational, recreational, and public related uses).
- 6) Providing job training programs in coordination with any Village, federal, state, and county programs.

B. Redevelopment Activities

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

Site Preparation, Clearance, and Demolition

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

Land Assembly and Relocation

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites. Relocation activities may also be undertaken by the Village.

Public Improvements

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

- Parking facilities and transportation related amenities;
- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems;
- Roadway and roadway related improvements; and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

Rehabilitation/Taxing District Capital Costs

- The Village may undertake rehabilitation of public or private improvements or taxing district capital improvements, as provided for in the Act.

Interest Rate Write-Down

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

Job Training

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

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

C. General Land Use Plan

Existing land use generally consists of mixed uses, including institutional, residential, commercial, and retail properties and adjacent right of ways. Existing land uses are shown in Exhibit 3, attached hereto and made a part of this Plan. Exhibit 4, attached hereto and made a part of this Plan designates intended general land uses in the RPA that include institutional, mixed uses (including residential) and commercial/retail uses. The land uses will conform to the Village's comprehensive planning principles and community development goals and objectives of the Village as either may be amended from time to time.

D. Additional Design and Control Standards

The appropriate design controls shall apply to the RPA.

E. Estimated Redevelopment Project Costs

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

1. Costs of studies and survey, development of plans and specification, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, “redevelopment project costs” shall not include lobbying expenses;
 - 1.1 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 project area or approved a redevelopment plan;
 - 1.2 The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;

4. Costs of the construction of public works or improvements, and 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 the amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination 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;
5. Costs of job training and retraining projects including the costs of “welfare to work” programs implemented by businesses located within the redevelopment project area;
6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
7. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
8. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

9. Cost of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23-3a of the School Code;
10. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - 10.1 Such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - 10.2 Such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - 10.3 If there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph (10) then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - 10.4 The total of such interest payments paid pursuant to this Act may not exceed 30% of the (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act;
11. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;

12. 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; and
13. School district or library district costs as provided for in the Act.

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

**VILLAGE OF BARTLETT DOWNTOWN REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

Program Actions/Improvements	Estimated Costs
Land Acquisition and Assembly Costs	\$2,000,000
Site Preparation/Environmental Remediation	\$2,000,000
Utility Improvements (Including but not limited to, Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements)	\$6,000,000
Rehabilitation/Taxing District Costs	\$5,000,000
Interest Costs Pursuant to the Act	\$1,000,000
Planning, Legal Engineering, Administrative and Other Professional Service Costs	\$1,000,000
Job Training	\$250,000
Statutory School and Library District Payments	\$250,000
TOTAL ESTIMATED TIF BUDGET	\$17,500,000

- 1) All project cost estimates are in year 2014 dollars. Costs may be adjusted for inflation per the TIF Act.
- 2) In addition to the costs identified in the table above, any bonds 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, 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 the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above.

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

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project. In addition, the Village may utilize incremental property tax revenues received from any other contiguous RPAs to pay eligible RPA costs or obligations (conversely, incremental revenues from the Downtown TIF may be allocated to any contiguous TIF Districts).

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

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2013 tax year for the RPA. TIF revenues may be shared between adjacent, contiguous TIF districts, all as provided for in the Act.

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

G. Nature and Term of Obligations to Be Issued

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

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

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

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

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

The most recent estimate of equalized assessed valuation (EAV) for the 2013 tax year of the property within the RPA is approximately \$18,672,644. The Boundary Map, Exhibit 2, shows the location of the RPA. It is anticipated that the 2013 EAV will serve as the Base EAV.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be approximately \$30,000,000 to \$35,000,000.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that redevelopment projects will be undertaken over the term of the TIF District. Multiple projects may be undertaken either consecutively or simultaneously based upon market conditions.

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

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

Site Preparation: The redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects. Demolition of certain improvements may be necessary for future projects.

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

Rehabilitation/Taxing District Costs: The Village may fund certain rehabilitation or taxing district costs as provided for in the Act.

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

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

Utility services may also be provided or relocated in order to accommodate redevelopment.

Public Improvements: Recreational facilities, institutional related improvements, community facilities and/or related improvements may be funded by the Village as provided for in the Act.

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

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

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

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

School District and Library District Costs: The Village may fund increased school tuition or library district costs as provided for in the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

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

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

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

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

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

EXHIBIT 1
LEGAL DESCRIPTION

BARTLETT DOWNTOWN TIF DISTRICT – LEGAL DESCRIPTION:

THAT PART OF SECTIONS 34 AND 35, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF LOT 16 IN BLOCK 3 IN BARTLETT'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 22, 1873 AS DOCUMENT 121940 AND ALSO BEING THE NORTHERLY LINE OF A 20 FOOT ALLEY; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID ALLEY TO THE SOUTHWEST CORNER OF LOT 10 IN BLOCK 2 IN SAID BARTLETT'S SUBDIVISION; THENCE NORTHERLY ALONG THE WEST LINE OF LOTS 1 THROUGH 10, INCLUSIVE, IN SAID BLOCK 2 TO THE NORTHWEST CORNER OF SAID LOT 1 IN BLOCK 2 AND ALSO BEING THE SOUTH LINE OF NORTH AVENUE; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 1 IN BLOCK 2 AND LOT 30 IN BLOCK 1 IN SAID BARTLETT'S SUBDIVISION AND ALSO BEING THE SOUTH LINE OF NORTH AVENUE TO THE NORTHEAST CORNER OF SAID LOT 30 IN BLOCK 1; THENCE SOUTHERLY ALONG THE EAST LINE OF LOTS 26 THROUGH 30, INCLUSIVE, IN BLOCK 1 IN SAID BARTLETT'S SUBDIVISION TO THE NORTHWEST CORNER OF BOHN'S RESUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 29, 1985 AS DOCUMENT 27423119; THENCE EASTERLY ALONG THE NORTH LINE OF SAID BOHN'S RESUBDIVISION TO THE NORTHEAST CORNER OF SAID BOHN'S RESUBDIVISION; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID BOHN'S RESUBDIVISION TO THE SOUTHEAST CORNER OF SAID BOHN'S RESUBDIVISION AND ALSO BEING THE NORTHERLY LINE OF SAID 20 FOOT ALLEY; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF A 20 FOOT ALLEY TO THE WEST LINE OF SAID SECTION 35; THENCE NORTHERLY ALONG SAID WEST LINE OF SECTION 35 TO THE NORTHERLY LINE OF ONEIDA AVENUE; THENCE EASTERLY ALONG SAID NORTHERLY LINE OF ONEIDA AVENUE TO THE EAST LINE OF BERTEAU AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE OF BERTEAU AVENUE TO THE NORTHERLY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD; THENCE SOUTHWESTERLY TO INTERSECTION OF THE SOUTHERLY LINE OF SAID CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD AND THE EAST LINE OF BERTEAU AVENUE; THENCE EASTERLY ALONG SAID SOUTHERLY LINE OF SAID CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD TO THE EAST LINE OF SUPERWASH SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 8, 1994 AS DOCUMENT 94508876; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID SUPERWASH SUBDIVISION AND THE SOUTHERLY EXTENSION THEREOF TO THE NORTH LINE OF DEVON AVENUE; THENCE WESTERLY ALONG SAID NORTH LINE OF DEVON AVENUE TO THE EAST LINE OF PROSPECT AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE OF PROSPECT AVENUE TO THE SOUTH LINE OF SAID SECTION 35; THENCE WESTERLY ALONG SAID SOUTH LINE OF SECTION 35 AND THE SOUTH LINE OF SAID SECTION 34 TO THE SOUTHERLY EXTENSION OF THE EAST LINE OF HERITAGE OAKS, ACCORDING TO THE PLAT THEREOF RECORDED MARCH 20, 1979 AS DOCUMENT 24884597; THENCE NORTHERLY ALONG SAID SOUTHERLY EXTENSION AND EAST LINE OF HERITAGE OAKS TO THE NORTHEAST CORNER OF HERITAGE OAKS AND ALSO BEING THE SOUTHERLY LINE OF BARTLETT MUNICIPAL CENTER RESUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 22, 2005 AS DOCUMENT 0517318024; THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF BARTLETT MUNICIPAL CENTER RESUBDIVISION TO THE EAST LINE OF OAK AVENUE; THENCE NORTHERLY ALONG SAID EASTERLY LINE OF OAK AVENUE TO THE EASTERLY EXTENSION OF THE SOUTHERLY LINE OF LOT 3 IN BLOCK 5 IN SAID BARTLETT'S SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTHERLY LINE OF LOT 3 IN BLOCK 5 AND THE EASTERLY EXTENSION THEREOF TO THE SOUTHWEST CORNER OF SAID LOT 3 IN BLOCK 5; THENCE NORTHERLY ALONG THE WEST LINE OF LOTS 2 AND 3 IN SAID BLOCK 5 TO A POINT ON THE EAST LINE OF LOT 11 IN SAID BLOCK 5 THAT IS EQUI-DISTANT BETWEEN THE NORTHEAST AND SOUTHEAST CORNERS OF SAID LOT; THENCE WESTERLY TO A POINT ON THE WEST LINE OF SAID LOT 11 IN BLOCK 5 THAT IS EQUI-DISTANT BETWEEN THE SOUTHWEST AND NORTHWEST CORNERS OF SAID LOT AND ALSO BEING ON THE EAST LINE OF HICKORY AVENUE; THENCE NORTHERLY ALONG SAID EAST LINE OF HICKORY AVENUE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 3 IN BLOCK 4 IN SAID BARTLETT'S SUBDIVISION; THENCE WESTERLY ALONG SAID EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 3 TO THE WEST LINE OF SAID HICKORY AVENUE; THENCE NORTHERLY ALONG SAID WEST LINE OF HICKORY AVENUE TO THE SOUTH LINE OF LOT 2 IN SAID BLOCK 4 IN BARTLETT'S SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTH

LINE OF LOT 2 IN BLOCK 4 TO THE WEST LINE OF SAID LOT 2 IN BLOCK 4; THENCE NORTHERLY ALONG SAID WEST LINE OF LOT 2 IN BLOCK 4 TO THE SOUTH LINE OF LOT 16 IN SAID BLOCK 4 IN BARTLETT'S SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTH LINE OF LOT 16 IN BLOCK 4 TO THE EAST LINE OF WESTERN AVENUE; THENCE NORTHERLY ALONG SAID EAST LINE OF WESTERN AVENUE TO THE POINT OF BEGINNING.

EXCEPT THAT PART OF SAID SECTIONS 34 AND 35, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT 2 IN BLOCK 16 IN H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT, ACCORDING TO THE PLAT THEREOF RECORDED JULY 23, 1929 AS DOCUMENT 10435526 AND ALSO BEING ON THE WEST LINE OF BERTEAU AVENUE; THENCE SOUTHERLY ALONG SAID WESTERLY LINE OF BERTEAU AVENUE TO THE SOUTHEAST CORNER OF LOT 6 IN BLOCK 17 IN SAID H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT; THENCE WESTERLY ALONG THE SOUTH LINE OF LOT 6 AND 33 IN SAID BLOCK 17 AND THE SOUTH LINE OF LOTS 6 AND 33 IN BLOCK 18 IN SAID H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT AND THE EXTENSIONS THEREOF TO THE CENTERLINE OF VACATED TATGE AVENUE; THENCE NORTHERLY ALONG SAID CENTERLINE OF VACATED TATGE AVENUE TO THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 5 IN BLOCK 19 IN SAID H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT; THENCE WESTERLY ALONG THE NORTH LINE OF LOTS 5 AND 33 IN SAID BLOCK 19 IN H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT AND EASTERLY EXTENSION THEREOF TO THE NORTHWEST CORNER OF SAID LOT 33 AND ALSO BEING THE EASTERLY LINE OF MAIN STREET; THENCE NORTHERLY ALONG SAID EASTERLY LINE OF MAIN STREET TO THE NORTH LINE OF LOT 35 IN SAID BLOCK 19; THENCE EASTERLY ALONG SAID NORTH LINE OF LOT 35 TO THE NORTHEAST CORNER OF SAID LOT 35; THENCE NORTHERLY ALONG A WESTERLY BOUNDARY OF SAID H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT AND ALSO BEING AN EASTERLY BOUNDARY OF BARTLETT TOWN CENTER SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 10, 2003 AS DOCUMENT 0328310201 AND EXTENSION THEREOF TO AN ANGLE POINT IN THE SOUTHERLY BOUNDARY OF LOT 2 IN SAID BARTLETT TOWN CENTER SUBDIVISION; THENCE EASTERLY ALONG A SOUTH BOUNDARY OF SAID LOT 2 TO THE SOUTHEAST CONER OF LOT 2; THENCE NORTHERLY ALONG THE EAST LINE OF SAID LOT 2 TO THE NORTHERLY BOUNDARY OF SAID BARTLETT TOWN CENTER SUBDIVISION AND ALSO BEING THE SOUTHERLY LINE OF RAILROAD AVENUE; THENCE EASTERLY ALONG SAID NORTHERLY BOUNDARY OF SAID BARTLETT TOWN CENTER SUBDIVISION TO THE EAST LINE OF LOT 10 IN SAID BARTLETT TOWN CENTER SUBDIVISION; THENCE SOUTHERLY ALONG SAID EAST LINE OF LOT 10 TO A SOUTHERLY BOUNDARY OF SAID BARTLETT TOWN CENTER SUBDIVISION; THENCE EASTERLY ALONG SAID SOUTHERLY BOUNDARY OF BARTLETT TOWN CENTER SUBDIVISION AND ALSO BEING THE NORTH LINE OF SAID H.O. STONE & CO'S. TOWN ADDITION TO BARTLETT TO THE POINT OF BEGINNING.

ALSO EXCEPT THAT PART OF SAID SECTION 35, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF RAILROAD AVENUE AND PROSPECT AVENUE; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID PROSPECT AVENUE TO THE NORTH LINE OF DEVON AVENUE; THENCE WESTERLY ALONG SAID NORTH LINE OF DEVON AVENUE TO THE WEST LINE OF ASBURY PLACE RECORDED JANUARY 27, 2004 AS DOCUMENT 0402719063; THENCE NORTHERLY ALONG SAID WEST LINE OF ASBURY PLACE TO THE SOUTH LINE OF RAILROAD AVENUE; THENCE EASTERLY ALONG SAID SOUTH LINE OF RAILROAD AVENUE TO THE POINT OF BEGINNING.

EXHIBIT 2
BOUNDARY MAP

DOWNTOWN TIF DISTRICT MAP

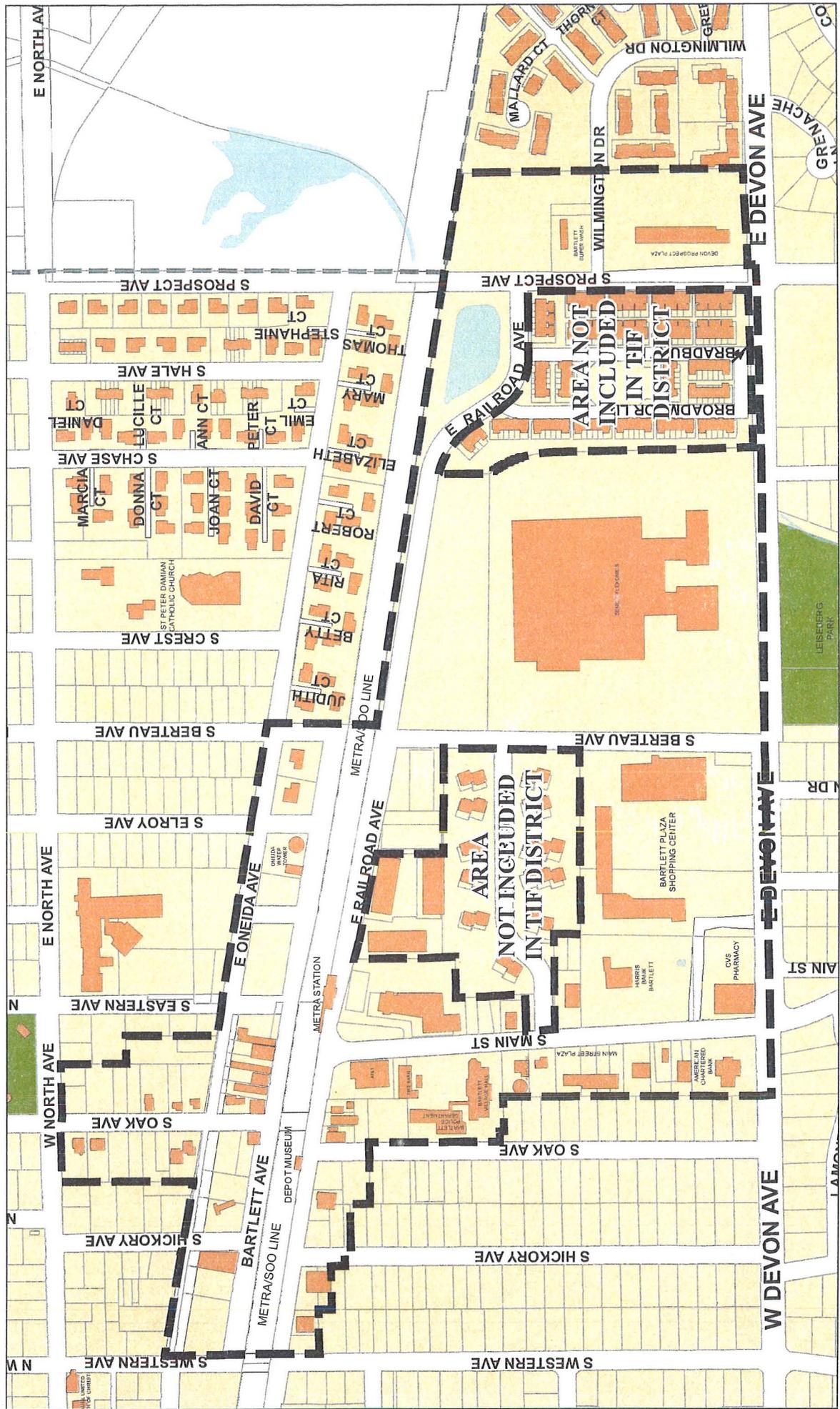


EXHIBIT 3

**EXISTING LAND USE MAP
(To be provided)**

EXHIBIT 4

**PROPOSED LAND USE MAP
(To be provided)**

EXHIBIT 5

TIF QUALIFICATION/DESIGNATION REPORT

**VILLAGE OF BARTLETT
TAX INCREMENT FINANCING QUALIFICATION REPORT
DOWNTOWN TAX INCREMENT FINANCING DISTRICT**

A study to determine whether all or a portion of an area located in the Village of Bartlett qualifies as a “conservation area” as defined in the Tax Increment Allocation Redevelopment Act of 65 ILCS 5/11-74.4-1, et. seq., as amended.

Jointly Prepared by:

Village of Bartlett, Illinois

And

Kane, McKenna and Associates, Inc.

November 2014

**VILLAGE OF BARTLETT
TAX INCREMENT FINACING QUALIFICATION REPORT
DOWNTOWN TAX INCREMENT FINANCING DISTRICT**

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Executive Summary

Kane, McKenna and Associates, Inc. (“KMA”) has been retained by the Village of Bartlett to conduct an analysis for the potential qualification and designation of the Proposed Downtown Redevelopment Project Area (“TIF District”) pursuant to 65 ILCS 5/11-74-1 et. seq., as amended (the “Act”) for an area located in the traditional Bartlett downtown area and generally bounded by Oneida Avenue and North Avenue on the north, Devon Avenue on the south, Wilmington Drive on the east and Western Avenue on the west. The Village is pursuing the TIF District designation as part of its overall strategy to promote (i) the revitalization of key properties generally located along Railroad Avenue, Prospect Avenue, Oneida Avenue and Main Street, and (ii) to encourage the continued redevelopment in the Bartlett downtown in general.

The Village has two principle aims in pursuing the potential designation of the TIF District. The first is to promote redevelopment of certain parcels that have experienced obsolescence, due in part to the economic downturn in recent years, and stalled investment. The combination of these two factors has created underutilized properties within the TIF District. The second is to encourage the redevelopment of parcels of land in the downtown area thereby creating a place for the Village residents to congregate which is walkable with mixed-uses and easily accessible. The slowdown of mixed-use development and onset of obsolescence related to such uses led the Village to revisions in both development goals and strategy for the proposed TIF District. This points the Village toward a strategy for the encouragement of growth through the reuse and redevelopment of older properties in the downtown of Bartlett and the continued development of an area in which development has stalled due to economic conditions.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the potential TIF District qualification land within the area:

- 1) *The proposed TIF District qualifies as a “conservation area” under the Act.* Overall, the improved land within the proposed TIF District is found to be in a condition as defined in the Act that prevents, or threatens to prevent, the economic and physical development of properties in a manner that the community deems essential to its overall economic health.
- 2) *The conditions found within the proposed TIF District present a barrier to the area’s successful redevelopment.* Factors that negatively impact coordinated and substantial private sector investment in the overall area are part of the consideration for TIF District designation. Without Village planning and use of economic development resources in eliminating such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.
- 3) *There are several potential redevelopment sites within the proposed TIF District.* These sites could produce sufficient incremental property tax revenue that, if used in combination with Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the proposed TIF District.

- 4) *Formal designation recommended.* To address current conditions, to promote the economic viability of the proposed TIF District, and to foster private sector investment and redevelopment efforts, KMA recommends that the Village proceed with the formal TIF District designation process for the entire area under consideration.

The KMA analysis of the proposed TIF District in conjunction with the statutory criteria is detailed in the following pages.

I. BACKGROUND

The Village of Bartlett (the “Village”) has initiated action related to the study of the Proposed Downtown Redevelopment Project Area (the “TIF District”) or (the “RPA”) to determine whether it qualifies for consideration as a Tax Increment Financing District. Kane, McKenna and Associates, Inc., agreed to undertake the study of the area.

Background on the Village and Proposed RPA

The Village of Bartlett is a well-established community located approximately 33 miles northwest of the downtown of the City of Chicago. The Village is located in Cook, DuPage and Kane Counties, adjacent is the Village of South Elgin to the west, the Village of Elgin to the northwest, the Village of Streamwood to the north, the Village of Hanover Park to the east, and the Village of Carol Stream to the southeast. The Village was incorporated in 1891.

The population of Bartlett was 41,208 in 2010, a slight uptick over its population of 36,706 in 2000 according to the U.S. Census. Bartlett is a mature community which is experiencing a slight aging in its population. In 2000 the proportion of the community at 62 years or older was 6.9% but it grew to 10.7% in 2010. According to the U.S. Census in 2012 76% of the Village was White, 14.7% of the Village is Asian and 3.8% of the Village is Black. In 2012 the labor force was 23,334 strong with a 7.9% unemployment rate which was significantly lower than the statewide average of 10.8% but higher than the national average of 7.5%.

The proposed RPA includes an area that is located in the traditional downtown area of the Village. The area is the location of the Metra Milwaukee District West railway station along with commuter parking areas for the Metra riders. The redevelopment of the RPA has been a longstanding goal of the Villages dating back to mid-1980s. More recently in 2002 the Village requested proposals from developers in, and contracted Houseal Lavigne & Associates to produce the *Bartlett Town Center Summary of Findings* report in 2010. In general the Village has witnessed disinvestment in the area resulting in obsolescence and even vacancy. The RPA is the traditional downtown area for Bartlett and any transit oriented development taking place in the Village would be happening within the RPA. The area thus stands as an important economic engine for the Village and the current disinvestment levels are unsustainable.

The proposed RPA currently consists of a variety of land uses. The area is dominated by commercial uses but there are also residential and mixed-uses. As of the date of this report, the RPA contained approximately one hundred and twenty-two (122) tax parcels and approximately fifty-eight (58) buildings.

Context for Redevelopment

The downtown area of the Village has been the focus of redevelopment efforts dating back to the creation of the 1986 Tax Increment Financing Redevelopment Plan. The Village has had some success in redeveloping the area, specifically in encouraging the redevelopment of the Town Center area within the RPA. However, with the onset of the recession in 2008 the Village has once again witnessed a decline in investment. The area faces economic challenges due to its location within Cook County which has a higher sales tax than DuPage or Kane Counties. The higher sales tax in Cook County can act as a disincentive to developers looking to invest in commercial businesses in Bartlett. Other commercial areas around downtown Bartlett reside in DuPage and Kane Counties and thus have lower sales and property taxes. The property owners within the RPA are particularly burdened by the higher property taxes.

Despite the challenges that the RPA is facing the area does have numerous strengths which the Village is trying to harness to encourage investment. The area receives a high amount of foot traffic due to the daily commuters on the Metra train. The area is a walkable commercial district which makes it unique and an important asset for the Village and the community. From a Village economic development perspective, the properties within the proposed RPA have significant assets that offer excellent potential for redevelopment. The area has an excellent network of transportation options: close proximity to Interstates I-90 and I-355, local arterial roads, and the Metra commuter rail station is located within the RPA. Additionally, the proposed RPA is located in the Village's downtown area with the potential for residential density that would allow it to support transportation-oriented development and related redevelopment uses. As such, the Village has identified objectives for redevelopment with tax increment financing acting as a tool to achieve them.

Without the application of public resources, the proposed RPA is likely to continue to be underutilized and fail to attract significant private sector investment. The Village needs to bring community planning, economic development initiatives and private resources into concert to help spur investment in the RPA. The Village recognizes that the RPA represents a unique opportunity within the Village due to its unique features and opportunity for mixed-use development with both commercial and residential uses. The Village has long recognized that the RPA is strategically important to its overall economic health but its previous attempts to catalyze development have been subject to the recession and other market forces.

General Scope and Methodology

KMA formally began its analysis by conducting a series of meetings and discussions with Village staff, starting in July, 2014 and continuing periodically through the present. The purpose of the meetings has been to establish boundaries for a study area and to gather data related to qualification criteria for properties included in the study area. These meetings were complemented by a series of field surveys for the entire study area. The field surveys were completed by KMA staff. Data concerning the buildings, lot sizes and equalized assessed value (EAV) were collected from Cook County and the U.S. Census Bureau. The field surveys and data collected have been utilized to gauge if the properties located within the study area would qualify for TIF designation.

The qualification factors discussed in this report qualify the RPA as a “conservation area,” as such term is defined pursuant to the TIF Act.

During the course of its work, KMA reported to Village staff its findings regarding TIF qualification and feasibility prospects for the study area. Based on these findings the Village made refinements to the study area boundaries, directed KMA to complete this TIF Qualification Report (the “Report”), and moved forward with the preparation of a Redevelopment Plan and Project for the area.

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

II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc. examined the proposed RPA and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Illinois “Tax Increment Allocation Act” 65 ILCS 5/11-74.4-1 et. seq., as amended (hereinafter referred to as the “Act”).

The Act sets out specific procedures that must be adhered to in designating a redevelopment project area. By definition, a “Redevelopment Project Area” is:

“an area designated by the municipality, which is not less in the aggregate than 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 Act, “blighted area” or “conservation area” means any improved or vacant area within the boundaries of a development project area located within the territorial limits of the municipality where certain conditions are met.

TIF Qualification Factors

In accordance with the Illinois TIF Act, KMA performed a two-step assessment to determine if the proposed RPA qualified as a “conservation” area. First, KMA analyzed the threshold factor of age to determine if 50% or more of structures in the RPA were 35 years of age or older.

Secondly, if a proposed conservation area meets the age threshold, then the following factors are to be examined to determine if the RPA meets the TIF qualification factors:

If a conservation area, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of three (3) 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:

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

- 3) 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.
- 4) 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.
- 5) 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.
- 6) Excessive Vacancies: The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.
- 7) 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.
- 8) 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.

- 9) 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 and service.
- 10) 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.
- 11) 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.
- 12) 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.
- 13) Stagnant 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 PROPOSED RPA

The proposed RPA includes properties located on Railroad Avenue, Bartlett Avenue, Prospect Avenue, Wilmington Drive, Devon Avenue, Oneida Avenue, Main Street, Berteau Avenue, and Oak Street. The RPA is generally bounded by Wilmington Drive on the east, Devon Avenue on the south, Western Avenue on the west and Oneida Avenue on the north. The area includes residential, commercial and other mixed-uses.

The proposed RPA is closely related to an area that was analyzed as part of the *Bartlett Town Center Summary of Findings* (2010), *Bartlett Town Center Request for Developer Qualifications* (2002), and *Tax Increment Financing Redevelopment Plan* (1986). Although not coterminous, the boundaries of the proposed RPA generally follow the areas addressed by these plans and documents.

Refer to Exhibit A for a map of the RPA.

IV. METHODOLOGY OF EVALUATION

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

- 1) Photographic analysis and site surveys of the proposed RPA were undertaken by representatives from Kane, McKenna and Associates, Inc. Site surveys were completed for the proposed RPA.
- 2) KMA performed EAV trend analysis, to ascertain whether EAV growth in the proposed RPA underperformed EAV growth in the remaining part of the Village or declined per the requirements of the TIF Act.
- 3) Exterior evaluation of structures, noting deterioration or dilapidation as well as vacancies or possible code violations was completed. The inspections conducted by KMA noted signs of aging of certain structures, the current condition of improvements and infrastructure, and current roadway conditions.
- 4) The RPA was studied in relation to available planning reports, Village ordinances, flood maps, local history, and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, obsolescence, lag in EAV growth, deleterious layout, etc.). Kane, McKenna reviewed the area in its entirety. Village redevelopment goals and objectives for the area have also been established and reviewed.
- 5) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act pertaining to criteria specific structures and site conditions on the parcels.
- 6) The proposed RPA was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The land within the proposed RPA was examined to determine the applicability of the thirteen (13) different conservation area factors for qualification for TIF designation under this statute.

V. QUALIFICATION FINDINGS FOR PROPOSED RPA

As a result of KMA’s evaluation of each parcel in the proposed RPA, and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the proposed RPA as a conservation area under the TIF Act. These factors are summarized in the Table 1 below.

**Table 1
Qualifying Factors Present in RPA**

Area within Proposed RPA	Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualification Factors Present in Proposed RPA
Conservation Area	13	3	6* <ul style="list-style-type: none"> • Lag in EAV Growth • Inadequate Utilities • Excessive Vacancies • Lack of Community Planning • Deterioration • Obsolescence

*The six factors are in addition to meeting the age requirement that a majority of buildings be over 35 years in age.

Conservation Area

As indicated in Section II, KMA performed a two-step assessment, first KMA needed to establish if 50% or more of the structures within the RPA were over 35 years of age, thus making it eligible for consideration under the conservation area criteria for establishing TIF Districts. Then KMA considered if the area was affected by any of the 13 factors which designate a conservation area. Based upon preliminary analysis, the RPA would qualify as a conservation area under the statutory criteria set forth for a conservation area. Based upon Cook County data, KMA determined that forty (40) of the fifty-eight (58) structures are at least thirty-five (35) years of age. This means that approximately 69% of the buildings in the RPA are older than thirty-five (35) years of age.

As a second step, KMA reviewed the criteria needed to qualify an area as a conservation area, determining that six (6) factors were present:

1) Lag in Equalized Assessed Valuation (EAV) Growth

The total equalized assessed valuation (EAV) for the RPA has decreased for five (5) of the last five (5) years. The 2013 EAV declined by a massive 15% from the 2012 EAV. The EAV of the proposed TIF District has lagged behind the total Village EAV in four (4) of the last five (5) years. Finally, the EAV of the proposed TIF District grew at a rate slower than the Consumer Price Index for five (5) and the last five (5) years (refer to Table 2). Just one of these three quantitative measurements would qualify the RPA under this factor but the present of all three measurements shows that the RPA has struggled extensively for investment. In accordance with the TIF Act, the area meets the statutory criteria for a finding of lagging or stagnant EAV.

TABLE 2
EAV TRENDS FOR PROPOSED TIF DISTRICT

	2013	2012	2011	2010	2009	2008
Total EAV for RPA	\$ 18,672,644	\$ 22,056,455	\$ 24,194,731	\$ 28,054,039	\$ 28,450,183	\$ 33,002,004
Annual Change	-15.34%	-8.84%	-13.76%	-1.39%	-13.79%	
Village EAV*	\$ 940,657,708	\$ 1,036,950,149	\$ 1,136,506,281	\$ 1,245,328,688	\$ 1,337,892,111	\$ 1,314,148,825
Annual Change	-9.29%	-8.76%	-8.74%	-6.92%	1.81%	
CPI-U	1.5	2.1	3.2	1.6	-0.04	

Source: Cook County, Village of Bartlett, and Bureau of Labor Statistics

* Village EAV is less the RPA EAV

2) Inadequate Utilities

Inadequate utilities can be defined as underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, or 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.

Portions of the utilities within the RPA are deteriorated and in poor condition requiring replacement in some sections. The Village Public Works Department has identified certain sections of the utilities within the RPA as deficient and in need of replacement. The Public Works Department identifies both the watermain and the sanitary sewer as 50 years old and beginning to show signs of signs of failure due to age and time in service.

The Public Works Department reports that the watermain in the RPA is cast iron which is a brittle and prone to break sooner than modern ductile iron, PVC and HDPE materials. In general the watermain is in poor condition and will need to be replaced with modern materials. The sanitary system is made out of clay and also beginning to show signs of failure and will need to be replaced. The age of these systems combined with the report of failures shows that the utilities within the RPA are deteriorated, antiquated, obsolete, and in disrepair and therefore the RPA qualifies under this factor.

3) Excessive Vacancies

The TIF Act indicates that this factor is present if there is the presence of buildings that are unoccupied or under-utilized and that represent adverse influence on the area because of the frequency, extent or duration of the vacancies.

Currently fourteen (14) of the fifty-eight (58) buildings are partially or completely vacant within the RPA. This means that approximately 24% of the buildings within the RPA are partially or completely vacant. This amount of vacancies would be alarming on its own but upon examining the vacancy data more closely the RPAs economic struggles are evident. All of these vacancies exist in the commercial properties. Of the forty (40) commercial buildings in the RPA fourteen (14) are fully or partially vacant which means that approximately 35% of the commercial properties within the RPA are fully vacant or

partially vacant. More striking is that some of the largest commercial properties within the RPA are vacant. The RPA has a total of 617,000 square feet of commercial property and 120,911 square feet are vacant; or 20% of the current commercial space is vacant. This amount of vacancies in the commercial downtown area of the Village represents an economic threat to all tax bases. The adverse influence and the extent are clear and present.

4) 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.

Much of the development that has occurred within the RPA took place in an era prior to modern community planning techniques, and/or occurred under a lack of comprehensive and coordinated planning. Much of the original layout and design of the downtown echoes the historical roots of the downtown, with the central point of focus being the train station. This design model dates back to the 1800s and though the Metra station is an asset to the Village and needs to be utilized in an effective manner new planning techniques should be implemented to maximize the utility of the station.

The *Draft Village of Bartlett Downtown Traffic Evaluation* highlights the traffic and parking issues caused by the current configuration of the Metra station and its relationship to commuting patterns, pedestrian access and parking. These issues alone represent some of the conditions associated with this qualifying factor. Though seemingly minor the traffic flows and pedestrian interactions with commercial space can greatly influence the success of commercial areas. Commuting patterns and the available commercial options could be evaluated and improved with spatial interventions to enhance the experience of the public. These interventions along with continued planning focus from the Village will help ensure that an onset of blighting conditions never become evident in the Village

5) Deterioration of Structures and Site Improvements

Per the TIF Act, deterioration can be evidenced by defects to buildings including, but not limited to major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Deterioration can be evidenced in major or secondary building defects. For example, such defects include but are not limited to, defects in building components such as windows, porches, gutters, doors and brick mortar.

Many of the structures and site improvements within the RPA exhibited various degrees of deterioration which require repairs, upgrades and replacement.

Regarding surface improvements, the area exhibited a number of problems:

- Broken and missing brick or other exterior materials;
- Deterioration of brick and mortar;
- Buckled and caved in asphalt (or gravel base surfaces) and concrete driveways/walkways/parking/storage areas;
- Surface cracking of pavement areas;
- Potholes and depressions in roadways and parking areas; and
- Weeds protruding through paved and concrete areas

Kane McKenna identified deterioration in both the buildings in the RPA and the surface areas. Of the fifty-eight (58) buildings in the RPA twenty-four (24) exhibited deterioration in certain building components, meaning 41% of the buildings in the RPA had either major or minor defects. Of the sixty-four (64) parcels with site improvements, eight (8) showed signs of deterioration meaning 13% of the lots had signs of deterioration. The Public Works department in the Village reports that many of the concrete pavers making up the sidewalk are over 20 years old, in poor condition and need to be replaced. This amount of deterioration can deter investment and may well have contributed to lack of investment within the RPA.

6) Obsolescence

The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. The area exhibits both economic and functional obsolescence. The RPA exhibits area-wide obsolescence in need of investment and redevelopment for attracting new tenants.

The age of the RPA contributes significantly to the obsolescence. With as much as 69% of the buildings over the age of 35 the need for redevelopment and investment is inevitable. The older commercial buildings, some of which are vacant, also contribute to the growing obsolescence of the area due to changing consumer and development needs. The commercial nature of the RPA makes the vacant and outdated commercial properties especially threatening to the area's economic viability. The disinvestment in the RPA lead to the obsolescence evidenced now.

One of the RPA's strengths is the Metra railway station but do to evolving commuter and parking needs the area is not adequately equipped for transit oriented development as it stands. The need for better pedestrian crossings and more consumer friendly parking both contribute to the areas current underutilization. The lagging EAV of the entire area further exemplifies the area-wide obsolescence.

VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

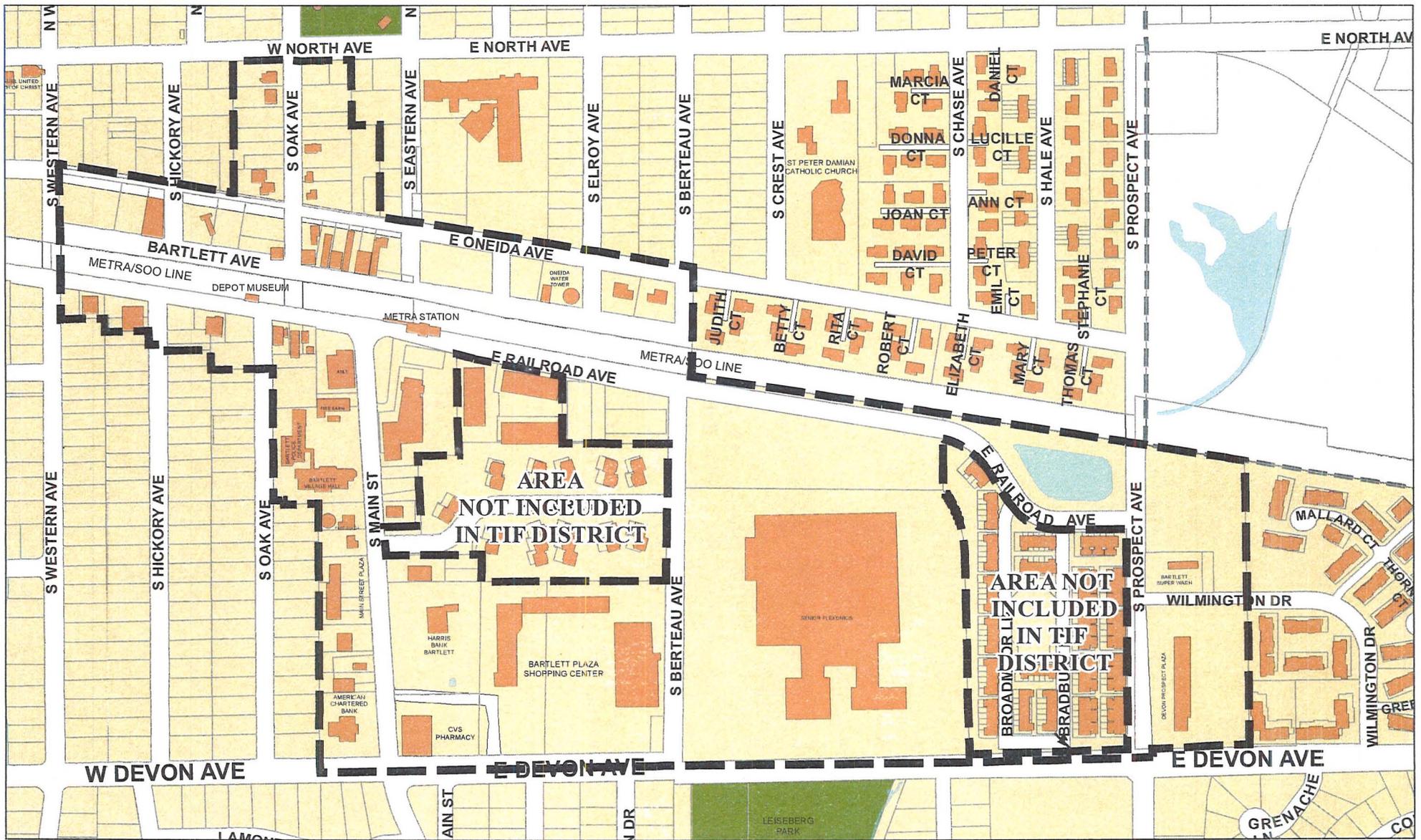
The following is a summary of relevant qualification findings as it relates to potential designation by the Village of the proposed RPA as a TIF District. The findings herein pertain to the entire area.

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

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

Exhibit A

DOWNTOWN TIF DISTRICT MAP



	PIN	Tax Code	Class
1	06-34-403-013-0000		0-00
2	06-34-403-014-0000		5-90
3	06-34-403-015-0000		5-17
4	06-34-404-007-0000		2-12
5	06-34-404-011-0000		5-92
6	06-34-404-012-0000		5-28
7	06-34-404-015-0000		1-00
8	06-34-404-017-0000		2-12
9	06-34-404-018-0000		2-05
10	06-34-404-021-0000		2-05
11	06-34-404-022-0000		5-22
12	06-34-404-023-0000		2-05
13	06-34-404-026-0000		0-00
14	06-34-404-027-0000		5-28
15	06-34-405-002-0000		2-03
16	06-34-405-004-0000		2-12
17	06-34-405-005-0000		2-12
18	06-34-405-006-0000		2-12
19	06-34-405-018-0000		5-17
20	06-34-405-019-0000		5-17
21	06-34-405-020-0000		5-92
22	06-34-405-021-0000		2-12
23	06-34-405-022-0000		2-12
24	06-34-405-023-0000		0-00
25	06-34-405-033-0000		5-17

	PIN	Tax Code	Class
26	06-34-405-034-0000		2-12
27	06-34-405-035-0000		2-02
28	06-34-405-036-0000		2-03
29	06-34-405-041-0000		2-05
30	06-34-405-042-0000		2-41
31	06-34-405-043-0000		2-04
32	06-34-405-044-0000		2-03
33	06-34-407-002-0000		2-03
34	06-34-407-021-0000		5-17
35	06-34-407-023-0000		5-17
36	06-34-407-024-0000		5-90
37	06-34-407-032-0000		5-17
38	06-34-407-033-0000		2-03
39	06-34-408-019-0000		2-12
40	06-34-408-020-0000		2-24
41	06-34-408-022-0000		2-12
42	06-34-408-023-0000		0-00
43	06-34-408-024-0000		2-24
44	06-34-408-025-0000		2-03
45	06-34-409-001-0000		2-12
46	06-34-409-002-0000		2-12
47	06-34-409-003-0000		2-12
48	06-34-409-004-0000		2-90
49	06-34-409-024-0000		0-00
50	06-34-409-036-0000		5-97
51	06-34-409-037-0000		0-00

	PIN	Tax Code	Class
52	06-34-409-038-0000		0-00
53	06-34-409-039-0000		0-00
54	06-34-410-011-0000		5-17
55	06-34-410-012-0000		0-00
56	06-34-410-013-0000		5-90
57	06-34-410-014-0000		5-17
58	06-34-410-015-0000		0-00
59	06-34-410-016-0000		0-00
60	06-34-410-018-1001		2-99
61	06-34-410-018-1002		2-99
62	06-34-410-018-1003		2-99
63	06-34-410-018-1004		2-99
64	06-34-410-018-1005		2-99
65	06-34-410-018-1006		2-99
66	06-34-410-018-1007		2-99
67	06-34-410-018-1008		2-99
68	06-34-410-018-1009		2-99
69	06-34-410-018-1010		2-99
70	06-34-410-018-1011		2-99
71	06-34-410-018-1012		2-99
72	06-34-410-018-1013		2-99
73	06-34-410-018-1014		2-99
74	06-34-410-018-1015		2-99
75	06-34-410-018-1016		2-99
76	06-34-414-049-0000		5-28
77	06-34-414-050-0000		2-12
78	06-34-414-066-0000		5-17
79	06-34-414-068-0000		5-17
80	06-34-414-069-0000		5-17
81	06-34-414-070-0000		5-92
82	06-34-414-071-0000		5-17
83	06-34-414-072-0000		5-17
84	06-34-414-073-0000		5-92
85	06-34-414-074-0000		5-92
86	06-34-414-075-0000		5-17
87	06-34-500-003-0000		0-00
88	06-35-307-006-0000		0-00
89	06-35-308-007-0000		5-90
90	06-35-308-008-0000		0-00
91	06-35-309-008-1001		2-99
92	06-35-309-008-1002		2-99

PIN	Tax Code	Class
93	06-35-309-008-1003	2-99
94	06-35-309-008-1004	2-99
95	06-35-309-009-1001	2-99
96	06-35-309-009-1002	2-99
97	06-35-309-009-1003	2-99
98	06-35-309-009-1004	2-99
99	06-35-315-058-0000	1-00
100	06-35-315-065-0000	0-00
101	06-35-315-066-0000	0-00
102	06-35-315-067-0000	0-00
103	06-35-315-068-0000	0-00
104	06-35-316-042-0000	1-00
105	06-35-316-043-0000	5-28
106	06-35-316-044-0000	5-17
107	06-35-316-045-0000	0-00
108	06-35-316-046-0000	1-00
109	06-35-316-047-0000	1-00
110	06-35-316-048-1001	5-99
111	06-35-316-048-1002	5-99
112	06-35-317-042-0000	5-31
113	06-35-318-042-0000	0-00
114	06-35-318-047-0000	5-30
115	06-35-319-004-0000	0-00
116	06-35-319-005-0000	5-93
117	06-35-320-001-0000	0-00
118	06-35-400-024-0000	5-31
119	06-35-400-112-0000	1-00
120	06-35-400-113-0000	1-00
121	06-35-400-114-0000	5-97
122	06-35-500-003-0000	0-00