



ST. CHARLES ROAD TIF
REDEVELOPMENT PLAN
AND PROJECT

VILLAGE OF VILLA PARK, ILLINOIS

PREPARED BY:

CAMIROS



THIS PLAN IS SUBJECT TO REVIEW AND MAY
BE REVISED AFTER COMMENT AND PUBLIC HEARING

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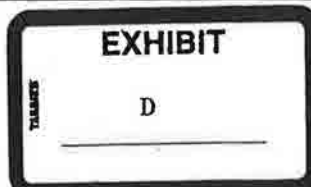


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1. INTRODUCTION

This document presents a Tax Increment Redevelopment Plan and Project (the "Plan") under the requirements of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act") for the St. Charles Road TIF Redevelopment Project Area (the "Project Area") located in the Village of Villa Park, Illinois (the "Village"). The Project Area is irregular in shape but encompasses certain properties in the area generally bounded by East St. Charles Road on the north, Villa Avenue, Wildwood Boulevard and Lions Park on the west, East Wildwood Avenue and a portion of the Great Western Trail on the south, and Monterey Avenue and Salt Creek on the east. The Project Area boundaries are delineated on Figure A-1: Redevelopment Project Area Boundary in Appendix A and legally described in Appendix B.

The Project Area contains 28 tax parcels and is approximately 14.9 acres in size, including rights-of-way. Approximately 3 acres of land are dedicated to streets, alleys and other public rights-of-way, leaving 11.9 acres of net land area.

The land use pattern is predominately commercial with a mix of vacant land and buildings, light industrial, and residential uses. A total of 16 buildings were identified in the Project Area, of which 14 or 87.5% are 35 years of age or older.

This Plan responds to problem conditions within the Project Area and reflects a commitment by the Village to improve and revitalize the Project Area. As described in this Plan, the Project Area has good potential for new mixed-use commercial/residential development. Certain public investments related to infrastructure and streetscape improvements are also needed to prevent the Project Area from becoming blighted and enhance the Project Area as a mixed-use district.

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

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

Tax Increment Financing

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

... there exist in many municipalities within this State blighted, conservation and industrial park conservation areas, as defined herein; that the conservation areas are rapidly

deteriorating and declining and may soon become blighted areas if their decline is not checked...;

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

... in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken... The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest.

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

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

- (1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the redevelopment plan;
- (2) The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality;
- (3) The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (which dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in Section 8 (b) of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted);
- (4) The municipality finds, in the case of an industrial park conservation area, also that the municipality is a labor surplus municipality and that the implementation of the redevelopment plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the redevelopment project area;
- (5) if any incremental revenues are being utilized under Section 8(a)(1) or 8(a)(2) of the Act in redevelopment project areas approved by ordinance after January 1, 1986 the municipality finds (a) that the redevelopment project area would not reasonably be

developed without the use of such incremental revenues, and (b) that such incremental revenues will be exclusively utilized for the development of the redevelopment project area; and

(6) If the redevelopment plan will not result in displacement of residents from 10 or more inhabited residential units, and the municipality certifies in the plan that such displacement will not result from implementation of the plan, a housing impact study need not be performed. If the redevelopment project area contains 75 or more inhabited residential units and such certification is not made, then the municipality must prepare a housing impact study.

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

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

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

Tax increment financing does not generate tax revenues. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. This revenue is then reinvested in the area through rehabilitation, developer subsidies, public improvements and other eligible redevelopment activities. Under tax increment financing, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess Incremental Property Taxes are not otherwise required, pledged or otherwise designated for other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid in full.

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

Redevelopment Project Area Overview

The Project Area is approximately 14.9 acres in size and includes 28 contiguous parcels and public rights-of-way. The Project Area consists of improved property.

In order to be designated as a conservation area, 50% or more of the buildings within the Project Area must be 35 years of age or older. The improved portion of the Project Area contains 16 buildings, 14 of which were built in 1972 or earlier, representing 87.5% of all buildings. The Project Area is characterized by:

- Deterioration;
- Obsolescence;
- Presence of structures below minimum code standards;
- Excessive vacancies;
- Excessive land coverage and overcrowding of structures and community facilities;
- Deleterious land use or layout; and
- Lack of community planning

As a result of these conditions, the Project Area is in need of revitalization, rehabilitation and redevelopment. In recognition of the unrealized potential of the Project Area, the Village is taking action to facilitate its revitalization. The Project Area, as a whole, has not been subject to growth and development by private enterprise and would not reasonably be anticipated to be developed without adoption of the Plan.

The purpose of the Plan is to create a mechanism to allow for the revitalization, reuse and enhancement of existing commercial property, the redevelopment of vacant and obsolete uses and the improvement of the area's physical environment and infrastructure. The redevelopment of the Project Area is expected to encourage economic revitalization within the community and the surrounding area.

The Eligibility Study, attached as Appendix C, concludes that property in the Project Area is experiencing disinvestment and deterioration. The analysis of conditions within the Project Area indicates that it is appropriate for designation as a conservation area under the Act. The Plan has been formulated in compliance with the provisions of the Act. This document is a guide to all proposed public and private actions in the Project Area.

2. PROJECT AREA DESCRIPTION

The Project Area is adjacent to the Ovaltine TIF district as shown in *Figure A-2: Adjacent TIF Districts in Appendix A*. The Project Area includes only contiguous parcels and qualifies for designation as a conservation area under the Act. The proposed Project Area includes only that area that is anticipated to substantially benefit by the proposed redevelopment project improvements.

Community Context

The Project Area is located in the far east-central portion of Villa Park, approximately one mile east of downtown Villa Park. The population of Villa Park was 22,075 at the 2000 Census and a special census in 2003 estimated the population at 22,517. The Project Area is located immediately west of State Route 83/Kingery Highway and is bounded to the north by St. Charles Road, an arterial street that connects Villa Park to Elmhurst to the east.

The Project Area is located at the eastern end of the St. Charles Road commercial corridor, which is an older commercial area containing primarily small service and retail commercial uses. Newer commercial areas have been developed over the years, creating competitive pressures on the St. Charles Road commercial corridor. The absence of private investment to bring new uses to vacant commercial sites within the corridor underscores the competitive realignment that has occurred within the broader area.

Existing land uses surrounding the Project Area include both commercial and residential uses, as shown on *Figure A-3: Existing Land Use*. Property along the St. Charles Road frontage is used for commercial purposes. Property along the west side of Villa Avenue is also used for commercial purposes. Property fronting the side streets of Oakland and Monterey Avenue, south of the Project Area is used for residential purposes. Lincoln at Ovaltine Park, located south of Wildwood Avenue, is a large multi-family residential development built in 2001 on the site of the former Ovaltine factory within the Ovaltine TIF district. Two parks are located within close proximity to the Project Area; Rotary Park is immediately east of Salt Creek, and Lions Park is located approximately 400 feet west of the Project Area and contains baseball diamonds and tennis courts.

The distribution of the various types of land uses within the Project Area is represented in *Figure A-3: Existing Land Use*, and found in *Appendix A*. The pattern of existing land use consists primarily of vacant land and buildings, interspersed with small-scale commercial, light industrial and residential uses. The total amount of vacant land and buildings within the Project Area is 5.7 acres, or 48% of the total area of private property, not counting vacant storefronts in multi-tenant buildings. The total amount of commercial uses within the Project Area is 3.8 acres, or 32% of property.

The largest property within the Project Area is a 3.2-acre vacant site on St. Charles Road formerly occupied by Oakfield Ford. It was vacated in 2007 after nearly 20 years in Villa Park. Oakfield Ford had expanded their land holdings in 1996 to include adjacent land, which was facilitated by a 10-year sales tax rebate agreement with the Village. There are two additional commercial buildings in the eastern portion of the Project Area which are vacant. The first was formerly occupied as a bank and contains several smaller parcels which were used for parking. It has been vacant for approximately 15-20 years. The other was a former pancake house and is located adjacent to Salt Creek, and has been vacant approximately 18-24 months.

Transportation Characteristics

St. Charles Road is a four-lane road and serves as a major collector street for this portion of Villa Park. This road carries an average daily traffic count of 22,400 vehicles per day (IDOT, 2008). Villa Avenue has an average daily traffic count of 6,100 vehicles per day. State Route 83/Kingery Highway, to the east of the Project Area, carries approximately 72,000 vehicles per day. The higher level of traffic on State Route 83 is a major reason for increased commercial development along this highway.

Villa Park has a Metra commuter station along the Union Pacific/ West Line with service east to Chicago and west to Elburn, Illinois. The station is located approximately one mile northwest of the Project Area. The Project Area is also well-connected to the regional bicycle network. Extending southeast from St. Charles Road toward the southern edge of the Project Area boundary is the Great Western Trail, which trail connects to the main stem of the Illinois Prairie Path at Central Avenue. The Villa Park Metra commuter rail station along the Union Pacific West Line is located approximately one mile northwest of the Project Area.

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

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Based on the conditions present, the Project Area is not likely to be comprehensively or effectively redeveloped without the adoption of the Plan. In June 2008, studies were undertaken to establish whether the proposed Project Area is eligible for designation as a "blighted area" or "conservation area" in accordance with the requirements of the Act. This analysis concluded that the Project Area qualifies for designation as a redevelopment project area in accordance with the definitions contained in the Act.

In order to be designated as a conservation area, 50% or more of the buildings within the Project Area must be 35 years of age or older. The vast majority of buildings are more than 35 years of age, with 87.5% having been built in 1972 or before. Once the age requirement has been met, the presence of three of the 13 conditions stated in the Act is required for designation of improved property as a conservation area. These conditions must be meaningfully present and reasonably distributed within the Project Area. Of the 13 conditions cited in the Act for improved property, four conditions are present within the Project Area to a major extent. Each of these conditions is reasonably distributed within the Project Area. The following conditions have been used to establish eligibility for designation as a conservation area:

- Deterioration
- Obsolescence
- Excessive Vacancies
- Lack of Community Planning

Three additional conditions are present to a more limited extent within the Project Area. These are:

- Structures below minimum code standards
- Excessive land coverage and overcrowding of structures and community facilities
- Deleterious land use or layout

These conditions were not used to establish eligibility of the Project Area for designation as a conservation area, but help to illustrate the need for public intervention to prevent the Project Area from becoming blighted. For more details on the basis for eligibility, refer to Appendix C: Eligibility Study.

Need for Public Intervention

Through an analysis of conditions within the Project Area, it was concluded that development would not likely occur within the without the use of TIF. Two major factors played a role in this finding. Increasing vacancy within the Project Area, the duration of those vacancies, and a lack of new investment in the area in recent years indicate such need for public intervention.

The Village has attempted in the past to provide incentives for existing businesses other than through the use of TIF. However, those measures were ultimately not successful in keeping

those businesses in the area. As previously mentioned, the Village faced losing one of its top generators of sales tax revenue, Oakfield Ford in 1996. The Village agreed to provide a 10-year sales tax rebate agreement in the amount of \$1 million over a 10-year period. When the deal ended in 2007, Oakfield Ford determined that its location was no longer viable and the business was moved to Woodstock, Illinois, further increasing the amount of vacant land already present in the area.

An analysis of construction activity over the last five years also helps demonstrate the need for public intervention. The lack of building activity within the Project Area when compared to adjacent property suggests a lack of investment within the Project Area. An analysis of Village building permit records between 2003 and 2007 indicate that just one building permit was issued within the Project Area for rehab work in the amount of \$30,000. In comparison, much higher levels of permit activity took place in the one-half mile area surrounding the Project Area, where over the same 5-year period, approximately 124 building permits for building rehab, repairs, new construction, demolition, and signs were issued totaling \$1.4 million in construction value.

Given the number of buildings in the Project Area that are suffering from vacancy and obsolescence, a significant level of investment and redevelopment in the Project Area is needed to prevent the Project Area's decline. The lack of development is not being resolved through private-sector investment, and a continuation of the minimal level of private investment currently being made is likely to exacerbate deterioration and other blighting conditions within the Project Area. There is likely to be little incentive for developers to initiate new projects in the Project Area or make major investments in rehabilitation without public financial assistance including the use of tax increment financing.

4. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

The proposed Plan is consistent with Village plans for the Project Area and recent Village-sponsored plans for the area. The following goals and objectives are provided to guide development in the Project Area.

General Goals

- Create an attractive environment that encourages new commercial and residential development, improving the real estate and sales tax base for the Village and other taxing districts that have jurisdiction over the Project Area.
- Create an attractive environment which will preserve or enhance the value of existing properties within and adjacent to the Project Area.
- Encourage redevelopment of parcels that are underutilized and vacant.
- Provide for the orderly transition from obsolete uses to economically sustainable land development patterns.
- Establish the Project Area as a dynamic commercial, retail and residential location for living, shopping and employment.

Redevelopment Objectives

- Facilitate the transition of weak and underutilized commercial areas into strong and viable mixed-use development by creating an environment that stimulates private investment.
- Assemble land into parcels of adequate size and shape for redevelopment in accordance with the redevelopment plan.
- Encourage appropriate infill development on vacant or underutilized sites.
- Direct redevelopment activities to appropriate locations within the Project Area in accordance with the land use plan and general land use strategies.
- Upgrade and maintain infrastructure to support redevelopment efforts.

Design Objectives

- Encourage development of appropriately scaled commercial, residential and mixed-use buildings that will enhance the existing community fabric.
- Improve the appearance of streets and other public rights-of-way through streetscape improvements, while supporting the use of pedestrian and bicycle-friendly design.
- Encourage the use of sustainable land use practices, including the efficient use of existing economic, infrastructure, and natural resources.

5. REDEVELOPMENT PLAN

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

Property Assembly and Site Preparation

To meet the goals and objectives of the Plan, the Village may acquire and assemble property throughout the Project Area. Land assemblage by the Village may be by purchase, exchange, donation, lease, eminent domain, or through other programs and may be for the purpose of: (a) sale, lease or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the Village may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the Village may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the Village exercising its power to acquire real property, including the exercise of the power of eminent domain, under the Act in implementing the Plan, the Village will follow its customary procedures of having each such acquisition authorized by the Village Board of the Village of Villa Park. Acquisition of such real property as may be authorized by the Village Board does not constitute a change in the nature of the Plan.

Intergovernmental and Redevelopment Agreements

The Village may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects"). Such redevelopment agreements may be needed to: support the rehabilitation or construction of allowable private improvements, in accordance with the Plan; incur costs or reimburse developers for other eligible redevelopment project costs as provided in the Act in implementing the Plan; and provide public improvements and facilities which may include, but are not limited to utilities, street closures, transit improvements, streetscape enhancements, signalization, parking and surface right-of-way improvements.

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

Job Training

To the extent allowable under the Act, job training costs may be directed toward training activities designed to enhance the competitive advantages of the Project Area and to attract additional employers to the Project Area. Working with employers and local community organizations, job training and job readiness programs may be provided that meet employers' hiring needs, as allowed under the Act. A job readiness/training program is a component of the Plan. The Village expects to encourage hiring from the community that maximizes job opportunities for Villa Park residents.

Relocation

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area and to meet other Village objectives. Businesses or households legally occupying properties to be acquired by the Village may be provided with relocation advisory and financial assistance as determined by the Village or required under the Act.

Analysis, Professional Services and Administrative Activities

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

Provision of Public Improvements and Facilities

Adequate public improvements and facilities may be provided to service the Project Area. Public improvements and facilities may include, but are not limited to, street closures to facilitate assembly of development sites, upgrading streets, signalization improvements, provision of streetscape amenities, public open space, parking improvements and utility improvements.

Financing Costs Pursuant to the Act

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

Interest Costs Pursuant to the Act

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

6. REDEVELOPMENT PROJECT DESCRIPTION

The Plan seeks to encourage redevelopment and repositioning of the Project Area as a mixed-use commercial and residential neighborhood. The Plan recognizes that new private-sector investment in mixed-use property is needed to improve and revitalize the Project Area. Land within the Project Area has good redevelopment potential, but will clearly need the financial incentives provided by the TIF to attract private-sector investment. Factors supporting redevelopment include a location along an arterial street, access to a strong market and the absence of physical land constraints, such as floodplain, poor soils or known contamination.

There are significant challenges to attracting redevelopment that must be overcome. Most significantly, the prolonged vacancy on some of the parcels suggests the lack of a ready market for new development. The land along St. Charles Road has good access and visibility, but land to the interior does not. Some assembly of land will be needed, particularly near the intersection of St. Charles Road and Monterey Avenue, where parcel shape and size is not conducive to modern forms of development. Perhaps most importantly, Villa Park is a mature market that will not provide commercial development opportunities commonly found in growing communities. With a static population base, the alignment of commercial properties to serve the market is largely, already in place. While there are always opportunities for new entries into the market, these should be viewed as in-fill situations.

Residential and Commercial Mixed-Use Development

The continued vacancy of commercial property within the Project Area calls into question the viability of conventional suburban commercial development along the St. Charles Road frontage. Little or no new commercial development has occurred along St. Charles Road in many years. It may be that, with the financial incentives possible within the new TIF district, conventional suburban commercial development might be feasible. Alternatively, it could be that a different type of development is needed within the Project Area, namely mixed-use commercial/residential development. This form of development would contain commercial/office on the ground floor space and multi-family residential units on upper floors. Commercial uses would be more local in nature rather than regional. St. Charles Road would take on a more attractive character to support the residential component of the mixed-use program, with appealing architectural facades and streetscape improvements.

The residential units would also appear to have appeal within the market. Villa Park is predominantly a single-family community, with only a small share of the total housing market in multi-family units. As the trend toward smaller household sizes continues, there should be increased demand for other forms of housing beyond single-family dwellings. A challenge related to the residential component is the current/prolonged slump in ownership forms of housing, such as condominiums. The rental market is currently fairly strong and may be the best option for responding to short term market conditions.

The last challenge to be discussed is the awkward nature of some of the land parcels within the proposed TIF district. Some of the parcels do not appear to have an obvious future land use in terms of redevelopment, or are simply less desirable parcels. The parcel west of Villa Avenue and south of Wildwood Street currently is home to a well-established building supply business. Should this operation cease, it is not obvious what kind of redevelopment should take place on this parcel. Commercial suitability becomes weaker the further away one gets from St. Charles Road, but there are also some negative factors related to residential use.

7. GENERAL LAND USE PLAN AND MAP

Figure A-3: General Land Use Plan, in Appendix A, identifies land uses expected to result from implementation of the Plan. Significant flexibility is needed in establishing land use policy within the Plan. While mixed-use commercial/residential use appears to be the most viable form of development, stand alone commercial use may also be a development option. The land use category planned for the Project Area is "commercial, residential or mixed-use commercial/residential". This land use category allows for commercial use, residential use or any combination of the two uses on any parcel.

The land use policy described above is intended to direct private investment activity and enhance the overall development of the Project Area in accordance with the goals and objectives of the Plan. Locations of specific uses, or public infrastructure improvements, may vary from the General Land Use Plan as a result of more detailed planning and site design activities. Such variations are permitted without amendment to the Plan as long as they are consistent with the Plan's goals and objectives and the land uses and zoning approved by the Villa Park Planning and Zoning Commission.

8. REDEVELOPMENT PLAN FINANCING

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

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

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

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

Eligible Project Costs

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

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses) provided however, that no charges for professional services may be based on a percentage of the tax increment collected and the terms of such contracts shall not extend beyond a period of three years. Redevelopment project costs may not include general overhead or administrative costs of the Village that would still have been incurred if the Village had not designated a redevelopment project area or approved a redevelopment plan.
2. The cost of marketing sites within the Project Area to prospective businesses, developers and investors.

3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost 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.
5. Costs of the construction of public works or improvements, subject to the limitations in Section 11-74.4-3 (q) (4) of the Act.
6. Costs of job training and retraining projects including the cost of "welfare-to-work" programs implemented by businesses located within the Project Area and such proposals featuring a community-based training program which ensures maximum reasonable employment opportunities for residents of the Project Area with particular attention to the needs of those residents who have previously experienced inadequate opportunities and development of job-related skills, including residents of public and other subsidized housing and people with disabilities.
7. Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and, which may include payment of interest on any obligations issued thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and including reasonable reserves related thereto.
8. To the extent the Village by written agreement accepts and approves the same, all, or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred, or to be incurred, in furtherance of the objectives of the Plan.
9. 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 state or federal law or in accordance with the requirements Section 74.4-3(n)(7) of the Act.
10. Payment in lieu of taxes, as defined in the Act.
11. Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act,

110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a.

12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - (b) such payments in any one year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - (c) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the developer for such redevelopment project, plus (ii) Redevelopment Project Costs excluding any property assembly costs and any relocation costs incurred by the Village pursuant to the Act; and
 - (e) up to 75 percent of the interest cost described in subsections (b) and (d) above incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low income households, as defined in Section 3 of the Illinois Affordable Housing Act.
13. An elementary, secondary or unit school district's or public library district's increased costs attributable to housing units assisted by the Village through implementation of this Plan may be reimbursed as provided for in the Act.
14. Instead of the eligible costs provided for in 12(b), 12(d) and 12(e) above, the Village may pay up to 50% of the cost of construction, renovation and/or rehabilitation of all low-income and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low-income and very low-income households, only the low-income and very low-income households shall be eligible for benefits under the Act.
15. The cost of day care services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the Village, county or regional median income adjusted for family size, as the annual income and Village, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development (HUD).

Unless explicitly provided in the Act, the cost of constructing new privately-owned buildings is not an eligible redevelopment project cost.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

Estimated Project Costs

A range of activities and improvements may be required to implement the Plan. The proposed eligible activities and their estimated costs over the life of the Project Area are briefly described below and also shown in Table 1: Estimated Redevelopment Project Costs.

1. Analysis, administration and professional services including planning, legal, surveys, real estate marketing costs, fees and other related development costs. This budget element provides for studies and survey costs for planning and implementation of the Plan, including architectural and engineering services, development of plans and specifications, development site marketing, and financial and special service costs. *(Estimated cost: \$300,000)*
2. Property assembly costs, including acquisition of land and other property, real or personal, or rights or interests therein, and other appropriate and eligible costs needed to prepare the property for redevelopment. These costs may include the reimbursement of acquisition costs incurred by private developers. Land acquisition may include acquisition of both improved and vacant property in order to create development sites, accommodate public rights-of-way or to provide other public facilities needed to achieve the goals and objectives of the Plan. Property assembly costs also include demolition of existing improvements, including clearance of blighted properties or clearance required to prepare sites for new development, site preparation, including grading, and other appropriate and eligible site activities needed to facilitate new construction, and environmental remediation costs associated with property assembly which are required to render the property suitable for redevelopment. *(Estimated cost: \$4,000,000)*
3. Rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements, and the cost of construction of low and very-low income housing pursuant to the provisions of the Act. *(Estimated cost: \$500,000)*
4. Construction of public works and improvements, including streets and utilities, parks and open space, and public facilities such as schools and other public facilities. These improvements are intended to improve access within the Project Area, stimulate private investment and address other identified public improvement needs, and may include all or a portion of a taxing district's eligible costs, including increased costs of the Villa Park Public Schools District 150 attributable to assisted housing units within the Project Area in accordance with the requirements of the Act. *(Estimated cost: \$1,000,000)*
5. Relocation costs, as judged by the Village to be appropriate or required to further implementation of the Plan. *(Estimated cost: \$250,000)*
6. Costs of job training and retraining projects, advanced vocational education, welfare-to-work, career education, or provision of day care services as provided for in the Act. *(Estimated cost: \$50,000)*
7. Interest subsidy or other financing costs associated with redevelopment projects, pursuant to the provisions of the Act. *(Estimated cost: \$400,000)*

The estimated gross eligible project cost over the life of the Project Area is \$6.5 million. All project cost estimates are in 2008 dollars. The foregoing simply describes the range of eligible project costs associated with implementation of this Plan. The Village will use its discretion with respect to funding improvements and is not obligated to spend funds beyond those needed to implement the Plan. Any bonds issued to finance portions of the redevelopment project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with issuance of such obligations, as well as to provide for capitalized interest and reasonably required reserves. The total project cost figure excludes any costs for the issuance of bonds. Adjustments to estimated line items, which are upper estimates for these costs, are expected and may be made without amendment to the Plan.

**Table 1:
ESTIMATED REDEVELOPMENT PROJECT COSTS**

Eligible Expense	Estimated Cost
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	<u>\$300,000</u>
Property Assembly including Acquisition, Site Preparation and Demolition, Environmental Remediation	<u>\$4,000,000</u>
Rehabilitation of Existing Buildings, Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Cost	<u>\$500,000</u>
Public Works and Improvements, including streets and utilities, parks and open space, public facilities (schools & other public facilities) ^[1]	<u>\$1,000,000</u>
Relocation Costs	<u>\$250,000</u>
Job Training, Retraining, Welfare-to-Work, Day Care Services	<u>\$50,000</u>
Interest Subsidy	<u>\$400,000</u>
TOTAL REDEVELOPMENT PROJECT COSTS ^{[2] [3]}	\$ 6,500,000⁴

¹ This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the Village by written agreement accepts and approves the same, the Village may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

² Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

³ The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of Redevelopment Project Costs incurred in the Project Area which are paid from Incremental Property Taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

⁴ Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

Additional funding from other sources such as federal, state, county, or local grant funds may be utilized to supplement the Village's ability to finance Redevelopment Project Costs identified above.

Sources of Funds

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived principally from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds as the Village may deem appropriate. The Village may incur Redevelopment Project Costs (costs listed in Table 1: Estimated Redevelopment Project Costs) which are paid for from funds of the Village other than incremental taxes, and the Village may then be reimbursed for such costs from incremental taxes. Also, the Village may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the Village may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may be contiguous to, or be separated only by a public right-of-way from, other redevelopment project areas created under the Act. The Village may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Plan.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.61-1 et seq.). If the Village finds that the goals, objectives and financial success of such contiguous redevelopment project areas, or those separated only by a public right-of-way, are interdependent with those of the Project Area, the Village may determine that it is in the best interests of the Village, and in furtherance of the purposes of the Plan, that net revenues from the Project Area be made available to support any such redevelopment project areas and vice versa. The Village therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, or other areas described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 1: Estimated Redevelopment Project Costs herein.

Development of the Project Area would not be reasonably expected to occur without the use of the Incremental Property Taxes as set forth in the Act. Redevelopment Project Costs include those eligible redevelopment project costs stated in the Act. Tax increment financing or other

public sources will be used only to the extent needed to secure commitments for private redevelopment activity or meet identified public improvement needs.

Nature and Term of Obligations to be Issued

The Village may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the Village may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance Redevelopment Project Costs and implement the Plan shall be retired not later than December 31 of the year in which the payment to the Village Treasurer, as provided by the Act, is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Project Area is adopted (i.e. assuming Village Board approval of the Project Area and Plan in 2008, by 2032). The Village will monitor the implementation of the Plan and, if feasible, will endeavor to end life of the Project Area at an earlier date. The final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issuance. One or more series of obligations may be sold at one or more times in order to implement the Plan. The Village may also issue obligations to a developer as reimbursement for project costs incurred by the developer on behalf of the Village. Obligations may be issued on a parity or subordinated basis.

The Village intends to declare as surplus revenues a portion of the Incremental Property Taxes that result from inflationary growth within the Project Area for properties that are not subject to a redevelopment agreement. Such surplus revenues will be redistributed to all taxing districts on a proportionate basis as provided in the Act. For properties subject to a redevelopment agreement, the Village intends to allocate a portion of the Incremental Property Tax Revenues to public infrastructure improvements within the Project Area, with generally no more than 50% of the Incremental Property Taxes made available to redevelopers under applicable redevelopment agreements.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled and/or early retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

Most Recent Equalized Assessed Valuation

The purpose of identifying the most recent EAV of the Project Area is to provide an estimate of the initial EAV, which the DuPage County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2007 EAV of all taxable parcels in the Project Area is approximately \$4,279,010. This total EAV amount by PIN is summarized in Appendix D: Initial Equalized Assessed Value (EAV) of Property within the St. Charles Road TIF Redevelopment Project Area. The EAV is subject to verification by the DuPage County Clerk. After verification, the final figure shall be certified by

the DuPage County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by DuPage County.

The Plan has utilized EAV values for the 2007 tax year. If the 2008 EAV shall become available prior to the date of the adoption of the Plan by the Village Board, the Village may update the Plan by replacing the 2007 EAV with the 2008 EAV.

Anticipated Equalized Assessed Valuation

Once the redevelopment project has been completed and the property is fully assessed, the EAV of real property within the Project Area is estimated at approximately \$ 6,500,000. This estimate has been calculated assuming that the Project Area will be developed in accordance with Figure 3: General Land Use Plan presented in Appendix A.

The estimated EAV assumes that the assessed value of property within the Project Area will increase substantially as a result of new private development and public improvements. Calculation of the estimated EAV is based on several assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner and 2) an annual appreciation rate of 1.5%.

Financial Impact on Taxing Districts

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

The following is a description of the taxing districts presently levying taxes on properties located within the Project Area, and the anticipated effect on the demand for public services.

DuPage County School District 45 and DuPage High School District 88. General responsibilities of the two local school districts include the provision, maintenance and operations of educational facilities and the provision of educational services for kindergarten through twelfth grade. The Plan may result in the addition of up to 200 additional multi-family dwelling units, which could generate a modest number of new school age children and place a modest additional demand for service on these taxing districts.

Village of Villa Park. The Village is responsible for the provision of a wide range of municipal services, including: police and fire protection; capital improvements and maintenance; water supply and distribution; sanitation service; building, housing and zoning codes, etc. The Village also administers the Village of Villa Park Library Fund, a separate taxing district from the Village. The Plan may result in the addition of up to 200 additional multi-family dwelling units, which could place a slight additional demand for service on these taxing districts.

College of DuPage County 502. The College of DuPage County provides secondary education for residents of the County. No appreciable impact is anticipated on this taxing district.

DuPage County. The County has principal responsibility for the protection of persons and property, the provision of public health services and the maintenance of County highways. No appreciable impact is anticipated on this taxing district.

DuPage County Forest Preserve District. The Forest Preserve District is responsible for acquisition, restoration and management of lands for the purpose of protecting and preserving open space in the Village and County for the education, pleasure and recreation of the public. No appreciable impact is anticipated on this taxing district.

DuPage County Airport Authority. The County Airport Authority is responsible for operation and maintenance of airports in the County. No appreciable impact is anticipated on this taxing district.

Salt Creek Sanitary District. The Salt Creek Sanitary District provides the main trunk lines for the collection of wastewater from cities, villages and towns, and for the treatment and disposal thereof. No appreciable impact is anticipated on this taxing district.

York Township: Township government is responsible for a variety of services including general assistance, the assessor's office and jurisdiction and maintenance of roads and other rights-of-way. The Plan may result in the addition of up to 200 additional multi-family dwelling units, which could place a slight additional demand for service on this taxing district.

For the taxing districts levying taxes on property within the Project Area, increased service demands are expected to be negligible because they are already serving the Project Area. Upon completion of the Plan, all taxing districts are expected to share the benefits of a substantially improved tax base. When completed, developments in the Project Area will generate property tax revenues for all taxing districts. Other revenues may also accrue to the Village in the form of sales tax, business fees and licenses, and utility user fees.

It is expected that most of the increases in demand for the services and programs of the aforementioned taxing districts, associated with the Project Area, can be adequately addressed by the existing services and programs maintained by these taxing districts. However, a portion of the \$1,000,000 that has been allocated for public works and improvements within the Project Budget may be used to address potential demands associated with implementing the Plan, through intergovernmental agreements as provided for in the Act.

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

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

The Plan will be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the Village Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Plan is adopted (assuming adoption in 2008, by December 31, 2032).

9. HOUSING IMPACT

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

The Project Area contains a total of seven residential units, one of which was identified as uninhabited as of June 24, 2008, the date of the eligibility, condition, and housing survey. An analysis was undertaken to identify the number and location of inhabited dwelling units that may be removed as a result of the implementation of the Plan. As a result of this analysis, the Village has determined that the displacement of ten or more inhabited residential units will not occur and hereby certifies that residential displacement will not result from the Plan. Consequently, a housing impact study is not a required element of this Plan.

10. PROVISIONS FOR AMENDING THE PLAN

The Plan may be amended as provided under the provisions of the Act.

11. VILLAGE OF VILLA PARK COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

As part of any Redevelopment Agreement entered into by the Village of Villa Park and any private developer, both will agree to establish and implement an affirmative action program that serves appropriate sectors of the Village of Villa Park. Developers or redevelopers will meet Village of Villa Park standards for participation of Minority Business Enterprises and Woman Business Enterprises as required in Redevelopment Agreements.

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

Anyone involved with employment for this Plan will be responsible for conformance with the policy and the compliance requirement of applicable state and federal regulations.

The Village and the private developers involved in the implementation of this Plan will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts at any level for redevelopment projects being undertaken in the Project Area. Any public/private partnership established with respect to implementation of the Plan will seek to ensure and maintain a working environment free of harassment, intimidation and coercion at all sites, and in all facilities at which employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals. The partnership 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 that successful affirmative action programs are important to the continued growth and vitality of the Village of Villa Park.

APPENDIX A
ST. CHARLES ROAD TIF
REDEVELOPMENT PROJECT AREA
FIGURES A-1 through A-4

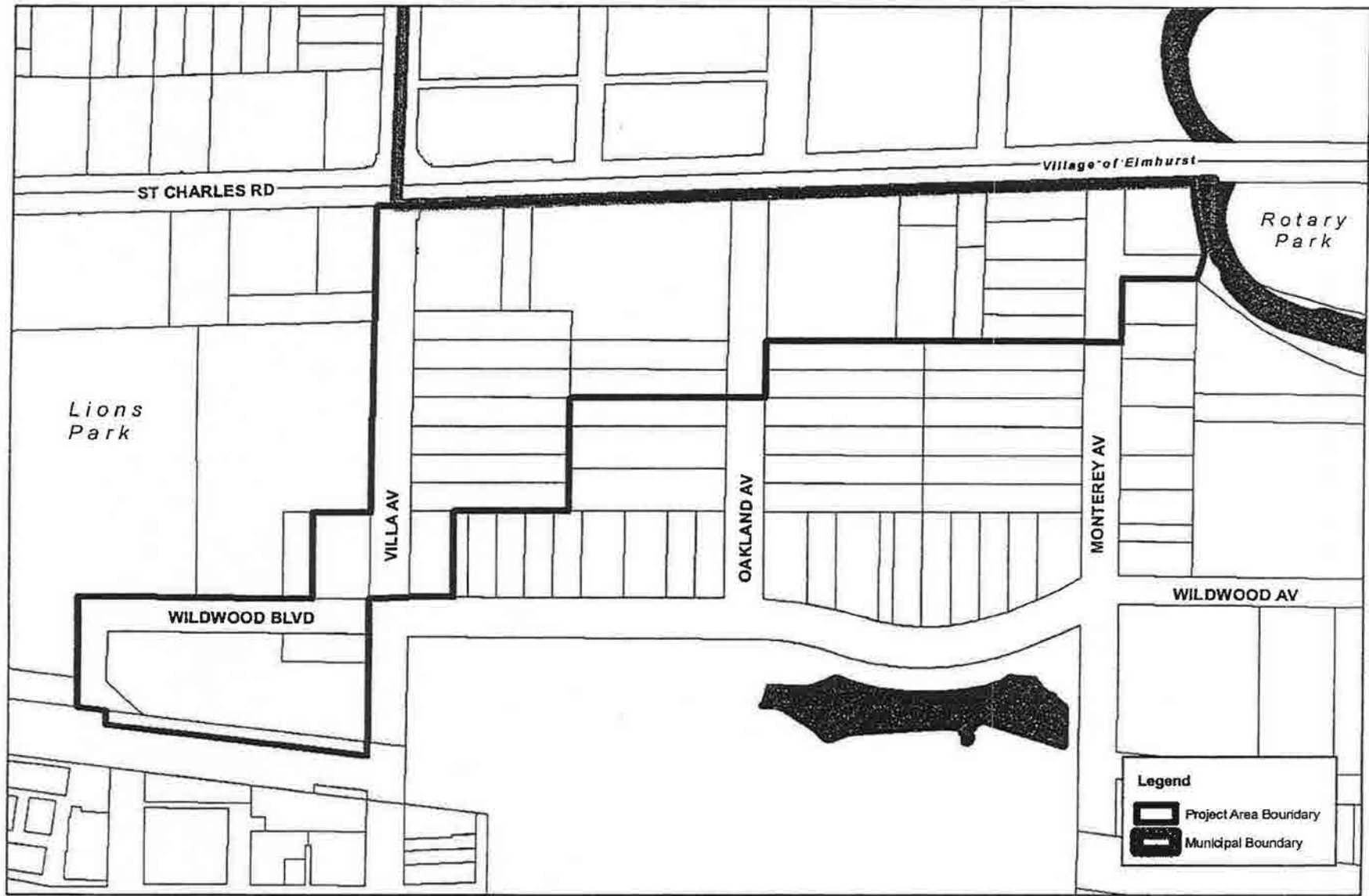
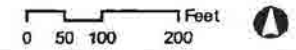




Figure A-1: Redevelopment Project Area Boundary

St. Charles Road TIF
 Village of Villa Park, Illinois



Legend

-  Project Area Boundary
-  Municipal Boundary

CAMIROS

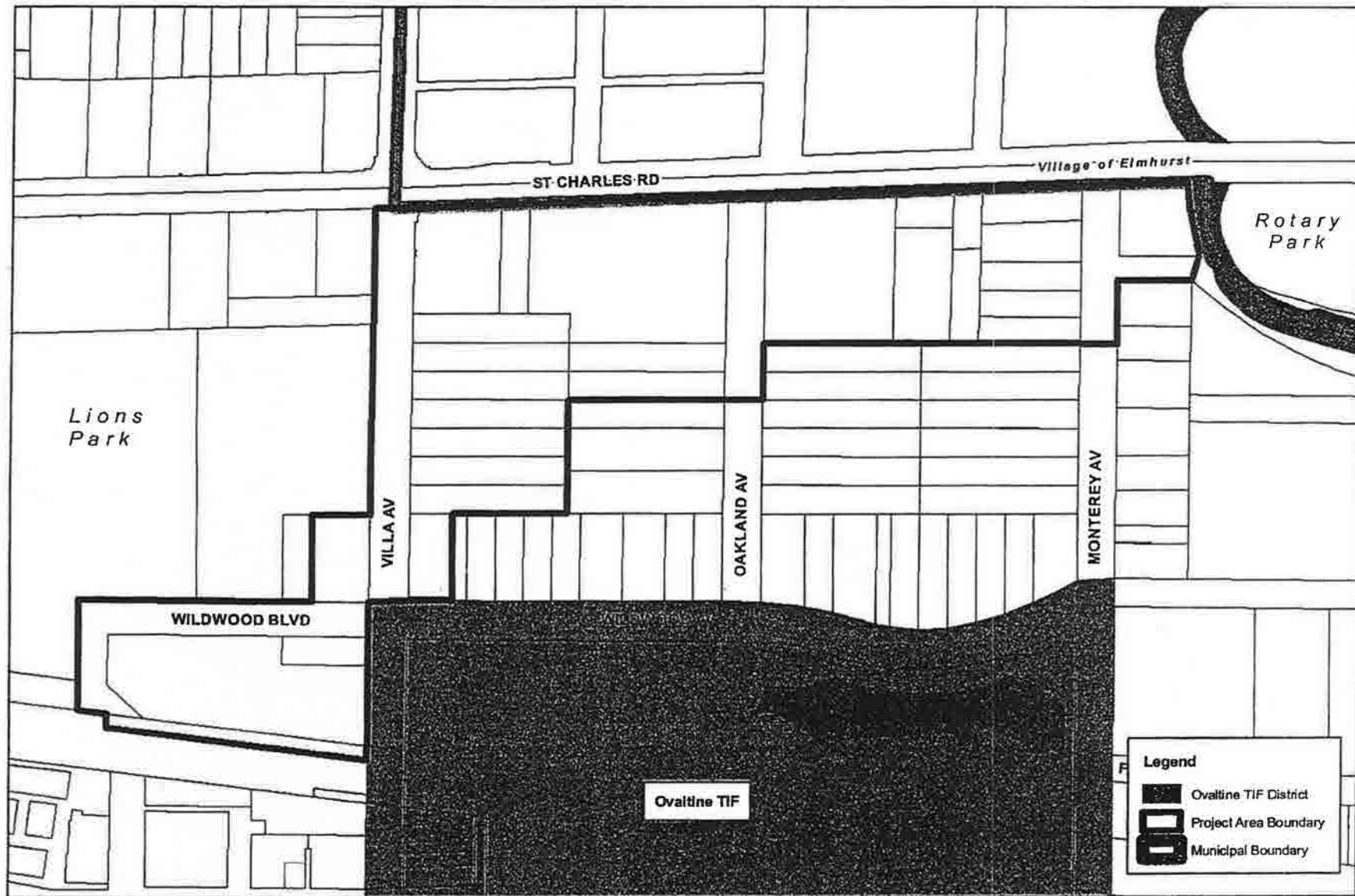


Figure A-2: Adjacent TIF Districts

St. Charles Road TIF
 Village of Villa Park, Illinois



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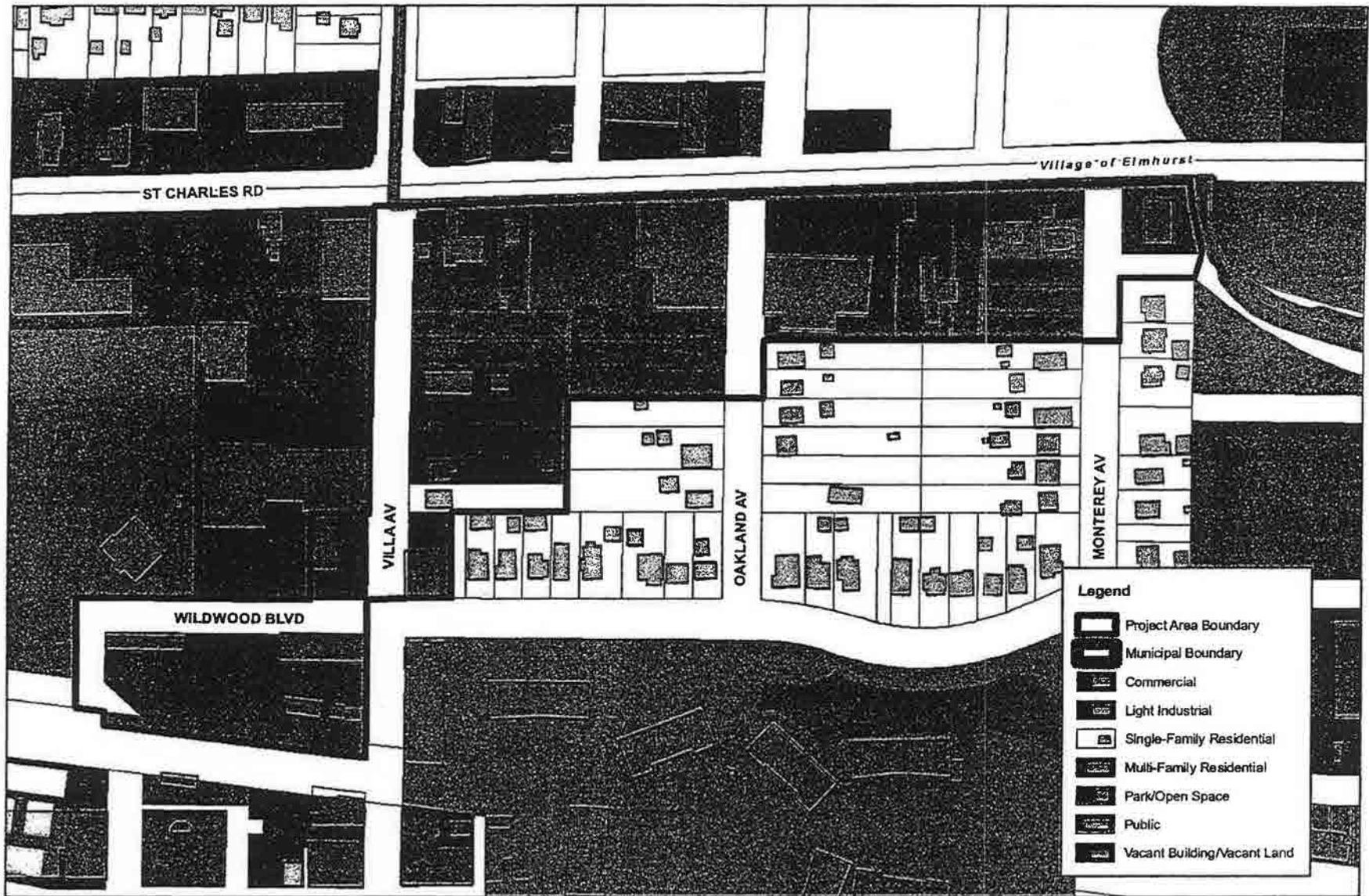
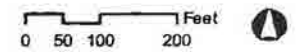


Figure A-3: Existing Land Use

St. Charles Road TIF
 Village of Villa Park, Illinois



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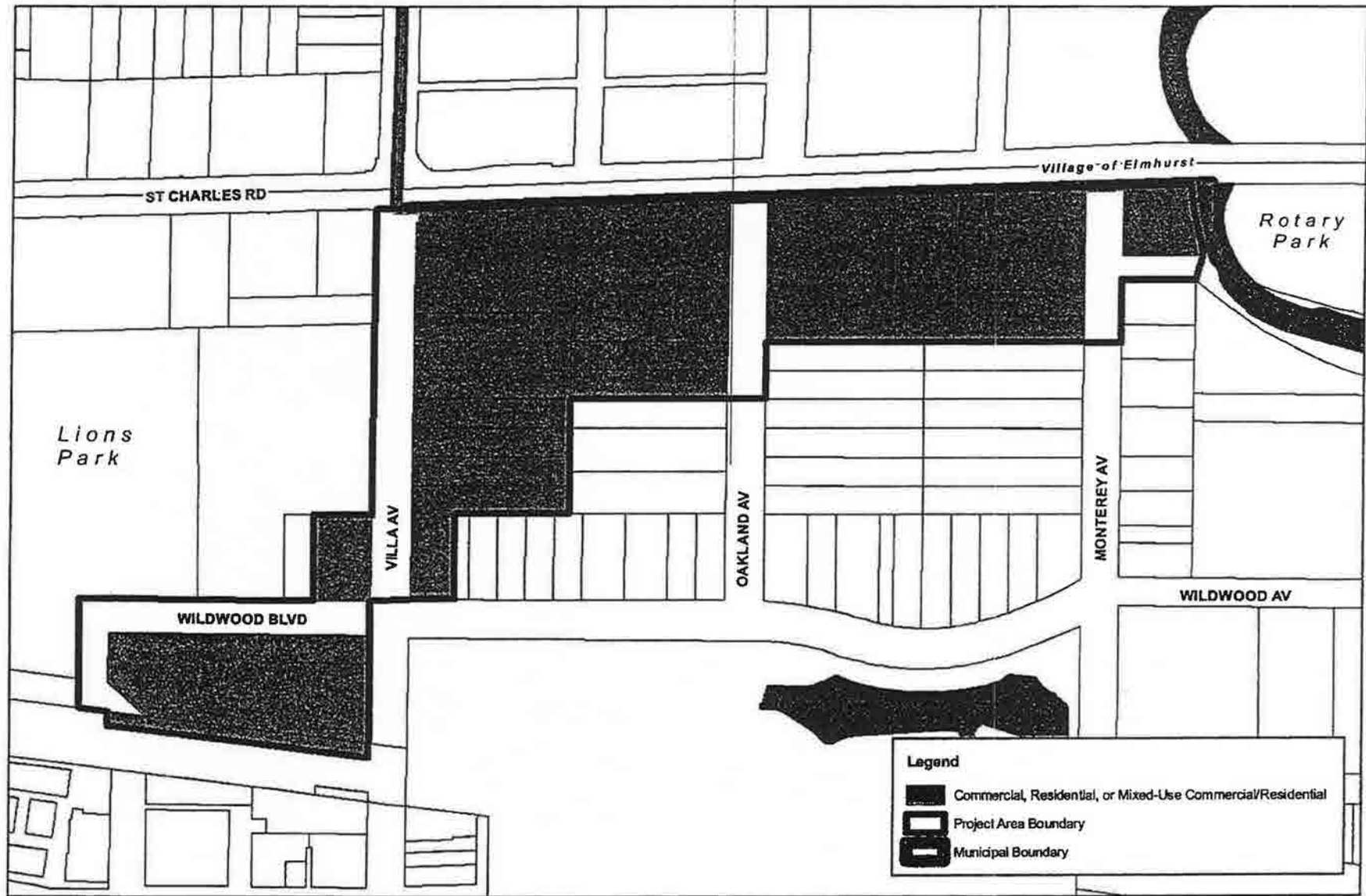
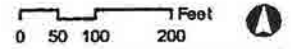


Figure A-4: General Land Use Plan

St. Charles Road TIF
 Village of Villa Park, Illinois



CAMIROS

APPENDIX B

VILLAGE OF VILLA PARK ST. CHARLES ROAD TIF REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF THE EAST ST. CHARLES ROAD RIGHT OF WAY, ALSO BEING THE NORTH LINE OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE WEST LINE OF THE SOUTH VILLA AVENUE RIGHT OF WAY AND RUNNING THENCE SOUTH ALONG SAID WEST LINE OF SOUTH VILLA AVENUE, 535.5 FEET MORE OR LESS TO A POINT; THENCE WEST ALONG THE NORTH LINE OF LOT 3 OF CALHOUN'S 2ND ADDITION TO VILLA PARK 150.00 FEET MORE OR LESS TO A POINT; THENCE SOUTH ALONG A LINE PARALLEL WITH THE WEST LINE OF SOUTH VILLA AVENUE AFORESAID TO THE NORTH LINE OF THE WILDWOOD AVENUE RIGHT OF WAY; THENCE WEST ALONG THE NORTH LINE OF SAID WILDWOOD AVENUE TO ITS INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF MYRTLE AVENUE; THENCE SOUTH ALONG SAID WEST LINE OF MYRTLE AVENUE TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF THE WILDWOOD BOULEVARD RIGHT OF WAY; THENCE SOUTHEASTERLY ALONG THE SAID SOUTHERLY LINE OF WILDWOOD BOULEVARD TO A POINT OF INTERSECTION WITH THE SOUTHERLY PROLONGATION OF THE EAST RIGHT OF WAY LINE OF MYRTLE AVENUE; THENCE ALONG SAID SOUTHERLY EXTENSION FROM THE AFORESAID SOUTHERLY LINE OF WILDWOOD BOULEVARD 25.0 FEET MORE OR LESS; THENCE SOUTHEASTERLY ALONG A LINE PARALLEL WITH AND 25.0 FEET SOUTH OF THE NORTHERLY LINE OF THE GREAT WESTERN TRAIL (FORMERLY THE CHICAGO GREAT WESTERN RAILROAD) EXTENDED SOUTHEAST TO THE WEST LINE OF THE SOUTH VILLA AVENUE RIGHT OF WAY; THENCE NORTH ALONG SAID WEST RIGHT OF WAY LINE OF SOUTH VILLA AVENUE 257.2 FEET MORE OR LESS TO THE NORTH LINE OF WILDWOOD AVENUE; THENCE EAST ALONG THE NORTH LINE OF WILDWOOD AVENUE EXTENDED ACROSS SOUTH VILLA AVENUE, AND LOT 19 AND THE WEST HALF OF LOT 20 IN WOODRUFF'S RESUBDIVISION IN PART OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 11, A DISTANCE OF 142.5 FEET MORE OR LESS; THENCE NORTH ALONG THE EAST LINE OF THE WEST HALF OF LOT 20 IN WOODRUFF'S RESUBDIVISION 150.00 FEET MORE OR LESS TO THE SOUTH LINE OF LOT 18 IN WOODRUFF'S RESUBDIVISION AFORESAID; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 18, 200.00 FEET MORE OR LESS; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF THE SOUTH VILLA AVENUE RIGHT OF WAY 200.00 FEET MORE OR LESS TO THE NORTHWEST CORNER OF LOT 33 IN WOODRUFF'S RESUBDIVISION; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 33 IN WOODRUFF'S RESUBDIVISION AND THE EASTERLY EXTENSION THEREOF, TO THE EAST RIGHT OF WAY LINE OF OAKLAND AVENUE; THENCE NORTH ALONG THE EAST LINE OF OAKLAND AVENUE 100.00 FEET MORE OR LESS; THENCE EAST ALONG THE NORTH LINE OF THE NORTH 50.00 FEET OF LOT 17 AND THE NORTH 50.00 FEET

OF LOT 22 IN VILLA PARK SUBDIVISION AND ITS EXTENSION EAST TO THE EAST LINE OF MONTEREY AVENUE RIGHT OF WAY; THENCE NORTH ALONG SAID EAST LINE OF MONTEREY AVENUE TO THE SOUTH LINE OF THE HOME AVENUE RIGHT OF WAY; THENCE EAST ALONG THE SOUTH SIDE OF HOME AVENUE, 125.00 FEET MORE OR LESS TO A POINT; THENCE ON A STRAIGHT LINE TO THE SOUTHEAST CORNER OF LOT 50 IN WOODRUFF'S RESUBDIVISION; THENCE NORTHERLY ALONG THE EAST CURVED LINE OF LOT 50 IN WOODRUFF'S RESUBDIVISION TO THE SOUTH LINE OF THE EAST ST. CHARLES ROAD RIGHT OF WAY AFORESAID; THENCE WEST ALONG THE SOUTH LINE OF EAST ST. CHARLES ROAD TO ITS INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF SOUTH VILLA AVENUE AFORESAID, BEING THE POINT OF BEGINNING, ALL IN VILLA PARK, DUPAGE COUNTY, ILLINOIS.

APPENDIX C

ST. CHARLES ROAD TIF REDEVELOPMENT PROJECT AREA ELIGIBILITY STUDY

The purpose of this study is to determine whether a portion of the Village of Villa Park (the "Village") identified as the St. Charles Road TIF Redevelopment Project Area qualifies for designation as a tax increment financing district within the definitions set forth under 65 ILCS 5/11-74.4 contained in the "Tax Increment Allocation Redevelopment Act" (65 ILCS 5/11-74.1 et seq.), as amended (the "Act"). This legislation focuses on the elimination of blighted or rapidly deteriorating areas through the implementation of a redevelopment plan. The Act authorizes the use of tax increment revenues derived in a redevelopment project area for the payment or reimbursement of eligible redevelopment project costs.

The area proposed for designation as the St. Charles Road TIF Redevelopment Project Area is hereinafter referred to as the "Study Area" and is shown in *Figure C-1: Study Area Boundary Map*. The Project Area is irregular in shape but encompasses certain properties in the area generally bounded by East St. Charles Road on the north, Villa Avenue, Wildwood Boulevard and Lions Park on the west, East Wildwood Avenue and a portion of the Great Western Trail on the south and South Monterey Avenue and Salt Creek on the east. The Study Area is approximately 15.5 acres in size and includes 28 tax parcels. The Study Area is classified as improved for the purposes of this eligibility analysis.

This report summarizes the analyses and findings of the Consultant's work, which, unless otherwise noted, is solely the responsibility of Camiros, Ltd. and does not necessarily reflect the views and opinions of potential developers or the Village. Camiros, Ltd. has prepared this report with the understanding that the Village would rely on: 1) the findings and conclusions of this report in proceeding with the designation of the Study Area as a redevelopment project area under the Act, and 2) the fact that Camiros, Ltd. has obtained the necessary information to conclude that the Study Area meets the requirements for designation as a redevelopment project area in compliance with the Act.

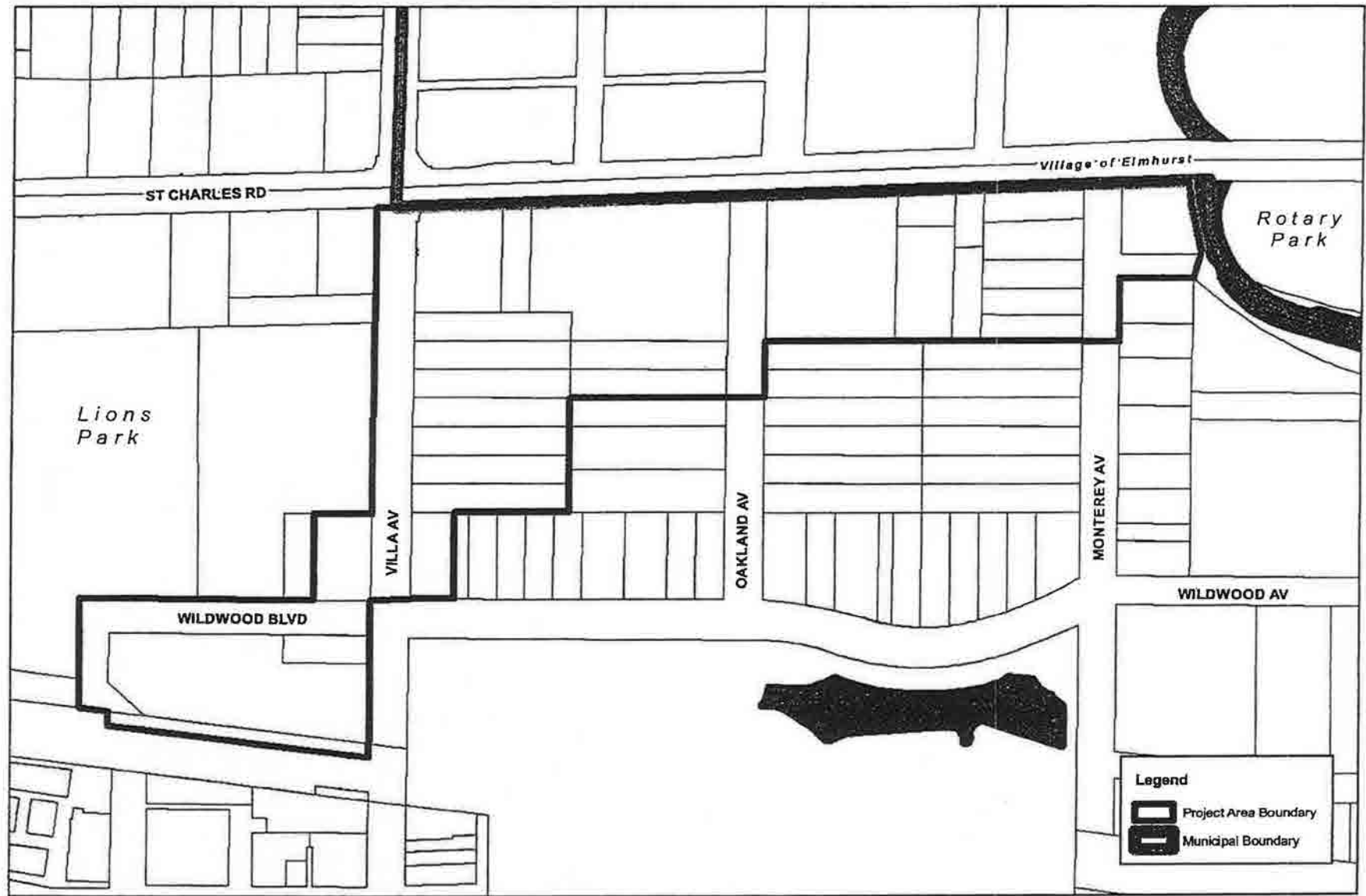
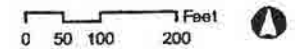


Figure C-1: Study Area Boundary Map

St. Charles Road TIF
 Village of Villa Park, Illinois



CAMIROS

1. INTRODUCTION

The Tax Increment Allocation Redevelopment Act permits municipalities to induce redevelopment of eligible "blighted," "conservation" or "industrial park conservation areas" in accordance with an adopted redevelopment plan. The Act stipulates specific procedures, which must be adhered to, in designating a redevelopment project area. One of those procedures is the determination that the area meets the statutory eligibility requirements. At 65 Sec 5/11-74.-3(p), the Act defines a "redevelopment project area" as:

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

In adopting this legislation, the Illinois General Assembly found that:

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

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

Before the tax increment financing technique can be used, the municipality must first determine that the proposed redevelopment area qualifies for designation as a "blighted area," "conservation area," or an "industrial park conservation area." Based on the conditions present, this Eligibility Study finds that the Study Area qualifies for designation as a conservation area.

Conservation Areas

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

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Presence of structures below minimum code standards
5. Illegal use of individual structures
6. Excessive vacancies
7. Lack of ventilation, light or sanitary facilities

8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land use or layout
11. Environmental clean-up requirements
12. Lack of community planning
13. Lagging or declining equalized assessed value

The Act defines blighted and conservation areas and amendments to the Act also provide guidance as to when the conditions present qualify an area for such designation. Where any of the conditions defined in the Act are found to be present in the Study Area, they must be: 1) documented to be present to a meaningful extent so that the municipality may reasonably find that the condition is clearly present within the intent of the Act, and 2) reasonably distributed within the Study Area, as applicable.

The test of eligibility is based on the conditions of the Study Area as a whole. The Act does not require that eligibility be established for each and every property in the Study Area.

2. ELIGIBILITY STUDIES AND ANALYSIS

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

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

Building Condition Evaluation

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

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted by Camiros, Ltd. in June 2008. Structural deficiencies in building components and related environmental deficiencies in the Study Area were noted during the survey.

Building Components Evaluated

During the field survey, each component of the buildings in the Study Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

Primary Structural Components

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

Secondary Components

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

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance

of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

Building Component Classification

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

Sound

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

Deficient – Requiring Minor Repair

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

Deficient – Requiring Major Repair

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

Critical

Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

Final Building Rating

After completion of the exterior building condition survey, each structure was placed in one of three categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

Sound

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

Deficient

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

- Deficient-Minor

Buildings classified as "deficient – requiring minor repairs" have more than one minor defect, but no major defects.

- Deficient-Major

Buildings classified as "deficient – requiring major repairs" have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

Substandard

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

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act. Substandard buildings are the same as dilapidated buildings.

Eligibility Determination

Where a condition is described as being present to a *meaningful* extent, the condition is present with respect to a significant number of properties to which the condition pertains and is reasonably distributed in the Study Area. The presence of such conditions has a major adverse impact or influence on adjacent and nearby property. A condition described as being present to a *limited extent* indicates that the condition is present, but that the distribution of impact of the condition is more limited. A statement that the condition is *not present* indicates that either no information was available or that no evidence was documented as a result of the various surveys and analyses. Conditions whose presence could not be determined with certainty were not considered in establishing eligibility.

In order to establish the eligibility of a redevelopment project area under the "conservation area" criteria established in the Act, at least 50% of buildings must be 35 years of age or older and at least three of 13 eligibility conditions must be meaningfully present and reasonably distributed throughout the Study Area.

3. PRESENCE AND DISTRIBUTION OF ELIGIBILITY CONDITIONS

This *Eligibility Study* finds that the Study Area qualifies for designation as a conservation area under the criteria contained in the Act. In order to establish the eligibility of the improved property of a redevelopment project area under the "conservation area" criteria established in the Act, 50% or more of the buildings must be 35 years of age or older and at least three of the 13 eligibility conditions must be meaningfully present and reasonably distributed within the Study Area.

The Study Area qualifies because the required age threshold is satisfied with 92% of buildings being at least 35 years of age and because four of the conditions cited in the Act are meaningfully present and reasonably distributed within the Study Area. Three other conditions are present in the Study Area to a more limited degree and support the overall conclusions reached in this Study. These conditions and whether they are present to a major or limited extent within the Study Area are as follows:

1. Obsolescence (major)
2. Deterioration (major)
3. Presence of structures below minimum code standards (limited)
4. Excessive vacancies (major)
5. Excessive land coverage or overcrowding of community facilities (limited)
6. Deleterious land use or layout (limited)
7. Lack of community planning (major)

The eligibility conditions related to the qualification of the Study Area for designation a conservation area are presented below. The distribution of these conditions within the Study Area is presented in *Table C-2: Distribution of Conservation Area Eligibility Conditions*.

Age

The Study Area contains 16 structures, with 14 of these buildings identified as having been built in 1972 or earlier. Thus, the required age threshold is met with 87.5% of buildings being 35 years of age or older.

Conservation Area Eligibility Conditions

The presence and distribution of eligibility conditions related to the qualification of the Study Area for designation as a conservation area are as follows.

1. Dilapidation

As defined in the Act, "dilapidation" refers to an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvement 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.

While several buildings within the Study Area contain identifiable deficiencies, there are no buildings that are in dilapidated condition. Therefore, this condition is not present.

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

2. **Obsolescence**

As defined in the Act, "obsolescence" refers to the condition or process of falling into disuse. Obsolescence includes the process of structures becoming ill suited for the original use. Obsolescence can be manifested by functional obsolescence, in which uses no longer are physically well suited for their intended use, and economic obsolescence, in which uses which no longer compete effectively in the marketplace.

Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site and similar conditions which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Obsolescence as an eligibility condition should be based upon the documented presence and reasonable distribution of buildings evidencing such obsolescence. Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

An analysis of the Project Area indicates widespread obsolescence. The broadest measure of obsolescence involves the relative decline in the prominence of St. Charles Road and its ability to support commercial uses. Other nearby arterial roadways in the area, such as Illinois Route 83, have gained dominance in terms of attracting commercial development. With respect to specific conditions within the Project Area, three major uses are clearly obsolete: 1) the former Oakfield Ford automobile dealership facility; 2) the former bank facility; and the current building material supply facility. The vacant automobile dealership and the bank are not expected to be reestablished for their original uses. The building material supply facility has insufficient size and is not located to continue operation once current ownership retires. These properties comprise 15 of the 28 tax parcels within the Project Area. All of the other properties also reflect obsolescence, but to a lesser degree.

Conclusion: Obsolescence is meaningfully present and reasonably distributed within the Study Area, affecting a majority of tax parcels. Therefore, this condition was used to establish eligibility as a conservation area under the Act.

3. Deterioration

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

Our observations indicate that deterioration is present to a major extent within the Study Area - affecting 54% of property. Evidence of deterioration was found in 12 of the 16 buildings in the Study Area. The deterioration included damaged building facades, cracked and missing mortar joints in brick buildings, evidence of water damage, deferred maintenance on roof repair, and deterioration of windows and doors. Other deterioration was found in site improvements and in public rights-of-way, including parking lots and sidewalks. Severely cracked and broken sidewalks were found along St. Charles Road and deep potholes and weeds protruding through cracked concrete were found in parking lots.

Conclusion: Deterioration is meaningfully present and reasonably distributed within the Study Area, affecting a majority of tax parcels. Therefore, this condition was used to establish eligibility as a conservation area under the Act.

4. Presence of Structures Below Minimum Code Standards

This factor refers to all structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property.

The Study Area is affected by this factor primarily in terms of incompatibility with zoning. There are two non-conforming uses within the Study Area, including an auto service use in the C-2 district and a commercial parking lot which is zoned both C-3 and R-2. There is also evidence of inadequate rear and side yard screening as required by the zoning ordinance, where commercial property abuts a residential district. This factor was found to be present to a limited extent, affecting 21% of tax parcels.

Conclusion: Based on available information, this condition is present to a limited extent and was not used to establish eligibility as a conservation area under the Act. Therefore, this condition not was used to establish eligibility as a conservation area under the Act.

5. Illegal Use of Structures

There is an illegal use of a structure when structures are used in violation of federal, state or local laws. No evidence of the illegal use of structures was found to be present within the Study Area.

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

6. Excessive Vacancies

As defined in the Act, "excessive vacancies" refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

This factor was found to affect approximately 54% of the Study Area, with a total of 15 of the 28 parcels in the Study Area consisting of vacant land, vacant buildings, or buildings with tenant vacancies. Approximately 6.6 of the 11.9 acres of private property in the Study Area are made up of vacant land or buildings which are fully or partially vacant. Property along St. Charles Road has been particularly affected by commercial users that have left the area. The largest is Oakfield Ford, which vacated its property on the southwest corner of St. Charles Road and Oakland Avenue, leaving the 3.2-acre site vacant.

Conclusion: This condition is meaningfully present and reasonable distributed in the Study Area, affecting a majority of tax parcels. Therefore, this condition was used to establish eligibility as a conservation area under the Act.

7. Lack of Ventilation, Light, or Sanitary Facilities

As defined in the Act, "lack of ventilation, light, or sanitary facilities" refers to the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building. Evidence of this factor was not found to be present within the Study Area.

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

8. Inadequate Utilities

As defined in the Act, "inadequate utilities" refers to underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area. While replacement of sewers will inevitably be required in the future, all properties within the Study Area are presently served by appropriate utilities. Therefore, this factor was not found to be present.

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

9. Excessive Land Coverage or Overcrowding of Community Facilities

As defined in the Act, "excessive land coverage or overcrowding of community facilities" refers to 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 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.

This condition is present to a limited extent within the Study Area, affecting approximately 11% of tax parcels. Evidence of this factor consists of commercial buildings with an inadequate supply of required off-street parking to accommodate employees and customers according to the Villa Park Zoning Ordinance. Other evidence includes one mixed-tenant commercial property with a lack of adequate provision of loading areas.

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

10. Deleterious Land Use or Layout

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

Several factors in the Study Area contribute the presence of deleterious land use or layout however these conditions are not widespread and affect approximately 25%, or 7 of the 28 parcels within the Study Area. Evidence of this factor is demonstrated by the presence of parcels which do not front onto a public right-of-way, adverse or incompatible land use relationships, vacant buildings, and the presence of residential buildings districts which are no longer used for their original purpose.

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

11. Environmental Clean-Up Requirements

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

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

12. Lack of Community Planning

As defined in the Act, "lack of community planning" means that the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This condition must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The evidence of a lack of community planning affects approximately 68% of the Study Area. This is due primarily to an early development pattern which created small parcels which are today an inadequate size and shape to support development for which the property is zoned. In an effort to support its own growth, in 1996 Oakfield Ford purchased numerous adjacent parcels. Efforts to sustain this business and others in this location were ultimately not successful and have resulted in the closing of the business, resulting in vacancy.

In broad terms, community planning has failed to transition the St. Charles Road commercial corridor from its original function as a dominant retail district to its current function as a secondary/service-oriented commercial district.

Conclusion: This condition is meaningfully present and reasonably distributed in the Study Area, affecting a majority of tax parcels. Therefore, this condition was used to establish eligibility as a conservation area under the Act.

13. Lagging or Declining Equalized Assessed Value

As defined in the Act, this condition is present when the Study Area can be described by one of the following three conditions: 1) the total equalized assessed value ("EAV") has declined in three of the last five years; 2) the total EAV is increasing at an annual rate that is less than the balance of the municipality for three of the last five years; or 3) the total EAV is increasing at an annual rate that is less than the Consumer Price Index for all Urban Consumers for three of the last five years.

Table C-1: Comparative Increase in Equalized Assessed Value (EAV) compares the annual change in EAV of the Study Area in comparison to the balance of the Village. It was concluded that while some evidence of stagnation in assessed value was found to be present, the Study Area as a whole does not meet the minimum requirements to qualify this factor as present.

The Study Area as a whole has experienced 60% growth in equalized assessed value (EAV) over the last five year period, compared to the balance of the Village which grew 45% over the same time period. For four of the last five years, the Study Area experienced growth which was greater than the growth experienced by the Village as a whole. However, one year during the analysis period (2006) EAV grew less than the Village as a whole.

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

**Table C-1:
COMPARATIVE INCREASE IN EQUALIZED ASSESSED VALUE (EAV)**

	2007	2006	2005	2004	2003
Study Area – EAV and % Change over Prior Year	\$4,279,010	\$3,313,330	\$3,203,810	\$2,960,220	\$2,682,830
	29.15%	3.42%	8.23%	10.34%	9.50%
Balance of Villa Park – % Change over Prior Year	8.60%	7.73%	8.09%	8.69%	5.15%

Source: York Township Assessor, 2008.

ELIGIBILITY ANALYSIS SUMMARY

On the basis of the above review of current conditions, the Study Area meets the criteria for qualification as a conservation area. More than 50% of the buildings within the Study Area are 35 years of age or older. The Study Area exhibits the presence of 7 of the 13 conservation area eligibility conditions defined by the Act. Four of these conditions are meaningfully present and reasonably distributed within the Study Area affecting at least 50% of tax parcels. Three other conditions were found to be present to a limited extent and were not used to establish eligibility as a conservation area under the Act. Only three conditions are required to qualify as a conservation area under the Act, once the age threshold is met. Table C-2: Distribution of Conservation Area Eligibility Conditions summarizes the presence and distribution of the conditions applicable to eligibility of the Study Area as conservation area. This summary demonstrates the degree to which these conditions are meaningfully present and reasonably distributed within the Study Area.

**Table C-2:
DISTRIBUTION OF CONSERVATION AREA ELIGIBILITY CONDITIONS**

Conservation Area Eligibility Conditions		Present to a Major Extent	Present to a Limited Extent
1	Dilapidation		
2	Obsolescence	√	
3	Deterioration	√	
4	Presence of structures below minimum code standards		√
5	Illegal use of structures		
6	Excessive vacancies	√	
7	Lack of ventilation, light or sanitary facilities		
8	Inadequate utilities		
9	Excessive land coverage or overcrowding of community facilities		√
10	Deleterious land use or layout		√
11	Environmental contamination		
12	Lack of community planning	√	
13	Lagging or declining EAV		√

APPENDIX D

INITIAL EQUALIZED ASSESSED VALUE (EAV) OF PROPERTY WITHIN THE ST. CHARLES ROAD TIF REDEVELOPMENT PROJECT AREA

#	Tax Block	PIN	Property Address	Assessed Value 2007
1	06-10-105	06-10-105-012	50-54 S. Villa Ave.	\$165,010
2	06-10-106	06-10-106-001	110 S. Villa Ave.	\$219,880
3	06-10-106	06-10-106-002	106 S. Villa Ave.	\$165,090
4	06-10-106	06-10-106-004	110 S. Villa Ave.	\$35,940
5	06-10-200	06-10-200-003	415 E. St Charles Rd.	\$77,220
6	06-10-200	06-10-200-004	443 E. St Charles Rd.	\$832,470
7	06-10-200	06-10-200-005	17-21 S. Villa Ave.	\$69,130
8	06-10-200	06-10-200-006	21 S. Villa Ave.	\$69,130
9	06-10-200	06-10-200-007	25 S. Villa Ave.	\$140,620
10	06-10-200	06-10-200-008	S. Villa Ave.	\$45,210
11	06-10-200	06-10-200-009	S. Villa Ave.	\$45,210
12	06-10-200	06-10-200-010	37 S. Villa Ave.	\$102,800
13	06-10-200	06-10-200-011	39 S. Villa Ave.	\$95,720
14	06-10-200	06-10-200-012	22 S. Oakland Ave.	\$69,130
15	06-10-200	06-10-200-013	28 S. Oakland Ave.	\$69,130
16	06-10-200	06-10-200-031	47-55 S. Villa Ave.	\$133,560
17	06-10-200	06-10-200-032	401 E. St Charles Rd.	\$317,580
18	06-10-201	06-10-201-001	501-509 E. St Charles Rd.	\$561,000
19	06-10-201	06-10-201-003	527 E. St Charles Rd.	\$39,730
20	06-10-201	06-10-201-004	527 E. St Charles Rd.	\$59,120
21	06-10-201	06-10-201-011	543 E. St Charles Rd.	\$81,520
22	06-10-201	06-10-201-012	6 S. Monterey Ave.	\$106,850
23	06-10-201	06-10-201-013	S. Monterey Ave.	\$63,750
24	06-10-201	06-10-201-014	10 S. Monterey Ave.	\$58,650
25	06-10-201	06-10-201-015	S. Monterey Ave.	\$58,650
26	06-10-201	06-10-201-033	525 E. St Charles Rd.	\$90,690
27	06-10-201	06-10-201-034	511 E. St Charles Rd.	\$313,500
28	06-10-203	06-10-203-001	621 E. St Charles Rd.	\$192,720
	Total Assessed Value 2007			\$4,279,010

Trustee Davis moved and Trustee Buthuis seconded the motion that said ordinance as presented and read by the Village Clerk be adopted.

After a full discussion thereof including a public recital of the nature of the matter being considered and such other information as would inform the public of the nature of the business being conducted, the Village President directed that the roll be called for a vote upon the motion to adopt said ordinance as read.

Upon the roll being called, the following Trustees voted AYE: _____
Blankensop, Bulthuis, Cullerton, Davis, Hegland

The following Trustees voted NAY: _____
None

Whereupon the Village President declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the Village Clerk to record the same in full in the records of the Village President and Board of Trustees of the Village of Villa Park, DuPage County, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.





STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

CERTIFICATION OF ORDINANCE AND MINUTES

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Villa Park, DuPage County, Illinois (the "Village"), and that as such official I am the keeper of the records and files of the Village President and Board of Trustees of the Village (the "Corporate Authorities").

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 13th day of April, 2009, insofar as same relates to the adoption of an ordinance entitled:

ORDINANCE OF THE VILLAGE OF VILLA PARK, DUPAGE COUNTY, ILLINOIS, APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR THE VILLAGE OF VILLA PARK ST. CHARLES ROAD REDEVELOPMENT PROJECT AREA

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities at least 48 hours in advance of the holding of said meeting; that said agenda described or made specific reference to said ordinance; that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the Village, this _____ day of _____, 2009.

(SEAL)



Village Clerk

