

**AGENDA
PUBLIC HEARING
The Village of East Dundee
July 17, 2017
6:00 pm
Village Hall Annex
120 Barrington Ave.
East Dundee, IL 60118**

CALL TO ORDER

ROLL CALL / DECLARATION OF QUORUM

PUBLIC COMMENT

OLD BUSINESS

NEW BUSINESS

- 1. Public Hearing to Consider the approval of the proposed Village of East Dundee Redevelopment Plan Penny Avenue Redevelopment Project Area (the "*Plan and Project*"), the designation of the Penny Avenue Redevelopment Project Area (the "*Project Area*") and the adoption of tax increment financing**

ADJOURNMENT

Village of East Dundee Memorandum

To: Village President and Board of Trustees
From: Jennifer Johnsen, Village Administrator
Subject: Creation of Penny Avenue TIF District –Public Hearing
Date: July 17, 2017

As part of the process to create the Penny Avenue TIF District, a joint review board (JRB) was held on June 5, 2017 to receive a recommendation on whether or not to proceed with the creation of the TIF. At the request of School District 300 and the Dundee Township Library, the meeting was continued for 30 days and reconvened on July 10, 2017. The purpose of the continuance was to discuss the impact of the anticipated TIF assisted residential development planned at 201 Penny on the School District and the Library.

At the July 10th meeting, the motion to recommend that the Village proceed with the creation of the TIF failed in a vote of 2-5. All of the taxing districts that attended the JRB meeting voted against the creation of the TIF. These included School District 300, Dundee Township Library, Kane County, Dundee Township, and the Dundee Township Park District.

In order to proceed, the Village would need to adopt the following ordinances. These ordinances are attached and will be on the August 7th agenda for your consideration.

1. An Ordinance Approving the Redevelopment Plan for the Penny Avenue Redevelopment Project Area
2. An Ordinance Designating the Proposed Penny Avenue Redevelopment Project Area
3. An Ordinance Adopting Tax Increment Allocation Financing For the Penny Avenue Redevelopment Project Area

Also attached, please find the Redevelopment Report and Eligibility Plan for the Penny Avenue TIF.

As a matter of background, the purpose of the creation of the TIF is to incentivize the redevelopment of 201 Penny. Joseph Billitteri of Premier Commercial Realty (Billitteri Enterprises, LLC) has acquired the property and is seeking to convert the vacant medical and professional office facility into eight apartments. The Village Board has taken the following actions with regards to the project and creation of the TIF:

1. Approved an inducement resolution for the redevelopment of 201 Penny
2. Approved the rezoning of 201 Penny to R5
3. Amended the Comprehensive Plan
4. Approved a resolution authorizing the drafting of the eligibility report
5. Approved a Redevelopment Agreement for 201 Penny

Action Requested: Public Hearing on the Proposed Penny Avenue Redevelopment Project Area

Attachments:

1. An Ordinance Approving the Redevelopment Plan for the Penny Avenue Redevelopment Project Area
2. An Ordinance Designating the Proposed Penny Avenue Redevelopment Project Area
3. An Ordinance Adopting Tax Increment Allocation Financing For the Penny Avenue Redevelopment Project Area
4. Penny Avenue Redevelopment Project Area Redevelopment Plan
5. Penny Avenue Redevelopment Project Area Eligibility Report

AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, APPROVING THE VILLAGE OF EAST DUNDEE REDEVELOPMENT PLAN PENNY AVENUE REDEVELOPMENT PROJECT AREA

WHEREAS, the President and Board of Trustees (collectively, the “*Corporate Authorities*”) of the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”), have determined that the stable economic and physical development of the Village is endangered by the presence of blighting factors as often manifested by obsolete structures, excessive vacancies, and by a decline in the equalized assessed value, all of which impair the value of private investments, threaten the sound growth and the tax base of the Village and the taxing districts having the power to tax real property in the Village (the “*Taxing Districts*”), and threaten the health, safety, morals, and welfare of the public; and,

WHEREAS, the Corporate Authorities have determined that in order to promote and protect the health, safety, morals, and welfare of the public, the blighting factors and conditions in certain parts of the Village need to be eradicated and redevelopment of the Village be undertaken in order to remove and alleviate adverse conditions, encourage private investment, and restore and enhance the tax base of the Village and the Taxing Districts; and,

WHEREAS, the Village has authorized an eligibility study to determine whether the proposed Penny Avenue Redevelopment Project Area (the “*Project Area*”) qualifies as a “redevelopment project area” pursuant to the Illinois Tax Increment Allocation Redevelopment Act (the “*TIF Act*”) 65 ILCS 5/11-74.4-1, *et seq.*; and,

WHEREAS, the Village has heretofore evaluated various lawfully available programs to provide assistance in order to encourage private investment and has determined that the use of tax increment allocation financing is necessary to achieve the redevelopment goals of the Village for the Project Area; and,

WHEREAS, the Village has been advised by Kathleen Field Orr & Associates, in May of 2017, that the Project Area qualifies as a “redevelopment project area” as a “conservation area” under Section 11-74.4-3 of the TIF Act; and,

WHEREAS, it is therefore concluded by the Corporate Authorities that the Project Area remains qualified as a “conservation area” under Section 11-74.4-3 of the TIF Act as of the date hereof; and,

WHEREAS, the Village has further caused the preparation of and made available for public inspection the Village of East Dundee Redevelopment Plan Penny Avenue Redevelopment Project Area (the “*Plan*”); and,

WHEREAS, the Plan sets forth in writing the program to be undertaken to accomplish the objectives of the Village and includes estimated redevelopment project costs for the Project Area, evidence indicating that the Project Area on the whole has not been subject to growth and

development through investment by private enterprise, an assessment of the financial impact of the Project Area on and the minimal demand, if any, for services from any taxing district affected by the Plan, the sources of funds to pay costs, the nature and term of any obligations to be issued, the most recent equalized assessed valuation of the Project Area, an estimate as to the equalized assessed valuation after redevelopment, the general land uses to apply in the Project Area, and a commitment to fair employment practices and an affirmative action plan, and the Plan accordingly complies in all respects with the requirements of the TIF Act; and,

WHEREAS, pursuant to Section 11-74.4-5 of the TIF Act, the Corporate Authorities by Ordinance No. 17-27 adopted on May 15, 2017, called a public hearing (the “*Hearing*”) relative to the Plan and the designation of the Project Area as a redevelopment project area under the TIF Act, and fixed the time and place for such Hearing for the 17th Day of July, 2017, at 6:00 p.m., at the Village of East Dundee Village Hall, 120 Barrington Avenue, East Dundee, Illinois; and,

WHEREAS, due notice in respect to such Hearing was given pursuant to Sections 11-74.4-5 and 11-74.4-6 of the TIF Act, said notice, together with a copy of the Plan, was sent to the Taxing Districts and to the Illinois Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on _____, and was published on _____ and _____; and,

WHEREAS, the Village has established and published an “interested parties registry” for the Project Area in compliance with the requirements of the TIF Act; and,

WHEREAS, the Village gave such notice to all persons and organizations who have registered for information with such registry, all in the manner and at the times as provided in the TIF Act; and,

WHEREAS, the Village gave due notice of the availability of the Plan to all residents within 750 feet of the boundaries of the Project Area, in compliance with the requirements of the TIF Act; and,

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

WHEREAS, the Joint Review Board met at the time and as required by the TIF Act, and reviewed the public record, planning documents, and a form of a proposed ordinance approving the Plan; and,

WHEREAS, the Joint Review Board adopted by a majority vote an advisory, non-binding recommendation that the Village proceed to implement the Plan and designate the Project Area as a redevelopment project area under the TIF Act; and,

WHEREAS, the Joint Review Board based its decision on the basis of the Project Area satisfying the eligibility criteria defined in Section 11-74.4-3 of the TIF Act, and all as provided in Section 11-74.4-5(b) of the TIF Act; and,

WHEREAS, the Village held the Hearing on July 17, 2017 at the Village of East Dundee Village Hall, 120 Barrington Avenue, East Dundee, Illinois at 6:00 p.m.; and,

WHEREAS, at the Hearing, any interested party or affected Taxing District was permitted to file with the Village Clerk written objections and was heard orally in respect to any issues embodied in the notice of said Hearing, and the Village heard and determined all protests and objections at the Hearing; and

WHEREAS, the Hearing was adjourned on the 17th day of July, 2017; and,

WHEREAS, the Plan sets forth the factors which cause the parcels in the Project Area to be a conservation area and the Corporate Authorities have reviewed the information concerning such factors presented at the Hearing and are generally informed of the conditions in the Project Area which could cause the Project Area to be a “conservation area” as defined in the TIF Act; and,

WHEREAS, the Corporate Authorities have reviewed evidence indicating that the Project Area on the whole has not been subject to growth and development through investment by private enterprise, and have reviewed the conditions pertaining to lack of private investment in the Project Area to determine whether private development would take place in the Project Area as a whole without the adoption of the proposed Plan and assistance as authorized by the TIF Act; and,

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

WHEREAS, the Corporate Authorities have made an assessment of any financial impact of the Project Area on or the minimal demand, if any, for services from any Taxing District affected by the Plan and found that the redevelopment projects proposed by the Plan will not cause any significant financial impact or increased demand for facilities or services by any local taxing body; and,

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and the existing comprehensive plan of the Village for development as a whole and finds that the proposed Plan conforms to the comprehensive plan of the Village.

NOW THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of East Dundee, Cook and Kane Counties, Illinois, as follows:

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

- (a) The Project Area is legally described in *Exhibit A*, attached hereto and incorporated herein as if set out in full by this reference. The map of the Project Area showing the street location is depicted in *Exhibit B*, attached hereto and incorporated herein as if set out in full by this reference.
- (b) There exist conditions which cause the Project Area to be subject to designation as a redevelopment project area under the TIF Act and for each parcel included therein to be classified as a conservation area as defined in Section 11-74.4-3 of the TIF Act.
- (c) The 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 Plan.
- (d) The Plan conforms to the comprehensive plan for the development of the Village as a whole.
- (e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Plan is December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of the TIF Act, is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the Project Area as a redevelopment project area under the TIF Act was adopted.
- (f) The parcels of real property in the Project Area are contiguous, and only those contiguous parcels of real property and improvements thereon which

will be substantially benefited by the proposed Project improvements are included in the Project Area.

Section 2: Exhibits Incorporated by Reference. The Plan entitled, *Village of East Dundee Redevelopment Plan Penny Avenue Redevelopment Project Area*, dated _____, which was the subject matter of the public hearing held on the 17th day of July, 2017, is hereby adopted and approved. A copy of the Plan, which incorporates the eligibility findings is attached as *Exhibit C*, attached hereto and incorporated herein.

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

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

Passed this ____ day of _____, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

Approved this ____ day of _____, 2017.

Village President

Attest:

Village Clerk

Published in pamphlet form:

_____, 2017

Exhibit A

**Legal Description
Penny Avenue Redevelopment Project Area**

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

LOT 1 IN SPRINGWATER SUBDIVISION RECORDED DECEMBER 22, 1986 AS DOCUMENT NO. 1813419 BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF LOT 11 OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE ASSESSOR'S MAP OF THE SUBDIVISION OF PART OF THE SOUTHEAST QUARTER AND SOUTHWEST QUARTER OF SAID SECTION 23, RECORDED FEBRUARY 21, 1865 IN BOOK OF MAPS 2, PAGE 137, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 259.7 FEET TO THE CENTER LINE OF STATE ROUTE 68; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 120 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 338.01 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH ALONG SAID WEST LINE 143.07 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF PUBLIC RIGHT OF WAY ADJACENT TO THE ABOVE DESCRIBED PARCELS.

THE TOTAL AREA INCLUDING RIGHT OF WAY IS 3.49 ACRES MORE OR LESS.

Exhibit B

Penny Avenue Redevelopment Project Area Boundary Map

Exhibit C

Village of East Dundee Redevelopment Plan Penny Avenue Redevelopment Project Area

Ordinance No. _____

AN ORDINANCE OF THE VILLAGE EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, DESIGNATING THE PROPOSED PENNY AVENUE REDEVELOPMENT PROJECT AREA PURSUANT TO THE TAX INCREMENT ALLOCATION REDEVELOPMENT ACT

WHEREAS, it is desirable and in the best interests of the citizens of the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”), for the Village to implement tax increment allocation financing pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1, *et seq.* (the “*TIF Act*”), for a Redevelopment Plan and Project as set forth in the Village of East Dundee Redevelopment Plan Penny Avenue Redevelopment Project Area (the “*Plan*”) within the municipal boundaries of the Village and within a proposed redevelopment project area (the “*Project Area*”), described in *Section 1* of this Ordinance; and

WHEREAS, the President and Board of Trustees of the Village (collectively, the “*Corporate Authorities*”) have heretofore by ordinance adopted and approved the Plan, which Plan was identified in such ordinance and was the subject, along with the Project Area designation hereinafter made, of a public hearing held on the 17th day of July, 2017, at the Village of East Dundee Village Hall, 120 Barrington Avenue, East Dundee, Illinois, and it is now necessary and desirable to designate the Project Area as a “redevelopment project area” pursuant to the TIF Act.

NOW THEREFORE, BE IT ORDAINED by the President and the Board of Trustees of the Village of East Dundee, Cook and Kane Counties, Illinois, as follows:

Section 1. Area Designated. The Project Area, as described in *Exhibit A*, attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a

redevelopment project area pursuant to Section 11-74.4-4 of the TIF Act. The map of the Project Area showing the street location is depicted in *Exhibit B*, attached hereto and incorporated herein as if set out in full by this reference.

Section 2. Determination of Total Initial Equalized Assessed Valuation; Parcel Identification Numbers Identified. It is hereby expressly found and determined that the year the County Clerk of Kane County (the “*County Clerk*”), shall use for determining the total initial equalized assessed valuation of the Project Area is 2016. It is further hereby expressly found and determined that the list of the parcel tax identification numbers for each parcel of property included in the Project Area, described in *Exhibit C*, attached hereto and incorporated herein, is a true, correct, and complete list of said numbers for said parcels of property.

Section 3. Transmittal to County Clerk. The Village Clerk is hereby expressly directed to transmit to the County Clerk a certified copy of this Ordinance, which includes a legal description of the Project Area, a map of the Project Area, identification of the year that the County Clerk shall use for determining the total initial equalized assessed value of the Project Area, and a list of the parcel tax identification numbers for each parcel property included in the Project Area.

Section 4. Invalidity of Any Section. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 5. Superseder and Effective Date. All ordinances, resolutions, motions, or orders in conflict with this Ordinance are repealed to the extent of such conflict, and this Ordinance

shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Passed this _____ day of _____, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

Approved this _____ day of _____, 2017.

Village President

Attest:

Village Clerk

Published in pamphlet form:

_____, 2017

Exhibit A

**Legal Description
Penny Avenue Redevelopment Project Area**

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

LOT 1 IN SPRINGWATER SUBDIVISION RECORDED DECEMBER 22, 1986 AS DOCUMENT NO. 1813419 BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF LOT 11 OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE ASSESSOR'S MAP OF THE SUBDIVISION OF PART OF THE SOUTHEAST QUARTER AND SOUTHWEST QUARTER OF SAID SECTION 23, RECORDED FEBRUARY 21, 1865 IN BOOK OF MAPS 2, PAGE 137, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 259.7 FEET TO THE CENTER LINE OF STATE ROUTE 68; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 120 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 338.01 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH ALONG SAID WEST LINE 143.07 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF PUBLIC RIGHT OF WAY ADJACENT TO THE ABOVE DESCRIBED PARCELS.

THE TOTAL AREA INCLUDING RIGHT OF WAY IS 3.49 ACRES MORE OR LESS.

Exhibit B

Penny Avenue Redevelopment Project Area Boundary Map

Exhibit C

Penny Avenue Redevelopment Project Area Parcel Tax Identification Numbers

STATE OF ILLINOIS)
)
COUNTY OF KANE) SS.

CERTIFICATE

I, Katherine Holt, Village Clerk of the Village of East Dundee, Counties of Cook and Kane and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No._____:

“AN ORDINANCE OF THE VILLAGE EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, DESIGNATING THE PROPOSED PENNY AVENUE REDEVELOPMENT PROJECT AREA PURSUANT TO THE TAX INCREMENT ALLOCATION REDEVELOPMENT ACT”

which was adopted by the President and Board of Trustees of the Village of East Dundee on the _____ day of _____, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of East Dundee this _____ day of _____, 2017.

Katherine Holt, Village Clerk

AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, ADOPTING TAX INCREMENT ALLOCATION FINANCING FOR THE PENNY AVENUE REDEVELOPMENT PROJECT AREA

WHEREAS, it is desirable and in the best interests of the citizens of the Village of East Dundee, Cook and Kane Counties, Illinois (the “*Village*”), for the Village to adopt tax increment allocation financing pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended, 65 ILCS 5/11-74.4-1, *et seq.* (the “*TIF Act*”); and

WHEREAS, pursuant to the TIF Act, the President and Board of Trustees of the Village (collectively, the “*Corporate Authorities*”) have heretofore approved the Village of East Dundee Redevelopment Plan Penny Avenue Redevelopment Project Area (the “*Plan*”) for the Penny Avenue Redevelopment Project Area (the “*Project Area*”) as required by the TIF Act by passage of an ordinance and have heretofore designated the Project Area as required by the TIF Act by passage of an ordinance and have otherwise complied with all other conditions precedent required by the TIF Act.

NOW THEREFORE, BE IT ORDAINED by the President and the Board of Trustees of the Village of East Dundee, Cook and Kane Counties, Illinois, as follows:

Section 1. Tax Increment Adoption. The TIF Act is hereby adopted to pay redevelopment project costs, as defined in the TIF Act and as set forth in the Plan, within the Project Area, as legally described in *Exhibit A*, attached hereto and incorporated herein. The map of the Project Area showing the street location is depicted in *Exhibit B*, attached hereto and incorporated herein as if set out in full by this reference.

Section 2. Allocation of Ad Valorem Taxes. Pursuant to the TIF Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Project Area by taxing

districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the TIF Act each year after the effective date of this Ordinance until the Plan costs and obligations issued in respect thereto have been paid, shall be divided as follows:

- (a) That portion of taxes levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the Project Area, shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts, in the manner required by law in the absence of the adoption of tax increment allocation financing.
- (b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract, or parcel of real property in the Project Area over and above the initial equalized assessed value of each property in the Project Area, shall be allocated to and when collected shall be paid to the municipal treasurer or to his designee, pursuant to Section 207A of the Revenue Act of 1939 of the State of Illinois, as amended, who shall deposit said taxes into a special fund, hereby created, and designated the “Village of East Dundee, Illinois, Penny Avenue Redevelopment Project Area Special Tax Allocation Fund” of the Village, and such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

Section 3. Invalidity of Any Section. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

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

Passed this _____ day of _____, 2017.

AYES: _____

NAYS: _____

ABSENT: _____

Approved this _____ day of _____, 2017.

Village President

Attest:

Village Clerk

Exhibit A

Legal Description Penny Avenue Redevelopment Project Area

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

LOT 1 IN SPRINGWATER SUBDIVISION RECORDED DECEMBER 22, 1986 AS DOCUMENT NO. 1813419 BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF LOT 11 OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE ASSESSOR'S MAP OF THE SUBDIVISION OF PART OF THE SOUTHEAST QUARTER AND SOUTHWEST QUARTER OF SAID SECTION 23, RECORDED FEBRUARY 21, 1865 IN BOOK OF MAPS 2, PAGE 137, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 259.7 FEET TO THE CENTER LINE OF STATE ROUTE 68; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 120 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 338.01 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH ALONG SAID WEST LINE 143.07 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF PUBLIC RIGHT OF WAY ADJACENT TO THE ABOVE DESCRIBED PARCELS.

THE TOTAL AREA INCLUDING RIGHT OF WAY IS 3.49 ACRES MORE OR LESS.

Exhibit B

Penny Avenue Redevelopment Project Area Boundary Map

STATE OF ILLINOIS)
)
COUNTY OF KANE) SS.

CERTIFICATE

I, Katherine Holt, Village Clerk of the Village of East Dundee, Counties of Cook and Kane and State of Illinois, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Ordinance No. _____:

“AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, ADOPTING TAX INCREMENT ALLOCATION FINANCING FOR THE PENNY AVENUE REDEVELOPMENT PROJECT AREA”

which was adopted by the President and Board of Trustees of the Village of East Dundee on the _____ day of _____, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Village of East Dundee this _____ day of _____, 2017.

Katherine Holt, Village Clerk



VILLAGE OF EAST DUNDEE
PENNY AVENUE REDEVELOPMENT PROJECT AREA
ELIGIBILITY REPORT

Prepared By:

The Village of East Dundee &

Kathleen Field Orr and Associates

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I. Executive Summary

The purposes of this report entitled the Penny Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study (the “Eligibility Study”) are to: (i) document the blighting factors that are present within the Penny Avenue Redevelopment Project Area (the “Project Area”) in the Village of East Dundee, Kane and Cook Counties, Illinois (the “Village” or “East Dundee”), and (ii) conclude whether the Project Area qualifies for designation as a redevelopment Project Area within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 – 74.4-1, et seq., as amended (the “Act”). A map of the proposed Project Area is included in Appendix I – Project Area Boundary map.

The findings and conclusions contained in this Eligibility Study are based on surveys, documentation, and analyses of records and physical conditions within the Project Area. The Village is entitled to rely on the findings and conclusions of this Eligibility Study in designating the Project Area as a redevelopment Project Area under the Act. The Village and Kathleen Field Orr & Associates as legal counsel (“KFO”), collectively prepared this Eligibility Study and the related Penny Avenue Tax Increment Financing Redevelopment Plan and Project (the “Redevelopment Plan”) with the understanding that the Village would rely on the findings and conclusions of this Eligibility Study and the related Redevelopment Plan in proceeding with the designation of the Project Area as a redevelopment Project Area under the Act. After careful review and consideration of the conclusions contained in this Eligibility Study, the Village has determined that the Project Area qualifies for designation as a “conservation area” pursuant to the Act.

II. Project Area

The proposed Project Area is a contiguous area within the Village boundaries that is 3.49 acres and includes 2 Parcel Identification Numbers (“PINs”) which are both improved land. A proposed Project Area boundary map and legal description is provided in Appendix I, and the parcels proposed to be included in the Project Area are also identified in Appendices II and III. The Penny Avenue Redevelopment Project Area can generally be described as 201 Penny Avenue, 210 Penny Avenue, and the adjacent right of way including the associated portion of Penny Avenue. The Project Area previously contained only commercial uses but was recently rezoned for residential and commercial uses after careful consideration by the Village. Furthermore, the Village’ Comprehensive Plan calls for both residential and commercial uses.

The Project Area has not benefited from private investments to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by obsolete buildings experiencing excessive vacancies and declining EAV. These conditions, combined with the general lack of private investment in the Project Area have caused the Village to initiate the Eligibility Study. The Village engaged KFO and Building and Code Consultants to analyze conditions in the Project Area to determine whether the Project Area qualifies for designation as a “redevelopment project area” based on criteria for a “blighted area”, a “conservation area”, or combination thereof as defined in the Act.

III. Eligibility Criteria for a Conservation Area: Improved Parcels

As set forth in the Act, a “redevelopment project area” means an area designated by the municipality which is not less in the aggregate than 1 ½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an industrial park conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in 65 ILCS 5/11-74.4-3(b) of the Act,

On and after November 1, 1999, "conservation area" means any improved area within the boundaries of a redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:

- (1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*
- (2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.*
- (3) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*
- (4) Presence of structures below minimum code standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.*
- (5) Illegal use of individual structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*
- (6) Excessive vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*

- (7) *Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence 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 refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*
- (8) *Inadequate utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment Project Area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment Project Area.*
- (9) *Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: 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 the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.*
- (10) *Deleterious land use or layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*
- (11) *Lack of community planning. The proposed redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

- (12) *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.*
- (13) *The total equalized assessed value of the proposed redevelopment Project Area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.*

IV. Eligibility Survey and Analysis Findings

Representatives from Building and Code Consultants and the Village of East Dundee performed site visits to review the conditions and factors of the proposed Project Area.

The approach taken to evaluate the presence of blight factors within the Project Area is listed below:

- Survey of the Project Area to document the physical conditions of buildings and site improvements for the improved areas.
- Document and analyze existing land uses and their relationships with one another, and the size, configuration and layout of buildings and parcels.
- Review supporting secondary and previously prepared plans and documents.
- Review property and parcel records.
- Tabulate the extent and distribution of blight factors.
- Evaluate the extent and distribution of blight factors within the Project Area, and conclude whether the extent and distribution of the factors are sufficient to qualify the area for designation as a redevelopment project area.

An analysis was made of each of the factors listed in the Act to determine whether each or any are present in the proposed Project Area, and if so, to what extent and in what locations. In this report, three of a possible thirteen factors are found to be present to a meaningful extent and reasonably distributed throughout the improved parcels within the proposed Project Area. In addition, two of the factors are found to be present to a limited extent throughout the improved parcels within the proposed Project Area. Because the proposed Project Area includes no vacant parcels, the blight factors for vacant property were not part of the analysis.

A. Improved Area Analysis Findings

1. Present to a Meaningful Extent

The following three factors were found to be present to a meaningful extent and reasonably distributed throughout the Improved Area:

a. Obsolescence

The condition or process of falling into disuse. Structures have become ill-suited for the original use. 65 ILCS 5/11-74.4-3(b)(2)

Conclusion

Both properties have fallen into disuse and are ill-suited for the original use in the manner in which they were constructed.

201 Penny:

201 Penny has fallen into disuse and has been entirely vacant since 2014. Furthermore, some of the units had been vacant for years prior to 2014. The vacancies of the varying size suites demonstrate that the structure is ill-suited for the original medical and professional office. The property is bordered on the south side by a commercial use but the northern and western borders are residential uses. As such, the property was rezoned to residential as residential was determined to be a more appropriate use.

210 Penny:

Many of the six separate units within 210 Penny have experienced long periods of vacancy and only one unit has been filled consistently since the first building was constructed in 1997. Recent vacancies have ranged from periods of one year to nearly six years. Moreover, since 2013, this property has been sold twice in part because of these vacancies. These vacancies and sale of the property demonstrate that the structure may be ill-suited for the existing business uses and the building may require redevelopment to either continue as a business use or to change the use in order to decrease vacancies.

b. Excessive Vacancy

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.” 65 ILCS 5/11-74.4-3(b)(6)

Conclusion

Both properties within the Project Area have experienced excessive vacancy as described below.

201 Penny:

201 Penny has fallen has been entirely vacant since 2014 and many of the units were had been vacant for years prior to 2014.

210 Penny:

Many of the six separate units within 210 Penny have experienced long periods of vacancy and only one unit has been filled consistently since the first building was constructed in 1997. Recent vacancies have ranged from periods of one year to nearly six years. Moreover, since 2013, this property has been sold twice in part because of these vacancies.

c. Decline or Low Growth Rate in Equalized Assessed Value

The total equalized assessed value of the proposed redevelopment Project Area has declined for three of the last five calendar years prior to the year in which the redevelopment Project Area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index (CPI) for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment Project Area is designated. 65 ILCS 5/11-74.4-3(b)(13)

Conclusion

Data on equalized assessed values of the properties in the proposed Project Area is presented for 2010 to 2015 in Appendix V. The total EAV of the Project Area has declined for four of the last five years. Moreover, the EAV of the Project Area has declined by approximately 34% since 2010 while the EAV for the balance of the Village has declined by 12%. During this same time period, the CPI has increased each year.

2. Present to a Limited Extent

The following two factors were found to be present to a limited extent:

a. Deterioration

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

Conclusion

Deterioration is present in one of the two parcels within the Project Area as described below.

201 Penny

After inspection of 201 Penny, Building and Code Consultants determined that many of the exterior building components are in need of replacement including siding, doors, and balconies. Furthermore, the parking lot is in need of replacement as it has experienced significant cracking, crumbling, potholes, and a large sinkhole caused by a failing storm sewer. The curbs and sidewalks are also in need of repair/replacement to correct cracking and crumbling.

b. Inadequate Utilities

Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment Project Area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment Project Area.

Conclusion

Inadequate utilities are present in one of the two parcels within the Project Area as described below.

201 Penny

After inspection of 201 Penny, Building and Code Consultants determined that the portion of the storm sewer system that serves the property is in a state of disrepair. As a result, a large sinkhole has developed within the parking lot.

B. Vacant Area Analysis Findings

Because the entirety of the proposed Project Area consists of improved properties, the blight criteria for vacant areas do not apply.

V. Determination of Project Area Eligibility

Based on the definitions set forth in the Act, the Project Area is found to be eligible for classification as a “conservation area” and therefore qualifies as a redevelopment project area.

The summary findings of this report include:

- The Project Area is over 1 ½ acres
- 1 (or 50%) of the buildings in the Improved Area are over 35 years old.
- Three of the 13 blight factors are present to a meaningful extent and reasonably distributed in the Improved Area, including obsolescence; excessive vacancies; and decline in equalized assessed valuation.
- Two of the 13 blight factors are present to a limited extent including deterioration and inadequate utilities.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

These findings were made on the basis that blight factors must be present to a meaningful extent and must be reasonably distributed throughout the Improved Area so that non-blighted areas are not arbitrarily included in the Project Area simply because of proximity to areas that qualify as a blighted area.

The conclusion of the Eligibility Study is that the Project Area is in need of development, revitalization and redevelopment to ensure that it will contribute to the long-term physical, economic, and social well-being of the Village of East Dundee. The presence of blight factors in the Project Area indicates that the Project Area has not been subject to sound growth and development through investment by private enterprise, and would not reasonably be anticipated to be redeveloped without public action.

Appendix A: Legal Description and Boundary Map of Project Area

Legal Description and Map Prepared by: Gerald L. Heinz & Associates, Inc.



Appendix B: Map of Parcel Identification Numbers in the Project Area



Appendix C: List of Parcel Identification Numbers in the Project Area

03-23-329-018

03-23-329-030

Appendix D: Future Land Use Map

From the 2002 Comprehensive Plan

Appendix E: EAV Historical Comparison

Village of East Dundee Penny Avenue Redevelopment Project Area Eligibility Report EAV Historical Comparison								
PIN	Property Address	Tax Code	EAV 2015	EAV 2014	EAV 2013	EAV 2012	EAV 2011	EAV 2010
03-23-329-030	201 Penny Avenue	DU013	141,653	149,586	154,165	168,137	186,507	206,413
03-23-376-018	210 Penny Avenue	DU917	159,984	206,129	275,501	300,470	333,300	249,803
RPA EAV			301,637	355,715	429,666	468,607	519,807	456,216
% of Increase/Decrease			-15.20%	-17.21%	-8.31%	-9.85%	13.94%	
% of Decrease Since 2015	-33.88%							
Village EAV (Kane County Portion)			103,397,683	98,045,204	100,680,456	110,361,871	121,907,154	121,283,838
Village EAV (Cook County Portion)			4,853,168	472,654	461,693	1,216,410	1,287,948	1,430,765
Total Village EAV			108,250,851	98,517,858	101,142,149	111,578,281	123,195,102	122,714,603
Balance of Village			107,949,214	98,162,143	100,712,483	111,109,674	122,675,295	122,258,387
% of Increase/Decrease			9.97%	-2.53%	-9.36%	-9.43%	0.34%	
% of Decrease Since 2015	-11.70%							
CPI			0.10%	1.60%	1.50%	2.10%	3.20%	1.60%



VILLAGE OF EAST DUNDEE
PENNY AVENUE REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN

Prepared By:

Kathleen Field Orr and Associates

I. *Tax Increment Financing*

In February 1977, the Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act (the “Act”) which has since been amended many times (65 ILCS 5/11-74.4-1 *et seq.*). The Act provides a means for municipalities after the approval of a Redevelopment Plan, and the designation of a “redevelopment project area” (“*Redevelopment Project Area*”) and adoption of the Act, to finance “redevelopment project costs” (“*Redevelopment Project Costs*”) with “incremental property tax revenues” (“*Incremental Property Taxes*”). Incremental Property Taxes are derived from the increase in the equalized assessed valuation (EAV) of taxable real property within the Redevelopment Project Area over and above the equalized assessed value of such property at the time tax increment allocation financing is adopted (“*Initial EAV*”). Any year-to-year increase in EAV over the Initial EAV of such real property is then multiplied by the current tax rate, which results in Incremental Property Taxes.

The Act defines a number of eligible items that may be Redevelopment Project Costs which may be paid with Incremental Property Taxes. The Act also authorizes the pledge of Incremental Property Taxes to pay bonds, notes or other obligations issued to pay Redevelopment Project Costs.

Tax increment allocation financing generates Incremental Property Taxes through the temporary capture of new tax revenues generated by the increase in the EAV over the Initial EAV. This increased EAV of properties can result from a municipality’s redevelopment program, improvements, various developments and redevelopment activities, and the reassessment of properties. Under the Act, all

taxing districts continue to receive property taxes levied by application of their ordinary tax rates on the Initial EAV of properties within the Redevelopment Project Area. Taxing districts benefit from the increased property tax base after Redevelopment Project Costs and obligations are paid. If the taxing districts have buildings and structures in the Redevelopment Project Area, those facilities are eligible for repair, remodeling, and rehabilitation if funds are available and such activities are provided for in the Redevelopment Plan.

By necessity, the Act has been amended an extraordinary number of times since 1977. The Act initially contemplated receipts of Incremental Property Taxes for a period of twenty-three (23) years from the exact date of the ordinances approving the plan, designating the redevelopment project area and adopting the Act. By 1981, it was determined that the date of the termination of the designation of a “redevelopment project area” on any date other than December 31 was not practical as incremental real estate taxes could not easily be prorated for a portion of a year. Section 11-74.4-3.5 was therefore amended to read:

“Unless otherwise stated in this Section, the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of this Act, is to be made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on or after January 15, 1981.”

On a case by case basis, the General Assembly has also amended the Act numerous times to extend the estimated date of completion, in each instance naming the specific municipality and stating the date of the original ordinances

approving the plan and designation of the redevelopment project area. Most extensions of the estimated date of completion have been no later than December 31 in which payment is made to the municipal treasurer of the taxes levied in the 35th year after the date of the original ordinances; however, the length of each extension of the designation of a redevelopment project area by a municipality is determined by the General Assembly.

II. *Village of East Dundee*

The Village of East Dundee is located primarily in Kane County, Illinois, with a small section of its corporate boundaries located in Cook County, Illinois, and covers a total area of 2.969 square miles of which 2.73 square miles are land and .239 square miles are water. The Village is bordered by the Fox River on the west; the Village of Carpentersville on the north; the Fin and Feather Farm to the south and Hoffman Estates on the west. Settlement of the general area destined to be within the original Village boundaries began in 1834 and was plotted in 1837 by Thomas Deweese. In the 1850's, however, when a group of Lutheran Germans moved to the area, the Village became separated from those settlers on the west side of the Fox River. The Village was incorporated in 1871 and as of the 2010 census, had a population of 2,860 people and approximately 1,228 households. The current population is estimated at 3,200.

The Village is nestled on the banks of the Fox River and traversed by the Fox River Bike Trail, a major pedestrian and bicycle artery that offers enthusiasts an opportunity to see the Fox Valley from Algonquin to Aurora. The Fox River Bike Trail was built upon the tracks used by the Chicago Northwestern Railroad that operated until the early 1970s. A replica of a passenger train station, commonly known as "The Depot" was built on River Street in 1989 and is the central point of the Village's "downtown". The Depot is a hub of activity and easily accessible from the Fox River Bike Trail. It operates year round with the help of community volunteers. On Sundays, a newly created "Farm to Fork" Farmers Market hosts Kane County sourced farm-fresh products and food vendors complete with live musicians, chalk artists, food demonstrations and community lunches.

In recent years, the Village has lost several businesses including Haeger Pottery, a Walmart store and D'Angelo Waterworks; however, the Village is simultaneously experiencing an economic revitalization of its downtown. The Village has accomplished extensive revitalization of retail and office space through the use of the Act and the Business District Development and Redevelopment Law.

III. *Penny Avenue TIF*

The Village has identified specific properties for designation as a Redevelopment Project Area which includes certain properties along Penny Avenue which properties cover more than one and one-half acres. The proposed area is along a portion of Penny Avenue, a dedicated roadway, and includes two parcels of improved real estate located on the east side and the west side of Penny Avenue (the “*Penny Avenue TIF*”). The property commonly known as 210 Penny Avenue, located on the east side of Penny Avenue, is improved with a 10,000 square foot commercial structure and has been found to suffer from obsolescence, excessive vacancies and a decline in the equalized assessed value for three of the last five calendar years. The property commonly known as 201 Penny Avenue, located on the west side of Penny Avenue, is improved with an 8,000 square foot building originally used for commercial and office uses and has been vacant since 2014 thereby demonstrating obsolescence and suffering a significant decline in the assessed value of the property since that time.

The legal description of the proposed Penny Avenue TIF is shown on *Exhibit A*. A map of the proposed Penny Avenue TIF is shown on *Exhibit B*. The President and Village Board of Trustees authorized an eligibility study (the “*Eligibility Study*”) of the proposed Penny Avenue TIF in order to document those factors which are present to a meaningful extent thereby qualifying the area as a Redevelopment Project Area pursuant to the Act. A copy of the Eligibility Study is attached hereto and made a part hereof by this reference. As a result of the Eligibility Study, it has been determined that the area qualifies as a “conservation area”.

IV. *Redevelopment Plan to Address Existing Conditions.*

A. Pursuant to the Act, the Village of East Dundee anticipates the designation of the Penny Avenue TIF as a Redevelopment Project Area in order to use tax increment financing to pay Redevelopment Project Costs and to stimulate private investment for development and redevelopment thereby eliminating those conditions, the existence of which qualified the improved parcels of the proposed Penny Avenue TIF as a “conservation area”. Under the Act, the preparation of a Redevelopment Plan setting forth a guide to be undertaken for activities with a goal toward stimulating comprehensive and coordinated development in order to induce private investment is the initial step.

As required by the Act, each Redevelopment Plan must include the program to be undertaken by the municipality in order to complete its objectives and must set forth the following:

1. an itemized list of estimated Redevelopment Project Costs;
2. evidence indicating that the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise;
3. an assessment of any financial impact of the Redevelopment Project Area on or any increased demand for services from any taxing district affected by the plan and a program to address such financial impact or increased demand;
4. the sources of funds to pay development or redevelopment costs;
5. the nature and term of the obligations to be issued, if any;
6. the most recent equalized assessed valuation of the proposed Penny Avenue TIF;
7. an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the proposed Penny Avenue TIF;

8. a commitment to fair employment practices and an affirmative action plan;
9. if it concerns an industrial park conservation area, the Redevelopment Plan shall also include a general description of any proposed developer, user and tenant of any property; a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed; and,
10. if property is to be annexed to the municipality, the Redevelopment Plan shall include the terms of the annexation agreement.

B. The Act prohibits the adoption of a Redevelopment Plan unless the municipality complies with the following:

1. The municipality finds that the proposed Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.
2. The municipality finds that the Redevelopment Plan conforms 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 was adopted, the Redevelopment Plan 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 projects and retirement of obligations which may be issued to finance Redevelopment Project Costs. Those dates may not be later than the dates set forth under Section 11-74.4-3(n)(j)(3); *i.e.*, not later than December 31 of the year in which the payment to the municipal treasurer of Incremental Property Taxes is to be made with respect to real estate taxes levied in the twenty-third year after the year in which the ordinance approving the Redevelopment Project Area (as hereinafter defined) is adopted.

V. *Redevelopment Project Area Goals and Objectives.*

A. *Redevelopment Project Area Goals.*

In order to benefit from the Act and achieve new private investment within the proposed Penny Avenue TIF, the Village must establish a framework for guiding decisions to be made as a part of the implementation of this Redevelopment Plan.

These include:

1. Improvement of the quality of life in the Penny Avenue TIF and the Village.
2. Creation of an environment within the Penny Avenue TIF that will contribute more positively to the health, safety and general welfare of the Village and preserve or enhance the value of properties in and adjacent to the Penny Avenue TIF.
3. An increase in the property tax base of the Village and overlapping taxing districts.
4. Addition of new dwelling units, businesses and services to the Village thereby creating new jobs and retaining existing jobs for Village and area residents.
5. Strengthening the economy and future economic viability of the Village and the larger community.
6. Encouraging redevelopment of the existing vacant building and redevelopment of the building with unit vacancies in order to eliminate all impediments to the best uses of both buildings.
7. Sound economic development within the Penny Avenue TIF that is consistent with the comprehensive plan for the development of the Village as a whole.

B. *Redevelopment Objectives.*

The designation of the proposed Penny Avenue TIF as a Redevelopment Project Area under the Act shall grant the Village the power to:

1. Reduce or eliminate those blighting conditions in the improved “conservation area” which qualified said proposed Penny Avenue TIF as a Redevelopment Project Area in order to encourage the development and redevelopment of the proposed Penny Avenue TIF. Such conditions include excessive vacancies,

deterioration and inadequate utilities as more fully described in the Eligibility Study.

2. Stimulate through incentives, if necessary, new private investment in improvements and redevelopment within the proposed Penny Avenue TIF.
3. Provide needed public improvements to the infrastructure or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day standards for such facilities. Infrastructure improvements should address the problems cited in the Eligibility Study in order to encourage development and redevelopment of the proposed Penny Avenue TIF.
4. Provide needed financial assistance, if necessary, to induce a broad range of improvements.
5. Provide the renovation and rehabilitation of structures where economic obsolescence is a material impediment to the development or redevelopment of the properties within the proposed Penny Avenue TIF.
6. Address deteriorating street pavement.
7. Improve the visual attractiveness of the Village through landscaping and coordination of design in the proposed Penny Avenue TIF.
8. Improve opportunities for residential and mixed-use development and redevelopment.
9. Enhance the sustainability of the Village by re-establishing it as a desirable place to live and work thereby retaining and increasing its population.
10. Improve opportunities for development and redevelopment within the proposed Penny Avenue TIF and adjacent areas.

C. Redevelopment Implementation Strategy.

The implementation and execution of a well-devised redevelopment strategy is a key element in the success of this Redevelopment Plan. In order to maximize program efficiency and to take advantage of development interest in the proposed Penny Avenue TIF, and with full consideration of available funds, the Village intends to proceed in an expeditious manner.

A combination of public and private investments and public and private improvements is an essential element of this Redevelopment Plan. In order to achieve the increased investment and improvements in the proposed Penny Avenue TIF, the Village may enter into agreements, including agreements with private developers, proposing that TIF assistance may be provided, where deemed appropriate, to facilitate private projects and development. The Village may also contract with other entities, including governmental units, to accomplish certain public and private projects as contained in Article VII of this Redevelopment Plan.

VI. *Lack of Development, Growth and Fiscal Impact on Taxing Districts.*

A. *Evidence of the lack of development and growth within the Redevelopment Project Area.*

As documented in the Eligibility Study, the proposed Penny Avenue TIF has suffered from a lack of growth and development through investment by private enterprise and qualifies as a “conservation area” under the Act. Absent financial assistance from the Village, development or redevelopment in the proposed Penny Avenue TIF is not reasonably anticipated to occur.

The proposed Penny Avenue TIF’s blighting conditions, as documented in the Eligibility Study, are reasonably present to a meaningful extent, are reasonably distributed throughout the designated area, and will continue to worsen if not addressed by the Village. In addition, these conditions discourage private sector investment whether in development of residential opportunities or commercial enterprises or in the redevelopment of existing facilities. Accordingly, the Village finds that actions taken, at least in part, through the implementation of this Redevelopment Plan will significantly mitigate such problems.

B. *Assessment of Fiscal Impact on Affected Taxing Districts.*

It is not anticipated that redevelopment projects implemented as part of this Redevelopment Plan will have a negative financial impact on or cause increased demand for services or capital improvements from any taxing district affected by the Redevelopment Plan. No current property taxes will be diverted from any taxing district. Instead, taxing districts could benefit from distributions of any surplus tax increment. Capital funds will also be available to assist in the development of public improvements. The Redevelopment Project Costs set forth

in this Section VI of this Redevelopment Plan provide for significant amounts to pay taxing district capital costs in accordance with the Act should impacts be greater than expected.

Village of East Dundee: It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Village services.

East Dundee Fire District: It is anticipated, as of the finalized date of this report, that there should be no increased demand on Fire District protection services.

Dundee Township: It is anticipated, as of the finalized date of this report, that there should be no increased demand on Township services.

Dundee Township Road District: It is anticipated, as of the finalized date of this report, that there should be no increased demand on Township Road District services.

Dundee Township Park District: It is anticipated, as of the finalized date of this report, that there should be no additional demand for Park District services.

Dundee Township Library: It is anticipated, as of the finalized date of this report, that there should be no additional demand for Library services.

Kane County: It is anticipated, as of the finalized date of this report, that there should be no increased demand on Kane County services.

Kane Forest Preserve: It is anticipated, as of the finalized date of this report, that there should be no additional demand for Kane Forest District services.

School District 300: It is anticipated, as of the finalized date of this report, that there should be no increased demand on School District 300 services.

Elgin College 509: It is anticipated, as of the finalized date of this report, that there should be no additional demand for services from Elgin College 509.

No program is provided in this report to address service impacts because it is anticipated that there should be no incremental demand resulting from the implementation of this Redevelopment Plan.

VII. *Redevelopment Activities.*

Pursuant to the goals and objectives as stated in Article V, the Village shall implement a coordinated program of action including, but not limited to, those listed below. The Village proposes to achieve the redevelopment goals and objectives of this Redevelopment Plan for the proposed Penny Avenue TIF through the use of Incremental Property Taxes available to the Village pursuant to the Act and through such public financing techniques deemed necessary to undertake some or all of the following activities and improvements:

1. *Analysis, Administration, Studies, Surveys, Legal, etc.*

The Village may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, design façade improvements, provide legal services to establish, implement and administer the Redevelopment Plan.

2. *Property Assembly*

The Village, or an agent for the Village, may acquire and assemble land for the purpose of development or redevelopment. Underutilized or misused property may be acquired by purchase, exchange, or long-term lease by private developers or the Village for the purpose of new development or redevelopment.

3. *Land Preparation*

The Village may assist in the preparation of land to include demolition, environmental remediation, and flood mitigation.

4. *Rehabilitation and Lease Hold Improvements*

The Village may assist in rehabilitation, remodel, repair, and lease hold improvements.

5. *Development or Redevelopment Agreements*

The Village may enter into development and redevelopment agreements with private or public entities in the furtherance of this Redevelopment Plan. Such agreements may be for the assemblage of land, construction of improvements or facilities, reimbursement of eligible Redevelopment Project Costs under the Act or any other lawful purpose. Agreements may contain terms and provisions that are more specific than the controls that are summarized in this Redevelopment Plan.

In the case where a private individual or entity received benefits under the Act for the purpose of originating, locating, maintaining, rehabbing, or expanding a business facility and abandons or relocates its facility in violation of a redevelopment agreement, the Village reserves the right to collect reimbursement for funds extended in accordance with the Act.

6. *Provision of Public Works or Improvements*

The Village may provide public works and improvements that are necessary to service the proposed Penny Avenue TIF in accordance with the Redevelopment Plan. Public works and improvements may include, but are not limited to, the following:

- *Streets, Sidewalks, Lighting, Utilities, and Parking*

Public infrastructure improvements may be necessary to adequately serve the Penny Avenue TIF and potential new development.

Improved access will be necessary to develop portions of the Penny Avenue TIF. Certain infrastructure improvements, in connection with and adjacent to the Penny Avenue TIF, may be necessary to advance the goals and objectives of this Redevelopment Plan. It is expected that streets, sidewalks, utilities (including any electrical or data upgrades needed to accommodate current technology), and parking improvements will be part of any redevelopment activity.

- *Landscaping*

Landscape/buffer improvements, street lighting and general beautification improvements may be provided.

- *Sanitary Sewer System*

Improvements and rehabilitation of sanitary sewer mains to eliminate sewer backup including the relining of existing sewer mains and replacement of manholes. In addition, improvements to the Village's wastewater treatment system must be made, including the construction of a new waste water treatment plant.

- *Stormwater Management*

Analysis of the existing stormwater management structure and improvements as may needed to be created to reduce stormwater runoff.

- *Coordinate Design for Improvement within the Redevelopment Project Area*

Where possible, design elements should be planned in such a way as to make the Penny Avenue TIF aesthetically pleasing. Consistent and coordinated design patterns should be promoted.

- *Interest Subsidy*

Funds may be provided to reimburse redevelopers for a portion of interest costs related to the construction of qualifying redevelopment facilities and improvements.

- *Assist in Financing Redevelopment Projects in contiguous designated Redevelopment Project Areas or others that may be contiguous are eligible to be used for the support of the other redevelopment programs under this Redevelopment Plan.*

VIII. *Estimated Redevelopment Project Costs.*

The Act defines Redevelopment Project Costs as the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and its implementation through development and redevelopment projects. All costs to be paid or reimbursed in the Penny Avenue TIF will conform to this definition. A copy of Section 11-74.4-3(q) of the Act is attached hereto as *Exhibit C*.

A wide range of redevelopment activities and improvements will be required to implement the Redevelopment Plan. The activities and improvements and their estimated costs (2017 dollars) are summarized below. To the extent that obligations are issued to pay for such Redevelopment Project Costs prior to, and in anticipation of, the adoption of TIF and designation of the proposed Penny Avenue TIF as a Redevelopment Project Area, the Village may directly pay or be reimbursed from Incremental Property Taxes for such Redevelopment Project Costs to their fullest extent. These costs are in addition to total Redevelopment Project Cost.

While all of the costs in the budget below are eligible Redevelopment Project Costs under the Act and this Redevelopment Plan, inclusion herein does not commit the Village to finance all of these costs with TIF funds.

A. Total Redevelopment Project Budget

1. Costs of studies, surveys, development of plans and specifications, implementation and administration (annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a Redevelopment Project Area or approved a Redevelopment Plan) of the

Redevelopment Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, as provided for by 65 ILCS 5/11-74.4-3(q)(1-1.5).

\$200,000.00

2. Costs of marketing sites within the Penny Avenue TIF to prospective businesses, developers, and investors, as provided for by 65 ILCS 5/11-74.4-3(q)(1.6).

\$30,000.00

3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests herein, 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, as provided for by 65 ILCS 5/11-74.4-3(q)(2).

\$500,000.00

4. Costs of rehabilitation, reconstruction or 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; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, as provided for by 65 ILCS 5/11-74.4-3(q)(3).

\$1,000,000.00

5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, as provided for by 65 ILCS 5/11-74.4-3(q)(4).

\$200,000.00

6. Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Penny Avenue TIF, as provided for by 65 ILCS 5/11-74.4-3(q)(5).

\$ 20,000.00

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 including interest accruing during the estimated period of construction of the Redevelopment Project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto, as provided for by 65 ILCS 5/11-74.4-3(q)(6).

\$ 300,000.00

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 within a taxing district in furtherance of the objectives of the Redevelopment Plan (impacts such as those on the Village may be addressed through these funds), as provided for by 65 ILCS 5/11-74.4-3(q)(7).

\$50,000.00

9. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or the municipality is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of Section 11-74.4-3 of the Act, as provided for by 65 ILCS 5/11-74.4-3(q)(8).

\$10,000.00

10. Payment in lieu of taxes, as provided by 65 ILCS 5/11-74.4-3(q)(9).

\$ 10,000.00

11. Cost 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 a Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality 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 and by school districts of costs

pursuant to Sections 10-22.20a and 10-23.3a of the School Code, as provided for by 65 ILCS 5/11-74.4-3(q)(10).

\$ 20,000.00

12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided for by 65 ILCS 5/11-74.4-3(q)(11).

\$150,000.00

13. Contributions of incremental revenues transferred to contiguous redevelopment project areas, as provided for by 65 ILCS 5/11-74.4-4(q).

\$200,000.00

Total Estimated Costs

\$2,690,000.00

Notes regarding Redevelopment Project Costs:

- a. All costs are in 2017 dollars and may be increased annually after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for all Urban Consumers in U.S. Cities, published by the U.S. Department of Labor, as allowed by the Act.
- b. Private redevelopment costs and investment are in addition to the above.
- c. To the extent permitted by law, the Village reserves the right to adjust and transfer budgeted amounts within the Total Estimated Costs within the Total Redevelopment Project Budget among the categories of eligible Redevelopment Project Costs set forth therein, provided any such adjustment or transfer shall not increase the Total Redevelopment Project Budget, other than as otherwise provided in *a.* above.
- d. Certain infrastructure work in connection with and appurtenant to the Penny Avenue TIF can be undertaken under the Act.
- e. Total budgeted costs exclude any additional financing costs, including interest expense, capitalized interest, and any and all closing costs associated with any obligations issued, which shall be in addition to the Total Redevelopment Project Budget.
- f. In the case where a private individual or entity received benefits under the Act for the purpose of originating, locating, maintaining, rehabilitating, or expanding a business facility abandons or relocates its facility in violation of a redevelopment agreement, the Village of East Dundee reserves the right to collect reimbursement for funds extended in accordance with the Act.

The Village may pay directly or reimburse developers who incur Redevelopment Project Costs authorized by a development or redevelopment agreement.

The Village reserves the right to utilize revenues received under the Act for eligible costs from one Redevelopment Project Area 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.

B. Sources of Funds to Pay Redevelopment Project Costs.

Incremental Property Taxes are expected to be a principal source of funds to pay Redevelopment Project Costs and provide security for municipal general and revenue obligations issued for that purpose. As stated above, the Village may also derive funds from Incremental Property Taxes received from contiguous Redevelopment Project Areas. The Village may pledge as payment additional revenues including revenues from the Penny Avenue TIF, municipal property taxes, certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, and bonds backed by the general obligation of the Village. In addition, the Village may utilize state and federal grants or loans and certain investment income. Finally, the Village may permit the utilization of guarantees, deposits, and other forms of security made available by private sector developers.

The Village certifies that Incremental Property Taxes will be exclusively utilized for the development of the Penny Avenue TIF or in a contiguous Redevelopment Project Area as permitted by the Act. Certain infrastructure work in connection with and appurtenant to the Penny Avenue TIF can be undertaken under the Act. Incremental Property Taxes will be used according to the budget set forth in this Redevelopment

Plan for the development of the Penny Avenue TIF.

C. Nature and Term of Obligations to Be Issued.

The Village may issue obligations secured by or payable from Incremental Property Taxes pursuant to the Act. To enhance the security of such municipal obligations, 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. All obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired by the end of the 24th year after the year of adoption of the initial ordinances approving the Redevelopment Project Area and Redevelopment Plan.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds, and any other lawful purpose. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes may then become available for distribution annually to taxing districts within the Penny Avenue TIF in the manner provided by the Act.

The scheduled final maturity date of any financial obligation may not exceed 20 years from the date of issuance. One or more series of obligations may be issued to implement the Redevelopment Plan for the Penny Avenue TIF. Subsequent obligations, if any, may be issued as junior lien obligations or as parity obligations.

IX. *Most Recent Equalized Assessed Valuation for the Redevelopment Project Area.*

The most recent equalized assessed valuation for the Penny Avenue TIF is based on 2016 and is \$301,637.00.

X. ***Anticipated Equalized Assessed Valuation for the Redevelopment Project Area.***

Upon completion of the redevelopment of the Penny Avenue TIF over a twenty-three (23) year period, it is estimated that the EAV of the property within the Penny Avenue TIF would increase to between approximately \$550,000 to \$600,000 depending upon market conditions and the scope of the redevelopment projects.

XI. *Commitment to Fair Employment Practices and an Affirmative Action Plan.*

The Village is committed to and will affirmatively implement the assurance of equal opportunity in all personnel and employment actions with respect to this Redevelopment Plan. This includes, but is not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc. without regard to any non-merit factor, including race, national origin, color, religion, sex, sexual orientation, gender identity, disability (physical or mental), age, marital status, status as a parent, or genetic information.

In order to implement this principle for this Redevelopment Plan, the Village shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the Village shall be required to agree to the principles set forth in this section.

XII. *Completion of Redevelopment Project and Retirement of Obligations Issued to Finance Redevelopment Project Costs.*

The Redevelopment Project is estimated to be completed and all obligations issued to finance Redevelopment Project Costs are to be retired upon receipt of the incremental property taxes generated from the twenty-third (23rd) year after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for retirement of bonded obligations shall not be later than December 31 of the year in which the payment to the Village treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Redevelopment Project Area was adopted. The date for completion of the Redevelopment Project cannot be more than estimated.

XIII. *Provisions for Amending the Redevelopment Plan and Project*

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

Exhibit A

Legal Description

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

LOT 1 IN SPRINGWATER SUBDIVISION RECORDED DECEMBER 22, 1986 AS DOCUMENT NO. 1813419 BEING A SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF LOT 11 OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 8, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE ASSESSOR'S MAP OF THE SUBDIVISION OF PART OF THE SOUTHEAST QUARTER AND SOUTHWEST QUARTER OF SAID SECTION 23, RECORDED FEBRUARY 21, 1865 IN BOOK OF MAPS 2, PAGE 137, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 259.7 FEET TO THE CENTER LINE OF STATE ROUTE 68; THENCE NORTHEASTERLY ALONG SAID CENTER LINE 120 FEET; THENCE NORTHWESTERLY PARALLEL WITH THE SOUTHWESTERLY LINE OF SAID LOT, 338.01 FEET TO THE WEST LINE OF SAID LOT; THENCE SOUTH ALONG SAID WEST LINE 143.07 FEET TO THE POINT OF BEGINNING, IN THE VILLAGE OF EAST DUNDEE, KANE COUNTY, ILLINOIS.

ALSO, THAT PART OF PUBLIC RIGHT OF WAY ADJACENT TO THE ABOVE DESCRIBED PARCELS.

THE TOTAL AREA INCLUDING RIGHT OF WAY IS 3.49 ACRES MORE OR LESS.

Boundary Map



Exhibit C

"Redevelopment project costs", except for redevelopment project areas created pursuant to subsections (p-1) or (p-2), means and includes the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:

(1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

(1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

(1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

(2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or 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;

(3) Costs of rehabilitation, reconstruction or 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; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;

(4) Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999, (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan, or (iii) the new municipal public building is for the storage, maintenance, or repair of transit vehicles and is located in a transit facility improvement area that has been established pursuant to Section 11-74.4-3.3;

(5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

(6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.

(7.5) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to

assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

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

(i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received

financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

(C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5):

(i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity;

(ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and

(iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement.

Any school district seeking payment under this paragraph (7.5) shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By

acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

(7.7) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005 (the effective date of Public Act 93-961), a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph (7.7) applies only if (i) the library district is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph (7.7) shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita for the library in the previous fiscal year. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph (7.7) shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Tax Allocation Fund.

A library district is not eligible for any payment under this paragraph (7.7) unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph (7.7) shall, after July 1 and before September

30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.7). By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

(8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n);

(9) Payment in lieu of taxes;

(10) 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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality 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 and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

(11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

(A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

(B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

(C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) 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 this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and

(E) the cost limits set forth in subparagraphs (B) and (D) of paragraph (11) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11).

(F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing.

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture

of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

(11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

(12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

(13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

(14) No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008 (the effective date of Public Act 95-934), unless no prudent and feasible alternative exists. "Historic

resource" for the purpose of this item (14) means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This item (14) does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

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