
**VILLAGE OF NORTHBROOK
NORTHBROOK COURT TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT**

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The Village of Northbrook, Illinois

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I. INTRODUCTION

The Village of Northbrook (the “**Village**”) is located in Cook County, Illinois, approximately twenty-five (25) miles north of the City of Chicago’s “Loop”. The Village lies adjacent to the municipalities of Deerfield, Glenview and Highland Park. The primary land use of the Village is residential, with various commercial and retail uses scattered throughout the Village. The Village is situated proximate to major arterials such as Interstates 90/94 and 294 and is approximately 12 miles from Chicago O’Hare International Airport. The Village is also served by the Metra rail service (Milwaukee North commuter line) located within the Village.

The Village was incorporated in 1901, under the name of “Shermerville”. The name was later changed to “Northbrook” in 1923. The Village has a population of 33,170 according to the Census in 2010.

Given limited opportunities for new development, the Village is focusing attention on redevelopment that can maintain and increase the local tax base and non-residential revenues (including sales taxes) for the community.

The Village currently utilizes its Comprehensive Plan, adopted in 2010 (“**Comprehensive Plan**”), and its Strategic Plan for Economic Development adopted in June, 2005, and reaffirmed in July, 2007 (“**Economic Development Plan**”) to guide the Village's economic development efforts. Both plans provide direction regarding how the community should manage its limited resources to foster economic redevelopment and growth within the subsequent ten to twenty years of the Comprehensive Plan.

Among its goals, the Comprehensive Plan includes: “Provide an environment that retains existing businesses and attracts sustainable new businesses to the Village”, and “Maintain and enhance key business areas of the community.” The Economic Development Plan has as its vision, to “foster an attitude and process that continually strives to maintain and enhance a diverse tax base mix of retail, office, and industrial businesses....” Pursuant to this vision, one of its objectives is to “retain and attract desired retail businesses, restaurants, and personal service businesses in order to maintain Northbrook’s position as a leading retail center in the North Shore area.”

The Village intends to encourage mixed residential, retail, commercial, and institutional uses to locate, upgrade, or expand and/or modernize their facilities within the Village as part of its ongoing economic development planning. In pursuing these uses, a necessary strategy for the Village will be to eliminate certain existing adverse conditions within some portions of the community, and to find new means to preserve and strengthen the Village’s tax base.

Source: Comprehensive Plan and Economic Development Plan

The area discussed in this Northbrook Court Redevelopment Plan and Project (the “**Plan**” or the “**Redevelopment Plan and Project**”) is the proposed Northbrook Court Redevelopment Project Area (the “**Redevelopment Project Area**”, the “**RPA**” or the “**TIF District**”). The RPA is located at the west portion of the Northbrook Court Shopping Center, generally located on the south side of Lake Cook Road at Red Oak Lane. More specifically, the RPA includes the current 270,000 square foot Macy’s department store, and adjacent parking lots on the western and southern end of the property.

The RPA includes three (3) tax parcels in their entirety (04-03-101-018, 04-03-101-026, 04-03-2003-028) and a portion of a fourth tax parcel (04-03-200-029). The RPA includes the existing Macy’s building and paved parking areas, which are used exclusively for commercial retail purposes. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Section II.

The existence of certain building and site improvement conditions within the RPA, along with changing retail market conditions and increased competition from on-line shopping, have contributed to the emergence of certain qualification factors as defined by the Tax Increment Allocation Redevelopment Act of Chapter 65 ILCS Section 5/11-74.4 *et seq.*, as amended (the “**TIF Act**” or the “**Act**”) such as lack of community planning, deterioration, and obsolescence. In addition, the RPA’s EAV growth has lagged behind the rest of the Village in three of the last five tax years.

On balance, the combination of these factors may not only limit potential for private reinvestment within and around the RPA, but may also serve to stimulate economic decline of the Northbrook Court shopping center as a whole. This is because these conditions negatively impact coordinated and substantial private sector reinvestment in the overall RPA. Without the use of Village planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible. These factors potentially weaken the likelihood for redevelopment opportunities, limiting employment and contributing to a lack of future investment in the area.

If there is coordination of redevelopment efforts by the Village using the TIF Act, the RPA will become much better positioned for redevelopment opportunities that meet new market conditions and trends. Accordingly, under this Redevelopment Plan and Project, and as part of its comprehensive economic development planning, the Village intends to attract and encourage retail, commercial, and multi-family residential developers and tenants to locate, upgrade, expand and/or modernize their facilities within the Village. Through the establishment of the RPA, the Village will implement a program to redevelop the Northbrook Court Shopping Center; in so doing, it intends to stabilize the area, extend benefits to the entire community, and assist affected taxing districts over the long term.

A. The Redevelopment Plan

The Village recognizes the need for implementation of a strategy to reposition and revitalize existing properties within the boundaries of the RPA, as well as to stimulate and enhance new commercial, retail and mixed-use redevelopment. Due to changing retail demographics and shopping culture, especially as it has affected shopping malls and large department stores, the continued successful operation of this 1970's vintage regional mall anchored by department stores is no longer feasible. The ability to respond to marketplace demands is a key component of the Village's strategy to promote private redevelopment within strategically critical areas of the Village. The necessary private investment will likely only be attracted to the RPA if tax increment financing (TIF) is adopted pursuant to the TIF Act. Incremental property tax revenue generated by the redevelopment will play a decisive role in encouraging private redevelopment. Existing conditions, such as those associated with properties and site improvements located within the RPA, that may have precluded intensive private reinvestment in the past, will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project detailed herein will benefit the Village and all the associated taxing districts, in the form of a stabilized and significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the Village to address deficiencies within the RPA, by taking the following steps:

- Establishing a pattern of up-to-date retail and mixed-use land-uses that will increase valuation and address evolving market trends, especially as such uses complement adjacent uses;
- Providing roadway, traffic and other site improvements within the area that will be more conducive to pedestrian and bicycle use
- Entering into redevelopment agreements in order to facilitate and guide the redevelopment and adaptive re-use of underutilized and obsolete, properties;
- Improving area appearance through removal, reconstruction, and renovation of obsolete structures and deleterious conditions, and undertaking state-of-the-industry landscape, streetscape and signage programs;
- Coordinating land assembly in order to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

The area on the whole would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of this Redevelopment Plan and Project. The Village has prepared the Redevelopment Plan and Project to utilize tax increment financing in order to address area needs and to meet the Village's redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the Village will strengthen the RPA, thus setting the stage for attracting private capital for redevelopment. This, in turn, will lead to the retention, expansion and attraction of commercial, retail and mixed residential use development into the Village in general, and the RPA in particular.

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

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

B. Summary

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

- That the RPA, as a whole, has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of the RPA must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private reinvestment and stabilize and enhance the tax base in the RPA for the benefit of the taxing district through redevelopment of the RPA;
- That a public/private partnership are determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the Village's Comprehensive Plan (including any amendments thereto);
- That without the development focus and resources provided for under the Act, and as set forth in this Plan, redevelopment and growth is not reasonably be expected to be achieved; and

- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found, and certified by the Village, in connection with the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA will not result in the displacement of ten (10) inhabited residential units or more, and that the RPA contains less than seventy-five (75) inhabited residential units. Therefore, this Plan does not include a Housing Impact Study as would otherwise be required.

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

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

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

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the Village's Comprehensive Plan (including any amendments thereto), which is considered the Village's comprehensive planning process, and other relevant planning efforts (any amendments thereto).

The RPA, as redeveloped, is expected to achieve a balance of commercial redevelopment and residential growth that is responsive to market trends. A large enclosed shopping mall, located along a key commercial corridor, will be adaptively re-positioned to thrive in the ever-evolving retail climate. It will be redeveloped in a manner consistent with current market development trends.

Lacking specific direction in relation to market changes, redevelopment in the RPA is currently stalled. The RPA will provide better guidance for future development and improve coordination between the Village, developers, investors, and business owners.

A. General Goals of the Village

- 1) Promote sustainable development.
- 2) Encourage the redevelopment of a key component of the tax base in the Village.
- 3) Strive to maintain a strong and diverse tax base by actively working with the business community to retain existing businesses and attract new businesses that are consistent with the character of the community.
- 4) Maintain and improve the existing character of the community as the employment and commercial retail center for northern Cook County, through the repositioning of obsolete or potentially underutilized properties.
- 5) Consider the use of transitional land uses between more intense non-residential land uses and the surrounding low-density residential neighborhoods.
- 6) Promote quality architecture, sign, landscape and site design that enhances Northbrook's character.
- 7) Provide adequate infrastructure to support business development.
- 8) Continue to foster a business environment in which the use of financial incentives is only necessary in limited circumstances.
- 9) Encourage an increase in the supply of housing in the vicinity of shopping and lifestyle opportunities.

- 10) Maintain the high quality and appearance of the Village's commercial and mixed-use areas.

B. Specific Objectives for the RPA

- 1) Encourage the redevelopment of obsolete and/or underutilized buildings or sites.
- 2) Expand and improve existing roadways and infrastructure, where necessary, to serve parcels located within the RPA.
- 3) Provide for land assembly, site preparation, grading, and excavation, where necessary, of property located within the RPA.
- 4) When Village financial resources are used to support economic development activities, ensure that these funds are leveraged to maximize economic benefits for the Village.
- 5) Ensure that new development financially contributes its proportionate share of Village funded services and other public investments that are required as a result of the development.
- 6) Coordinate redevelopment activities within the RPA in a manner that conforms to the fiscal and economic development policies of the Village and its common interests with overlapping tax districts.
- 7) Identify viable market opportunities for the property and provide a positive market signal for adjacent uses.
- 8) Pursue opportunities for the reconfiguration of parking, and the establishment of new uses to meet market demands in a coordinated and efficient manner.
- 9) Require adequate buffering and screening between residential areas and adjacent commercial, or institutional uses, including parking facilities and loading areas.

C. Redevelopment Objectives

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

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to recent Village planning efforts;
- 2) Reduce or eliminate the negative factors present within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality public improvement projects within the RPA; and
- 5) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the overall quality of life within the RPA and contribute to the economic development of the Village as a whole.

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

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

As documented in Exhibit C of this Plan, the RPA would qualify as a blighted area. Properties within the RPA would not likely experience coordinated redevelopment without the designation of the RPA.

The proposed RPA exhibits various conditions which, if not addressed by the Village, would eventually worsen. For example, structures and site improvements within the RPA reflect obsolescence, deterioration, inadequate utilities, and the two tax parcels experienced a lag in the growth of the EAV when compared to the balance of the Village EAV. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on most of the affected taxing districts. In fact, the action taken by the Village to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project is expected to have a positive impact on the affected taxing districts by arresting and avoiding potential declines in assessed valuations.

Given that there is potential for new retail, commercial, and mixed-use development, the Village has made allowances in this Redevelopment Plan and Project to provide for distributions to school taxing districts and will follow the guidelines provided by the Act to compensate the school taxing districts at levels dictated by the actual increase in students caused by the redevelopment, as provided by the Act.

To the extent any surplus exists, any resulting surplus Special Tax Allocation Funds will be proportionately shared with the various taxing districts, including the Village, based on their respective tax rates for a given year, after all TIF eligible costs either expended or incurred as an obligation by the Village have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act. The exception to this provision will be to the extent that the Village utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the School Districts. In such cases, the Village will provide funds to offset the costs incurred as prescribed by the Act.

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

A. Findings

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/Art. 11 Div. 74.4, the “*TIF Act*”). It was determined that the area as a whole qualifies as a TIF District under Illinois law based upon blighted area factors. Refer to the Qualification Report, (Exhibit C) which is attached as part of this Plan.

B. Eligibility Survey

The RPA was evaluated, from time to time, over a period from October, 2018 through the date of this Redevelopment Plan and Project. Analysis was aided by certain reports and information obtained from the Village and from other sources, including Cook County.

VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA

Findings

The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act. The Village has found that the plan will not displace ten (10) or more residents and that the RPA contains less than seventy-five (75) inhabited residential units, thus a housing impact study is not required to be completed.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

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

- 1) By implementing a plan that provides for the retention and expansion of existing businesses, and bolsters the attraction of users to redevelop existing or new structures, as well as vacant or underutilized parcels that are, or may become available, within the RPA.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction, widening of current streets, and multi-use pedestrian and bicycle paths);
 - ii. Utility improvements (including, but not limited to, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
 - iii. Signalization, traffic control, and lighting;
 - iv. Off-street parking (structured and/or grade);
 - v. Landscaping, streetscape, and beautification; and
 - vi. Improve public facilities and institutional uses.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of certain buildings or sites through necessary rehabilitation and improvement of structures.
- 6) By exploring and reviewing job training programs in coordination with any Village, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

B. Redevelopment Activities

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

Site Preparation, Clearance, and Demolition

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

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired or purchased by private entities. These properties may be assembled and reconfigured into appropriate redevelopment sites. The Village may facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of acquisition costs. Relocation activities may also be undertaken by the Village.

Public Improvements

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

- Improvements and/or construction of public utilities including the improvement of water mains as well as flood control and sanitary and storm sewer systems;
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for new mixed use or retail/commercial uses, including parking facilities.

Rehabilitation

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

Interest Rate Write-Down

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

Job Training

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

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

School District Tuition Costs

The Village will provide for the payment of eligible tuition costs as provided for in the TIF Act.

C. General Land Use Plan

Existing land use generally consists of mixed residential uses and commercial/retail uses. Future land use would include mixed uses consisting of residential, retail and commercial uses. Existing and future land uses are shown in Exhibits D and E attached hereto and made a part of this Plan.

D. Additional Design and Control Standards for Development in the Village

The appropriate design controls, as set forth in the Village's Comprehensive Plan, Zoning Ordinance (including any amendments thereto) or other relevant codes shall apply to the RPA.

E. Estimated Redevelopment Project Costs

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

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

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
7. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
- a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 1020.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply.

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

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

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

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

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

11. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. Payment in lieu of taxes;
13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 1023.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;

- c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
- d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
- e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;

17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

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

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

**VILLAGE OF NORTHBROOK
NORTHBROOK COURT REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs	\$ 4,500,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$ 6,500,000
3. Infrastructure Improvements	\$ 2,000,000
4. Public facilities and improvements	\$ 3,500,000
5. Rehabilitation Costs	\$ 1,000,000
6. Interest Costs Pursuant to the Act	\$ 1,500,000
7. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 4,500,000
8. Job Training	\$ 100,000
9. Statutory School District Payments	\$ 14,000,000
TOTAL ESTIMATED PROJECT COSTS	\$ 37,600,000

(A) All project cost estimates are in year 2018 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The line item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

Pursuant to the Act, the Village may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible

redevelopment project costs or obligations issued to pay such costs in the proposed RPA, and vice versa.

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

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

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

The tax increment revenues, which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2017 tax year for the RPA.

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

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

The Village may also direct incremental revenues from the Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities in conformance with the provisions of the Act and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan.

G. Nature and Term of Obligations to be Issued

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

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

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

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

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

The most recent estimate of equalized assessed valuation (EAV) for tax year 2017 of the property within the RPA is approximately \$9,549,601.¹

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Northbrook Court Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be within a range of approximately \$70,000,000 to \$75,000,000.

¹ ~~Pending verification from the Cook~~ County Assessor's Divisions Department.

VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing and other necessary approvals for appropriate projects. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

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

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain structures and grading of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The Village may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the RPA.

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

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain public and private utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the Village. Public and private utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking may be constructed that would be available to the general public.

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

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

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

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

Tuition Payments to School Districts: The Village may fund payments to the school district pursuant to the provisions of the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

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

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

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

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

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

EXHIBIT A
BOUNDARY MAP

EXHIBIT B
LEGAL DESCRIPTION

PARCEL 1

PIN: 04-03-101-018-0000

LOT 1 IN NORTHBROOK COURT SUBDIVISION NUMBER 2, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF. SECTION 3, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 11, 1984 DOCUMENT NUMBER 26924424, IN COOK COUNTY, ILLINOIS.

ALSO KNOWN AS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE NORTH 89° 54' 08" WEST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE AFORESAID SECTION 3, A DISTANCE OF 139.24 FEET TO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL OF LAND; THENCE CONTINUING ALONG SAID SOUTH LINE NORTH 89° 54' 08" WEST, A DISTANCE OF 217.23 FEET TO A POINT; THENCE NORTH 00° 03' 18" EAST, A DISTANCE OF 42.36 FEET TO A POINT; THENCE NORTH 53° 19' 06" WEST, A DISTANCE OF 169.90 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY 436.51 FEET, ALONG THE ARC OF A CIRCLE CONVEX TO THE SOUTHWEST, AND HAVING A RADIUS OF 542.00 FEET, TO A POINT OF TANGENCY; THENCE NORTH 00° 34' 57" EAST A DISTANCE OF 107.24 FEET TO A POINT; THENCE NORTH 01° 04' 23" EAST, A DISTANCE OF 96.25 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY 195.43 FEET ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTHWEST AND HAVING A RADIUS OF 275.00 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHEASTERLY 4.17 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHEAST AND HAVING A RADIUS OF 25.00 FEET TO A POINT OF COMPOUND CURVATURE; THENCE NORTHERLY 50.06 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE EAST AND HAVING A RADIUS OF 61.85 FEET TO A POINT OF TANGENCY; THENCE NORTH 09° 56' 42" WEST, A DISTANCE OF 22.40 FEET TO A POINT OF CURVATURE; THENCE NORTHERLY 109.43 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, AND HAVING A RADIUS OF 627.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 00° 03' 18" EAST A DISTANCE OF 101.61 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY 48.36 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE NORTHEAST, AND HAVING A RADIUS OF 57.00 FEET TO A POINT; THENCE NORTH 00° 03' 18" EAST A DISTANCE OF 0.21 FEET TO A POINT OF INTERSECTION WITH THE SOUTH LINE OF LAKE COOK ROAD AS WIDENED PER DOCUMENT NUMBER 23033339; THENCE SOUTH 87° 38' 42" EAST ALONG SAID SOUTH LINE, A DISTANCE OF 46.35 FEET TO A POINT; THENCE SOUTH 00° 03' 18" WEST, A DISTANCE OF 142.73

FEET TO A POINT OF CURVATURE; THENCE SOUTHERLY 104.72 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE SOUTHWEST, AND HAVING A RADIUS OF 600.00 FEET TO A POINT OF TANGENCY; THENCE SOUTH 09° 56' 42" EAST; A DISTANCE OF 65.97 FEET TO A POINT; THENCE SOUTH 39° 51' 54" EAST, A DISTANCE OF 25.00 FEET TO A POINT ON A CURVE; THENCE NORTHEASTERLY 60.30 FEET ALONG THE ARC OF A CIRCLE, CONVEX TO THE NORTHWEST, AND HAVING A RADIUS OF 225.00 FEET TO A POINT OF TANGENCY; THENCE NORTH 65° 29' 25" EAST, A DISTANCE OF 28.40 FEET TO A POINT; THENCE SOUTH 72° 06' 42" EAST, A DISTANCE OF 288.74 FEET TO A POINT; THENCE NORTH 17° 03' 18" EAST, A DISTANCE OF 35.50 FEET TO A POINT; THENCE SOUTH 72° 56' 42" EAST, A DISTANCE OF 335.56 FEET TO A POINT; THENCE SOUTH 42° 59' 29" EAST, A DISTANCE OF 68.10 FEET TO A POINT; THENCE SOUTH 72° 56' 42" EAST, A DISTANCE OF 124.80 FEET TO A POINT; THENCE SOUTH 29° 56' 42" EAST, A DISTANCE OF 78.57 FEET TO A POINT; THENCE SOUTH 17° 03' 18" WEST, A DISTANCE OF 324.00 FEET TO A POINT; THENCE SOUTH 70° 07' 07" WEST, A DISTANCE OF 84.18 FEET TO A POINT; THENCE NORTH 72° 56' 42" WEST, A DISTANCE OF 222.59 FEET TO A POINT; THENCE SOUTH 17° 03' 18" WEST, A DISTANCE OF 20.00 FEET TO A POINT; THENCE SOUTH 13° 03' 18" WEST, A DISTANCE OF 275.64 FEET TO A POINT; THENCE SOUTH 00° 03' 18" WEST A DISTANCE OF 66.51 FEET TO THE HEREINABOVE DESIGNATED POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2

PIN: 04-03-101-126-0000

PARCEL 2: THAT PART OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE NORTH 89° 54' 08" .WEST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE AFORESAID SECTION 3, DISTANCE OF 139.24 FEET TO THE SOUTHEAST CORNER OF LOT 1 IN NORTHBROOK COURT SUBDIVISION NUMBER 2, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 3 AFORESAID; THENCE NORTH 00° 03' 18" EAST 66.51 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE NORTH 13° 03' 18" EAST 275.64 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE NORTH 17° 03' 18" EAST 20.00 FEET ALONG AN EAST LINE OF LOT 1 TO A BEND THEREIN; THENCE SOUTH 72° 56' 42" EAST 222.59 FEET ALONG A SOUTH

LINE OF LOT 1 TO A BEND THEREIN; THENCE NORTH 70° 07' 07" EAST 84.18 FEET ALONG A SOUTH LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE NORTH 17° 03' 18" EAST 324.00 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN AND THE POINT OF BEGINNING; THENCE NORTH 17° 03' 18" EAST 70.58 FEET; THENCE NORTH 72° 56' 42" WEST 25.57 FEET; THENCE NORTH 30° 23' 00" WEST 143.41 FEET; THENCE NORTH 72° 56' 42" WEST, ALONG SAID NORTHERLY LINE A DISTANCE OF 423.48 FEET; THENCE WESTERLY 175.32 FEET ALONG THE ARC OF A CIRCLE CONVEX TO THE SOUTH, HAVING A RADIUS OF 224.57 FEET AND WHOSE CHORD BEARS SOUTH 78° 58' 13" WEST 170.90 FEET; THENCE NORTH 78° 39' 51" WEST A DISTANCE OF 103.59 FEET; THENCE WESTERLY 38.74 FEET ALONG THE ARC OF A CIRCLE CONVEX TO THE NORTH, HAVING A RADIUS OF 190.43 FEET AND WHOSE CHORD BEARS NORTH 84° 29' 33" WEST 38.68 FEET; THENCE SOUTH 65° 29' 25" WEST A DISTANCE OF 25.58 FEET TO A CORNER OF LOT 1 AFORESAID; THENCE SOUTH 72° 56' 42" EAST 288.74 FEET ALONG A NORTH LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE NORTH 17° 03' 18" EAST 35.50 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE SOUTH 72° 56' 42" EAST 335.56 FEET ALONG A NORTH LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE SOUTH 42° 59' 29" EAST 68.10 FEET ALONG A NORTH LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE SOUTH 72° 56' 42" EAST 124.80 FEET ALONG A NORTH LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE SOUTH 29° 56' 42" EAST 78.57 FEET ALONG A NORTH LINE OF SAID LOT 1 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3

PIN: 04-03-200-028-0000

PARCEL 3: THAT PART OF THE NORTHEAST QUARTER AND THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE NORTH 89° 54' 08" WEST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE AFORESAID SECTION 3, A DISTANCE OF 139.24 FEET TO THE SOUTHEAST CORNER OF LOT 1 IN NORTHBROOK COURT SUBDIVISION NUMBER 2, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 3 AFORESAID; THENCE NORTH 00° 03' 18" EAST 66.51 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE NORTH 13° 03' 18" EAST 111.42 FEET ALONG AN EAST LINE OF SAID LOT 1 TO THE POINT OF BEGINNING; THENCE SOUTH 72° 56' 42" EAST 272.39 FEET; THENCE NORTH 17° 03' 18" EAST A DISTANCE OF 108.82 FEET TO A SOUTHEAST CORNER OF THAT PART

THEREOF CONVEYED PER DOCUMENT #95690665; THENCE NORTH 19° 48' 13" EAST, ALONG AN EASTERLY LINE OF SAID DOCUMENT #95690665 A DISTANCE OF 125.73 FEET TO A NORTHEASTERLY CORNER THEREOF; THENCE SOUTH 70° 07' 07" WEST 84.18 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE NORTH 72° 56' 42" WEST 222.59 FEET ALONG A SOUTH LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE SOUTH 17° 03' 18" WEST 20.00 FEET ALONG AN EAST LINE OF SAID LOT 1 TO A BEND THEREIN; THENCE SOUTH 13° 03' 18" WEST 164.22 FEET ALONG AN EAST LINE OF SAID LOT 1 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO INCLUDING AREA OWNED BY WESTCOAST ESTATES SUBJECT TO CONFIRMATION BY SURVEYOR):

Part of PIN: 04-03-200-029-0000

THAT PART OF THE NORTH HALF OF SECTION 3, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 3; THENCE NORTH 89 DEGREES 53 MINUTES 39 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE AFORESAID SECTION 3, A DISTANCE OF 139.24 FEET TO THE SOUTHEAST CORNER OF LOT 1 IN NORTHBROOK COURT SUBDIVISION NUMBER 2, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 3 AFORESAID; THENCE NORTH 00 DEGREES 03 MINUTES 47 SECONDS EAST ALONG AN EAST LINE OF SAID LOT 1, A DISTANCE OF 64.47 FEET TO THE PLACE OF BEGINNING; THENCE CONTINUING NORTH 00 DEGREES 03 MINUTES 47 SECONDS EAST ALONG SAID EAST LINE, 2.04 FEET TO A BEND POINT IN SAID EAST LINE; THENCE NORTH 13 DEGREES 03 MINUTES 47 SECONDS EAST ALONG SAID EAST LINE, 111.42 FEET; THENCE SOUTH 72 DEGREES 56 MINUTES 13 SECONDS EAST 218.73 FEET; THENCE SOUTH 17 DEGREES 03 MINUTES 47 SECONDS WEST, 72.15 FEET; THENCE NORTH 76 DEGREES 07 MINUTES 41 SECONDS WEST 50.01 FEET TO A POINT OF CURVATURE; THENCE ALONG THE ARC OF A CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 300.00 FEET, A CHORD BEARING OF NORTH 82 DEGREES 21 MINUTES 04 SECONDS WEST, 65.17 FEET TO A POINT OF NON-TANGENCY; THENCE NORTH 88 DEGREES 53 MINUTES 36 SECONDS WEST 100.12 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXHIBIT C
TIF QUALIFICATION REPORT

VILLAGE OF NORTHBROOK, ILLINOIS
TIF QUALIFICATION REPORT
NORTHBROOK COURT REDEVELOPMENT PROJECT AREA

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

Prepared for: Village of Northbrook, Illinois

Prepared Jointly by: Kane, McKenna and Associates, Inc.

December 28, 2018

**PROPOSED NORTHBROOK COURT
REDEVELOPMENT PROJECT AREA
TIF QUALIFICATION REPORT**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Northbrook, Illinois (the “**Village**”) to conduct an analysis of the potential qualification and designation of certain property located in the Village, to be addressed herein as the proposed Redevelopment Project Area (the “**Study Area**” or “**RPA**” or “**TIF District**”) and included in the map attached as Exhibit A. Essentially, the Study Area consists of the western portion of the Northbrook Court shopping mall, including the Macy’s department store and adjacent parking, generally located at on south side of Lake Cook Road at Red Oak Lane, in addition to portions of the adjacent parking fields and circulation drives. The qualification review is being carried out pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, *et seq.*, as amended (the “**TIF Act**”).

The Village has long been a major employment and retail center for the northern suburbs of the Chicago region. Accordingly, one of the goals of the Village’s Comprehensive Plan is to “strive to maintain a strong and diverse tax base by actively working with the business community to retain existing businesses and attract new businesses that are consistent with the character of the community.” The Village is examining the Study Area designation pursuant to this goal. As part of a regional shopping center, it is essential for the Study Area to adapt to the recently changing retail landscape, if it is to continue to provide economic and other benefits to the community. Amid declining retail sales in recent years, big department store chains have been closing locations all over the country, a negative trend for communities and shopping malls. According to the International Council of Shopping Centers (ICSC), regional malls have suffered at least three straight years of declining profit per square foot. In light of these trends, by undertaking the designation, the Village will help strengthen the Study Area as a significant contributor to the Village’s overall economic base.

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

- 1) *The proposed TIF District could meet the criteria for a “blighted area,” as the term is defined under the TIF Act subject to the provision of additional documentation.* The structure and site improvements within the Study Area were found to have various qualification factors that would enable the Village to designate it as a TIF District. These factors prevent or threaten healthy economic and physical redevelopment of the area.
- 2) *Current conditions impede redevelopment* – The existence of certain conditions found within the Study Area present impediments to the area’s successful redevelopment. This is because these conditions negatively impact coordinated and substantial private sector investment in the overall TIF District. The current conditions in the RPA are impediments to redevelopment, creating an environment where it is reasonable to assume redevelopment would not take place “but for” the use of the TIF Act. Without the use of Village planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.

- 3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed Study Area, there are parcels which potentially could be redeveloped and thereby produce incremental property tax revenue or other additional revenues to the Village. Such revenue, used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the Study Area.
- 4) *Review of TIF designation* – To mitigate the existing area conditions in order to leverage private investment and to coordinate Village redevelopment efforts.

I. BACKGROUND

The Northbrook Court regional shopping center has been an important contributor to the Village economy for almost fifty years, generating significant property taxes, sales taxes, jobs, and other multiplier benefits over this time. Recent shifts in retail industry trends, however, have had an adverse economic effect on shopping centers. Enclosed regional malls, in particular, have been dramatically impacted by anchor department store closures and declining overall sales. As a result, enclosed mall owners nationwide are increasingly faced with a need to reposition these properties in reaction to these dynamic retail market transformations. The redevelopment of an established regional mall property into a mixed-use center, like Northbrook Court, poses certain

financial challenges. Disproportionate costs associated with relocating or repurposing infrastructure, traffic and parking configurations, and the reconstruction of a large single-use property for multiple uses that meet market acceptance and investment criteria, are just some of them.

As part of the Village's economic development planning and Comprehensive Plan, the Village retained Kane, McKenna and Associates, Inc. to undertake a study of the area described below in order to determine if the area qualifies as a TIF District pursuant to the requirements of the TIF Act.

Current Land Use. The Study Area is generally located at the west side of the Northbrook Court mall, including the Macy's department store and adjacent parking lots.

Overall, the area faces a number of potential redevelopment impediments as described in Section IV of this report. Additionally, while the area has certain beneficial locational assets, the current state of the local and national economy, existing use configurations, and infrastructure requirements contribute to constraints related to redevelopment.

General Redevelopment Objectives. The redevelopment of the Study Area is consistent with the Village's objectives, which are contained in the *Comprehensive Plan*, zoning ordinance and other land use planning elements.

The Village has determined that the redevelopment of the Study Area would be valuable to the community – given that with a redevelopment strategy in place, the economic base of the Study Area and the adjacent mall area would be stabilized and increased – thereby benefiting the community as a whole.

General Scope and Methodology. KMA performed its analysis by conducting a series of discussions with Village staff, starting in October, 2018 and continuing periodically up to the date of this report. The purpose of the review was to gather data related to the preliminary qualification criteria for properties included in the Study Area. These discussions were complemented by a series of field surveys for the entire area to evaluate the condition of the Study Area. The field surveys and data collected have been utilized as a basis for the Study Area's qualification for TIF designation.

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

II. QUALIFICATION CRITERIA

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

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

“An area designated by the municipality, which is not less in the aggregate than 1^{1/2} acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

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

TIF Qualification Factors for a Blighted Area. In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for the proposed RPA characterized as blighted-improved. Per the statute, such an area meets state standards provided that:

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

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

(B) Obsolescence. The condition or process of falling into disuse. Structures become ill-suited for the original use.

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

(D) Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies. The presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) 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, and obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

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

(J) Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) Environmental Clean-Up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) "Stagnant or Declining" EAV. The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last 5 years for which information is available.

III. EVALUATION METHODOLOGY

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

- 1) Site surveys of the Study Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Preliminary surveys were completed of properties located within the proposed Study Area.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration and obsolescence. Additionally, KMA reviewed the following data: 2012-2017 tax information from Cook County, tax parcel maps, aerial photos, site data, area background (including discussions with Village staff), and an evaluation of area-wide factors that have affected the area's development (e.g., obsolescence, inadequate utilities, etc.).
- 3) Existing site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 4) The Study Area was examined to assess the applicability of the different factors required for qualification as a TIF district. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the thirteen (13) different factors, as defined under the Act, which would qualify the area as a TIF district.

IV. QUALIFICATION FINDINGS FOR THE STUDY AREA

Based upon KMA's evaluation of parcels in the proposed Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support preliminary qualification of the RPA as a blighted area under the TIF Act.

Exhibit 1

Summary of TIF-Qualifying Factors

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed Study Area
13	5	6 <ul style="list-style-type: none">• Lagging EAV• Inadequate Utilities• Obsolescence• Lack of Community Planning• Deterioration• Deleterious Land Use & Layout

Findings for Study Area. The Study Area meets the qualifications for a blighted area under the statutory criteria set forth in the TIF Act. KMA reviewed the 13 aforementioned criteria needed to qualify the area as a blighted area, determining that 6 factors were present:

1. Lagging or Declining EAV. The Act states that if the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years this criteria is satisfied. The finding is based on the last five tax years for which information is available (Tax Years 2012-2017). EAV of the Study Area has grown at a rate slower than the Village-wide EAV for 3 of the last 5 years (see chart below). Therefore, a finding of lagging EAV is made pursuant to the TIF Act.

Exhibit 2
EAV Trends for the Study Area

2017		20016	2015	2014	2013	2012
Total EAV for TIF District	\$9,549,601	\$9,040,488	\$7,948,798	\$10,776,723	\$10,526,810	\$12,417,747
EAV Change (%)	5.63%	13.73%	-26.24%	2.37%	-15.23%	
Village-wide EAV (Excluding TIF)	\$2,580,617,382	\$2,474,816,033	\$2,068,062,240	\$2,173,271,211	\$2,134,884,351	\$2,398,953,691
Village EAV Change (%)	4.28%	19.67%	-4.84%	1.80%	-11.01%	
CPI	2.1%	1.3%	0.1%	1.6%	1.5%	

Source: Cook County Assessor, Cook County Clerk, and U.S. Bureau of Labor Statistics

2. Inadequate Utilities. The Act states that overhead or underground utilities that are deteriorated, antiquated, obsolete or in disrepair are considered inadequate. Also, those utilities that lack the capacity to meet future development demands are considered inadequate. Utilities would include: storm sewers, storm drainage, sanitary sewers, water lines and gas, telephone and electrical services.

Current utilities serving the RPA are inadequate for proposed redevelopment uses. The proposed redevelopment project will require numerous utility upgrades, relocations and additions to existing services as described below:

Electric – redevelopment activities will require the removal and relocation of underground electric transmission lines, existing transformers, switch gears, and an existing vault. New transformers will be required for the proposed increased density within the RPA (multiple buildings and additional square footage to be constructed).

Natural Gas – redevelopment will require the relocation of a gas main and services serving the RPA. In addition, gas services will need to be reconfigured to serve new uses.

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

Sanitary Sewer – removal and replacement of existing mains and services will be required as part of the redevelopment.

Stormwater Management – current Village Engineering standards will result in additional volume control facilities to serve the redevelopment.

3. Obsolescence. The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. Due to the changes in the retail market and the inflexible character of existing single large building on the property, obsolescence is present.

The Macy's structure ("***Retail Structure***") was initially constructed in 1996. The Retail Structure consists of approximately 270,000 square feet over three (3) levels (the adjoining enclosed mall consists of two (2) levels). Amid lagging sales, department store chains have been closing locations throughout the country, a negative trend for mall owners, which have historically relied on these large anchor store to attract traffic and retail users to their properties. Closures over the years within the northern Illinois market have included Montgomery Wards, Sears, and most recently, Carson Pirie Scott, Macy's, Lord & Taylor's and JC Penney. These closures follow parallel national trends impacting both anchor stores and small to mid-size retailers. Macy's has closed more than 100 stores nationally since 2005, including four in Illinois.

The owner of the Macy's property and the Retail Structure has been unsuccessful in its attempts to identify a viable replacement user to occupy the Macy's space. After an extensive search, it was determined that the identification of a workable, comparable user for the space, as it is currently configured, is not possible. This is due, in part, to the fact that the Retail Structure is designed exclusively for use as a department store. Shifting retail market conditions have eroded demand for this type of single use. In addition, the Retail Structure does not readily lend itself to occupancy by any other type of user, or users, without major modifications. Existing column spacing, loading dock configuration, outmoded ceiling heights, and other infrastructure characteristics within the Retail Structure impose challenging constraints on its adaptive reuse for alternate purposes. The Retail Structure's age also hampers cost-efficient re-use of the building since upgrades to the original operating systems (HVAC, plumbing, electrical systems) would be difficult and expensive, and thus, not cost effective given the potential returns.

There are also additional challenges with the reuse of the Retail Structure. First, its physical integration with the "core" of the enclosed mall limits flexibility for its adaptive re-use. Second, parking and vehicular circulation need to be improved, and retaining the Retail Structure in its existing condition constrains the best alternatives for multiple uses and repositioning of the west portion of the mall, evaluation and relocation of infrastructure, and the ability to redevelop multiple uses on the site in order to attract market investment. The factors described above indicate that the economic and functional obsolescence that are present require the demolition of the Retail Structure as the reuse of the facility is not an economically viable option.

4. Lack of Community Planning. The Act requires that the finding is supported if the area developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet

contemporary development standards or other evidence demonstrating an absence of effective community planning.

The proposed Northbrook Court Shopping Center Redevelopment Project Area was developed in 1976, prior to the adoption of the Village's first Comprehensive Plan in 1982. The Land Use Plan in the 1982 Comprehensive Plan identified the Northbrook Court Shopping Center Redevelopment Project Area as appropriate for "Business Use". The development of the shopping center and the road network serving it were executed without the benefit of a comprehensive plan. In 2010, the Village of Northbrook adopted a new Comprehensive Plan and accompanying Future Land Use Map, so that the Northbrook Court Shopping Center Redevelopment Project Area is now identified as appropriate for "Major Retail Use". The 2010 Comprehensive Plan states the following:

- Purpose: The Major Retail (CM) classification is intended to provide areas for major retail centers available to persons living in the metropolitan area surrounding Northbrook.
- Principal Land Uses: The primary land uses in the CM classification will be retail, restaurant, and personal and business services, entertainment, and recreational uses. Subordinate uses in this area may include business and professional office uses as well as entertainment, recreational, and religious and membership organization uses.

The proposed redevelopment of the Northbrook Court Shopping Center Redevelopment Project Area, with a large portion devoted to multi-family land uses, will require an amendment to the current Comprehensive Plan.

The 2010 Comprehensive Plan states in Goal LU-3-c that a goal of the community is to "Maintain Northbrook Court as one of the Chicago Area's premier regional shopping centers." Redeveloping the Northbrook Court Shopping Center Redevelopment Project Area with a mix of land uses will help future this community goal; however, significant changes in the planning and development regulations applicable to the property are necessary to do so.

At the time Northbrook Court Shopping Center Redevelopment Project Area was developed, the Village was utilizing the 1964 zoning regulations, which had no standards dealing specifically with enclosed shopping centers. The Northbrook Court Shopping Center Redevelopment Project Area was constructed in accordance with the B-2 Community Retail District, which was also intended to accommodate the development patterns for the other neighborhood shopping centers in the community.

In 1988, the Village adopted a new zoning ordinance establishing the C-4, Regional Shopping District and placing the entirety of the Northbrook Court Shopping Center Redevelopment Project Area in the C-4 zoning district. According to the 1988 Zoning Code, "the C-4 Regional Shopping District is intended to provide a location for a major retail center available to persons living in the metropolitan area surrounding the Village of Northbrook. The regulations are designed to encourage a broad range of fashionable retail and compatible service uses

appropriate for such a center.” The C-4 zoning district was created for the sole and expressed purpose of codifying the then existing conditions of the Northbrook Court property as legally conforming, rather than to establish planning guidelines for the redevelopment of the property. The proposed redevelopment of the Northbrook Court Shopping Center Redevelopment Project Area will require amendments to the C-4 District of the Northbrook Zoning Code as that district does not presently allow multiple-family land uses.

The planning and zoning efforts that took place in the past failed to recognize the need for shopping centers to evolve and accommodate a mix of land uses, not simply large scale retail activities surrounded by immense surface level parking fields.

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

Various degrees of deterioration were observed throughout the Study Area. Much of the observed deterioration centered around the condition of surface improvements such as the driveways, curbs and parking fields. These surface improvements evidenced, multiple depressions, uneven pavement and cracks. The condition of the loading dock area, the external stairway in the parking area, light standards and fascia also evidence deteriorated components or components in need of repair.

6. Deleterious Land Use/Layout. Deleterious land use (or layout) is defined as the existence of incompatible land use relationships, buildings occupied by inappropriate mixed-uses, or uses unsuitable for the surrounding area. Unsuitable land uses include offensive or noxious uses in relation to the surrounding area. In general, poor parcel layout and lack of buffering account for deleterious land use/layout.

The Study Area is located immediately adjacent to an existing single-family residential area (Glenbrook Countryside Subdivision) and an existing townhome development (Optima of Northbrook Townhomes Subdivision). The close proximity of these residential area immediately adjacent to a major retail development without an intervening established buffer yard or transitional land use demonstrates an incompatible land use relationship.

Furthermore, the parcel lines within the Northbrook Court Shopping Center Redevelopment Area have no relationship to the manner in which the buildings and the circulation pattern of the parking lot and road system of the property. The parcel lines are also not conducive to accommodating a modern land use plan for the revitalization of the Redevelopment Area. These facts illustrate a poor parcel layout.

The above contains demonstrate the existence of a delirious land use layout within the Northbrook Court Shopping Center Redevelopment Project Area.

The above demonstrate the existence of a deleterious land use layout within the Northbrook Court Shopping Center Redevelopment Project Area.

V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

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

1. The area is contiguous and is greater than 1¹/₂ acres in size;
2. The proposed RPA will qualify as a "Blighted Improved Area" as defined in the TIF Act. Further, the Blighted Improved Area factors found in the RPA are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the TIF District.

Exhibit A
Boundary Map

Exhibit B
Tax Parcel List

NORTHBROOK COURT REDEVELOPMENT PROJECT

AREA Tax Parcel List (Cook County PIN)

04-03-101-126-0000

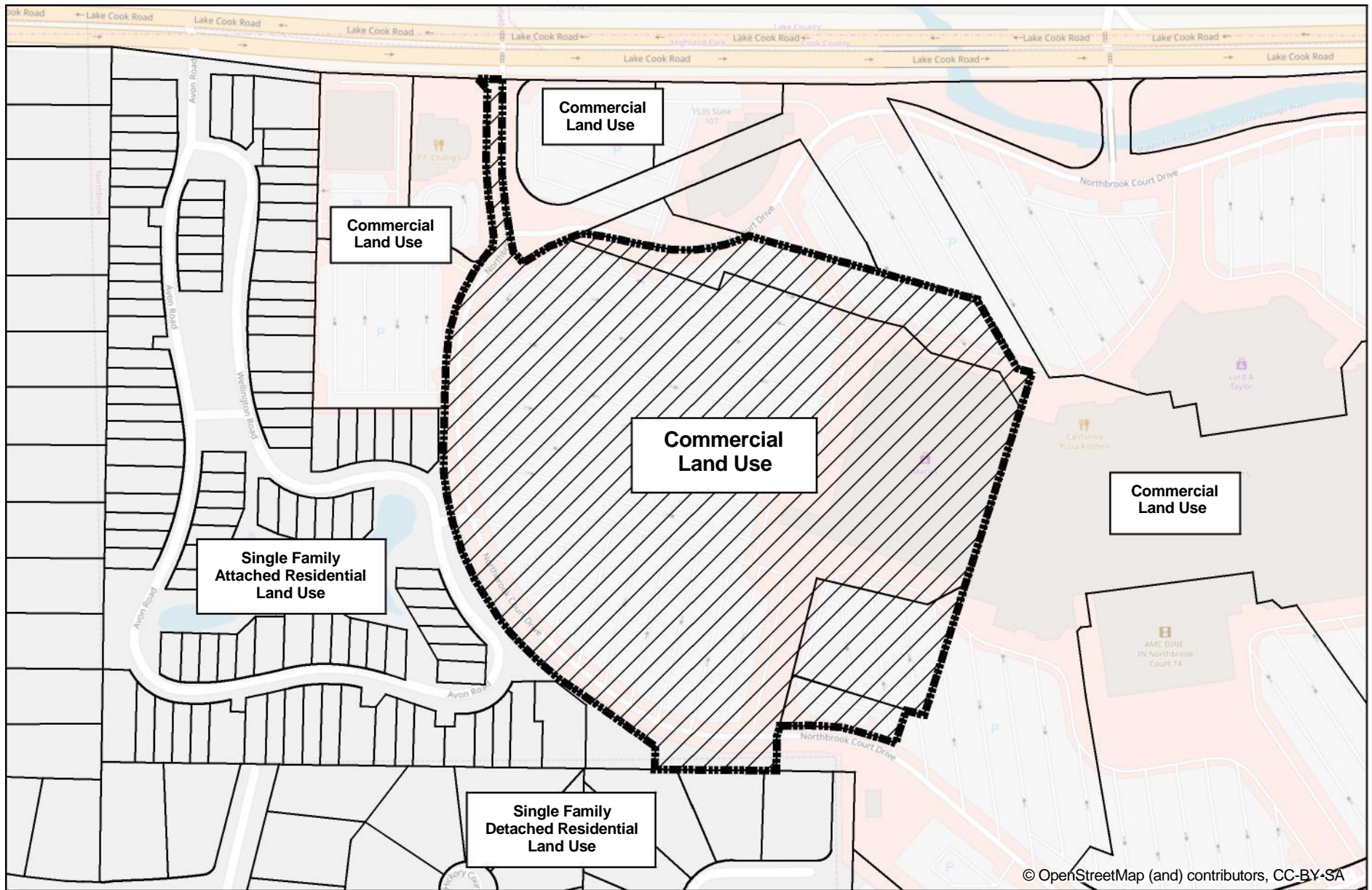
04-03-101-018-0000

04-03-200-028-0000

04-03-200-029-0000 (Part)

End of TIF Qualifications Report

EXHIBIT D
EXISTING LAND USE MAP



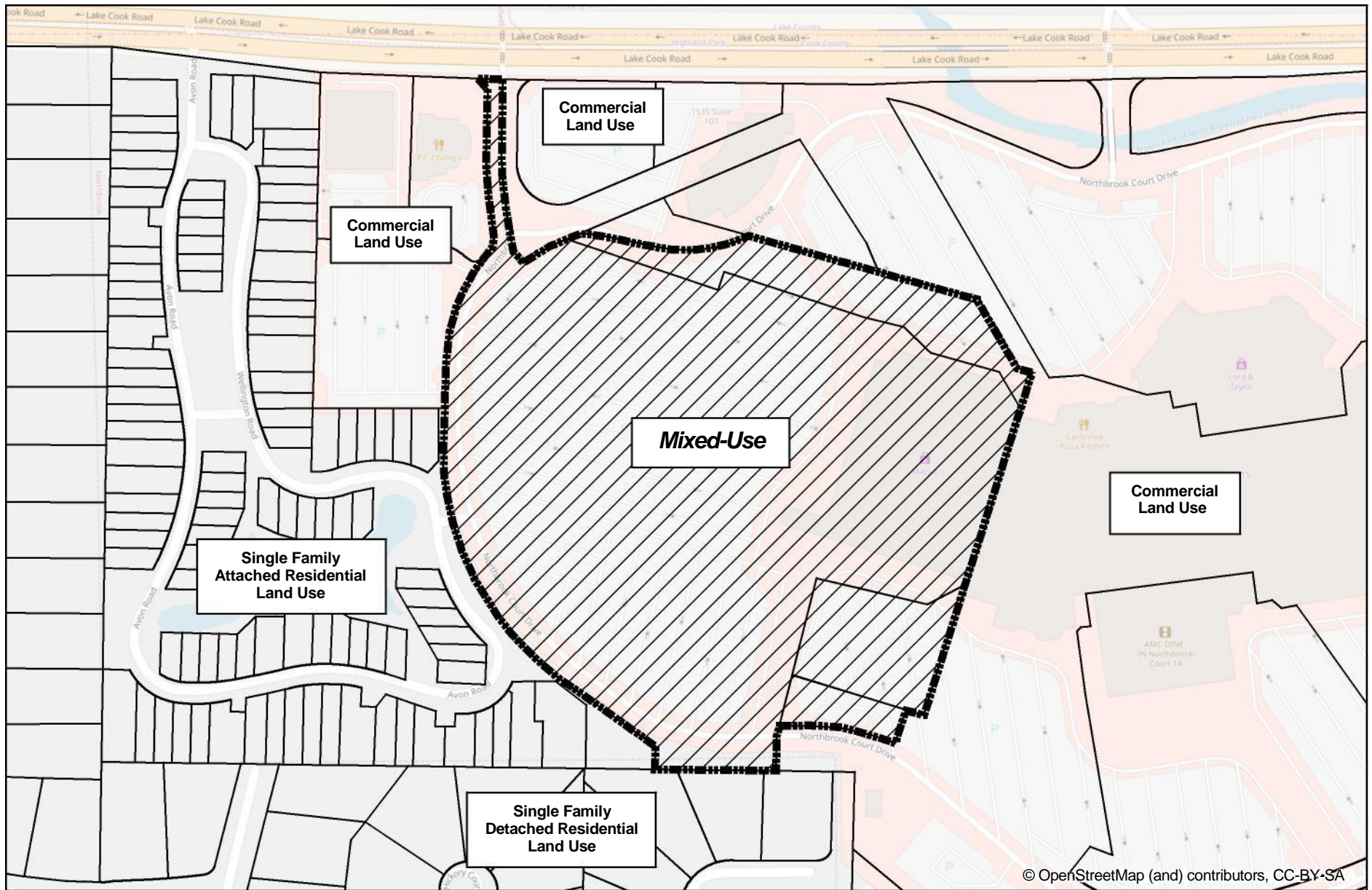
Northbrook Court Redevelopment Project Area Existing Land Uses



NORTHBROOK
DEVELOPMENT
& PLANNING SERVICES

150 75 0 150 Feet

EXHIBIT E
FUTURE LAND USE MAP



**Northbrook Court Redevelopment Project Area
Future Land Uses**



**NORTHBROOK
DEVELOPMENT
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