

**AN ORDINANCE OF THE CITY OF ROLLING MEADOWS,  
COOK COUNTY, ILLINOIS, APPROVING A TAX INCREMENT  
REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT FOR  
THE GOLF ROAD CONSERVATION AREA REDEVELOPMENT PROJECT AREA**

WHEREAS, it is desirable and in the best interest of the citizens of the City of Rolling Meadows, Cook County, Illinois (the “City”), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the “Act”), for a proposed redevelopment plan and redevelopment project (the “Plan and Project”) within the municipal boundaries of the City and within a proposed redevelopment project area (the “Area”) described in Section 1(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Mayor and City Council of the City of Rolling Meadows (the “Corporate Authorities”) called and conducted a public hearing concerning the Plan and Project and the designation of the Area as a redevelopment project area under the Act for May 26, 2015; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to the affected taxing districts and to the Illinois Department of Commerce and Economic Opportunity (f.k.a Department of Commerce and Community Affairs of the State of Illinois) by certified mail on March 16, 2015, by publication on April 28, 2015 and May 5, 2015 and by certified mail to taxpayers within the Area on May 4, 2015; and

WHEREAS, on May 16, 2015, notice was provided by mail to all residential addresses that, after a good faith effort, the City determined were located within 750 feet of the Area; and

WHEREAS, the City did heretofore convene a Joint Review Board as required by and in all respects in compliance with the provisions of the Act; and

WHEREAS, the Joint Review Board met on April 8, 2015 to review the public record, planning documents and proposed ordinances approving the Plan and Project and consider whether the Plan and Project and Area satisfy the requirements of the Act; and

WHEREAS, on April 8, 2015, the Joint Review Board considered and approved a resolution recommending approval of the Plan and Project and the designation of the Area; and

WHEREAS, the Plan and Project set forth the factors that caused the proposed Area to qualify as a “conservation area” and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that have caused all or part of the Area to be a “conservation area” as defined in the Act; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan and Project; and

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

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conform to the comprehensive plan of the City.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Rolling Meadows, Cook County, Illinois, as follows:

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

a. The Area is legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

b. Conditions exist which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a “conservation area” as defined in the Act.

c. The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan and Project.

d. The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

e. As set forth in the Plan it is anticipated that construction activities of the Project will be completed within fifteen (15) years after the Area is designated and that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan shall be retired not

later than December 31 of the year in which payment to the municipal treasurer is made with respect to ad valorem taxes levied in the 15th calendar year after the year in which this ordinance approving the Plan and Project is adopted by the Corporate Authorities.

f. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.

g. The implementation of the Plan and Project will not result in the displacement of residents from 10 or more inhabited residential dwelling units.

h. The Area does not contain 75 or more inhabited residential dwelling units.

Section 2. Plan and Project Approved. That the Plan and Project, which were the subject matter of the public hearing held May 26, 2015 are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

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

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

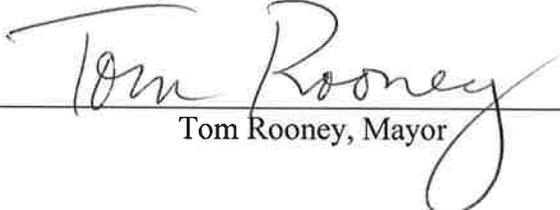
YEAS: Cannon, Prejna, Majikes, Judd, D'Astice, Veenbaas

NAYS: Banger

ABSENT: 0

Passed this 28<sup>th</sup> day of July 2015.

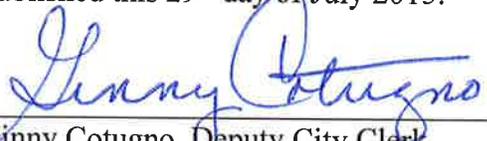
Approved this 28<sup>th</sup> day of July 2015.

  
\_\_\_\_\_  
Tom Rooney, Mayor

ATTEST:

  
\_\_\_\_\_  
Ginny Cotugno, Deputy City Clerk

Published this 29<sup>th</sup> day of July 2015.

  
\_\_\_\_\_  
Ginny Cotugno, Deputy City Clerk

## EXHIBIT A

### Proposed Golf Road Conservation Area TIF District - Legal Description

#### I. LEGAL DESCRIPTION OF RPA

1. ALL THAT PART OF THE SOUTHEAST QUARTER OF SECTION 7 AND THE SOUTHWEST QUARTER OF SECTION 8 IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

2. BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469) WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;

3. THENCE NORTH ALONG SAID EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TO A LINE 82.5 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90);

4. THENCE NORTHWESTERLY ALONG SAID LINE 82.5 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90), TO A POINT 61 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;

5. THENCE WESTERLY 61.14 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, BEING ALSO THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID, AT A POINT 106.7 FEET SOUTHERLY, MEASURED RADIALY, FROM SAID SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90);

6. THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8, TO THE NORTH LINE OF THE SOUTH 104.50 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 7;

7. THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 104.50 FEET TO THE WEST LINE OF THE EAST 104.32 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

8. THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 104.32 FEET OF THE SOUTHEAST QUARTER TO THE SOUTH LINE OF THE NORTH 104.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

9. THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 104.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER TO THE

WEST LINE OF THE EAST 10 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

10. THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 10 FEET TO THE NORTH LINE OF THE SOUTH 919.84 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

11. THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 919.84 FEET OF THE SOUTHEAST QUARTER TO THE WEST LINE OF APOLLO DRIVE, BEING ALSO THE WEST LINE OF THE EAST 30 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

12. THENCE SOUTH ALONG SAID WEST LINE OF APOLLO DRIVE TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469);

13. THENCE EAST ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) TO THE EAST LINE OF APOLLO DRIVE AFORESAID, BEING ALSO THE WEST LINE OF SECTION 8 AFORESAID;

14. THENCE NORTH ALONG SAID EAST LINE OF APOLLO DRIVE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF GOULD & STERLING SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, BEING ALSO A LINE PARALLEL WITH THE ORIGINAL CENTERLINE OF GOLF ROAD;

15. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF GOULD & STERLING SUBDIVISION AFORESAID, AND ITS EASTERLY EXTENSION BEING ALSO A LINE PARALLEL WITH THE ORIGINAL CENTERLINE OF GOLF ROAD AFORESAID, 613.66 FEET;

16. THENCE SOUTH, PERPENDICULAR TO SAID NORTH LINE OF GOULD & STERLING SUBDIVISION, 527.79 FEET TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469) AFORESAID;

17. THENCE EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469), 74.56 FEET TO AN ANGLE POINT, SAID POINT BEING 636 FEET WEST, AS MEASURED ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469), OF THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;

18. THENCE CONTINUING EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469), 34 FEET;

19. THENCE NORTH ALONG A LINE PERPENDICULAR TO SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469), 525 FEET;

20. THENCE EAST ALONG A LINE PARALLEL WITH SAID ORIGINAL CENTERLINE OF GOLF ROAD, 580.10 FEET TO A LINE 32.61 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;

21. THENCE SOUTH ALONG SAID LINE 32.61 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469) AFORESAID;

22. THENCE EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469) TO THE POINT OF BEGINNING AT THE INTERSECTION OF SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L 13469) WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID,

23. ALL IN COOK COUNTY, ILLINOIS.

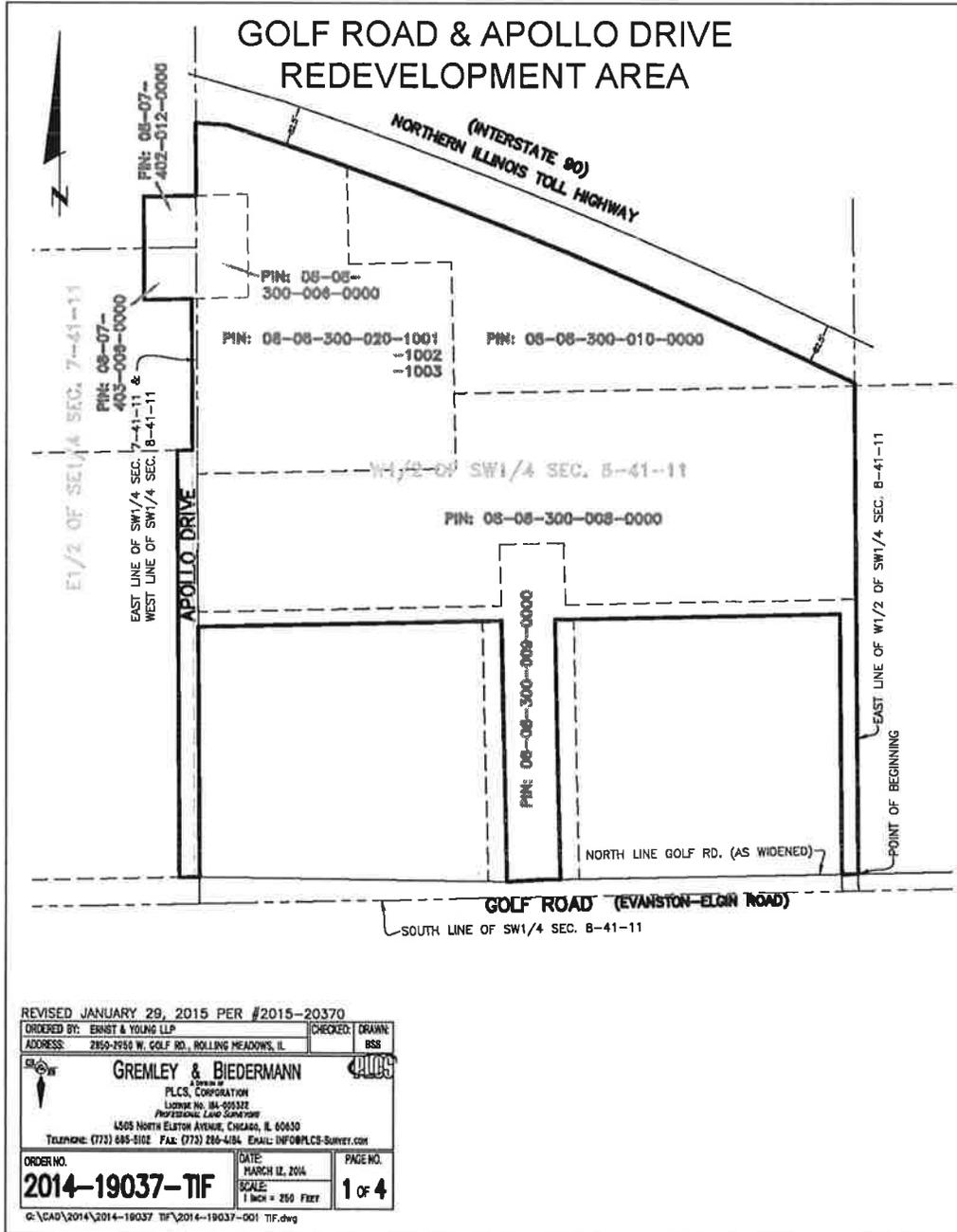
## **EXHIBIT B**

### **General Street Location**

The proposed Redevelopment Project Area is generally described as a contiguous area north of Golf Road, east of Apollo Drive and south of Interstate 90.

# EXHIBIT C

## Boundary Map



**EXHIBIT D**  
**Redevelopment Plan and Project**

# Redevelopment Plan

For the City of Rolling Meadows, Illinois  
Golf Road Conservation Area

July 2015



"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into 'the redevelopment project area" as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS5/11-74.4-3, et. seq., as amended.

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## EXECUTIVE SUMMARY

The purpose of this Redevelopment Plan and Project (the "Plan") is to provide a comprehensive program for the City of Rolling Meadows (the "City") to promote sound growth and development in an area established as a Redevelopment Project Area ("RPA") as defined by the Tax Increment Allocation Redevelopment Act (the "Act"). 65 ILCS 5/11-74.4-1, et seq.

The Act has been established to assist Illinois municipalities "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing district in such areas by the development or redevelopment of project areas." 65 ILCS 5/11-74.4-2(b).

The eligibility section of this Report, attached as Appendix VI, supports the establishment of a RPA as a Conservation Area. The Act states "... on and after November 1, 1999, 'conservation area' means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area." 65 ILCS 5/11-74.4-3(b). In addition, the Report indicates that the RPA has been subject to deterioration and underdevelopment. Without the implementation of the Plan, including the use of tax increment financing, the RPA is not expected to experience growth and development.

The Plan summarizes the analyses and conclusions of Ernst & Young LLP's ("EY") work, which, unless otherwise noted, is the responsibility of EY. The City is entitled to rely on the analysis and conclusions of this Plan in designating the Redevelopment Area as a redevelopment project area under the Act. EY has prepared this Plan and the related eligibility study with the understanding that the City would rely: (1) on the analyses and conclusions of the Plan and related eligibility study in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Plan, and (2) on the fact that EY has obtained the necessary information so that the Plan and the related eligibility study will comply with the Act.

As defined in the Act, no redevelopment Plan shall be adopted unless a municipality complies with all of the following requirements:

(1) The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan. 65 ILCS 5/11-74.4-3(n)(J)(1).

(2) The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the redevelopment plan and project was adopted, the redevelopment plan and project

either: (i) conforms to the strategic economic development or redevelopment plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality. 65 ILCS 5/11-74.4-3(n)(J)(2).

(3) The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. 65 ILCS 5/11-74.4-3(n)(J)(3). Those dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted if the ordinance was adopted on or after January 15, 1981. 65 ILCS 5/11-74.4-3.5(a).

Table 1 below provides the documentation included in the Appendix of this report:

Table 1

<b>APPENDIX</b>	<b>SOURCE</b>
Appendix I – Legal Description of RPA;	Gremley and Biedermann, Inc.
Appendix II – Proposed RPA Boundary / PIN Map	Gremley and Biedermann, Inc.
Appendix III – RPA Current Land Use Map	Gremley and Biedermann, Inc.
Appendix IV – RPA Future Land Use Map	Gremley and Biedermann, Inc.
Appendix V – RPA Current Zoning Map	Gremley and Biedermann, Inc.
Appendix VI – Eligibility Report	Ernst & Young LLP

## **I. INTRODUCTION**

The City of Rolling Meadows (the "City") is located in Cook County, Illinois, serving a population of approximately 24,099 citizens (2010 Census). It is an established community located approximately 24 miles northwest of downtown Chicago. In this report, the City proposes a Tax Increment Financing Redevelopment Plan to assist an area in overcoming a number of redevelopment impediments.

### **TIF Plan Requirements**

The City is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended (the "Act" or the "TIF Act"). To establish a Tax Increment Financing ("TIF") district (otherwise known as the "Redevelopment Project Area" or "RPA"), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and an Eligibility Report.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset by conserving the area's current status. The Act finds that municipal TIF authority serves a public interest so as to:

promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. 65 ILCS 5/11-74.4-2(b).

By definition, a TIF "Redevelopment Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a "blighted area," "conservation area" (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

### **Community Background**

Although the City incorporated in 1955, its history dates back to the early 19<sup>th</sup> century. In 1836, the first landowner of what is now Rolling Meadows staked claim to roughly 160 acres of an area known as Plum Grove. Through the 1840s, settlers continued to lay claim to the area, eventually claiming all of Plum Grove. This community later joined the newly formed Palatine Township in 1850. In 1927, 1,000 acres of the Plum Grove area was purchased to build a golf course, but the land was sold yet again in the early 1950s and developed into homes in a community named Rolling Meadows, which officially incorporated in 1956.

Today, Rolling Meadows is serviced by two state highways – north/south Route 53 through the center of the City and east/west Route 14 (Northwest Highway) to the north of the City. Further, Rolling Meadows lies just minutes away from Interstate 90 (I-90) to the south of the City. Commuters also have access to the available PACE bus service system, which offers four routes in the Community, and Metra access at stations located in neighboring Palatine and Arlington Heights. Further, the City sits approximately ten miles away from O’Hare International Airport.

Recreational amenities include several Rolling Meadows parks and portions of the Cook County Forest Preserve. The various Rolling Meadows parks and facilities also complement local, year-round recreational activities. The heart of the City also contains an 86 acre greenbelt, complete with bike paths. Further, the City operates the Rolling Meadows Public Library that generates significant Downtown activity, averaging 18,000 visits per month. The City offers a noticeably diversified economy consisting of a mix of small business and large companies, which is a result of its location near major markets, excellent transportation, and school systems and local colleges that generate highly skilled workers. These factors have earned the City and surrounding communities the title “Silicon Prairie” due to the influx of major technological manufacturing and distributions corporations that have settled there.

The proposed Golf Road TIF District has the potential for redevelopment that would allow the City to assist in the conservation and rehabilitation of current properties in order to stabilize and increase the property tax base. Redevelopment would build upon the aforementioned locational advantages and certain existing uses. As such, the City has identified a number of objectives for redevelopment, with tax increment financing acting as a tool to achieve them. Please refer to Section III of this report for additional information about the goals, objectives and activities to support redevelopment.

### **The Proposed TIF District**

The proposed TIF District is compact, consisting of nine (9) tax PINs and adjacent right of ways. The proposed TIF District is situated in the northeast corner of Golf Road and Apollo Drive in Rolling Meadows, Illinois. The proposed RPA’s boundaries are approximately Apollo Drive (west), Interstate 90 (north), Golf Road (south) and 2550 W Golf Road (east). The proposed TIF District consists of approximately 25.4 acres, including two (2) buildings: Structure 1, located on PIN 08-08-300-008-0000 contains 288,144 square feet of commercial space, as well as surface parking lots, landscaping, an adjacent retention pond, right of ways; and Structure 2, located on PINs 08-08-300-020-1001, 08-08-300-020-1002, and 08-08-300-020-1003. Both structures were constructed in 1976, and include one parking garage with 55 parking spaces.

The proposed RPA suffers from a variety of economic development impediments as defined under the TIF Act. As documented in the *Eligibility Report* (see Appendix VI), the RPA exhibits certain aspects requiring conservation in the proposed district:

- Deterioration
- Obsolescence

- Excessive vacancies
- Inadequate utilities
- Environmental cleanup
- Declining or stagnant EAV of the RPA 3 of the last 5 Calendar Years

On balance, the combination of these factors limits the opportunities for private reinvestment within the RPA due to the considerable costs to conserve and improve the area for its continued use. The RPA will remain suitable for new development if there is coordination of redevelopment activities by the City. Under this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the City intends to attract and encourage commercial uses to locate, upgrade, expand and/or modernize their facilities within the City and to reinvest in the TIF District property. Through the establishment of the RPA, the City would implement a program to redevelop this key commercial area within the City; in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long run.

#### **Rationale for Redevelopment Plan**

The City recognizes the need for a strategy to conserve and revitalize properties and promote current and future development within the boundaries of the RPA. The needed private investment may only be possible if a TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the conservation and redevelopment of the RPA will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past and going forward will be eliminated. Ultimately, the implementation of the Plan will benefit both the City and surrounding taxing districts, by virtue of the expected expansion of the tax base.

The City does not anticipate that the area would be developed in a coordinated or timely manner without the adoption of the TIF Redevelopment Plan. The City, with the assistance of EY, has therefore drafted this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives. The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will lay the foundation for the redevelopment of the area with private capital. The designation of the area as an RPA will allow the City to pursue the following beneficial strategies:

- Coordinating building conservation and rehabilitation in order to provide for continued and future modernized redevelopment;
- Upgrade utilities that support viable redevelopment plans for the RPA;
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA;
- Enhancing area appearance through construction, conservation and rehabilitation of structures and improvements to landscape; and

Establishing a pattern of land use activities that will increase efficiency and redevelopment activity.

Through this Plan, the City will serve as the central influence for the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Additional benefits will accrue to the area: a stabilized and expanded tax base; entry of new businesses; new employment opportunities; and physical and aesthetic improvements related to the conservation and rehabilitation of existing structures in a highly-visible location. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing district serving the RPA, and (c) foster the continued and future development of the RPA.

### **City Findings**

The City, 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 due to considerable impending conservation costs;

That in order to promote and protect the health, safety, and welfare of the public, certain conditions that may adversely affect redevelopment within the RPA if left unchecked need to be addressed, and that conservation of such areas must be undertaken to prevent further detriment;

To prevent adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;

That public/private partnerships are determined to be necessary in order to achieve development goals;

That without the development focus and resources provided for under the Act and as set forth in this Plan, continued growth and development would not reasonably be expected to be achieved;

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

That the TIF Redevelopment Plan conforms to the City's *Comprehensive Plan*.

It is further found, and certified by the City, 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 10 or more inhabited residential units. Therefore, this Plan does not include a Housing Impact Study. The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF. Other alternatives, including the designation of a Business District appear to be limited in usefulness, as related to the types of non-retail commercial redevelopment activities to be located

within the RPA or a Special Service Area, since few redevelopment components are of a purely public nature.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1.5 acres. A boundary map of the RPA is included in Appendix II of this Plan.

## **II. RPA LEGAL DESCRIPTION**

The Redevelopment Project Area legal description is attached in Appendix I.

### III. RPA GOALS AND OBJECTIVES

The City has established a number of goals which would determine the kinds of activities to be undertaken within the proposed TIF District. These efforts would conform to and promote the achievement of land use objectives in the City's *Comprehensive Plan*, specifically the Corporate Park South sub-area in which the proposed TIF District lies. As indicated in the exhibit below, the City's primary planning document is the *Comprehensive Plan*, which describes the overall vision for the City, and is the foundation for City initiatives such as the proposed TIF District. This underlying planning document influences all other City planning effort such as the TIF planning process.

#### **Economic Development Goals of the City**

The City's general economic development objectives are to enhance quality development opportunities within the City, focusing on the following:

- Expanding upon planning studies for key development sub-areas such as the Corporate Park South, in which the proposed TIF District lies;
- Reviewing, refining, and optimizing the City's short- and long-range development framework;
- Attracting land uses and development more compatible with community goals and area needs, infrastructure, and character; and
- Improving current land use, physical conditions, and quality of life.

Economic development opportunities within the Corporate Park South sub-area represent a strategic location complementing one of the largest concentrations of businesses in the area and the southern business anchor of the City. The Corporate Park South sub-area, in which the proposed TIF District lies, is a large, highly visible and mixed-use business environment that flanks I-90. Nearby restaurants also provide service and amenities to employers and visitors. The importance and visibility of the Corporate Park South sub-area, and therein the proposed TIF District, highlight an opportunity to conserve and redevelop the proposed TIF District in a manner consistent with the economic development goals of the City.

Establishment of the proposed RPA supports the following objectives and strategies identified in the City's 2006 *Comprehensive Plan* and would be expected to favorably impact future redevelopment activities:

"The future vision for Rolling Meadows is based on the community's desire to improve its quality of life by taking advantage of the City's positive attributes and guiding area development and redevelopment."<sup>1</sup> To achieve this goal, "economic development in the City will keep Rolling Meadows on the map as a highly desirable place to do business,"<sup>2</sup> with the goal of having

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<sup>1</sup> Rolling Meadows, Illinois 2006 Comprehensive Plan, §8.1.

<sup>2</sup> *Id.*

“attractive commercial centers and modern business parks and office campuses along I-90 and Route 53.”<sup>3</sup> Further, “outdated industrial and office sites will be improved and ‘re-established’ in attractive business / office park settings.”<sup>4</sup> For Office and Industrial land use, City planning pursues “viable office centers and industrial districts that accommodate a range of businesses and provide economic benefits to the City,”<sup>5</sup> focusing on the following objectives:

“Encouraging a thriving industrial and office environment to provide employment and tax base for the City.

Promote the establishment of well-defined, modern business environments to accommodate a wide range of uses.

Capitalize on the City’s interstate highway visibility and access.

Promote the retention of existing, active businesses.

Coordinate and enhance signage and landscaping.”<sup>6</sup>

To achieve these objectives, the City employs the following strategies:

“Promote improvement or redevelopment of deteriorated industrial properties.

Work with state, regional, and county planning agencies to promote the economic development components of the Comprehensive plan.

Attract additional international investment.

Work with property owners to encourage retention of current businesses, attraction of new businesses, and redevelopment of underutilized sites.

Encourage modern, efficient industrial and office buildings if redevelopment occurs.”<sup>7</sup>

It is evident that the establishment of the RPA comports with the economic development goals set forth by the City; the RPA will help achieve the aforementioned objectives, specifically attaining the goals for the Corporate Park South sub-area.

To track success in meeting RPA specific objectives and strategies, the City may establish and monitor certain performance measures that would help the City monitor the projects to be undertaken within the proposed RPA. The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). The chart below identifies the types of performance measures the City may consider to track the performance of projects within the RPA. (Section VI of this report discusses the types of projects that the City may pursue within the RPA, with the caveat that specific projects at this point are only conceptual in nature).

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<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at §8.7.

<sup>6</sup> Rolling Meadows, Illinois 2006 Comprehensive Plan, §8.7.

<sup>7</sup> *Id.*

Measure	Examples <sup>8</sup>
Input	Public investment Private investment Acres of land assembled for TIF
Output / Workload	Jobs created or retained Linear feet of water main installed Commercial space created (s.f.)
Efficiency	Leverage ratio (private investment / public investment) Cost per square foot of commercial space
Effectiveness	% change in equalized assessed value (EAV) in TIF versus EAV in rest of City % change in EAV with TIF before and after TIF creation Additional taxes / local revenues before and after TIF creation
Risk	Debt coverage ratio Credit ratings of anchor tenants

<sup>8</sup> Page 29 "An Elected Official's Guide to Tax Increment Financing", Government Finance Officers Association.

#### **IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS**

##### **Evidence of the Lack of Development and Growth within the RPA**

As documented in Appendix VI of this Plan, the RPA has not been subject to growth and development through investment by private enterprise due to considerable impending conservation costs and should qualify as a conservation area.

Absent intervention by the City, properties within the RPA would not likely increase in assessed value. The proposed RPA exhibits various conditions which, if not addressed, in part, by the City, would eventually worsen. For example, structures reflect deterioration, obsolescence, excessive vacancies, inadequate utilities, environmental cleanup, and lagging EAV. These various conditions would serve to discourage private sector investment in the RPA.

##### **Assessment of Fiscal Impact on Affected Taxing Districts**

It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing district by arresting the potential decline in property values, as measured by equalized assessed valuations ("EAV"). In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of continued falling EAVs.

Should the City achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the City may consider the declaration of "surplus funds," as defined under the Act. Such funds which are neither expended nor obligated for related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the City. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the City – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act.

## **V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA**

### **Findings**

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF District under the Act. Refer to the *Eligibility Report*, attached as Appendix VI in this Plan.

### **Eligibility Survey**

Representatives of EY and City staff evaluated the RPA from December 2013 to the present. Analysis was aided by certain reports obtained from the City, engineering firms, architects and construction consultants, on-site due diligence, and other sources. In its evaluation, EY used only information which would help make a determination about the eligibility of the proposed area as a TIF District.

## **VI. REDEVELOPMENT PROJECT**

### **Redevelopment Plan and Project Objectives**

As indicated in Section III of this Report, the City has established a planning process which guides economic development and land use activities throughout the City. Consistent with the established planning process, the City proposes to achieve economic development goals and objectives through the redevelopment of the RPA, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques.

The project-specific objectives envisioned for the RPA are as follows:

- Implementing a plan that provides for the attraction of users to redevelop underutilized properties that are available within the RPA.

- Providing for site preparation, clearance, and demolition, including grading and excavation (any demolition activities would conform to City criteria for allowing demolition).

- Constructing utility improvements which may include (if necessary):

  - Utility improvements (including, but not limited to, relocation of water, storm water management, and sanitary sewer lines and electrical service);
  - Landscaping and beautification.

- 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, if needed.

- Exploration and review of job training programs in coordination with any City, federal, State, and county programs.

- Repairing and replacing infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.

### **Redevelopment Activities**

Pursuant to the project objectives cited above, the City will implement a coordinated program of actions. These include, but are not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

### 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

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites. It is expected that the City would facilitate private acquisition through reimbursement or write-down of related costs, and that it would directly acquire land only if needed for construction of public improvements. Relocation may also be required and the City would conform to the provisions of the Act.

### Public Improvements

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

- Improvements and/or construction of public utilities including relocation of water mains as well as sanitary and storm sewer systems and roadways;
- Parking facilities (on grade and parking structures); and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

### Rehabilitation/Taxing District Capital Costs

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to City code provisions. Improvements may include exterior and facade-related work as well as interior-related work. Certain taxing district capital costs may also be funded pursuant to the Act, if necessary and as provided for in the Act.

### Interest Rate Write-Down

The City may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid for out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

### Job Training

The City 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.

#### General Land Use Plan

The proposed RPA currently contains commercial uses. Current land uses are shown in Appendix III attached hereto and made a part of this Plan. Appendix IV designates intended land uses in the Redevelopment Project Area – uses would remain commercial. Future land uses will conform to the Zoning Ordinance and the *Comprehensive Plan* as either may be amended from time to time.

#### Additional Design and Control Standards

The appropriate design standards (including any Planned Unit Developments) as set forth in the City's Zoning Ordinance and/or *Comprehensive Plan* shall apply to the RPA.

#### Eligible Redevelopment Project Costs

Under the TIF statute, "redevelopment project costs" mean and include "the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan." (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs). Such costs include, without limitation, the following:

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

financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

- (1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
- (1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- (2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- (3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment...;
- (4) Costs of the construction of public works or improvements...except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

- (5) Costs of job training and retraining projects, including the cost of 'welfare to work' programs implemented by businesses located within the redevelopment project area;
- (6) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
- (7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
- (7.5) [School District increased costs];
- (7.7) [Library District increased costs];
- (8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) [of this Act];
- (9) Payment in lieu of taxes;
- (10) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by

school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

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

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

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

(C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and

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

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

The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation

of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

- (11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
- (12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- (13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the

redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman. If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act...

- (14) No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008 (the effective date of Public Act 95-934), unless no prudent and feasible alternative exists...65 ILCS 5/11-74.4-3(q) et. seq.

The TIF Act prohibits certain costs. Unless explicitly stated herein, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to any 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.<sup>9</sup>

### **Projected Redevelopment Project Costs**

Estimated project costs are shown in Exhibit 1 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. 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.

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<sup>9</sup> Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the "Total Estimated TIF Budget" in Exhibit 1) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the RPA.

Exhibit 1

<b>Program Actions / Improvements<sup>10</sup></b>	<b>Estimated Costs</b>
Acquisition, Renovation, Rehabilitation, Reconstruction, Relocation, Repair or Remodeling of Existing Public or Private Buildings, Improvements, and Fixtures	\$ 28,900,000
Site Assembly / Preparation / Demolition	\$ 2,500,000
Environmental Remediation / Renovation	\$ 2,500,000
Relocation Costs	\$ 500,000
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$ 500,000
Professional Services and Studies	\$ 100,000
Public Infrastructure and Other Public Facilities	\$ 5,000,000
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b>\$ 40,000,000</b>

### Sources of Funds to Pay Redevelopment Project Costs

It is anticipated that the incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property

<sup>10</sup> (1) All project cost estimates are in year 2015 dollars. Costs may be adjusted for inflation per the TIF Act.

(2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.

(3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line-items set forth above are not intended to place a total limit on the described expenditures, as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection the redevelopment of the RPA, provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above.

in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2013 tax year for the RPA. RPA revenues from the City's special tax allocation fund that are not required for payment and security of the obligations can be used for additional RPA eligible costs as determined by the City.

In addition to using incremental property taxes to fund Redevelopment Project Costs, the City may also utilize a variety of available sources of revenue to fund the implementation of this Plan including, but not limited to, the following:

- General revenue of the City to the extent such revenue is not necessary to fund other operations of the City;

- Revenue available as a result of development agreements, purchase agreements and leases entered into between the City and other individuals and entities;

- Incremental property tax revenues incurred through reassessment of existing property or assessments of new real property;

- State or Federal Grants;

- Special revenue or general obligation bond proceeds;

- Special assessments;

- Development fees;

- Special Service District fees and/or taxes;

- Any state or federal economic incentive program; and

- Tax increment allocation bond proceeds.

Redevelopment Project Costs funded by the above sources will depend on the availability of funds from those sources. The City can attempt wherever possible to utilize grants, incremental tax revenue and other sources of revenue, which the City may not be required to repay. To the extent that such sources of revenue are not available or that such sources of revenue are insufficient, the City may utilize borrowed funds.

#### **Nature and Term of Obligations to Be Issued**

The Redevelopment Project Area shall be funded by the annual incremental property tax deposits placed into the Special Tax Allocation Fund. The reimbursement of eligible costs associated with the RPA shall be funded from future annual incremental property taxes associated with investment of new real property in the RPA. The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than fifteen (15) years after the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the fifteenth year of the TIF, with taxes collected in the sixteenth year. 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 Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest 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.

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

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the City may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

#### **Most Recent Equalized Assessed Valuation for the RPA**

The most recent equalized assessed valuation for the RPA is based on the 2013 assessment, and is estimated to be approximately \$12,902,831 ("Base EAV"). It is anticipated the estimated Base EAV for establishment of the RPA will be the 2013 EAV.

#### **Anticipated Equalized Assessed Valuation for the RPA**

Upon completion of the anticipated private development of the RPA over a fifteen (15) year period, it is estimated that the EAV of the property within the RPA will be \$51,031,561.

## VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT.

### **Redevelopment Project**

The City will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that redevelopment would be undertaken in one or more phases.

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

Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. It is expected that the City would facilitate private acquisition through reimbursement or write-down of related costs, and that it would directly acquire land only if needed for construction of public improvements.

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured, updated, or prepared to accommodate new uses or expansion plans. Demolition of certain structures 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 City may assist in the rehabilitation of buildings or site improvements located within the RPA.

Landscaping/Buffering: The City 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 utilities including electrical may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The City may also undertake the construction or improvement of necessary detention service or retention ponds.

Roadway/Street/Parking Improvements: Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.

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

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

Additional Public Improvements: The City may install public improvements within the boundaries of the RPA to enhance the area as a whole, to support the Project, and to serve the needs of the residents of adjacent areas. Appropriate public improvements may include, but are not limited to:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation, reconstruction, improvement or burial of public or private utilities
- Maintenance of City facilities

### **Commitment to Fair Employment Practices and Affirmative Action**

As part of any Redevelopment Agreement entered into by the City and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City 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 to this policy and compliance with applicable state and federal regulations.

The City 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.

**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 fifteen (15) years after the adoption of an ordinance designating the Redevelopment Project Area. 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 fifteenth calendar year after the ordinance approving the RPA is adopted.

**VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT**

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

**APPENDIX I**

Legal Description of RPA

1. ALL THAT PART OF THE SOUTHEAST QUARTER OF SECTION 7 AND THE SOUTHWEST QUARTER OF SECTION 8 IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:
2. BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;
3. THENCE NORTH ALONG SAID EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TO A LINE 82.5 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90);
4. THENCE NORTHWESTERLY ALONG SAID LINE 82.5 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90), TO A POINT 61 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;
5. THENCE WESTERLY 61.14 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, BEING ALSO THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID, AT A POINT 106.7 FEET SOUTHERLY, MEASURED RADially, FROM SAID SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90);
6. THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8, TO THE NORTH LINE OF THE SOUTH 104.50 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 7;
7. THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 104.50 FEET TO THE WEST LINE OF THE EAST 104.32 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
8. THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 104.32 FEET OF THE SOUTHEAST QUARTER TO THE SOUTH LINE OF THE NORTH 104.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
9. THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 104.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER TO THE

WEST LINE OF THE EAST 10 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

10. THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 10 FEET TO THE NORTH LINE OF THE SOUTH 919.84 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
11. THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 919.84 FEET OF THE SOUTHEAST QUARTER TO THE WEST LINE OF APOLLO DRIVE, BEING ALSO THE WEST LINE OF THE EAST 30 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
12. THENCE SOUTH ALONG SAID WEST LINE OF APOLLO DRIVE TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469);
13. THENCE EAST ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) TO THE EAST LINE OF APOLLO DRIVE AFORESAID, BEING ALSO THE WEST LINE OF SECTION 8 AFORESAID;
14. THENCE NORTH ALONG SAID EAST LINE OF APOLLO DRIVE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF GOULD & STERLING SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, BEING ALSO A LINE PARALLEL WITH THE ORIGINAL CENTERLINE OF GOLF ROAD;
15. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF GOULD & STERLING SUBDIVISION AFORESAID, AND ITS EASTERLY EXTENSION BEING ALSO A LINE PARALLEL WITH THE ORIGINAL CENTERLINE OF GOLF ROAD AFORESAID, 613.66 FEET;
16. THENCE SOUTH, PERPENDICULAR TO SAID NORTH LINE OF GOULD & STERLING SUBDIVISION, 527.79 FEET TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) AFORESAID;
17. THENCE EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), 74.56 FEET TO AN ANGLE POINT, SAID POINT BEING 636 FEET WEST, AS MEASURED ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), OF THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;

18. THENCE CONTINUING EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), 34 FEET;
19. THENCE NORTH ALONG A LINE PERPENDICULAR TO SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), 525 FEET;
20. THENCE EAST ALONG A LINE PARALLEL WITH SAID ORIGINAL CENTERLINE OF GOLF ROAD, 580.10 FEET TO A LINE 32.61 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;
21. THENCE SOUTH ALONG SAID LINE 32.61 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) AFORESAID;
22. THENCE EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) TO THE POINT OF BEGINNING AT THE INTERSECTION OF SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID,
23. ALL IN COOK COUNTY, ILLINOIS.

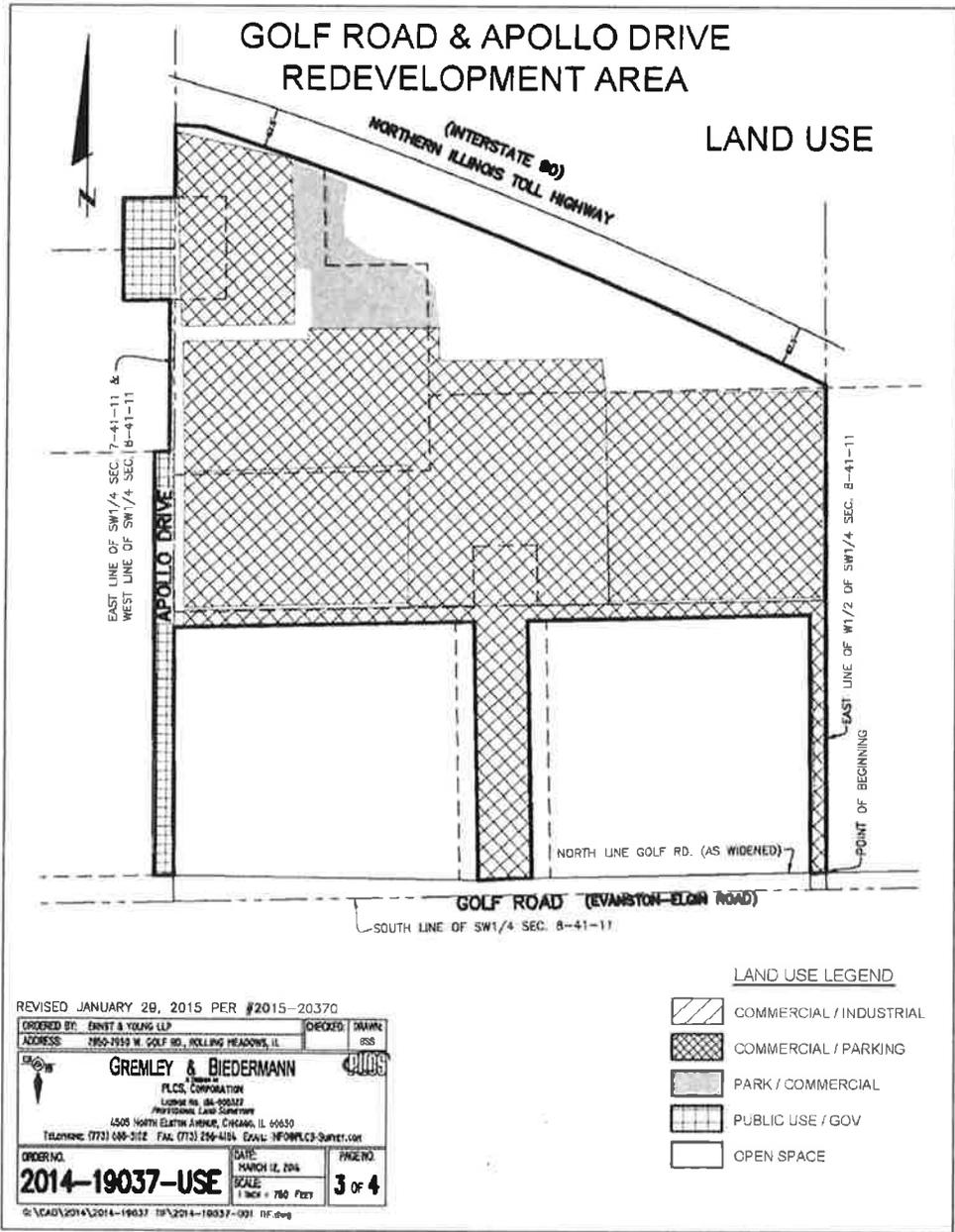
**APPENDIX II**

Proposed RPA Boundary / PIN Map



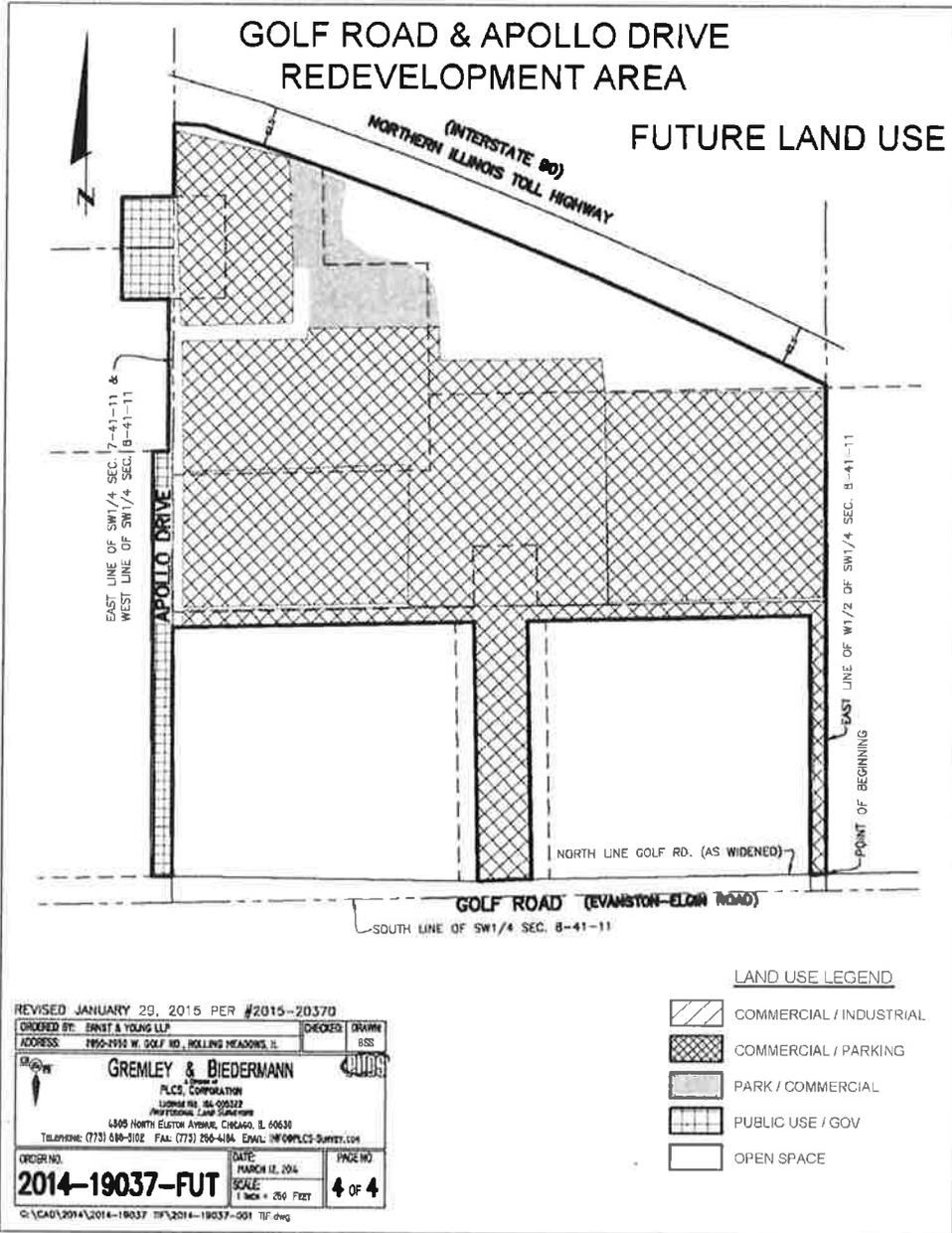
**APPENDIX III**

RPA Current Land Use Map



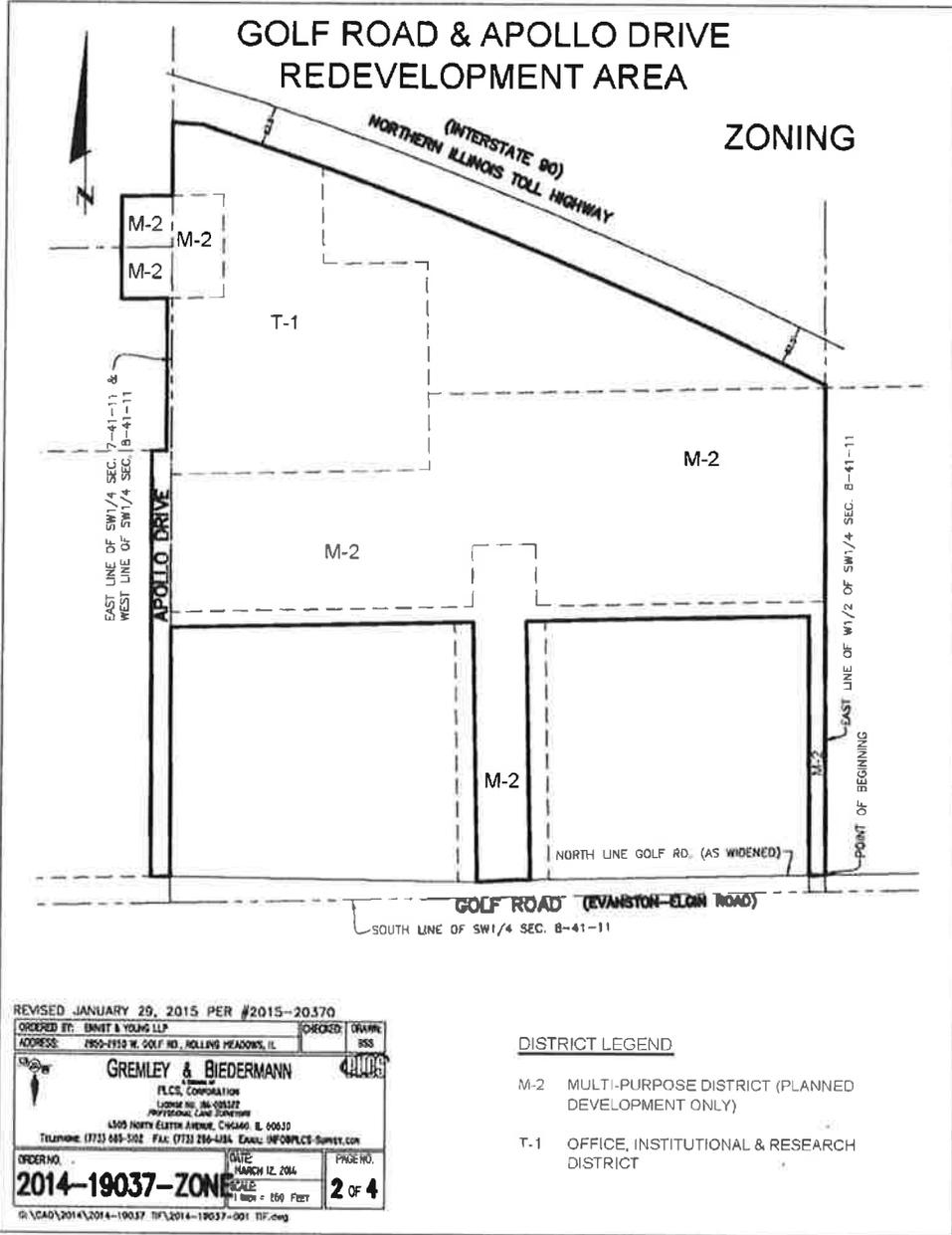
**APPENDIX IV**

RPA Future Land Use Map



**APPENDIX V**

RPA Current Zoning Map



**APPENDIX VI**

Eligibility Report

# Eligibility Report

For the City of Rolling Meadows, IL  
Golf Road Conservation Area

July 2015



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## EXECUTIVE SUMMARY

The purpose of this Eligibility Report (the "Report") is to determine whether the factors exist for establishing a Redevelopment Project Area ("RPA") by means of a Conservation Area as defined by the Tax Increment Allocation Redevelopment Act (the "Act"). 65 ILCS 5/11-74.4-1 et seq.

The Act has been established to assist Illinois municipalities "...promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas." 65 ILCS 5/11-74.4-2(b).

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

The Act states "...on and after November 1, 1999, 'conservation area' means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area." 65 ILCS 5/11-74.4-3(b).

The Conservation Factors (the "Factors") include:

1. Dilapidation;
2. Obsolescence;
3. Deterioration;
4. Presence of Structures Below Minimum Code Standards;
5. Illegal Use of Individual Structures;
6. Excessive Vacancies;
7. Lack of Ventilation, Light, or Sanitary Facilities;
8. Inadequate Utilities;
9. Excessive Land Coverage and Overcrowding of Structures and Community Facilities;
10. Deleterious Land-Use or Layout;
11. Lack of Community Planning;

12. Illinois Environmental Protection Agency (“IEPA”) or United States Environmental Protection Agency (“USEPA”) Issues; and
13. Decline of the Equalized Assessed Value of the Proposed Redevelopment Project Area 3 of the last 5 Years.

The resources used to define and qualify each of the Factors in the boundaries of the proposed RPA include independent research, independent engineering due diligence reports, site surveys, discussions with City of Rolling Meadows (the “City”) and local officials.

This Report identifies the Factors present in the proposed RPA and provides support that the proposed RPA meets the requirements of the Act and should be considered eligible for designation as a Conservation Area. This support includes findings that at least three or more of the Factors are reasonably distributed throughout the proposed RPA.

This Report and the Redevelopment Plan will be prepared in conjunction with each other and will outline the following:

The proposed RPA meets the requirements set forth in the Act to be designated as a Conservation Area. 65 ILCS 5/11-74.4-1, et seq.

Of the thirteen factors identified in the Act, six of the thirteen (13) Factors are present; and

The Factors are reasonably distributed throughout the proposed RPA.

The proposed RPA is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic and social well-being for the City.

The proposed RPA is in need of redevelopment and impairs the value of private investment;

The proposed RPA threatens the overall tax base in the area; and

The proposed RPA is not likely to be redeveloped without public assistance.

Table 1 provides the documentation included in the Appendix of this Report:

Table 1

<b>APPENDIX</b>	<b>SOURCE</b>
Appendix I – Legal Description of RPA;	Gremley and Biedermann, Inc.
Appendix II – Proposed RPA Boundary / PIN Map	Gremley and Biedermann, Inc.
Appendix III – RPA Parcel Listing and EAVs	Ernst & Young LLP
Appendix IV – RPA Current Land Use Map	Gremley and Biedermann, Inc.
Appendix V – RPA Future Land Use Map	Gremley and Biedermann, Inc.
Appendix VI – RPA Current Zoning Map	Gremley and Biedermann, Inc.

## **I. BASIS FOR REDEVELOPMENT**

The Act provides Illinois municipalities the means to designate areas within the boundaries of a municipality as RPAs, otherwise known as Tax Increment Financing ("TIF") districts. Municipally-designated RPAs can be redeveloped through incremental real property tax assistance. The incremental property taxes associated with an increase in private investment can be used for the reimbursement of eligible redevelopment project costs.

Incremental property taxes are derived from the increase in the current Equalized Assessed Value ("EAV") of real property improvements within the RPA over and above the Certified Initial EAV (also referred to as "Base EAV") of real property within the same district. The Certified Initial EAV is established when the RPA is designated by a municipality. Investment in new real property in the redevelopment area increases the EAV of the property, thus creating incremental real property tax revenues.

RPAs generate incremental tax revenues by allowing the municipality's Special Tax Allocation Fund to capture the incremental revenues produced by the enhanced valuation of properties resulting from private investment and the annual reassessment of properties within the RPA. The revenues of the Special Tax Allocation Fund shall be used to pay for redevelopment project costs in the RPA.

Upon establishing an RPA, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the RPA. Additionally, taxing districts may receive distributions of excess incremental property taxes when annual property taxes collected are greater than the amount of taxes pledged toward specific redevelopment project costs or obligations.

In addition to the potential of excess incremental tax distributions, the benefit of an RPA to taxing districts is the increase in their respective property tax bases after the RPA has expired and all costs and obligations have been paid.

The use of incremental property taxes from the proposed RPA will benefit the City, its residents and taxing districts by generating the following benefits:

- Increased property tax base derived from private investment in real property;
- Increased sales tax base resulting from new development;
- Increase in construction and other employment opportunities from the direct and indirect spin-off of investment in the proposed RPA; and
- Improved public systems, including utilities, roadways and other infrastructure items.

Under recent legislative changes, municipalities must prepare and submit annual reports to the State of Illinois Comptroller's Office for each designated RPA. These reports include, but are not limited to, the following:

- Date of Designation or Termination;
- Audited Financials;
- Mayor's Certification;
- Opinion from Legal Counsel;
- Analysis of Each Special Allocation Fund;
- Description of Property;
- Statement of Activities;
- Documents Relating to Obligations Issued by the Municipality;
- Analysis of Debt Service;
- Certified Audit Report; and
- General Description.

## II. REDEVELOPMENT PROJECT AREA

The proposed RPA includes nine Parcel Identification Numbers (“PIN’s”) located in Rolling Meadows. The RPA includes two buildings: Structure 1, located on PIN 08-08-300-008-0000; and Structure 2, located on PINs 08-08-300-020-1001, 08-08-300-020-1002, and 08-08-300-020-1003. A proposed RPA boundary map is provided in Appendix II, which also shows parcel identification numbers (“PIN”) of the proposed RPA. Appendix III further details the PINs and includes their 2013 EAV.

### Project Area Description

A legal description of the Project Area boundaries is provided in Appendix I.

The proposed RPA is situated in the northeast corner of Golf Road and Apollo Drive in Rolling Meadows, Illinois. The proposed RPA’s boundaries are approximately Apollo Drive (west), Interstate 90 (north), Golf Road (south) and 2550 W Golf Road (east).

### Conservation Area

Representatives from Ernst & Young (“EY”) have performed site visits reviewing the conditions and Factors of the proposed RPA. Based on the research, review of external site conditions and interviews with City officials, engineers, real estate consultants and property owners, the proposed RPA meets the minimum requirements necessary for establishment.

**In this report, six of a possible thirteen (13) Factors are found to be Present.**

### **III. ELIGIBILITY OF A CONSERVATION AREA**

The Act states "on and after November 1, 1999, 'conservation area' means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area." 65 ILCS 5/11-74.4-3(b).

As previously discussed, the Conservation Area Factors (the "Factors") include:

1. Dilapidation;
2. Obsolescence;
3. Deterioration;
4. Presence of Structures Below Minimum Code Standards;
5. Illegal Use of Individual Structures;
6. Excessive Vacancies;
7. Lack of Ventilation, Light, or Sanitary Facilities;
8. Inadequate Utilities;
9. Excessive Land Coverage and Overcrowding of Structures and Community Facilities;
10. Deleterious Land-Use or Layout;
11. Lack of Community Planning;
12. Illinois Environmental Protection Agency ("IEPA") or United States Environmental Protection Agency ("USEPA") Issues and
13. Decline of the Equalized Assessed Value of the Proposed Redevelopment Project Area 3 of the last 5 Years.

#### **IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS**

An analysis was made of each of the Factors listed in the Act to determine whether each or any are present in the proposed RPA, and if so, to what extent and in what locations. In general, there is reasonable distribution of the Factors throughout the boundaries of the proposed RPA.

Surveys and analysis within the proposed RPA include, but are not limited to:

- Exterior survey of the condition and use of the buildings;
- Field survey of conditions of the building, roads, sidewalks, parking areas, lighting, landscaping and general property maintenance;
- Analysis of existing structures and redevelopment plans;
- Research of relevant government records;
- Interviews with governmental officials, real estate consultants and engineers; and
- Review of property tax data.

Each Factor is described as one of the following:

**Not Present**

Indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses.

**Present**

Indicates that conditions exist which document that the factor is present. Factors reasonably distributed throughout the proposed RPA were considered to be present.

## V. PRESENCE OF CONSERVATION FACTORS

The following subsections discuss the Factors for the establishment of a proposed RPA.

### 1) Dilapidation

Dilapidation refers to "...an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed." 65 ILCS 5/11-74.4-3(b)(1).

#### **Conclusion – Not Present**

Based on the observed conditions in the proposed RPA, the conclusion was made that Dilapidation is **Not Present** in the proposed RPA.

## 2) Obsolescence

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

### **Conclusion – Present**

#### Specific factors noted:

Obsolescence was prevalent throughout the structures proposed by the RPA. The high incidence of excessive vacancy in the buildings indicates economic obsolescence, as disuse is a strong indicator of obsolescence. During the past eight years, all the structures within the RPA have been predominately underutilized and significant rehabilitation costs are needed. Reconfiguration and rehabilitation of such structures would result in substantial cost to any future user and therefore render components of the structures functionally obsolete. The John Buck Company determined that the current occupancy in Structure 1 is approximately 1.2% of the available 288,144 square feet of rentable space and has been significantly vacant for years. Structure 2 has also evidenced vacancy for several years. From 2010 to 2014, Structure 2 has appealed property taxes based on a vacancy in excess of 54% of the entire building. From 2012 to 2014, unit 2 (08-08-300-020-1002) and unit 3 (08-08-300-020-1003) of Structure 2 were appealed based on 100% vacancy and the uninhabitable nature of the building.

Within the proposed RPA, 100% of structures are older than 35 years of age. The age of a structure is often a key indicator of its relative usefulness, as older structures frequently require extensive maintenance in order to maintain mechanical systems or structural integrity. The costs involved in maintaining and upgrading older buildings often have an adverse impact on existing users and create impediments to the marketability and reuse of commercial structures. Structures in the RPA have also reached the end of their useful lives without major rehabilitation to replace mechanical systems.

Often, the economic disadvantage of an area’s buildings is the direct result of their obsolescence. These buildings cannot compete in the market without some intervention or correction of obsolete factors. Economically obsolete buildings and properties have an adverse effect on nearby properties and detract from physical, functional, and economic vitality of the surrounding community.

Visual surveys of the proposed RPA took place on January 16, 2015. Based on these visual inspections and confirmation of excessive vacancy and estimated rehabilitation costs, it appears that these buildings suffer from obsolescence. Therefore, this factor is considered **Present** within the proposed RPA.

### 3) Deterioration

#### Buildings:

“With respect to buildings, defects include, but [are] not limited to, major defects in the secondary building components such as lighting, windows, floors, and fascia.” 65 ILCS 5/11-74.4-3(b)(3).

#### Surface Improvements:

“With respect to surface improvements, that the condition of streets, curbs, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking and weeds protruding through paved surfaces.” 65 ILCS 5/11-74.4-3(b)(3).

### **Conclusion – Present**

#### Specific factors noted:

As with dilapidation, this Factor involves the condition of existing structures. As described in the Act, deterioration is essentially a less advanced form of dilapidation. The existence of deterioration is evidenced through the condition of various components of each structure, which are visible or determinable from the exterior or interior of the structure. A visual survey of the proposed RPA was conducted by Pond, Robinson & Associates LP, independent engineering consultants (“Consultants”) and detailed in their Report of Physical Condition Assessment. Further, EY performed a visual survey to assess and corroborate these conditions on January 16, 2015. The observed Factors are consistent with deterioration in the buildings and surface areas include, but are not limited to, the following:

#### Building Deterioration

##### *Building envelope*

Based upon the observations of the Consultants, it was determined that due to the age of the exterior walls, periodic maintenance and repair to masonry elements, including deteriorated tuck-pointing at cracked mortar joints, will need to occur at both RPA facilities to mitigate and prevent further deterioration. Further, sealant replacement at the horizontal joints at shelf angles and the installation of drainage weeps where missing and need to be addressed.

Stained ceiling tiles were observed at a number of the window heads within each of the buildings. Through discussions with facilities maintenance personnel, the Consultants determined that exterior wall window leaks have occurred in the past and still occur in Structure 1. The Consultants were unable to determine the date of installment of the current deteriorated window seals, but noted it would be necessary to plan for the

replacement of the window perimeter sealant to prevent worsening leakage and deterioration on windows.

The Consultants observed “fogging” inside storefront windows at the concourse level of Structure 1, which indicated failure of the insulated glass (“IG”) unit seals. As discussed above, evidence of stained ceiling tiles at the window heads was observed. Additionally, the wet seals on the curtain walls which also contain weeps systems indicate that previous water infiltration was an issue. As the existing wet seals age, sealant failures will increase the likelihood for moisture infiltration to the glazing pockets of the curtain wall system. Further, seals at the perimeter of IG units degrade and fail when in prolonged contact with moisture and water, which will result in the fogged IG units. Without further observation, repair and/or replacement of these issues, the presence of deteriorating fogged IG units, which reportedly have occurred in the past, will continue to occur.

#### *Building interiors*

Due to the age of the buildings, the Consultants noted that regular maintenance and replacement of interior common area finishes is needed. The Consultants further noted that in many of the tenant areas, water stained ceiling tiles were observed at the heads of some of the windows at most floor levels (as previously discussed). The tiles require replacement once the source of the staining is determined and properly addressed. The Consultants further noted that updating of the interior finish will be needed due to deterioration. As many of the tenant areas are vacant, the Consultants observed that floor finishes have been removed in some of the vacant spaces. The flooring and bottom portion of the wall finishes have been removed throughout the tenant areas along the north side of the concourse level at Structure 1; this is a result of water damage due to extensive flooding in 2011 (discussed below). Further, EY observed deterioration in several vacant tenant spaces, including damaged walls and ceilings, missing floorboards and door surrounds, exposed wiring, and various other factors evidencing deterioration in the walls, doors and ceilings. For Structure 1, additional evidence of corrosion and rusting of galvanized water pipes was noted; and, separation of interior brick was apparent due to the presence of exhaust stain within a stairwell on the tenth floor.

Regarding fire-resistive construction, at Structure 1, the stair door frames are provided with electric strikes and door locks that do not allow re-entry from inside the stairway under normal conditions. The electric strikes are energized upon fire alarm and become free swinging. As these doors are insufficient, outdated or deteriorated, the Consultants determined that all of the stairway doors should have the electric strikes removed and the frame repaired or replaced to have immovable strikes. The locks on all of the doors should be replaced either with no lock or electric locks which can be unlocked remotely but keep the door latched. Further, to complete the property and fire separation, Class A fire doors should be provided in place of the glass doors and storefront. Portions of Structure 2 have not been used for the past several years and as a result of flooding, the interior has experienced extensive water damage which lifted the indoor pool.

### *Roof*

The roof membrane is rising on Structure 1. The bubbling or blistering of the membrane is indicative that the roof membrane must be replaced. Replacement of the membrane is required and will further mitigate water damage throughout the building.

### Surface Improvements Deterioration

Based on visual surveys, surface improvements deterioration was and was reasonably distributed throughout the RPA. With respect to surface improvements, the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage showed evidence of deterioration, including but not limited to surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

#### *Parkways and roadways*

The proposed RPA pavement was observed to be in fair to poor condition with numerous areas of severe distress and deterioration. The Consultants observed various types of distress including longitudinal, alligator and block cracking, some with depressed sections indicating failure of the subgrade. Some of the open cracks appeared to have been sealed during prior repair operations. The Consultants also observed several areas of broken concrete curbs.

The pavement is believed to be the originally installed asphalt sections from 1976 and 1979 (approximately 35 to 38 years old). Based on the Consultants' observations, a substantial amount of full-depth repairs and crack repairs will be required at the beginning of the term to address the failed and deteriorated pavement and potential localized subgrade issues. A complete mill and overlay operation for all pavement areas should be completed soon, with additional full-depth repairs as necessary. Complete sealcoating of the all pavement areas should be performed in conjunction with each full-depth repair and mill and overlay operation to mitigate deterioration. Periodic curb repairs should be completed soon as well to prevent further deterioration.

#### *Pedestrian paths and sidewalks*

Though segments of the sidewalks and steps were covered with snow or ice at the time of the Consultants' site visit, the Consultants observed numerous sections of exposed sidewalks and steps with extensive damage evidencing extensive deterioration. The types of damage observed included cracked, spalled, distressed and/or vertically displaced segments of concrete. Some of the deterioration was observed at locations previously repaired, indicating that future repairs may not rectify the extent of damage. The Consultants recommend that all sidewalks and steps throughout the proposed RPA be repaired immediately, along with replacement of joint sealants as necessary. In addition, periodic maintenance and repairs need to be completed to address any subsequent issues.

### *Structured parking and plaza area*

Several issues were noted relating to the deteriorated condition of the parking and loading dock structure and the plaza area of Structure 1, as well as the surface parking at Structure 2, including:

Several cracks and evidence of active water leaks at the perimeter concrete walls of the loading dock garage;

Some spalling and cracks in the perimeter concrete walls of the parking garage;

Some isolated corrosion of the metal deck above the loading dock garage and loading dock areas;

Several locations within the parking garage portion of the plaza have experienced water leakage throughout the history of the building;

Isolated cracks in the slab-on-grade pavement at the loading dock garage and ramp;

Isolated deterioration of the brick masonry elements (brick veneer, mortar and joint sealant) at the plaza areas, along the loading dock ramp walls, exterior stairs and at the maintenance garage;

Spalled concrete, corroded embedded railing posts and deteriorated exposed aggregate treads and risers at the open stairways connecting the parking garage to the plaza at grade level;

Corrosion of the steel railing system set into pitch pockets in the plaza areas;

Evidence of previous water leakage at the heads of the storefront windows situated below the north plaza railing system; and

Cracked and/or misaligned concrete pavers in the plaza areas.

### Additional considerations

As noted above, substantial flooding occurred at the lower level (concourse level C) of Structure 1 on at least two occasions within the last several years (in 2008 and 2011) and the last occurrence resulted in extensive interior damage to the finishes / walls.

The interior flooding was reportedly caused by deficiencies with the site drainage and retention pond systems. The drainage systems are inadequate to the grading of the pond relative to structures which has exasperated the deterioration of them.

Visual surveys of the proposed RPA took place on January 16, 2015. Based upon these visual observations and the factors discussed above, which are not exhaustive, the structures and site are suffering from deterioration in the proposed RPA. Overall, deterioration was present on all the PINs within the proposed RPA. Based on the observed conditions in the proposed RPA, the conclusion was made that Deterioration is **Present**.

4) *Presence of Structures below Minimum Code Standards*

Presence of Structures below Minimum Code Standards refers to "...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." 65 ILCS 5/11-74.4-3(b)(4).

**Conclusion – Not Present**

Based on the observed conditions in the proposed RPA, the conclusion was made that Presence of Structures below Minimum Code Standards is **Not Present** in the proposed RPA.

5) *Illegal Use of Individual Structures*

Illegal Use of Individual Structures refers to "...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." 65 ILCS 5/11-74.4-3(b)(5).

**Conclusion – Not Present**

Based on the observed conditions in the proposed RPA, the conclusion was made that Illegal Use of Individual Structures is **Not Present** in the proposed RPA.

6) Excessive Vacancies

Excessive Vacancies refers to “the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.” 65 ILCS 5/11-74.4-3(b)(6).

**Conclusion – Present**

Specific factors noted:

The John Buck Company determined that the current occupancy in Structure 1 is approximately 1.2% of the available 288,144 square feet of rentable space and has been significantly vacant for years. This level of vacancy speaks to the under-utilization of the facilities and represents an adverse influence on the EAV due to the extent of such vacancy. Structure 1 has been predominately vacant for the past eight years. Structure 2 has also evidenced vacancy for several years. From 2010 to 2014, Structure 2 has appealed property taxes based on a vacancy in excess of 54% of the entire building. From 2012 to 2014, unit 2 (08-08-300-020-1002) and unit 3 (08-08-300-020-1003) of Structure 2 were appealed based on 100% vacancy and the uninhabitable nature of the building.

As the Corporate Park South sub-area is an area of importance pursuant to Rolling Meadows *Comprehensive Plan*, the prevalence of vacancy over the past eight years despite efforts to bolster this location is a testament to the adverse effect of such vacancy on the proposed RPA that can only be mitigated by the establishment of the proposed RPA to spur greater occupancy.

Visual surveys of the proposed RPA took place on January 16, 2015. Based on the observed conditions in the proposed RPA, the conclusion was made that Excessive Vacancies are **Present** in the proposed RPA.

7) *Lack of Ventilation, Light, or Sanitary Facilities*

Lack of Ventilation, Light, or Sanitary Facilities refers to “the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.” 65 ILCS 5/11-74.4-3(b)(7).

**Conclusion – Not Present**

Based upon the visual inspections of the proposed RPA on visual surveys of the proposed RPA took place on January 16, 2015, lack of ventilation, light, or sanitary facilities was not noted. Thus, the conclusion was made that Lack of Ventilation, Light, or Sanitary Facilities is **Not Present** in the proposed RPA.

8) Inadequate Utilities

Inadequate Utilities refers to “underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.” 65 ILCS 5/11-74.4-3(b)(8).

**Conclusion – Present**

Specific factors noted:

A review of the physical survey of the proposed RPA was conducted by the company V3, an independent site structural engineering and development consulting firm (“Engineers”) and detailed in a memorandum dated January 26, 2015. In addition, EY performed a visual survey to assess and corroborate these conditions on January 16 and 27, 2015. The observed Factors consistent with inadequate utilities include, but are not limited to, the following:

*Stormwater Management Pond*

Based upon the observations of the Engineers, it was determined that the stormwater management pond, used for the detention of rainfall water, will need significant improvement. The pond, located immediately north of Structure 1, was designed in the mid-1970’s and was to provide stormwater management for forty acres of land east of Apollo Drive and north of Golf Road. Design requirements that are currently mandated, such as having overland flow paths that are at least one foot below building elevations, is not present at the subject site. Consequently, structures located within the proposed RPA are subject to flooding when stormwater levels exceed the design high water level. Over the past 10 years, the existing structures within the proposed RPA have extensively flooded. Due to this flooding, the first floor of Structure 1 has widespread damage and is unfit and unmarketable for a potential tenant. Thus, the first floor has sustained extremely high vacancies over the past 10 years.

The Engineers have also noted that the outfall sewer and restrictor control structure should be replaced to improve the water flow from the site and to improve the water overflow situation to prevent further damage. Furthermore, storage will need to be added to the pond to increase the capacity of the facility. The replacements described will improve the stormwater management system and reduce the likelihood of flooding in Structure 1 and the surrounding structures located within the proposed RPA.

### *Storm Sewers*

Based upon the observations of the Engineers, it was determined that the flow of stormwater within the storm sewers require correction as the overland flow is currently directed towards the building instead of towards the stormwater management pond. To prevent further damage, the Engineers determined that an underground storage vault should be put within the parking lot west of Structure 1, a pump station should be placed in the central drop-off area, re-grading of the topography and storm sewer improvements should be made in the parking lot east of Structure 1.

### *Sanitary Sewer Relocation*

The Engineers determined that sanitary sewer and watermain should be relocated to the north side of Structure 1. The sanitary sewer is over fifty years old and is made of vitrified clay pipe ("VCP"). VCP piping is known for frequent cracking, breaking, and water blocking. Infiltration is also a substantial issue as infiltrated water takes up sewage line capacity and requires rainwater to be treated as sewage. The Engineers noted that this pipe should be replaced with plastic pressure pipe ("PVC"). PVC allows significantly less infiltration and is much more reliable in comparison to outdated VCP piping. Structure 2 is a tributary to that line and will benefit from the recommended remediation. The Engineers also noted that the watermain would involve replacing the old ductile iron pipe with new ductile iron pipe.

Visual surveys of the proposed RPA took place on January 16, 2015. Based upon a review of the visual surveys and the Engineers' review of the physical survey of the structures within the proposed RPA, the conclusion was made that Inadequate Utilities is **Present** within the boundaries of the proposed RPA.

9) *Excessive Land Coverage and Overcrowding of Structures and Community Facilities*

Excessive Land Coverage and Overcrowding of Structures and Community Facilities refer to “the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.” 65 ILCS 5/11-74.4-3(b)(9).

**Conclusion – Not Present**

Based upon review of the land plat, consultation with the City, and a physical survey of the proposed RPA, the conclusion was made that Excessive Land Coverage and Overcrowding of Structures and Community Facilities is **Not Present** in the proposed RPA.

**10) Deleterious Land-Use or Layout**

Deleterious Land Use or Layout refers to “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.” 65 ILCS 5/11-74.4-3(b)(10).

**Conclusion – Not Present**

Based on the observed conditions in the proposed RPA, the conclusion was made that Deleterious Land-Use or Layout is **Not Present** in the proposed RPA.

***11) Lack of community planning***

Lack of Community Planning refers to “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.” 65 ILCS 5/11-74.4-3(b)(11).

**Conclusion – Not Present**

Based upon consultation with the City regarding recent and future community development plans within the proposed RPA, it is estimated that this Factor is **Not Present** within the boundaries of the proposed RPA.

## 12) Environmental Cleanup

“The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the Cleanup of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.”65 ILCS 5/11-74.4-3(b)(12).

### **Conclusion – Present**

#### Specific factors noted:

Asbestos was determined to exist in the piping and components of the building structures. Carnow, Conibear & Assoc., Ltd reviewed Structure 1 and noted in their Asbestos Containing Material Survey Summary Report that their survey revealed the presence of asbestos-containing materials. The asbestos-containing material survey was conducted in two phases. The first phase consisted of a visual inspection of interior building areas to identify accessible, suspect asbestos-containing materials. The second phase included collecting representative samples from each suspect material, analyzing samples for the presence of asbestos, and quantifying each confirmed asbestos-containing material. Based on the survey results, Carnow Conibear recommended the disposal of all asbestos-containing materials generated during removal and / or demolition / renovation work in accordance with all applicable local, state and federal regulations. The existence of asbestos will require hazardous material handling at such point in time when plumping remediation and other remediation occurs; such remediation will require significant capital expenditures.

Over the past 10 years, the existing structures within the proposed RPA have extensively flooded (see Inadequate Utilities section) and it was determined that the flow of stormwater within the storm sewers require correction as the overland flow is currently directed towards the buildings instead of the stormwater management pond. Due to this flooding, the first floor of Structure 1 has widespread damage. Furthermore, the presence of mold has been noted. Remediation costs for the stormwater system and asbestos are significant.

EY visual surveys of the proposed RPA took place on January 16, 2015. Based upon these observations and Carnow Conibear’s survey, Environmental Cleanup is **Present** within the boundaries of the RPA.

**13) Decline of Equalized Assessed Value of the Proposed Redevelopment Project Area 3 of the last 5 Calendar Years**

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

**Conclusion – Present**

Specific factors noted:

Table 2 below details the 2008 through 2013 EAV of the proposed RPA and the City of Rolling Meadows; and, the annual rate of the Consumer Price Index for All Urban Consumers within the area “Chicago-Gary-Kenosha, IL-IN-WI” (“CPI”) (published by the Bureau of Labor Statistics). For five (5) out of the past five (5) years, the total EAV of the parcels located within the proposed RPA has decreased and declined more than the City’s EAV. Table 2 below outlines percent decrease in the EAV of the proposed RPA, the percentage change of the Rolling Meadows EAV, and the percentage change in the CPI.

Based on the declining EAV within the proposed RPA for five (5) of the last five (5) calendar years, Decline in EAV for the proposed RPA is **Present**.

Table 2

	2008	2009	2010	2011	2012	2013
Total Properties' EAV's	\$ 28,360,260	\$ 27,411,756	\$ 21,503,127	\$ 18,625,061	\$ 16,653,177	\$ 12,902,831
% Change	n/a	-3.34%	-21.56%	-13.38%	-10.59%	-22.52%
Consumer Price Index	212.536	209.995	212.870	218.684	222.005	224.545
% Change	n/a	-1.20%	1.37%	2.73%	1.52%	1.14%
Rolling Meadows Total EAV *	\$1,124,325,096	\$1,118,741,464	\$982,335,053	\$888,168,934	\$819,358,666	\$710,231,464
% Change	n/a	-0.50%	-12.19%	-9.59%	-7.75%	-13.32%
Factor Present Each Year		X	X	X	X	X

Source: Cook County Assessor.

\* Net of the proposed RPA EAV.

## **VI. DETERMINATION OF RPA ELIGIBILITY**

Based on EY's review of the proposed RPA, six (6) of a possible thirteen (13) Factors were found to be **Present**. The conditions have a reasonable presence and distribution throughout the proposed RPA.

The final determination of the factors are as follows:

### **Present**

1. Deterioration
2. Obsolescence
3. Excessive Vacancies
4. Inadequate Utilities
5. Environmental Clean-up
6. Declining or stagnant EAV of the RPA 3 of the last 5 Calendar Years

### **Not Present:**

1. Dilapidation
2. Structures Below Minimum Code Standards
3. Illegal Use of Individual Structures
4. Lack of Ventilation, Light, or Sanitary Facilities
5. Excessive Land Coverage and Overcrowding of Structures and Community
6. Deleterious Land-Use or Layout
7. Lack of Community Planning

### **Age of Structures**

In addition to six (6) of the thirteen (13) Factors being Present, we obtained data on the age of both structures within the RPA. Based on dates obtained from the Cook County Assessor's Office, the buildings are both older than 35 years of age, and thus 100% of the buildings in the RPA exceed 35 years of age.

### **Conclusion**

The Act states "...On and after November 1, 1999, 'conservation area' means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area." 65 ILCS 5/11-74.4-3(b) et seq.

The eligibility findings indicate that the proposed RPA is in need of conservation and guided growth to ensure that it will contribute to the long-term physical, economic, and social welfare of the City, and that the proposed redevelopment project meets the criteria to be designated a Conservation Area under the Act. Factors indicate the area has not been subject to sound growth and development through investment by private enterprise, and is not likely to be developed but for the assistance of tax increment financing through the establishment of the proposed RPA.

# APPENDIX

**I. LEGAL DESCRIPTION OF RPA**

1. ALL THAT PART OF THE SOUTHEAST QUARTER OF SECTION 7 AND THE SOUTHWEST QUARTER OF SECTION 8 IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:
2. BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;
3. THENCE NORTH ALONG SAID EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TO A LINE 82.5 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90);
4. THENCE NORTHWESTERLY ALONG SAID LINE 82.5 FEET SOUTHWESTERLY OF AND PARALLEL WITH THE SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90), TO A POINT 61 FEET EASTERLY, MEASURED AT RIGHT ANGLES FROM THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;
5. THENCE WESTERLY 61.14 FEET TO A POINT ON THE WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, BEING ALSO THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID, AT A POINT 106.7 FEET SOUTHERLY, MEASURED RADially, FROM SAID SOUTHERLY RIGHT OF WAY LINE OF THE NORTHERN ILLINOIS TOLL HIGHWAY (INTERSTATE 90);
6. THENCE SOUTH ALONG SAID WEST LINE OF THE SOUTHWEST QUARTER OF SECTION 8, TO THE NORTH LINE OF THE SOUTH 104.50 FEET OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 7;
7. THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 104.50 FEET TO THE WEST LINE OF THE EAST 104.32 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
8. THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 104.32 FEET OF THE SOUTHEAST QUARTER TO THE SOUTH LINE OF THE NORTH 104.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;

9. THENCE EAST ALONG SAID SOUTH LINE OF THE NORTH 104.50 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER TO THE WEST LINE OF THE EAST 10 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
10. THENCE SOUTH ALONG SAID WEST LINE OF THE EAST 10 FEET TO THE NORTH LINE OF THE SOUTH 919.84 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
11. THENCE WEST ALONG SAID NORTH LINE OF THE SOUTH 919.84 FEET OF THE SOUTHEAST QUARTER TO THE WEST LINE OF APOLLO DRIVE, BEING ALSO THE WEST LINE OF THE EAST 30 FEET OF THE SOUTHEAST QUARTER OF SECTION 7 AFORESAID;
12. THENCE SOUTH ALONG SAID WEST LINE OF APOLLO DRIVE TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469);
13. THENCE EAST ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) TO THE EAST LINE OF APOLLO DRIVE AFORESAID, BEING ALSO THE WEST LINE OF SECTION 8 AFORESAID;
14. THENCE NORTH ALONG SAID EAST LINE OF APOLLO DRIVE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF GOULD & STERLING SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID, BEING ALSO A LINE PARALLEL WITH THE ORIGINAL CENTERLINE OF GOLF ROAD;
15. THENCE EAST ALONG SAID WESTERLY EXTENSION AND THE NORTH LINE OF GOULD & STERLING SUBDIVISION AFORESAID, AND ITS EASTERLY EXTENSION BEING ALSO A LINE PARALLEL WITH THE ORIGINAL CENTERLINE OF GOLF ROAD AFORESAID, 613.66 FEET;
16. THENCE SOUTH, PERPENDICULAR TO SAID NORTH LINE OF GOULD & STERLING SUBDIVISION, 527.79 FEET TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) AFORESAID;
17. THENCE EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), 74.56 FEET TO AN ANGLE POINT, SAID POINT BEING 636 FEET WEST, AS MEASURED ALONG SAID NORTH LINE OF GOLF ROAD

(AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), OF THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;

18. THENCE CONTINUING EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), 34 FEET;
19. THENCE NORTH ALONG A LINE PERPENDICULAR TO SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469), 525 FEET;
20. THENCE EAST ALONG A LINE PARALLEL WITH SAID ORIGINAL CENTERLINE OF GOLF ROAD, 580.10 FEET TO A LINE 32.61 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID;
21. THENCE SOUTH ALONG SAID LINE 32.61 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TO THE NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) AFORESAID;
22. THENCE EASTERLY ALONG SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) TO THE POINT OF BEGINNING AT THE INTERSECTION OF SAID NORTH LINE OF GOLF ROAD (AS WIDENED PER CONDEMNATION PROCEEDING NUMBER 68L13469) WITH THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8 AFORESAID,
23. ALL IN COOK COUNTY, ILLINOIS.

## **II. PROPOSED RPA BOUNDARY / PIN MAP**



**III. RPA PARCEL IDENTIFICATION NUMBERS LISTING AND EAV'S**

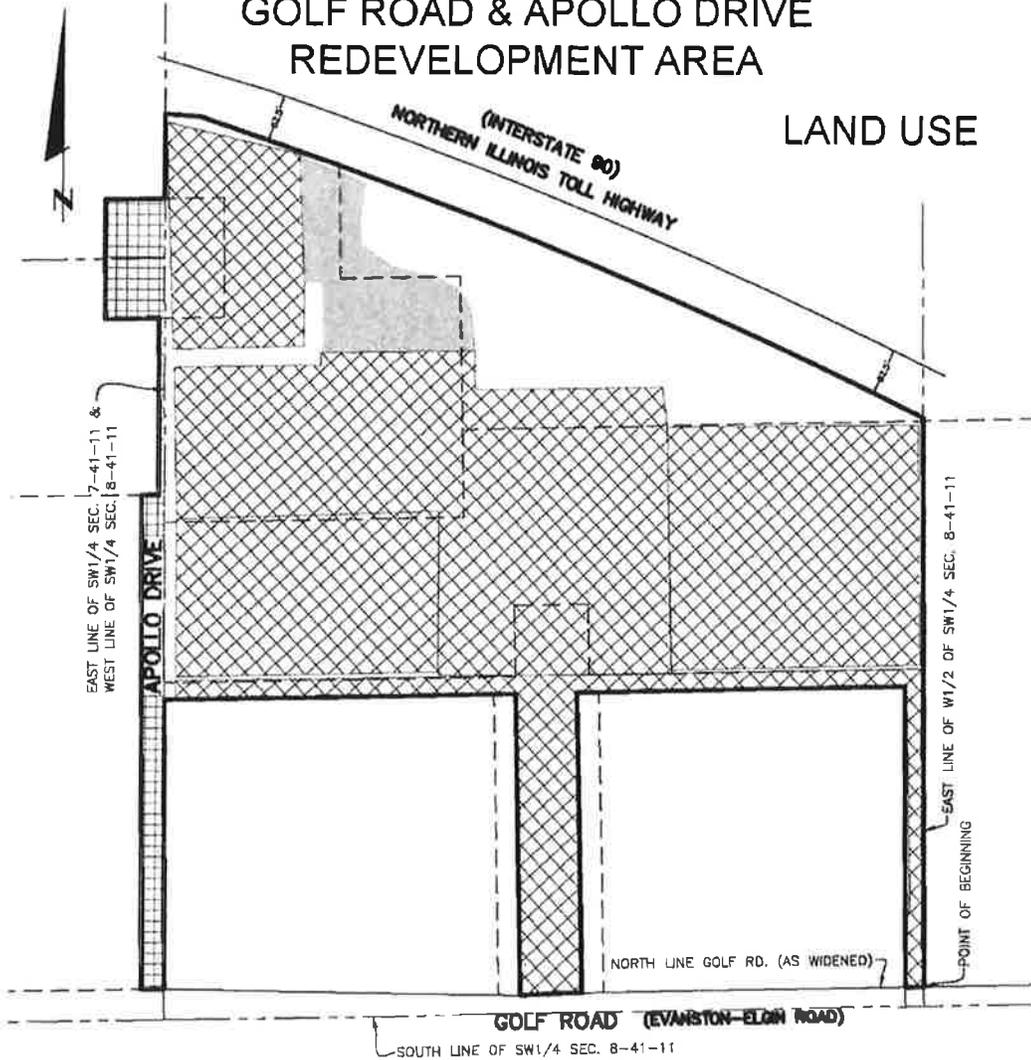
<u>PIN</u>	<u>2013 EAV</u>
08-08-300-008-0000	\$ 8,492,690
08-08-300-009-0000	\$ 593,962
08-08-300-010-0000	\$ 29,089
08-08-300-020-1001*	\$ 2,728,650
08-08-300-020-1002*	\$ 321,997
08-08-300-020-1003*	\$ 736,443
08-08-300-006-0000	EX
08-07-402-012-0000	EX
08-07-403-006-0000	EX

\*PIN 08-08-300-020 is comprised of 08-08-300-020-1001, 08-08-300-020-1002, and 08-08-300-020-1003.

#### **IV. RPA CURRENT LAND USE MAP**

# GOLF ROAD & APOLLO DRIVE REDEVELOPMENT AREA

## LAND USE



### LAND USE LEGEND

-  COMMERCIAL / INDUSTRIAL
-  COMMERCIAL / PARKING
-  PARK / COMMERCIAL
-  PUBLIC USE / GOV
-  OPEN SPACE

REVISED JANUARY 29, 2015 PER #2015-20370

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ADDRESS: 2852-2952 W. GOLF RD., ROLLING MEADOWS, IL	BSS
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4908 NORTH ELSTON AVENUE, CHICAGO, IL 60630 TELEPHONE: (773) 686-5102 FAX: (773) 286-4184 EMAIL: INFO@PLCS-SURVEY.COM	

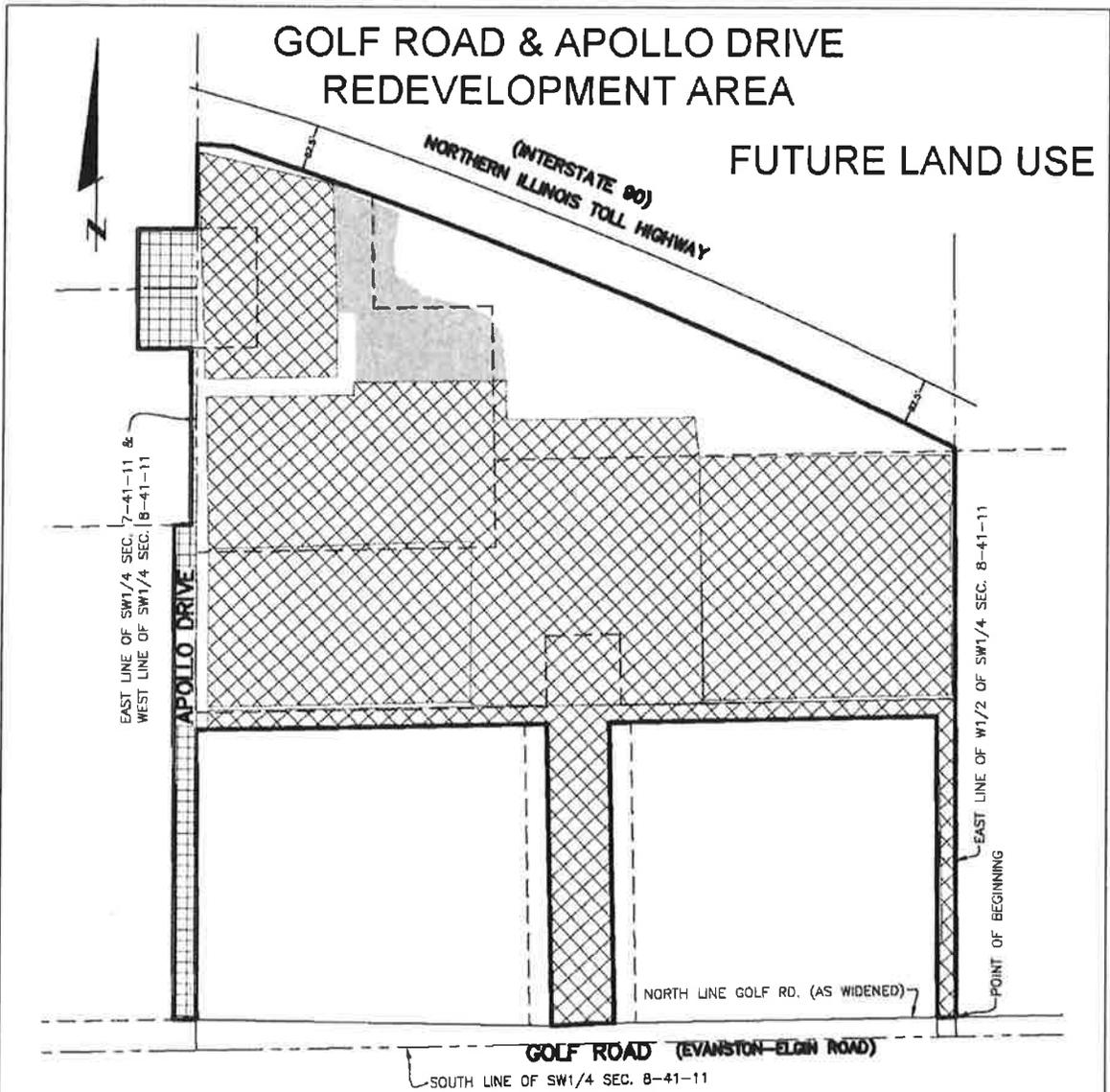
ORDER NO.	DATE:	PAGE NO.
<b>2014-19037-USE</b>	MARCH 12, 2014	<b>3 OF 4</b>
	SCALE:	
	1" = 250' FEET	

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**V. RPA FUTURE LAND USE MAP**

# GOLF ROAD & APOLLO DRIVE REDEVELOPMENT AREA

## FUTURE LAND USE



### LAND USE LEGEND

-  COMMERCIAL / INDUSTRIAL
-  COMMERCIAL / PARKING
-  PARK / COMMERCIAL
-  PUBLIC USE / GOV
-  OPEN SPACE

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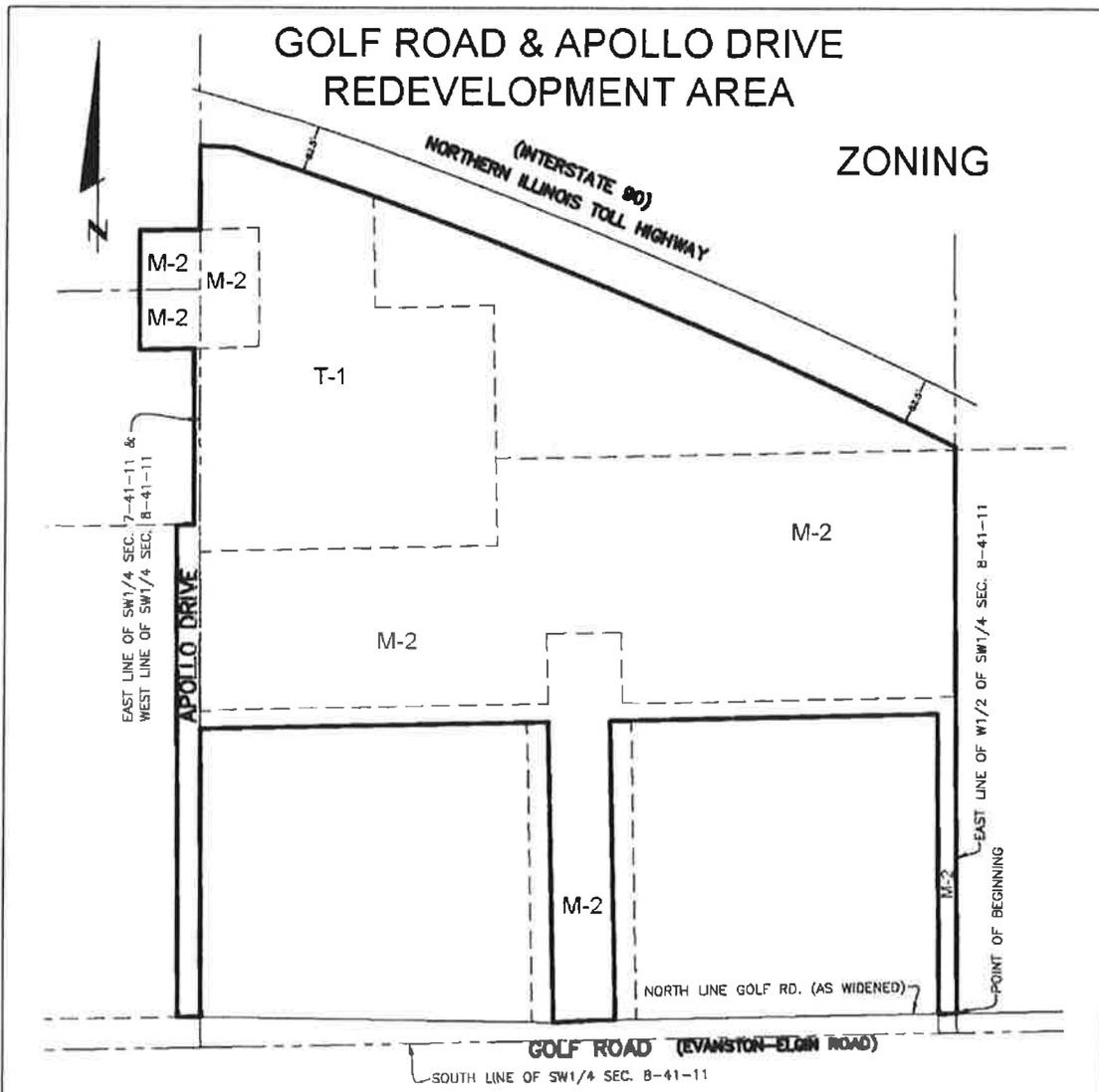
ORDERED BY: ERNST & YOUNG LLP  
 ADDRESS: 2850-2950 W. GOLF RD., ROLLING MEADOWS, IL  
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 DATE: MARCH 2, 2014  
 SCALE: 1 INCH = 250 FEET  
 PAGE NO. **4 OF 4**

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## **VI. RPA CURRENT ZONING MAP**



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ORDERED BY: ERNST & YOUNG LLP	CHECKED: BSS	DRAWN: BSS
ADDRESS: 2850-2950 W. GOLF RD., ROLLING MEADOWS, IL		
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ORDER NO. <b>2014-19037-ZONE</b>	DATE MARCH 12, 2014	PAGE NO. <b>2 OF 4</b>
SCALE 1" = 250 FEET		

DISTRICT LEGEND

- M-2 MULTI-PURPOSE DISTRICT (PLANNED DEVELOPMENT ONLY)
- T-1 OFFICE, INSTITUTIONAL & RESEARCH DISTRICT

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