

**VILLAGE OF MORTON GROVE
LEHIGH AVENUE/FERRIS AVENUE
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AND PLAN**

Village of Morton Grove, Illinois

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Trkla, Pettigrew, Allen & Payne, Inc.
October 22, 1999

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This Redevelopment Plan is subject to review
and comment and may be revised
after comment and hearing.

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VILLAGE OF MORTON GROVE LEHIGH AVENUE/FERRIS AVENUE PROJECT AREA
TAX INCREMENT FINANCING ELIGIBILITY STUDY

I. INTRODUCTION

This document presents the Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") for the Village of Morton Grove's Lehigh Avenue/Ferris Avenue Corridor area, subsequently referred to in this document as the Village of Morton Grove's Lehigh Avenue/Ferris Avenue Tax Increment Financing Redevelopment Project Area ("the Project Area").

As part of a strategy to encourage managed growth, deter future deterioration, encourage preservation and stimulate private investment in the Project Area, the Village of Morton Grove (the "Village") engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to investigate whether an approximately 71.5 acre area qualifies as a "conservation area," a "blighted area," or a combination thereof, under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11/74.4-1 et seq.) (the "Act"). The Project Area is bounded on the north by Dempster Street, on the west by the Cook County Forest Preserve, on the south by an irregular line including Main Street and the southern border of the former Lawnware property, and on the east by an irregular boundary extending as far as Georgiana Avenue and including frontage along portions of Ferris Avenue.

The Village of Morton Grove

The Village of Morton Grove (the "Village") is a mature, essentially built-up community with a population of approximately 23,000 persons. Situated in Cook County, the Village covers an area of five square miles and is located approximately 15 miles northwest of downtown Chicago and 10 miles northeast of O'Hare International Airport. The Village is bordered on the south and west by the Village of Niles, on the north by the Village of Glenview and on the east by the Village of Skokie.

The Village occupies a strategic location within the north suburban area. It is located immediately west of the Edens Expressway (Interstate 94) and has good regional transportation accessibility via several major transportation routes. It is also well served by the commuter rail system and a commuter station is located within the heart of the Village. A major distinguishing feature of the Village is the presence of Cook County Forest Preserve land, which bisects the community and accounts for approximately twenty percent of the land area within the Village. The Village also contains a variety of public and institutional uses that add significantly to the overall quality of life within the community. The Village has traditionally been an attractive and desirable community in which to live, offering a wide variety of housing choices at generally affordable prices and high-quality community facilities and services.

As a mature community, the Village faces a number of challenges and concerns in the years ahead. While it is anticipated that there will continue to be demand for a modest amount of new residential, commercial and industrial development within the community, the Village is primarily "built-up" and has little vacant or developable land available for growth and development. If

desirable sites and competitive opportunities are not made available within the boundaries of the Village, this new development may in fact take place in locations outside of the community.

In addition, the Village's 1999 Comprehensive Plan recognizes the need for large-scale, area-wide improvement and sets forth recommendations for development and redevelopment of designated "target areas" within the Village. The four target areas were selected by the Village for several reasons. The four areas contain a diverse range of land uses and are among the most intensely developed portions of the community. The areas also include major transportation facilities which connect various destinations within Morton Grove and the surrounding region. The four areas are highly visible to passing motorists and transit patrons, and are primary determinants in how the Village is perceived by residents and visitors alike. Finally, each area has vacant and/or underutilized properties which may be subject to development or redevelopment in the future.

The Comprehensive Plan recognizes the changing needs and opportunities for growth and development within the Village and addresses the need to plan for such needs and changes on a coordinated and comprehensive basis. The Comprehensive Plan's recommendations for the target areas and for the Village as a whole form the basis for many of the recommendations presented in this Redevelopment Plan.

The Village of Morton Grove Lehigh Avenue/Ferris Avenue Tax Increment Redevelopment Project Area

One of the critical issues identified in the Comprehensive Plan is the improvement and development of four "target areas." The Project Area encompasses all or part of three of the four target areas described in the Comprehensive Plan. Of all the areas in the Village, the residential, commercial and industrial properties contained in these target areas have suffered most from a lack of private investment and improvement. The areas are characterized by obsolete platting, incompatible land uses, vacant and deteriorated buildings, and vacant and underdeveloped sites. The deteriorated physical conditions in the developed portions of the area suggest that conditions have not improved over the past several years, indicating a lack of private investment.

Improvement of the target areas identified in the Comprehensive Plan will be a complex undertaking, requiring a well-organized development and revitalization strategy to bring about interest and investment on a coordinated basis. Realization of the redevelopment of the target areas will require commitment by the Village, property owners, residents and developers, as well as a reliable, long term financial commitment. Only a long-term commitment by the community will deliver effective and enduring results.

Recognizing the need to find and secure long-term financing for the revitalization of the target areas, the Village engaged TPAP to investigate whether the Project Area qualifies under State Statute for designation as a Tax Increment Financing ("TIF") District. Such designation could secure funding for the next 23 years for public and private improvements within the Project Area, providing the desired long-term financing and commitment needed to preserve the sustainability of the Village's key commercial corridors, encourage redevelopment of marginal industrial, commercial and residential uses, and foster high-quality new development in key locations.

A. TAX INCREMENT FINANCING

In January 1977, TIF was made possible by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act* (the "Act"). The Act is found in Illinois Revised Statutes, Chapter 24, Section 11-74.4-1 *et seq.*, as amended. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance "Project Costs" with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" is/are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the Project Area over and above the "Certified Initial EAV" of the real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance Project Costs, a municipality may issue obligations secured by estimated Incremental Property Taxes generated within the Project Area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge, including sales taxes.

Tax increment financing does not generate tax revenues by increasing tax rates, but rather through the temporary capture of new tax revenues generated by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the Project Area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and expected redevelopment project expenditures necessary to implement the Redevelopment Plan. Taxing districts also benefit from the increased property tax base after Project Costs and obligations are paid.

B. THE VILLAGE OF MORTON GROVE LEHIGH AVENUE/FERRIS AVENUE TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA

At the request of the Village, TPAP surveyed the area identified by the Village and referred to as the Project Area to document any blighting or conservation factors which may exist within the Project Area. TPAP documented these factors in a study entitled "The Village of Morton Grove Lehigh Avenue/Ferris Avenue Tax Increment Financing Redevelopment Area Eligibility Study" (the "Eligibility Study"). The Project Area and its existing conditions are briefly described below. For greater detail on the conservation factors, please refer to Section II, *Basis for Redevelopment*, of the Eligibility Study.

The Project Area contains approximately 71.5 acres and encompasses the majority of the Lehigh Avenue/Ferris Avenue Corridor target area described in the Comprehensive Plan and also includes portions of the Dempster Street and Lincoln Avenue target areas.

The subareas within the Project Area include the following:

- The Dempster Street Subarea, which generally consists of the frontage along the south side of Dempster Street between the Metra Railroad and Callie Avenue. This subarea is part of the Dempster Street target area identified in the Comprehensive Plan. Dempster Street is a classic commercial corridor lined with small shops and businesses which have been experiencing some economic and physical decline in recent years.
- The Lincoln Avenue Subarea, which generally consists of the frontage along both sides of Lincoln Avenue, from the Metra Railroad to Georgiana Avenue, and also includes the vacant Lawnware building. This subarea is part of the Lincoln Avenue target area identified in the Comprehensive Plan. Lincoln Avenue is a mixed-use area which encompasses the heart of the Village and has land parcels that may be suitable for redevelopment.
- The Lehigh Avenue Subarea, which generally consists of the portion of the Project Area located west of the Metra Railroad and extending from Dempster Street on the north to Main Street on the south. This subarea contains the portion of the Lehigh Avenue/Ferris Avenue target area identified in the Comprehensive Plan that is situated west of the railroad. The Lehigh Avenue Subarea contains a diverse mix of residential, commercial and industrial uses, some of which are characterized by deterioration and underutilization. Because of the age and condition of many of the properties, major redevelopment possibilities exist in this subarea.
- The Ferris Avenue Subarea, which generally consists of the portion of the Project Area located east of the Metra Railroad and extending from Dempster Street on the north to Main Street on the south. This subarea contains the portion of the Lehigh Avenue/Ferris Avenue target area identified in the Comprehensive Plan that is situated east of the railroad. The Ferris Avenue Subarea contains a diverse mix of residential, commercial and industrial uses, some of which are characterized by deterioration and underutilization. Because of the age and condition of many of the properties, major redevelopment possibilities exist in this subarea.

Much of the Project Area suffers from an overall lack of planning, as evidenced by parcels of inappropriate size and shape for contemporary development and the existence of incompatible land-uses. The Project Area is characterized by obsolete buildings and platting, deterioration of structures and related parking facilities, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land use and overall depreciation of physical maintenance.

C. THE VILLAGE OF MORTON GROVE LEHIGH AVENUE/FERRIS AVENUE TAX INCREMENT REDEVELOPMENT PROJECT AND PLAN

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped on a comprehensive and coordinated basis without the use of TIF.

This Redevelopment Plan has been prepared in accordance with the provisions of the Act. The Redevelopment Plan is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the Village, through the implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis in order to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that the land use, access and circulation, parking, public services and urban design systems are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that conservation area factors and the presence of blight are prevented or eliminated;
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the Village.

Redevelopment of the Project Area will constitute a large and complex endeavor, and presents challenges and opportunities commensurate with its scale. The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and the agencies of local government. Adoption of this Redevelopment Plan will make possible the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will again attract private investment. Public investment will set the stage for area-wide redevelopment by the private sector. Throughout this Redevelopment Plan, the Village will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

The Redevelopment Plan sets forth the overall Redevelopment Program to be undertaken to accomplish the above-stated goals. During the Redevelopment Program implementation, the Village may, from time to time, (i) undertake or cause to be undertaken public improvements and activities and (ii) enter into redevelopment agreements with private entities ("Redevelopment Agreements") to construct private improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and sets forth the conservation, area factors which qualify the Project Area for designation as a conservation area as defined in the

Act. Section II of the Redevelopment Plan contains the legal description and map depicting the boundaries of the Project Area.

Successful implementation of the Redevelopment Plan requires that the Village utilize Incremental Property Taxes in accordance with the Act and work cooperatively with the private sector and local governmental agencies. Incremental Property Taxes will be exclusively utilized to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conservation area factors which have precluded development of the Project Area by the private sector.

The use of Incremental Taxes by the Village will permit the Village to direct and coordinate public improvements and activities to stimulate private investments on a comprehensive basis. These improvements, activities and investments will benefit the Village, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- A strengthened non-residential tax base for affected taxing agencies;
- An improved property tax liability balance between residential and non-residential properties;
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties; and
- Revitalized commercial corridors which more effectively serve the needs of residents and visitors to the area.
- The creation of a variety of new housing opportunities to support the local population, attract new families and enhance the overall quality and character of the community.
- The creation of a town center which serves more effectively as the community's central place for business, community gatherings and the exchange of ideas and news.

II. LEGAL DESCRIPTION

The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Program to be undertaken by the Village as part of this Redevelopment Plan. The boundary is shown in Figure 1, *Project Area Boundary*, and is legally described in Exhibit I which is located at the end of this document.

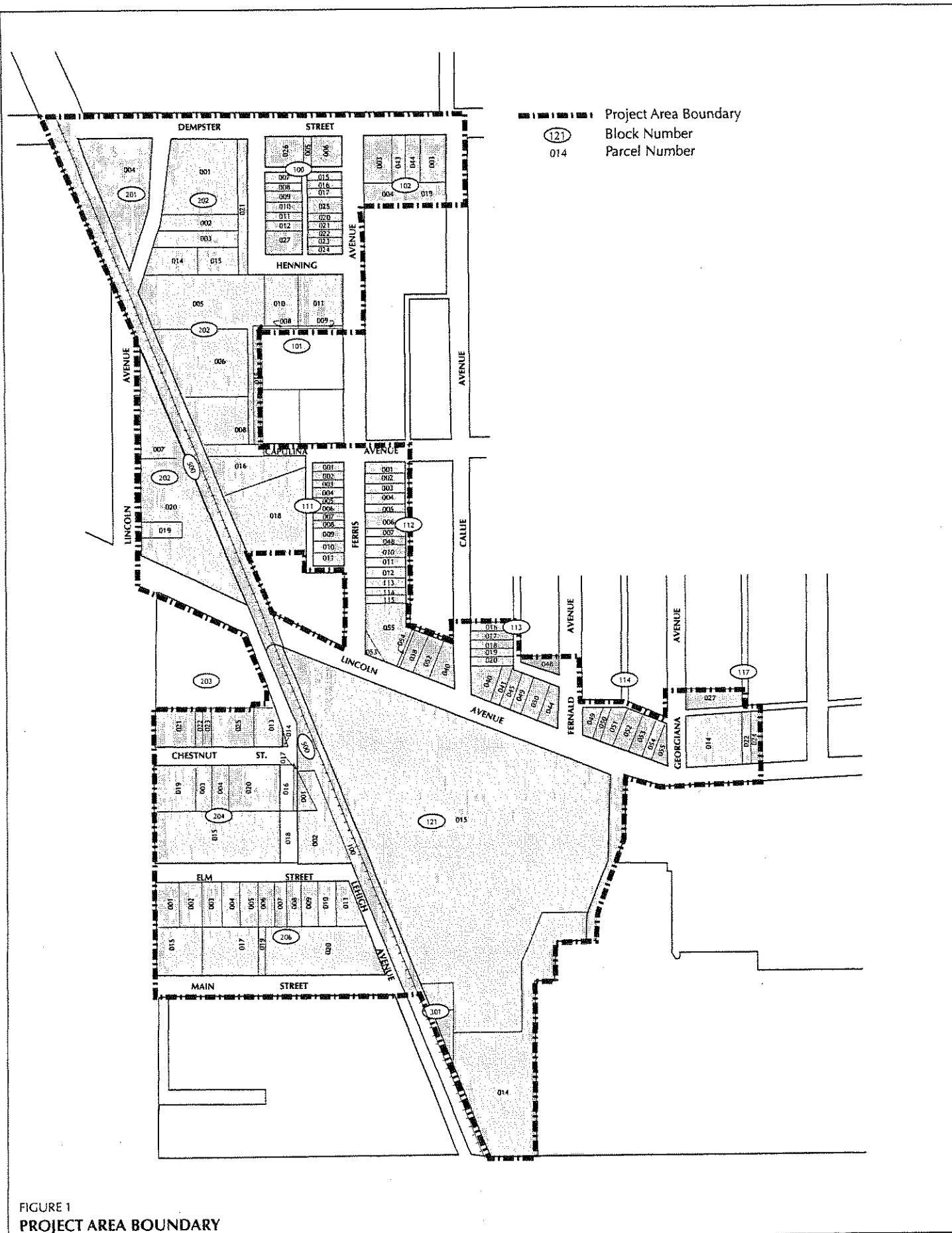


FIGURE 1
PROJECT AREA BOUNDARY

III. PROJECT AREA ELIGIBILITY CONDITIONS

The Project Area conditions documented in this section are based on surveys and analyses conducted for the Village by TPAP. As set forth in the Act, the Project Area qualifies as a "conservation area."

Conservation Area

To meet the requirements under State Statute for designation as a "conservation area", 50% or more of the structures in the area must be 35 years of age or older and the area needs to be characterized by the presence of a combination of 5 or more of the 14 conservation area factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the Village. The Project Area is found to be eligible to be a conservation area. Specifically:

- Of the 90 buildings in the Project Area, 79 (88%) are 35 years of age or older.
- Of the 14 factors set forth in the Act for conservation areas, 8 are present in the Project Area.
- The factors present are reasonably distributed throughout the Project Area.
- All blocks within the Project Area show the presence of conservation area factors.
- The improved portion of the Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project activities and improvements.

A detailed report concerning the definition, application and extent of the conservation area factors in the Project Area is contained in a report prepared by TPAP entitled *Village of Morton Grove Lehigh Avenue/Ferris Avenue Tax Increment Financing Eligibility Study*. This eligibility study is attached as Exhibit II to this Redevelopment Plan.

Surveys and Analyses Conducted

The conditions summarized above are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the Village;

6. Analysis of original and current platting, air photos and building size and layout;
7. Analysis of vacant sites; and
8. Review of previously prepared plans, studies and data.

IV. REDEVELOPMENT GOALS AND OBJECTIVES

Properly guided investment in new public and private improvements and facilities is essential for the successful revitalization of the Project Area and the elimination of conservation area factors. Redevelopment of the Project Area will benefit the overall City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

The Act encourages public and private sectors to work together to address and solve the problems associated with a lack of growth and development. Cooperation between the Village and the private sector to redevelop all or portions of the Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the general goals and objectives to be adopted by the Village for redevelopment of the Project Area. Section V of this Redevelopment Plan identifies more specific redevelopment objectives and activities the Village plans to undertake to achieve the redevelopment goals and objectives presented in this section.

A. GENERAL GOALS

Listed below are the general goals of this Redevelopment Plan. These goals provide the overall framework for guiding decisions during the implementation of this Redevelopment Plan.

1. An improved quality of life in the Project Area and the Village and by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
2. An environment within the Project Area which will contribute more positively to the health, safety and general welfare of the Village, and preserve or enhance the value of properties adjacent to the Project Area.
3. An increased real estate and sales tax base for the Village and other taxing districts having jurisdiction over the Project Area.
4. Strengthen and diversify the economy of the Village and the larger community area.
5. Provide a variety of additional housing opportunities within the Village, including affordable housing.
6. Encourage sound economic development in the Project Area, thereby creating employment opportunities commensurate with the capacity of the area.

B. REDEVELOPMENT OBJECTIVES

Listed below are objectives of this Redevelopment Plan which guide planning decisions to achieve the goals and objectives contained in this Redevelopment Plan.

1. Reduce or eliminate those conditions which qualify the Project Area as a conservation area. Section III, *Project Area Eligibility Conditions*, describes these conditions.
2. Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
3. Strengthen the economic well-being of the Project Area and the Village by increasing business activity, taxable values, and job opportunities.
4. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan, the Comprehensive Plan and contemporary development needs and standards.
5. Stimulate private investment in appropriate new construction and rehabilitation.
6. Achieve development which is integrated both functionally and aesthetically, and which contains a complementary mix of uses within the Project Area.
7. Provide needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
8. Provide needed incentives to encourage a broad range of improvements.

V. REDEVELOPMENT PROGRAM

This section presents the Redevelopment Program to be undertaken by the Village and by private entities on behalf of the Village as part of the Redevelopment Plan. The Village's Comprehensive Plan has been reviewed and forms the basis for many of the recommendations presented in this Redevelopment Plan.

The Redevelopment Program contained in this Redevelopment Plan and pursuant to the Act includes: a) a land use plan; b) improvement and development recommendations for planning subareas; c) development and design objectives; d) a description of redevelopment improvements and activities; e) estimated redevelopment project costs; f) a description of sources of funds to pay estimated project costs; g) a description of obligations that may be issued; and h) identification of the most recent EAV and estimate of future EAV for properties in the Project Area.

A. LAND USE PLAN

Figure 2, *Land-Use Plan*, identifies the land-uses to be in effect upon adoption of this Redevelopment Plan. The Land Use Plan generally conforms to the land-use development policies and standards for the Village as set forth in the Comprehensive Plan and the Zoning Map.

The Land Use Plan provides for a mix of uses within the Project Area, providing sites for a diverse range of commercial, semi-public, public, institutional and residential uses which cater to the needs of local residents, employees and visitors. In general, the Land Use Plan is focused on maintaining and enhancing sound and viable existing businesses and on promoting high-quality and compatible new retail, office, service, residential, institutional and public development at selected locations. The Plan highlights numerous opportunities for improvement, enhancement and new development within the Project Area.

The Plan promotes the creation of a viable and attractive mixed-use environment. Improvements will be undertaken to create a vibrant, safe and attractive shopping, working, leisure time and living environment for the Project Area. Improvements will include attractive streetscape treatments, signage, pedestrian amenities and open spaces.

Streetscaping, land consolidation, infrastructure improvements, building rehabilitation and new construction are encouraged to redevelop the Project Area in a coordinated and comprehensive manner. Redevelopment of each of the four Subareas should be planned in relation to improvement and project planning for the adjacent subareas and provide for coordinated vehicular circulation, pedestrian access, open space and related improvements.

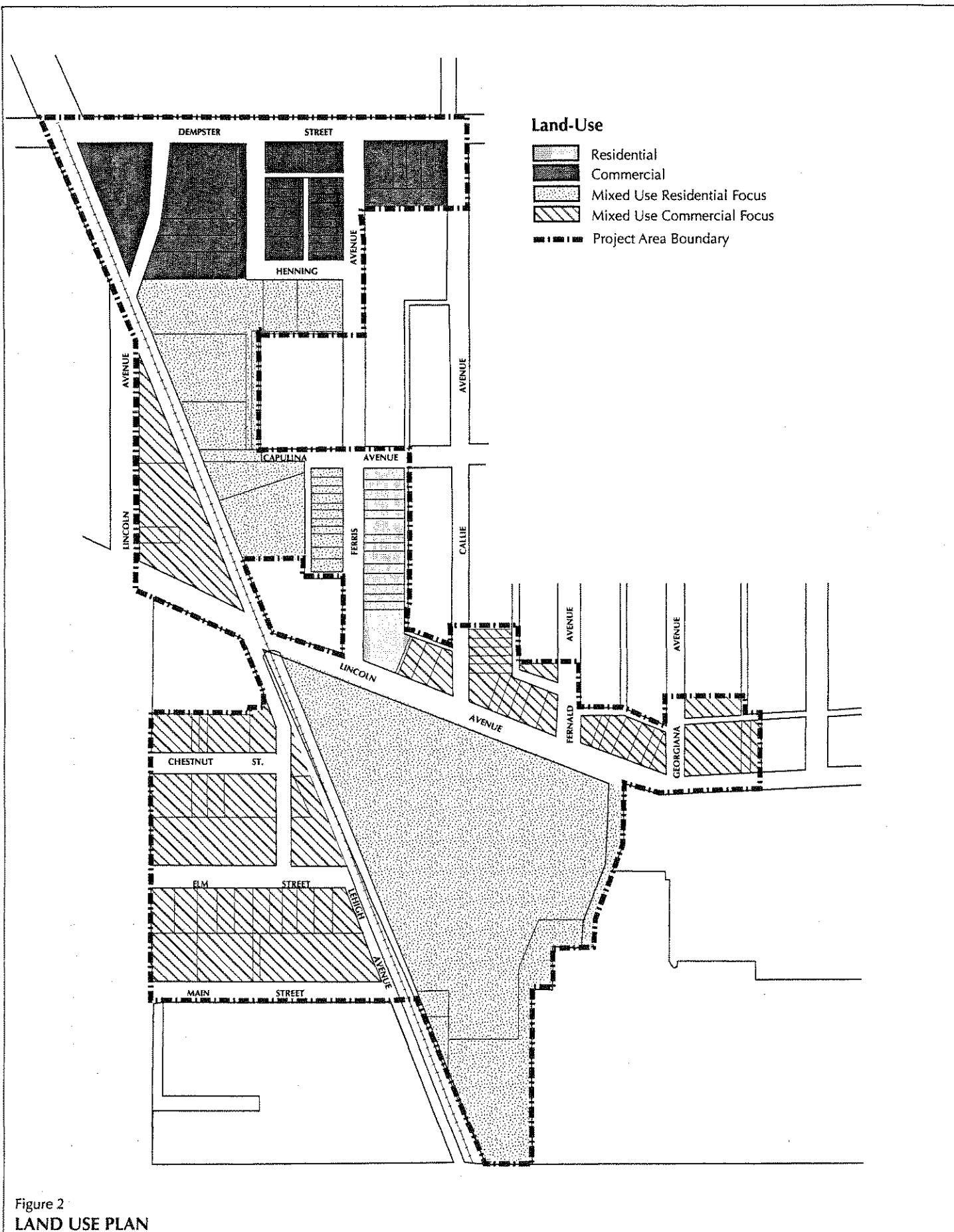


Figure 2
LAND USE PLAN

B. PLANNING SUBAREAS

The Project area has been subdivided into 4 subareas, each of which would be suitable for a different mix of uses and intensity of development, and each of which warrants a different approach to improvement and redevelopment (See Figure 3).

It should be emphasized that the boundaries of these subareas and the specifications of uses within the subareas are for guidance only, and are subject to refinement and modification as a part of the Village's development process.

Key recommendations for individual subareas are highlighted below. More specific development and design objectives for the Project Area are presented in a following section of this Redevelopment Plan.

Dempster Street Subarea

The Dempster Street Subarea encompasses the frontage along the south side of Dempster Street between the Metra Railroad and Callie Avenue. This subarea is part of the Dempster Street target area identified in the Comprehensive Plan and contains a wide range of small retail, service and office uses that serve adjacent neighborhoods and the auto traffic that passes through the community.

The Dempster Street Subarea should be improved and redeveloped as a mixed-use corridor providing sites for a range of commercial, public, institutional and residential land uses. To encourage business retention and new development in the area, the image and appearance of the corridor should be improved via street trees, sidewalk improvements, signage, etc. and the supply and distribution of parking in the area should be improved.

Commercial uses should be concentrated in a few selected "nodes" located near key intersections along Dempster Street. The Village should promote improvement and enhancement of existing viable commercial buildings within these nodes, focusing its efforts on upgrading these nodes for small retail, office and service uses. The Village should promote redevelopment of marginal, deteriorated and obsolete buildings within the nodes for new retail and service uses and/or off-street parking. Other blocks in the corridor should be redeveloped and made available for alternative uses, including townhouses, condominiums, institutional uses and public facilities.

The Dempster Street Subarea is closely bordered by residential neighborhoods. Improvement and development of this subarea should protect the residential areas from commercial traffic, parking and other adverse impacts.

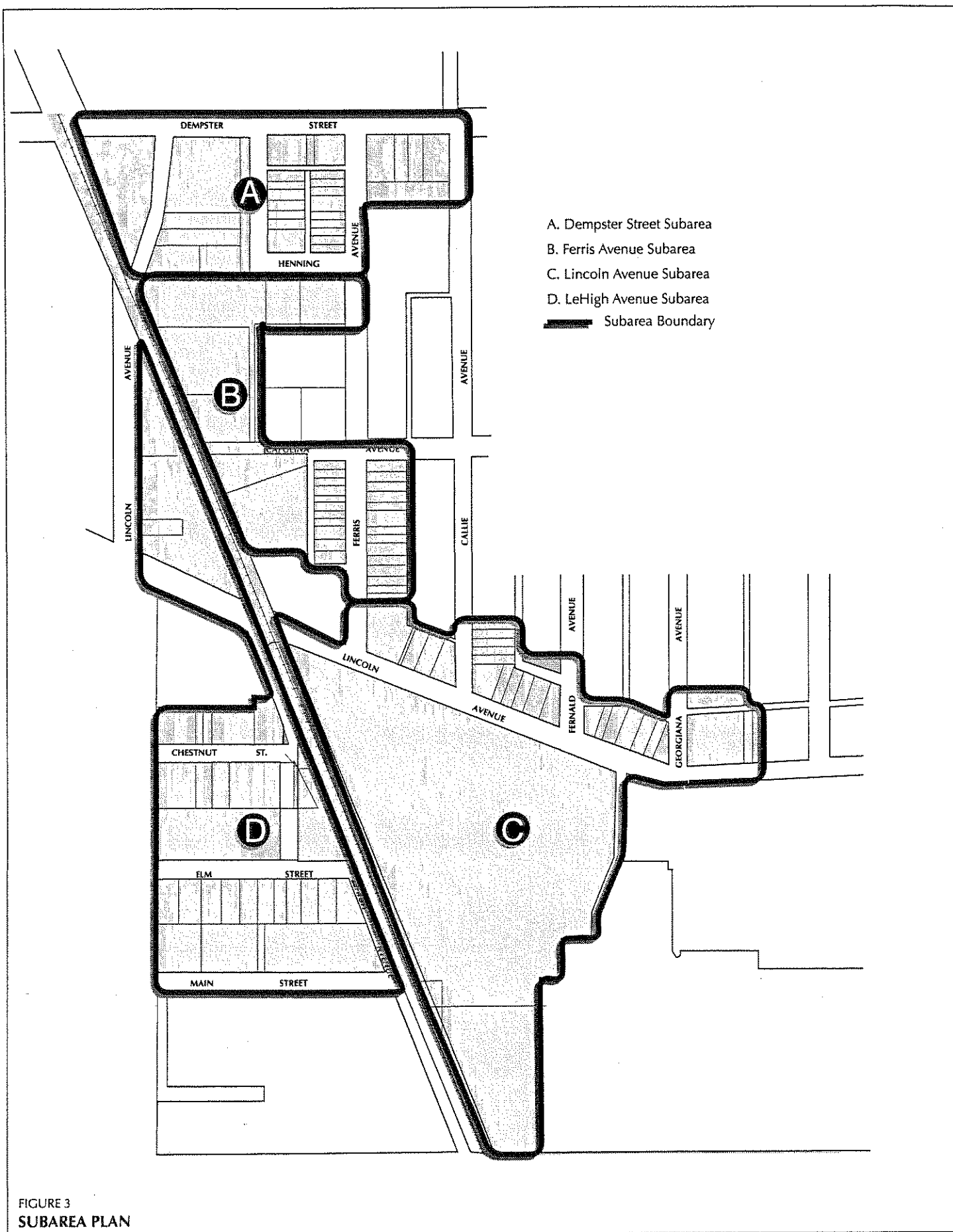


FIGURE 3
 SUBAREA PLAN

Lincoln Avenue Subarea

The Lincoln Avenue Subarea encompasses the frontage along both sides of Lincoln Avenue, from the Metra Milwaukee Division North Line Railroad to just east of Georgiana Avenue, and also includes the 17 acre Lawnware property. This subarea is part of the Lincoln Avenue target area identified in the Comprehensive Plan and encompasses one of the oldest portions of the Village. The Lincoln Avenue Subarea is a mixed-use corridor containing a diverse range of commercial, residential, public and institutional uses.

The Lincoln Avenue Subarea should be improved and enhanced as a mixed-use corridor providing sites for a range of small retail, service, public and residential uses. The Village should utilize zoning and other measures to guide the location of commercial uses in order to ensure a compatible and desirable mix of uses within each block. Public facilities along the corridor should be improved. The supply and distribution of parking should be improved and the image and appearance of the corridor—via street trees, upgraded street lighting, sidewalk improvements, and signage—should be enhanced.

New commercial development should be focused near selected intersections along Lincoln Avenue while other blocks along the corridor should be reserved for residential uses. The Village should promote improvement and enhancement of existing commercial buildings, including facades, signage and structural repairs and promote the redevelopment of marginal, deteriorated and obsolete properties for new commercial and residential uses.

The Lawnware property offers the best opportunity in the Village for a new mixed-use “Village Center” development. However, if commercial development proves to be infeasible, and if a new Village Hall is not constructed, the Lawnware property should be redeveloped for residential use, perhaps including a mix of townhouses, condominiums and senior citizen or assisted living housing units. Industrial reuse of this property would be not be appropriate.

Lehigh Avenue Subarea

The Lehigh Avenue Subarea encompasses the area located west of the railroad within the Project Area. This subarea contains the portion of the Lehigh Avenue/Ferris Avenue target area identified in the Comprehensive Plan that is situated west of the railroad and contains a diverse mix of industrial and residential uses, as well as the Metra commuter rail station.

In the immediate future, the Village should promote redevelopment of the small industrial properties in the Lehigh Avenue subarea with planned and coordinated new residential development. The proximity of the commuter station and the Forest Preserve, coupled with the removal of existing industrial uses, could create an attractive new residential environment.

As a long range objective, the Village should work with Metra to explore the possibility of eventually replacing the existing commuter railroad station with a new facility that might be integrated with or connected to small-scale new commercial development oriented to the day-to-day needs of commuters and nearby residents.

Redevelopment of the existing properties west of Lehigh Avenue and south of Lincoln Avenue should be promoted for new condominiums or similar housing types. Marginal commercial and residential properties along Lincoln Avenue should be redeveloped for new residential or commercial development and older existing housing to remain should be improved and rehabilitated. The Village should work with Metra to relocate or upgrade commuter facilities, including shelters and other conveniences for passengers and improved signage. Vehicular and pedestrian access and circulation should be improved throughout the subarea, including intersection and rail crossing improvements and major road alignments as necessary. The image and appearance of the subarea should be improved, through street trees, sidewalk and crosswalk improvements, better pedestrian access to the train station, upgraded street lighting, improved signage and improved screening and buffering.

In the long run, the portion of the subarea that is south of Lincoln Avenue could be redeveloped with a mix of new commercial, residential and public uses guided by an overall site development plan to ensure the coordination of buildings, parking lots, open spaces, etc. New commercial development should be focused near the commuter station and new commercial uses that cater to the daily needs of commuters should be promoted. The Village should work with Metra to explore the possibility of integrating commuter facilities into the new Village Center, possibly including shared parking areas, pedestrian connections and relocation of the commuter station.

The Ferris Avenue Subarea

The Ferris Avenue Subarea encompasses the area located east of the railroad and extending from Hennings Court on the north to Lincoln Avenue on the south. This subarea contains the portion of Lehigh Avenue/Ferris Avenue target area identified in the Comprehensive Plan that is situated east of the railroad and contains a mix of older commercial, industrial and residential uses. Commercial uses are concentrated in the northern portion of the subarea, near Dempster Street. Residential uses are located along the Ferris Avenue frontage. Industrial and heavy commercial uses are located along the railroad tracks in the western portion of this subarea.

In the immediate future, it is recommended that the Village promote redevelopment of the industrial and heavy commercial properties in the southern portion of Ferris Avenue subarea with planned and coordinated new residential development. The proximity of the commuter station, shopping facilities and the Forest Preserve, coupled with the removal of existing marginal uses, should create an attractive new residential environment.

As a long range objective, the Village should explore the possibility of more significant redevelopment that might eventually extend north to Dempster Street. Redevelopment might include a mix of commercial, residential and public land uses. If a "Village Center" is not constructed on the Lawnware property, this might be considered as the location for a new Village Hall and other municipal and public facilities.

Redevelopment of older commercial, industrial and residential in the southern portion of this subarea should be promoted for new condominiums and similar housing types. Viable office and commercial uses in the northern portion of this subarea should be maintained, with building and property maintenance improvements undertaken as required. Improvement and

enhancement of uses to remain should be promoted, including housing rehabilitation, structural repairs, storefront and signage improvements and screening and buffering of outdoor storage areas. Vehicular and pedestrian access and circulation should be improved throughout the subarea, including intersection improvements and major road alignments as necessary. The image and appearance of the subarea should be improved, through street trees, sidewalk and cross-walk improvements, better pedestrian access to the train station, upgraded street lighting, improved signage and improved screening and buffering.

C. DEVELOPMENT AND DESIGN OBJECTIVES

Listed below are specific development and design objectives which will assist the Village in directing and coordinating public improvements and activities with private investment in order to achieve the goals and objectives stated in the Redevelopment Plan.

The Development and Design Objectives are intended to help attract a variety of desirable uses such as new business, commercial, light industrial, retail and residential development; foster a consistent and coordinated development pattern; and create an attractive urban identity for the Project Area.

a) Land Use

- Enhance the Project Area's commercial, business, retail and residential base and maintain the Village's diversified economy for the general welfare of its citizens.
- Promote business retention and new development throughout the Project Area.
- Encourage investment, modernization, and expansion by providing for stable and predictable commercial, retail, business, light industrial, and residential environments.
- Establish a pattern of land uses arranged in compatible groupings to increase efficiency of operation and economic relationships.
- Encourage land use arrangements which buffer adjacent residential neighborhoods from commercial and light industrial area traffic and other impacts.
- Promote new activities and events within the Project Area which will enhance overall neighborhood identity and encourage people to frequent the commercial and open space areas.
- Encourage the clustering of similar and supporting commercial uses to promote cumulative attraction and multi-stop shopping.
- Promote convenience retail and service uses that can provide for the day-to-day needs of nearby residents, employees and business patrons.

b) Building and Site Development

- Where feasible, repair and rehabilitate existing buildings in poor condition.

- Where rehabilitation is not feasible, demolish deteriorated existing buildings to allow for new development.
- Encourage the redevelopment or intensification of marginal and underutilized properties.
- Encourage parcel consolidation in order to achieve sufficient land mass to permit efficient building design and unified off-street parking and service facilities.
- Locate building service and loading areas away from front entrances and major streets.
- Encourage parking, service, loading and support facilities which can be shared by multiple businesses.

c) Transportation, Parking and Infrastructure

- Provide safe and efficient vehicular and pedestrian circulation systems which enable adequate access to, and movement within the Project Area.
- Ensure that all commercial, retail, office, light industrial, and residential developments are served by an adequate supply of conveniently located parking.
- Encourage parking behind buildings if space is available.
- Promote shared parking through cooperative arrangements between businesses which would permit existing parking lots to be used by neighboring businesses during off-peak periods.
- Ensure that parking lots are attractively designed and adequately maintained.
- Provide adequate screening and buffering around all new parking areas.
- Upgrade public utilities, parking and infrastructure as required.
- Improve the street surface conditions, street lighting, and traffic signalization.

d) Urban Design

- Encourage high-quality site and building design and construction.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Improve the design and appearance of commercial storefronts, including facade treatment, color, materials, awnings and canopies, and commercial signage.
- Improve the design of building rear entrances within the Project Area.
- Provide new pedestrian-scale lighting in areas with increased pedestrian activity.
- Enhance the appearance of the Project Area by landscaping the major street corridors.

- Provide distinctive design features, including landscaping and signage, at the major entryways into the Project Area.
- Provide an overall system of signage which will establish visual continuity and promote a positive overall image for the Project Area.
- Establish design guidelines for the Project Area.
- Promote the development of "public art" at selected locations.

e) Landscaping and Open Space

- Promote the use of landscaping to screen dumpsters, waste collection areas, and the perimeter of parking lots and other vehicular use areas.
- Use landscaping and attractive fencing to screen loading and service areas from public view.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.

D. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES

The Village proposes to achieve its redevelopment goals and objectives for the Project Area through public financing techniques including, but not limited to, tax increment financing, and by utilizing such financing techniques to undertake some or all of the following activities and improvements:

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

The Village may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage the Redevelopment Plan.

2. Property Assembly

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

3. Relocation

In the event that active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

4. Redevelopment Agreements

The Village may enter into redevelopment agreements with private or public entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land, rehabilitation of buildings, construction of improvements or facilities, the provision of services or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the controls which guide this Redevelopment Plan.

5. Provision of Public Works or Improvements

The Village may provide public improvements and facilities that are necessary to service the Project Area in accordance with the Redevelopment Plan and the Comprehensive Plan. Public improvements and facilities may include, but are not limited to, the following:

a) Streets, Sidewalks, Utilities and Parking

It is anticipated that public infrastructure improvements will be necessary to adequately serve the Project Area and potential new development.

b) Landscaping

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

c) Parks and Open Space

Improvements to existing or future parks, open spaces and public plazas may be provided for the use of the general public. These improvements include the construction of pedestrian walkways, stairways, lighting, landscaping and general beautification improvements.

6. Building Rehabilitation and Facade Improvements

The Village will encourage the rehabilitation of buildings, both public and private, which includes upgrading commercial facades that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

7. Job Training and Related Educational Programs

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

8. Taxing Districts Capital Costs

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

9. Interest Subsidies

Funds may be provided to redevelopers or developers for a portion of interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act; and
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper or developer with respect 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, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a redeveloper or developer for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the Village pursuant to the Act.

E. REDEVELOPMENT PROJECT COSTS

Reviewed below are the various redevelopment expenditures which are eligible for reimbursement under the Act. Following this review is a list of estimated Project Costs which are deemed to be necessary to implement the Redevelopment Plan.

1. Eligible Redevelopment Project Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may 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 that no charges for professional services are based on a percentage of the tax increment collected;
- (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 (g) 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 a period not exceeding 36 months following completion 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 a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project;
- (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;
- (9) Payment in lieu of taxes as defined in the Act;
- (10) Costs of job training, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in 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 (as cited in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as cited in the Act);

- (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 percent 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 provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
 - (D) the total of such interest payments incurred pursuant to the Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
- (12) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- (13) After November 1, 1999, 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, [35 ILCS 235/0.01 *et. seq.*] then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

2. Estimated Project Costs

A range of redevelopment activities and improvements will be required to implement the Redevelopment Plan. The activities and improvements and their estimated costs (1999 dollars) are summarized below and shown in Table 1, *Estimated Project Costs*. To the extent that municipal obligations have been issued to pay for such Project Costs prior to, and in anticipation of, the adoption of TIF, the Village shall be reimbursed from Incremental Property Taxes for such Project Costs.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

The estimate of Project Costs listed below excludes financing costs, including any interest expense or subsidy, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to the Project Costs listed below. Although all costs listed are eligible Redevelopment Project Costs, this listing does not obligate the Village to pay or reimburse such costs.

a) *Planning, Legal, Administrative and Other Fees* \$ 900,000

This includes expenditures for survey and study costs, legal services, administrative services, and other professional and service fees associated with implementing the Redevelopment Plan and providing a secure environment for private investment in accordance to the Act.

b) *Property Assembly and Relocation* \$ 11,500,000

This expenditure provides for property acquisition, demolition and site preparation for Redevelopment Projects and the provision of public improvements.

c) *Building Rehabilitation* \$ 500,000

This expenditure provides for the rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures.

d) *Public Works, Parking and Utility Improvements* \$ 5,500,000

This expenditure provides for the construction or extension of water mains, sewers and stormwater detention improvements; street and sidewalk improvements; alley

improvements; the construction or improvement of landscaping and buffers, streetscapes, street lighting and general beautification improvements; and the construction or improvement of public parks and open space.

e) *Developer's Interest Subsidy* \$ 600,000

Under the Act, up to 30 percent of total Project Costs (excluding property assembly and relocation costs incurred by a municipality) may be provided to any or all developers as interest subsidy. Such payments may not, in any one year, exceed 30 percent of the redevelopers interest costs.

TABLE 1: ESTIMATED PROJECT COSTS

Planning, Legal, Administration, and Other Fees	\$ 900,000
Property Assembly	\$ 11,500,000 ⁽¹⁾
Building Rehabilitation	\$ 500,000 ⁽¹⁾
Public Works and Improvements	\$ 5,500,000
Developer's Interest Subsidy	\$ 600,000
<hr/>	
TOTAL ESTIMATED PROJECT COSTS	\$ 19,000,000 ⁽²⁾

⁽¹⁾ *Property Assembly and Building Rehabilitation estimates reflect costs that may be incurred by the private sector.*

⁽²⁾ *Estimated Redevelopment Project Costs exclude financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to total Redevelopment Project Costs. While all of the foregoing costs are eligible redevelopment project costs per the Act, inclusion herein does not commit the Village to finance all these costs with TIF; moreover, the above costs are only estimates, and the Village reserves the right to re-allocate the costs among line items to the extent actual costs vary.*

F. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS

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

The Project Area may, in the future, be contiguous or separated by only a public right of way to other redevelopment project areas created under the Act. The Village may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right of way, and vice versa. The amount of revenue from the

Project Area made available to support such contiguous redevelopment project areas or those separated only by a public right of way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan unless amended pursuant to the State Statute at a later date.

G. *ISSUANCE OF OBLIGATIONS*

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

All obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired within twenty-three (23) years from the adoption of the ordinance approving the Project Area and Redevelopment Plan, such ultimate retirement date occurring in the year 2022. Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be of a parity or senior/junior lien natures.

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

H. *VALUATION OF THE PROJECT AREA*

1. Most Recent EAV of Properties in the Project Area

The most recent EAV of all taxable parcels in the Project Area is estimated to total \$14,875,996. The EAV total is based on 1998 assessed valuations and is subject to verification by the Cook County Clerk. After verification, the final figures shall be certified by the Clerk of Cook County, Illinois. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes will be calculated by the County. The 1998 EAV of the Project Area is summarized in Table 2, *1998 EAV by Tax Parcel*.

If the Certified Initial EAV changes between the date of this Redevelopment Plan and the date of the public hearing, the revised Certified Initial EAV will be incorporated into the final Redevelopment Plan.

Table 2. 1998 Equalized Assessed Valuation by Tax Parcel

PIN	1998 EAV	PIN	1998 EAV	PIN	1998 EAV
10-19-201-004-0000	479,750	10-19-206-009-0000	27,430	10-20-112-001-0000	42,796
10-19-202-001-0000	775,347	10-19-206-010-0000	44,259	10-20-112-002-0000	53,652
10-19-202-002-0000	59,051	10-19-206-011-0000	55,335	10-20-112-003-0000	33,032
10-19-202-003-0000	60,422	10-19-206-015-0000	431,614	10-20-112-004-0000	21,790
10-19-202-005-0000	180,919	10-19-206-017-0000	91,078	10-20-112-005-0000	6,498
10-19-202-006-0000	74,431	10-19-206-019-0000	14,440	10-20-112-006-0000	45,412
10-19-202-007-0000	246,324	10-19-206-020-0000	541,180	10-20-112-007-0000	24,897
10-19-202-008-0000	32,225	10-19-500-001-0000	-	10-20-112-010-0000	26,294
10-19-202-014-0000	119,550	10-20-100-005-0000	54,456	10-20-112-011-0000	6,498
10-19-202-015-0000	78,995	10-20-100-006-0000	165,491	10-20-112-012-0000	58,253
10-19-202-016-0000	200,754	10-20-100-007-0000	40,649	10-20-112-013-0000	23,750
10-19-202-018-0000	196,187	10-20-100-008-0000	10,605	10-20-112-014-0000	57,242
10-19-202-019-0000	29,246	10-20-100-009-0000	28,550	10-20-112-015-0000	32,258
10-19-202-020-0000	346,172	10-20-100-010-0000	82,008	10-20-112-038-0000	121,372
10-19-202-021-0000	-	10-20-100-011-0000	164,013	10-20-112-040-0000	181,917
10-19-203-003-0000	-	10-20-100-012-0000	122,476	10-20-112-048-0000	46,465
10-19-203-004-0000	-	10-20-100-015-0000	60,272	10-20-112-052-0000	157,738
10-19-203-005-0000	-	10-20-100-016-0000	60,272	10-20-112-053-0000	9,860
10-19-203-013-0000	209,506	10-20-100-017-0000	61,515	10-20-112-054-0000	7,194
10-19-203-014-0000	-	10-20-100-020-0000	114,990	10-20-112-055-1001	32,369
10-19-203-015-0000	-	10-20-100-021-0000	104,792	10-20-112-055-1002	32,369
10-19-203-016-0000	-	10-20-100-022-0000	65,181	10-20-112-055-1003	32,369
10-19-203-017-0000	-	10-20-100-023-0000	52,965	10-20-112-055-1004	32,369
10-19-203-018-0000	-	10-20-100-024-0000	42,094	10-20-112-055-1005	32,369
10-19-203-019-0000	-	10-20-100-025-0000	172,648	10-20-112-055-1006	32,369
10-19-203-020-0000	-	10-20-100-026-0000	435,978	10-20-112-055-1007	32,369
10-19-203-021-0000	319,872	10-20-100-027-0000	75,039	10-20-112-055-1008	32,369
10-19-203-022-0000	4,273	10-20-101-008-0000	5,955	10-20-113-044-0000	72,798
10-19-203-023-0000	4,273	10-20-101-009-0000	5,955	10-20-113-048-0000	114,092
10-19-203-024-0000	-	10-20-101-010-0000	145,384	10-20-113-049-0000	123,286
10-19-203-025-0000	332,345	10-20-101-011-0000	900,294	10-20-113-050-0000	46,962
10-19-203-026-0000	-	10-20-101-012-0000	1,613	10-20-114-049-0000	100,999
10-19-204-003-0000	83,989	10-20-101-015-0000	20,543	10-20-114-050-0000	10,945
10-19-204-004-0000	45,340	10-20-102-001-0000	385,095	10-20-114-051-0000	63,928
10-19-204-015-0000	-	10-20-102-003-0000	483,569	10-20-114-052-0000	50,175
10-19-204-016-0000	-	10-20-102-004-0000	62,707	10-20-114-053-0000	210,921
10-19-204-017-0000	-	10-20-102-019-0000	47,365	10-20-114-054-0000	83,244
10-19-204-018-0000	-	10-20-102-043-0000	111,282	10-20-114-055-0000	114,512
10-19-204-019-0000	145,425	10-20-102-044-0000	64,266	10-20-117-014-0000	-
10-19-204-020-0000	565,030	10-20-111-001-0000	7,939	10-20-117-022-0000	-
10-19-205-001-0000	-	10-20-111-002-0000	7,939	10-20-117-024-0000	-
10-19-205-002-0000	-	10-20-111-003-0000	71,012	10-20-117-027-0000	-
10-19-206-001-0000	52,518	10-20-111-004-0000	41,662	10-20-121-014-0000	295,910
10-19-206-002-0000	54,986	10-20-111-005-0000	6,474	10-20-121-015-0000	1,306,105
10-19-206-003-0000	245,173	10-20-111-006-0000	32,045	10-20-301-029-0000	13,374
10-19-206-004-0000	232,711	10-20-111-007-0000	5,772	10-20-301-030-0000	10,250
10-19-206-005-0000	45,146	10-20-111-008-0000	55,845	10-20-500-001-0000	-
10-19-206-006-0000	71,819	10-20-111-009-0000	26,595		14,875,996
10-19-206-007-0000	44,782	10-20-111-010-0000	27,866		
10-19-206-008-0000	28,711	10-20-111-011-0000	40,845		

2. Anticipated Equalized Assessed Valuation

By the year 2022 (Collection Year 2023) and following the completion of all potential Redevelopment Projects, the EAV of the Project Area is estimated to total between \$40,300,000 and \$58,900,000. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 200 Assisted Living Units will be constructed in the Project Area and occupied by 2005; 3) approximately 598 Condominium Units will be constructed in the Project Area and occupied by 2012; 4) approximately 22 Townhome Units will be constructed in the Project Area and occupied by 2014; 5) an estimated annual two percent inflation of EAV realized through 2021; and 6) the five year average state equalization factor of 2.1436 (tax years 1994 through 1998) is used in all years to calculate estimated EAV.

VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE

As described in Section III of this Redevelopment Plan and in the *Eligibility Study* appended to this document, the Project Area as a whole is adversely impacted by the presence of numerous conservation area factors, and these factors are reasonably distributed throughout the area.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Conservation area factors within the improved and vacant portions of Project Area are widespread and represent major impediments to sound growth and development. The lack of private investment is evidenced by the following:

- Improved areas characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code standards, excessive vacancies, excessive land coverage, deleterious land-use and layout, depreciation of physical maintenance and an overall lack of community planning.
- Five of the 90 buildings in the Project Area are either vacant or contain vacant space in 20 percent or more of the available floor area.

It is clear that private investment and redevelopment has not occurred on a comprehensive and coordinated manner to eliminate the conservation area factors and blighting influences that currently exist. The Project Area is not reasonably expected to be developed without the efforts and leadership of the Village, including the adoption of this Redevelopment Plan, and the adoption of TIF.

VII. FINANCIAL IMPACT

Without the adoption of this Redevelopment Plan, and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives there is a prospect that conservation and blighting conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Redevelopment Plan describes the comprehensive Redevelopment Program proposed to be undertaken by the Village to create an environment in which private investment can occur. The Redevelopment Program will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various Redevelopment Improvements and Activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate deteriorating problem conditions and to return the area to a long-term sound condition.

The Redevelopment Program is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Redevelopment Plan. In the short-term, the Village's strategic use of TIF can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all Redevelopment Improvements and Activities, Redevelopment Projects and the payment of all Project Costs and municipal obligations, the taxing districts will benefit from an enhanced tax base which results from the increase in EAV caused by the Redevelopment Projects.

VIII. DEMAND ON TAXING DISTRICT SERVICES

The Redevelopment Plan provides for commercial, retail, office, light industrial, residential, semi-public, public and open space type development activity within the Project Area. The number and type of new development is not known at this time. It is anticipated that redevelopment projects implemented as part of the Redevelopment Project and Plan will not cause increased demand for services or capital improvements on most of the taxing districts.

It is possible that redevelopment may have an impact on any of the following taxing districts: Cook County; Cook County Forest Preserve; Suburban T.B. Sanitarium; Consolidated Elections; Niles Township; Road and Bridge; Metropolitan Water Reclamation District; North Shore Mosquito Abatement; Community High School 219; Oakton Community College 535; Morton Grove Park District; Village of Morton Grove Library; Village of Morton Grove; and School District 70.

Development of vacant land and replacement of vacant and underutilized buildings and sites with active and more intensive uses may result in additional demands on services and facilities provided by the Village of Morton Grove and the Metropolitan Water Reclamation District. It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the Metropolitan Water Reclamation District as well as water and waste water distribution services provided by the Village of Morton Grove.

Non-residential development (i.e., commercial service/retail, office, light industrial, semi-public) should not cause increased demand for services or capital improvements on any of the taxing districts with overlapping jurisdictions.

Potential future residential development (i.e., assisted living, townhomes and condominiums) may cause increased demand for services or capital improvements on any of the taxing districts with overlapping jurisdictions, including School District 70, Community High School 219, Oakton Community College 535, Morton Grove Park District, Morton Grove Library and the Village of Morton Grove. However, because residential development will be geared toward and marketed to seniors and empty nesters, increased demand for services or capital improvements to be provided by School District 70, Community High School 219, Oakton Community College 535 is not expected to be significant.

The Village of Morton Grove will work closely with each of the affected taxing districts and monitor the impacts of development and redevelopment within the Project Area.

IX. PHASING AND SCHEDULING

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Taxes by the Village.

X. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN

This Redevelopment Plan may be amended pursuant to the Act.

XI. AFFIRMATIVE ACTION

The Village is committed to and will affirmatively implement the assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.

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

EXHIBIT I:

**VILLAGE OF MORTON GROVE LEHIGH AVENUE/ FERRIS AVENUE
TIF PROJECT AREA LEGAL DESCRIPTION**

MORTON GROVE TIF DISTRICT

THOSE PARTS OF SECTIONS 17, 18, 19, AND 20, ALL IN TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE OF DEMPSTER STREET AND THE WEST RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD; THENCE EAST ON THE NORTH RIGHT OF WAY LINE OF DEMPSTER STREET TO THE EAST RIGHT OF WAY LINE OF CALLIE AVENUE, EXTENDED NORTH, IN THE SUBDIVISION OF LOTS 4, 5, AND 6 OF HENNING'S SUBDIVISION OF LOTS 42 AND 43, ALSO THE NORTH 16 FEET OF LOT 44 OF COUNTY CLERK'S DIVISION OF SECTION 20 AND THE EAST HALF OF THE NORTH EAST QUARTER OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTH ALONG SAID EAST LINE AND EXTENSION THEREOF TO THE SOUTH LINE OF LOTS 14 AND 3, EXTENDED EAST, IN SAID SUBDIVISION; THENCE WEST ALONG SAID SOUTH LINE OF LOTS 14 AND 3 AND EXTENSIONS, TO THE EAST LINE OF FERRIS AVENUE IN SAID SUBDIVISION; THENCE SOUTH ALONG THE EAST LINE OF FERRIS AVENUE IN OWNER'S DIVISION OF BLOCK 3 OF AHRENSFELD'S ADDITION TO MORTON GROVE, IN THE NORTH WEST QUARTER OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TO A LINE BEING THE SOUTH LINE OF THE NORTH 15 FEET OF LOT 44 IN AFORESAID COUNTY CLERK'S DIVISION, EXTENDED EAST; THENCE WEST ALONG SAID SOUTH LINE AND EXTENSION THEREOF TO A POINT ON A LINE 27.23 FEET EAST OF THE WEST LINE OF THE NORTH WEST QUARTER OF SAID SECTION 20; THENCE SOUTH ALONG SAID PARALLEL LINE TO THE NORTH LINE OF CAPULINA AVENUE DEDICATED PER DOCUMENT NO. 16129148; THENCE EAST ALONG SAID NORTH LINE OF CAPULINA AVENUE AND ALSO BEING THE NORTH LINE OF CAPULINA AVENUE IN AHRENSFELD'S ADDITION TO MORTON GROVE, A SUBDIVISION OF LOT 41 OF COUNTY CLERK'S DIVISION IN THE NORTH WEST QUARTER OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD

PRINCIPAL MERIDIAN, AND CONTINUING EAST ALONG THE NORTH LINE EXTENDED, AND THE NORTH LINE OF CAPULINA AVENUE IN AFORESAID OWNER'S DIVISION AND EXTENSION THEREOF, TO THE EAST LINE OF THE NORTH-SOUTH ALLEY IN SAID OWNER'S DIVISION; THENCE SOUTH TO THE EAST LINE OF THE NORTH-SOUTH ALLEY IN BLOCK 2 IN BINGHAM AND FERNALD'S MORTON GROVE SUBDIVISION, BEING LOT 40 OF COUNTY CLERK'S DIVISION OF SECTION 20 AND THE EAST HALF OF THE NORTH EAST QUARTER OF SECTION 19, (EXCEPT A TRACT 200 FEET NORTH AND SOUTH BY 118.9 FEET EAST AND WEST AT THE SOUTH WEST CORNER OF SAID LOT 40; THENCE CONTINUING SOUTH ALONG SAID EAST LINE OF THE ALLEY, BEING THE EAST LINE OF THE NORTH-SOUTH ALLEY IN AUGUST PETERS SUBDIVISION OF BLOCK 3 OF BINGHAM AND FERNALD'S MORTON GROVE SUBDIVISION OF LOT 40 OF COUNTY CLERK'S DIVISION OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TO THE NORTH LINE OF THE EAST-WEST ALLEY IN SAID AUGUST PETERS SUBDIVISION; THENCE EASTERLY ALONG SAID NORTH LINE OF THE EAST-WEST ALLEY TO THE WEST RIGHT OF WAY LINE OF CALLIE AVENUE IN SAID AUGUST PETERS SUBDIVISION; THENCE NORTH ALONG SAID WEST RIGHT OF WAY LINE TO THE EXTENSION OF THE NORTH LINE OF LOT 41 IN BLOCK 4 IN AFORESAID BINGHAM AND FERNALD'S MORTON GROVE SUBDIVISION; THENCE EAST ALONG SAID NORTH LINE AND EXTENSIONS THEREOF TO THE EAST LINE OF THE NORTH-SOUTH ALLEY IN SAID BLOCK 4; THENCE SOUTH ALONG THE EAST LINE OF SAID ALLEY TO THE SOUTH LINE OF THE NORTH 6 FEET OF LOT 26 IN BLOCK 4 IN AFORESAID BINGHAM AND FERNALD'S MORTON GROVE SUBDIVISION; THENCE EAST ALONG THE SAID SOUTH LINE OF THE NORTH 6 FEET OF LOT 26 AND THE EXTENSION THEREOF TO THE EAST RIGHT OF WAY LINE OF FERNALD AVENUE IN BLOCK 5 IN SAID BINGHAM AND FERNALD'S MORTON GROVE SUBDIVISION; THENCE SOUTH ALONG SAID EAST LINE OF FERNALD AVENUE TO THE NORTH LINE OF THE EAST-WEST ALLEY IN SAID BLOCK 5; THENCE EAST AND SOUTHEASTERLY ALONG THE NORTH LINES OF THE EAST-WEST ALLEY AND EXTENSION THEREOF TO THE WEST RIGHT OF WAY LINE OF

GEORGIANA AVENUE IN SAID BLOCK 5; THENCE NORTH ALONG THE SAID WEST RIGHT OF WAY LINE OF GEORGIANA AVENUE TO AN EXTENSION OF THE NORTH LINE OF LOT 14 IN HESSLER'S SUBDIVISION OF LOTS 1 TO 8 IN CIRCUIT COURT PARTITION OF LOTS 19 AND 24 IN COUNTY CLERK'S DIVISION AND THAT PART OF THE SOUTH EAST QUARTER OF THE NORTH WEST QUARTER OF SECTION 20 LYING BETWEEN AND BOUNDED BY THE SOUTH LINE OF SAID LOT 24 IN COUNTY CLERK'S DIVISION AND THE NORTH LINE OF MILLER'S MILL ROAD IN SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE EAST ALONG THE NORTH LINE AND EXTENSIONS THEREOF TO THE EAST LINE OF THE NORTH-SOUTH ALLEY IN SCHMITZ'S MORTON GROVE SUBDIVISION OF LOTS 2 AND 9 IN CIRCUIT COURT PARTITION OF LOTS 19 AND 24 IN COUNTY CLERK'S DIVISION AND THAT PART OF THE SOUTH EAST QUARTER OF THE NORTH WEST QUARTER OF SECTION 20 LYING BETWEEN AND BOUNDED BY THE SOUTH LINE OF SAID LOT 24 IN COUNTRY CLERK'S DIVISION AND THE NORTH LINE OF MILLER'S MILL ROAD IN SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN; THENCE SOUTH ALONG SAID EAST LINE OF THE ALLEY TO THE NORTH LINE OF THE EAST-WEST ALLEY; THENCE EAST ALONG THE NORTH LINE OF THE EAST-WEST ALLEY TO AN EXTENSION OF THE EAST LINE OF THE WEST 14 FEET 11 INCHES OF LOT 12, IN SAID SCHMITZ'S MORTON GROVE SUBDIVISION; THENCE SOUTH ALONG SAID LINE AND EXTENSIONS THEREOF TO THE SOUTH RIGHT OF WAY LINE OF LINCOLN AVENUE; THENCE WEST AND NORTHWESTERLY ALONG THE SOUTH LINE OF LINCOLN AVENUE IN NICHOLAS HAUPT HEIRS SUBDIVISION OF THE SOUTH 20 ACRES OF THE SOUTH EAST QUARTER OF THE NORTH WEST QUARTER OF SECTION 20, TOWNSHIP 41 NORTH 13, (EXCEPT THE SOUTH 8.5 FEET AND THAT PART OF THE WEST 264 FEET LYING SOUTH OF THE CENTER OF ROAD), EAST OF THE THIRD PRINCIPAL MERIDIAN; ALSO, THE SUBDIVISION OF THAT PART OF THE WEST 264 FEET OF THE SOUTH EAST QUARTER OF THE NORTH WEST QUARTER OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF LINCOLN AVENUE, (EXCEPT THE

SOUTH 8.5 FEET THEREOF); ALSO, OWNER'S SUBDIVISION OF LOTS 36 TO 39 OF COUNTY CLERK'S DIVISION OF SECTION 20 AND THE EAST HALF OF THE NORTH EAST QUARTER OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID SOUTHERLY LINE OF LINCOLN AVENUE IN SAID OWNER'S SUBDIVISION HAVING A BEARING OF NORTH 69 DEGREES 17 MINUTES 16 SECONDS WEST, FOR PURPOSES OF THIS LEGAL DESCRIPTION, TO THE INTERSECTION OF THE WEST LINE OF LOT 5 IN SAID OWNERS SUBDIVISION WITH THE SAID SOUTH LINE OF LINCOLN AVENUE. THENCE SOUTH 3 DEGREES 20 MINUTES 59 SECONDS WEST, TO A POINT BEING 245.84 FEET SOUTH OF THE CENTER LINE OF LINCOLN AVENUE. THENCE SOUTH 17 DEGREES 04 MINUTES 08 SECONDS WEST, 177.71 FEET; THENCE SOUTH 0 DEGREES WEST, 78.20 FEET; THENCE SOUTH 88 DEGREES 50 MINUTES 53 SECONDS WEST, 105.41 FEET; THENCE SOUTH 01 DEGREES 08 MINUTES 13 SECONDS EAST, 122.07 FEET; THENCE SOUTH 88 DEGREES 52 MINUTES 56 SECONDS WEST, 59.90 FEET; THENCE SOUTH 01 DEGREES 11 MINUTES 10 SECONDS EAST, 519.36 FEET TO THE SOUTH LINE OF THE NORTH HALF OF THE SOUTH HALF OF THE NORTH HALF OF THE NORTH HALF OF THE SOUTH WEST QUARTER OF SECTION 20, SAID LINE BEING THE SOUTH LINE OF LOT "A" IN BAXTER LAB CONSOLIDATION OF PART OF THE WEST HALF OF THE NORTH WEST QUARTER AND OF PART OF THE NORTH WEST QUARTER OF THE SOUTH WEST QUARTER OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN. THENCE WEST ALONG SAID LINE TO THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD; THENCE NORTHWESTERLY ALONG THE EASTERLY RIGHT OF WAY LINE TO THE SOUTH RIGHT OF WAY LINE OF MAIN STREET (WALNUT STREET) EXTENDED EAST, SAID LINE BEING THE SOUTH LINE OF THE NORTH 33 FEET OF LOT 34 IN AFORESAID COUNTY CLERKS DIVISION AND THE SOUTH LINE OF MAIN STREET (WALNUT STREET) IN BLOCK 4 IN MORTON GROVE IN SECTIONS 19 AND 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN. THENCE WEST TO THE WEST LINE OF BLOCKS 3, 2 AND 1 AND EXTENSIONS THEREOF OF SAID

MORTON GROVE; THENCE NORTH ALONG SAID WEST LINE OF SAID BLOCKS AND EXTENSIONS TO THE NORTH LINE OF THE SOUTH 120 FEET OF LOTS 6, 7, 8, 9, 10 AND 11 IN BLOCK 1 IN SAID MORTON GROVE; THENCE EAST ALONG THE SAID NORTH LINE OF THE SOUTH 120 FEET TO THE WEST LINE OF LOT 12 IN SAID MORTON GROVE; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 12 TO THE NORTH LINE OF LOT 12; THENCE EAST ALONG THE NORTH LINE OF LOT 12 TO THE WESTERLY RIGHT OF WAY OF LEHIGH AVENUE, IN THE SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 1 IN SAID MORTON GROVE; THENCE NORTHWESTERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF LEHIGH AVENUE , TO THE SOUTHERLY RIGHT OF WAY LINE OF LINCOLN AVENUE IN SAID SUBDIVISION; THENCE NORTHWESTERLY ALONG THE SOUTHERLY LINE OF LINCOLN AVENUE IN SAID SUBDIVISION AND SOUTHERLY LINE OF LINCOLN AVENUE IN AFORESAID BLOCK 1 IN MORTON GROVE, TO THE EAST LINE OF LINCOLN AVENUE, AS MONUMENTED AND OCCUPIED, IN LOT 45 IN AFORESAID COUNTY CLERK'S DIVISION, EXTENDED SOUTH; THENCE NORTH ALONG THE SAID EAST LINE OF LINCOLN AVENUE AND EXTENSIONS TO THE INTERSECTION WITH THE WEST RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD; THENCE NORTHERLY ALONG THE SAID WEST RIGHT OF WAY LINE TO THE PLACE OF BEGINNING, (EXCEPTING THEREFROM ALL OF THE SUBDIVISION OF PART OF LOT 45 AND PART OF LOT 40 OF COUNT CLERK'S DIVISION IN SECTIONS 19 AND 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN), ALL IN COOK COUNTY, ILLINOIS.

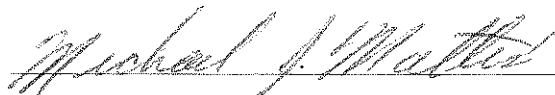
4332 OAKTON STREET • SKOKIE, IL 60076 • PHONE: 847/674-7373 • FAX: 847/674-7385

March 31, 2000

Charles Scheck
Village of Morton Grove
6101 Capulina Street
Morton Grove, Illinois

Re: Morton Grove
Lehigh/Ferris TIF District

I, Michael J. Mattis, an Illinois Professional Land Surveyor do hereby certify that in preparation of the legal description for the referenced TIF District, three (3) calls were inadvertently not included, as now shown by the underlined phrases attached hereto.

A handwritten signature in cursive script, reading "Michael J. Mattis", written over a horizontal line.

Michael J. Mattis, Illinois Professional
Land Surveyor No. 2104

EXHIBIT II:

**VILLAGE OF MORTON GROVE LEHIGH AVENUE/ FERRIS AVENUE
PROJECT AREA TAX INCREMENT FINANCING ELIGIBILITY STUDY**

**LEHIGH AVENUE/FERRIS AVENUE
TAX INCREMENT FINANCING
REDEVELOPMENT PROJECT AREA
ELIGIBILITY STUDY**

Village of Morton Grove, Illinois

This Eligibility Study is subject to change based on the review and comment by the Village and may be revised before a final Eligibility Study is issued by the Village for purposes of the public hearing.

Prepared by
Trkla, Pettigrew, Allen & Payne, Inc.
October 22, 1999

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EXECUTIVE SUMMARY

The purpose of this study is to document whether the Lehigh Avenue/Ferris Avenue Tax Increment Financing Redevelopment Study Area (the "Study Area") in the Village of Morton Grove, Illinois (the "Village") qualifies for designation as a "conservation area" pursuant to the definition contained in the Illinois *Tax Increment Allocation Redevelopment Act* 65 ILCS 5/11-74.4-1 *et seq.*, as amended and supplemented from time to time (the "Act").

The purpose of this study, entitled the *Lehigh Avenue/Ferris Avenue Tax Increment Financing Redevelopment Project Area Eligibility Study (the "Eligibility Study")* is to document the conditions that exist which may be sufficient to designate an approximately 72.8 acre area as a conservation area. The Study Area is generally bounded by Dempster Street on the north; Lincoln Avenue and the Cook County Forest Preserve on the west; Main Street on the south; and portions of Georgianna, Ferris and Callie Streets on the east. Boundaries of the Study Area are shown in Figure 1, *Study Area Boundary*.

As set forth in the Act, "redevelopment project area" means an area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Study Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, "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 percent 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 three or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

While it may be concluded that the mere presence of three or more of the stated factors may be sufficient to make a finding as a conservation area, the evaluation contained in this Eligibility Study was made on the basis that the conservation factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary.

On the basis of this approach, the Study Area is found to be eligible within the definition set forth in the Act. Of the 90 structures located within the area, 79 (88%) are 35 years of age or older. In addition to age, of the fourteen other factors set forth in the Act, eight are found to be present in the Study Area. Additionally:

- The conservation factors which are present are reasonably distributed throughout the Study Area.
- The entire Study Area is impacted by and shows the presence of eight conservation factors.
- The Study Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project activities and improvements.

The following conservation factors are found to be present in the Study Area:

1. Obsolescence

Obsolescence as a factor is present to a major extent in eight blocks and to a limited extent in two blocks. Conditions contributing to this factor include the functional and economic obsolescence of buildings and obsolete platting.

2. Deterioration

Deterioration as a factor is present to a major extent in five blocks and to a limited extent in seven blocks. Conditions contributing to this factor include deteriorating buildings, site surfaces, and parking areas.

3. Structures Below Minimum Code Standards

Structures below minimum code standards as a factor is present to a major extent in one block and to a limited extent in four blocks. Structures impacted by this factor include all buildings with advanced defects visible on the exterior which are below the Village's minimum code requirements for existing buildings and property maintenance.

4. Excessive Vacancies

Excessive vacancies as a factor is present to a major extent in five blocks and to a limited extent in five blocks. Conditions contributing to this factor include vacant buildings and vacant space within buildings.

5. Excessive Land Coverage

Excessive land coverage as a factor is present to a major extent in six blocks and to a limited extent in five blocks. Buildings, where coverage occupies all of, or close to, the entire parcel and where parcels contain multiple buildings, results in a lack of or limited off-street parking, loading and service areas and accessibility.

6. Deleterious Land Use or Layout

Deleterious land use or layout as a factor is present to a major extent in four blocks and to a limited extent in seven blocks. Conditions contributing to this factor include obsolete parcels, interior land-locked parcels and parcels of irregular shape and size - including parcels with multiple buildings and additions to buildings which result in poor layout and accessibility.

7. Depreciation of Physical Maintenance

Depreciation of physical maintenance as a factor is present to a major extent in eight blocks and to a limited extent in five blocks where maintenance of buildings, premises, parking areas, streets, curbing and sidewalks has been deferred.

8. Lack of Community Planning

A lack of community planning in the Study Area is evidenced in a variety of ways, including the disconnected mix of residential uses, commercial uses and office uses (within converted residential structures) and the variety of buildings in age, design, size and layout. Further, the platting of blocks and placement of buildings occurred on a parcel-by-parcel basis and was developed before the Village of Morton Grove prepared and adopted a comprehensive plan for the community. Lack of community planning is present throughout the entire Study Area.

The conclusion of Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") is that the number, degree, and distribution of conservation factors as documented in this study warrant designation of the Study Area as a "conservation area" as set forth in the Act. The conclusions presented in this Eligibility Study are those of TPAP which was retained by the Village to examine whether conservation area conditions exist within the Study Area. The Village Council should review this Eligibility Study and any supporting data and files and, if satisfied with the methodologies and conclusions contained herein, may adopt the necessary ordinances approving the redevelopment project and plan of which this Eligibility Study is a part, designating the redevelopment project area and approving the use of tax increment financing. As part of the adoption of these ordinances, the Village must make this Eligibility Study a part of the public record.

I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Act:

1. That there exists in many municipalities within the State *blighted* and *conservation* areas; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that each prospective redevelopment project qualifies either as a "blighted area" or as a "conservation area" within the definitions set forth in the Act. These definitions are paraphrased below:

A. ELIGIBILITY OF A CONSERVATION AREA

A conservation area is an improved area in which 50 percent or more of the structures in the area have an age of 35 years or more and there is a presence of a combination of three or more of the fourteen factors listed below. Such an area is not yet a blighted area, but because of a combination of three or more of these factors, the area may become a blighted area.

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Illegal use of individual structures
5. Presence of structures below minimum code standards
6. Abandonment
7. Excessive vacancies
8. Overcrowding of structures and community facilities
9. Lack of ventilation, light, or sanitary facilities
10. Inadequate utilities
11. Excessive land coverage
12. Deleterious land-use or lay-out
13. Depreciation of physical maintenance
14. Lack of community planning

B. ELIGIBILITY OF A BLIGHTED AREA

1. Improved Blighted Area

A blighted area may be either improved or vacant. If the area is improved (*e.g.*, with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Illegal use of individual structures
6. Presence of structures below minimum code standards
7. Excessive vacancies
8. Overcrowding of structures and community facilities
9. Lack of ventilation, light, or sanitary facilities
10. Inadequate utilities
11. Excessive land coverage
12. Deleterious land-use or lay-out
13. Depreciation of physical maintenance
14. Lack of community planning

2. Vacant Blighted Area

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by:

- a. A combination of two or more of the following factors:
 - Obsolete platting of the vacant land;
 - Diversity of ownership of such land;
 - Tax and special assessment delinquencies of such land;
 - Flooding on all or part of such vacant land; or
 - Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land, or
- b. The area immediately prior to becoming vacant qualified as a blighted improved area, or
- c. The area consists of an unused quarry or unused quarries, or
- d. The area consists of unused railyards, rail tracks or railroad rights-of-way, or
- e. The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one

or more improvements in or in proximity to the area which improvements have been in existence for at least five years, or

- f. The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites, or
- g. The area is not less than 50 or more than 100 acres and 75 percent of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of this subsection (a), and the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

C. CONCLUSIONS

While the Act defines a blighted area and a conservation area, respectively, it does not define the various factors for each, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable and defensible criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. In developing these criteria, the following basic principles have been applied:

- 1. The minimum number of factors must be present and the presence of each must be documented;
- 2. Each factor to be claimed should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
- 3. The effect of the factors should be reasonably distributed throughout the Study Area.

It is also important to note that the test of eligibility is based on the conditions of the Study Area as a whole; it is not required that eligibility must be established for each and every property in the Study Area.

II. THE STUDY AREA

The Study Area includes an area of approximately 72.8 acres and consists of the Village's commuter rail station and a mix of residential, industrial and commercial land uses. Of the 72.8 acres within the area, 52.6 acres (72%), consists of land and the balance, 20.2 acres (28%), consists of streets, alleys and the Metra Rail Line rights-of-way.

The Study Area includes a total of thirteen full and partial tax blocks, bordered by an irregular boundary and includes a variety of uses, including retail and commercial services, offices, industrial uses, public and semi-public uses and a significant number of residential uses..

The area is characterized by several problem conditions, including an inconsistent mix of uses, some of which include residential uses inappropriately located in blocks which are predominantly commercial, or contain industrial activity in adjacent parcels; old, obsolete buildings, including a significant number of both large and small vacant buildings and buildings with vacant space; a mix of small and large parcels; building conversions; and deterioration of buildings and premises throughout most of the Study Area. The area also contains vacant parcels in four blocks.

Other conditions that have contributed to the conservation factors contained within the Study Area include: (i) limited block sizes and the related overcrowding of buildings on parcels; (ii) multiple parcels of limited widths and depths; and (iii) the presence of older buildings of limited size which were constructed during the early development of the Village, several of which have been converted or expanded in order to accommodate the existing uses. See Figure 2, *Existing Land-Use*.

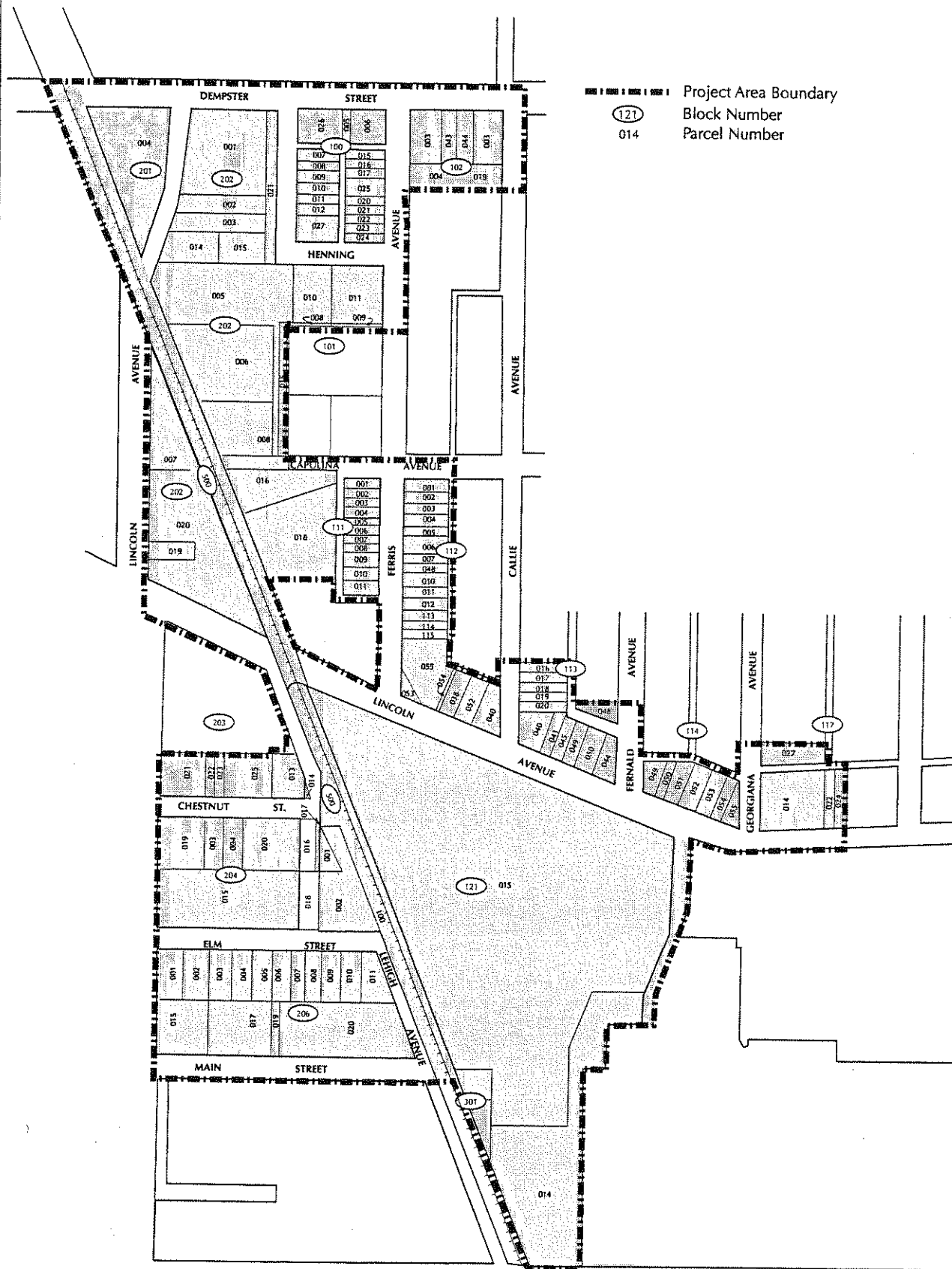


FIGURE 1
PROJECT AREA BOUNDARY

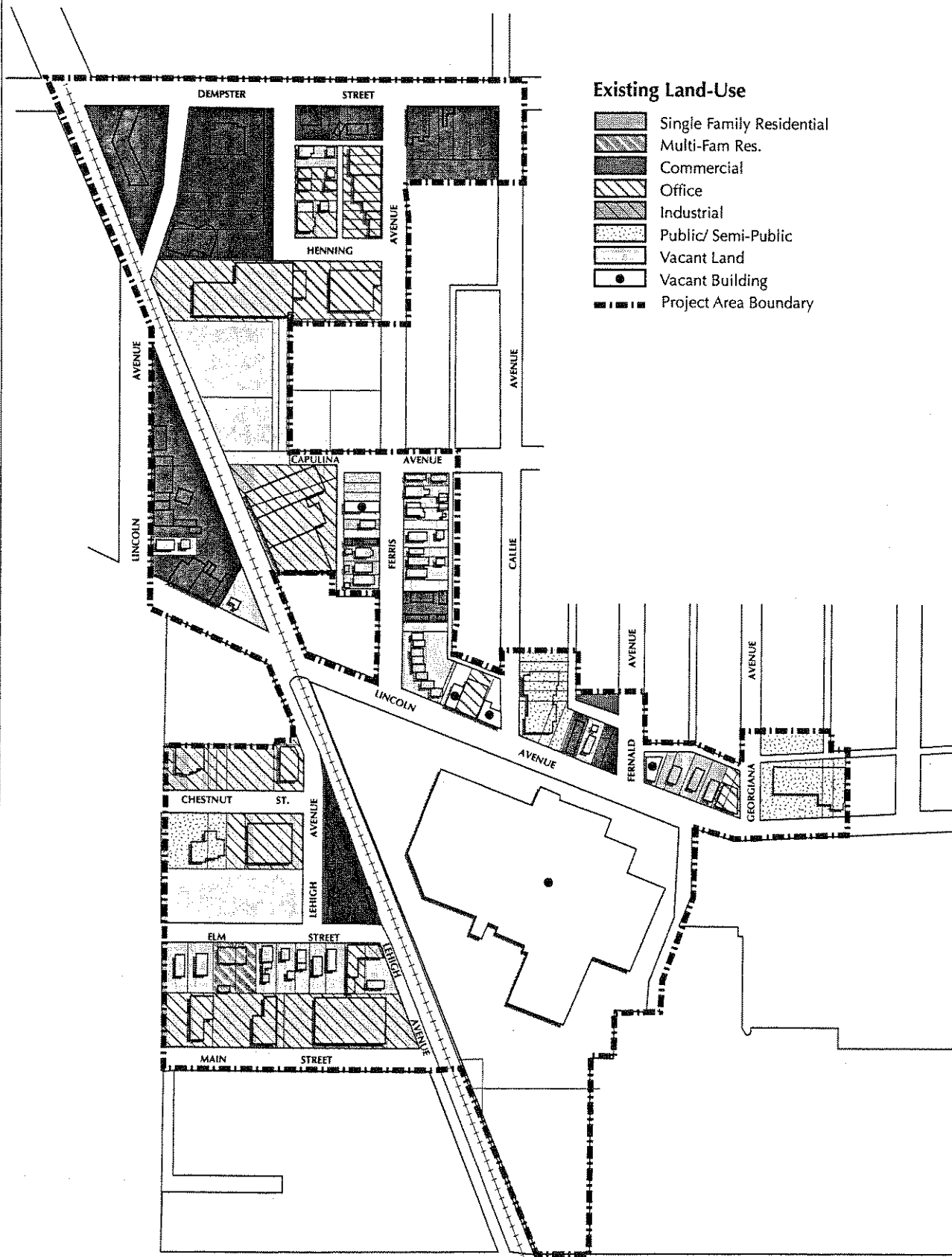


Figure 2
EXISTING LAND USE

III. ELIGIBILITY SURVEY AND ANALYSIS

A survey and analysis of existing conditions within the Study Area was completed by TPAP to document the extent to which each conservation factor is present within the Study Area. The surveys and analyses included:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the Village;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites; and
8. Review of previously prepared plans, studies and data.

A. BUILDING CONDITION SURVEY

Surveys of the Study Area were conducted during July 1999 to determine the area's eligibility. Noted during the inspection were structural deficiencies of individual buildings and related environmental deficiencies in the Study Area. Summarized below is the process used for assessing building conditions in the Study Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. Figure 3, *Exterior Survey Form*, illustrates the building condition survey form used to record building conditions.

1. Building Components Evaluated

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

a. Primary Structural Components.

These components are the basic structural elements of any building, including foundation walls, load bearing walls and columns, roof structure, and roof.

b. Secondary Building Components.

These components are generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, gutters and downspouts.

[illegible]

R. Residential
C. Commercial
I. Industrial
P. Public
S. Semi Public
T. Transient

B. HEIGHT

1. One Story
11. One and one-half stories
2. Two Stories
12. Two and one-half stories
3. Three stories
4. Four stories
5. Five stories, ETC.

C. CONSTRUCTION

1. Masonry
2. Concrete

Combinations of the above materials shall be listed in the following manner:

12. Masonry & Concrete
34. Wood & Metal
5. Roll Covered
6. Shingle Covered
7. Slate Covered
12. Masonry & Wood, ETC.
8. Tile Covered
1,4-93. Wood, Stucco Covered

D. DECADE

1. Before 1900
2. 1900-1910
3. 1910-1920
4. 1920-1930
5. 1930-1940
6. 1940-1950
7. 1950-1960
8. After 1960

E. STRUCTURAL CONDITIONS

0. Sound
1. Minor Repair
2. Major Repair
3. In Critical Condition
9. Unable to Review

THE BUILDING RATINGS

0. Sound
1. Minor Repair
2. Major Repair
3. Substandard

C. RIGHTING INFLUENCES

1. Inadequate Street Layout
2. Incompatible Uses of Mixed Use
3. Overcrowding of Building and Land
4. Excessive Dwelling Unit Density
5. Obsolete Building Type

LEHIGH AVENUE/FERRIS AVENUE

Tax Increment Financing Redevelopment Project

1991

Morton Grove, IL

Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.

c. Criteria for Classifying Defects for Building Components.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

2. **Building Component Classification**

The four categories used to classify building components and systems and the criteria used to evaluate deficiencies are described below.

a. Sound.

Building components which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.

b. Deficient - Requiring Minor Repair.

Building components which contain defects (loose or missing material or holes and cracks over a limited area) which may or may not be corrected through the course of normal maintenance but could be significant depending on the size of the building or number of buildings in a large complex.

Buildings with minor defects clearly indicate a lack, or a reduced level, of maintenance. Minor defects have limited effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants of either average size residences or smaller commercial buildings, such as patching or caulking over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

c. Deficient - Requiring Major Repair.

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

d. Critical.

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

3. Final Building Rating

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

a. Sound.

Sound buildings kept in a standard condition, requiring no maintenance at present. Buildings so classified have less than one minor defect.

b. Minor Deficient.

Buildings classified as minor deficient (requiring minor repairs) have at least one minor defect, beyond normal maintenance, in one of the primary components or in the combined secondary components, but less than one major defect.

c. Major Deficient.

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

Deficient buildings contain defects which collectively are either not easily correctable through normal maintenance or require contracted skills to accomplish the level of improvements as part of maintenance or correction of defects. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

d. Substandard.

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

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act; substandard buildings are the same as dilapidated buildings. The words "building" and "structure" are presumed to be interchangeable.

B. PRESENCE OF CONSERVATION FACTORS

Summarized below are the conclusions of the surveys and analyses completed for each conservation factor based on existing conditions within the Study Area. The conclusions indicate whether the factor is found to be present within the Study Area, and the relative extent to which the factor is present. A factor noted as "not present" indicates either that no information was available or that no evidence was documented as part of the various surveys and analyses which would indicate its presence. A factor noted as "present to a limited extent" indicates that the factor is

present, but the distribution or impact of the factor is limited. Finally, a factor noted as "present to a major extent" indicates that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

1. Age

Age is a primary and prerequisite factor in determining an area's qualification for designation as a conservation area. Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems can be a function of time, temperature and moisture, structures which are 35 years of age or older typically exhibit more problems, are difficult to adapt to present-day business requirements and require a greater level of maintenance than more recently constructed buildings.

Discussion

Buildings meeting the age factor are reasonably distributed throughout all of the blocks comprising the Study Area. Many of the buildings in the Study Area date back to the early 1900's, when the area was developed. Of the 90 buildings in the area, 79 (88%) exceed 35 years in age.

Conclusion

The Study Area meets the prerequisite test for designation as a conservation area since more than 50 percent of the buildings in the area are 35 years of age or older.

2. Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings and improvements. This is reflected in the Webster's New Collegiate Dictionary, which defines Dilapidate, Dilapidated and Dilapidation as follows:

- *Dilapidate*, means "... to become or cause to become partially ruined and in need for repairs, as through neglect."
- *Dilapidated*, means "... falling to pieces or into disrepair; broken down; shabby and neglected."
- *Dilapidation*, means "... dilapidating or becoming dilapidated; a dilapidated condition."

The condition of all buildings was determined based on findings of the exterior survey of each building within the Project Area, as described earlier in this Eligibility Study.

Conclusion

The results of the analysis indicate that no buildings were found to be in a substandard (dilapidated) condition. The factor of dilapidation is not present.

3. Obsolescence

Webster's New Collegiate Dictionary defines Obsolescence as "*being out of use; obsolete.*" Obsolete is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

Functional Obsolescence

Structures historically have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupancy at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit the use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence.

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

Obsolete buildings contain characteristics or deficiencies which limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of an area.

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated designs, etc.

Discussion

Obsolete buildings are present in ten of the fourteen blocks. These include residential buildings converted to accommodate commercial activity; long, narrow buildings; small structures with limited utility or opportunity for expansion; and single purpose buildings, including the former Lawnware property which is difficult to adapt to other uses. Obsolete buildings include 22, (24%) of the total 90 buildings in the Study Area.

Conclusion

Blocks in which 20% or more of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a major extent. Blocks in which less than 20% of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a limited extent

The results of the analysis indicate that the combination of obsolete buildings, obsolete platting and obsolete streets, indicates that obsolescence is present to a major extent in eight blocks and to a limited extent in two blocks.

4. Deterioration

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of paint, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, exterior walls, roofs, etc.), respectively.
- All buildings and site improvements classified as dilapidated are also deteriorated.

Discussion

Building Deterioration. The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Building Condition Survey" Of the total 90 buildings, 36 (40%) of the buildings in the Study Area are classified as deteriorating or deteriorated. In additional several sites, including parking areas and gravel site surface areas exhibit conditions of

deterioration. As noted in the following summary in Table 1, building deterioration exists throughout the Study Area.

Table 1: Summary of Building Deterioration

Block No.	Total Buildings	Sound	Minor Deficient	Major Deficient	Substandard (Dilapidation)
201	1	0	1	0	0
202	12	4	6	2	0
203	3	3	0	0	0
204	2	1	1	0	0
205	1	1	0	0	0
206	14	7	4	3	0
100	12	11	1	0	0
102	2	1	1	0	0
111	8	2	5	1	0
112	23	18	4	1	0
113	5	1	4	0	0
114	5	3	1	1	0
117	1	1	0	0	0
121	1	1	0	0	0
Total	90	54	28	8	0
Percent	100.0	60.0	31.1	8.9	0.0

Site Deterioration.

Field surveys were conducted to identify the condition of parking and surface storage areas. A number of parcels contain gravel surfaces with pot holes and weed growth. This condition is present in nine sites in five of the thirteen blocks.

Streets

Several streets and sections of streets were noted as containing deteriorating and patched pavement sections, gravel shoulders without curbs or gutters (Lincoln Avenue, west of the rail line) pot holes, poor pavement edges. These include Dempster, from the rail line to Narragansett, Chestnut Street, from Lehigh to the forest preserves where it terminates and Lehigh from Lincoln to Main Street along the west side. Main Street contains poorly patched pavement, deteriorated curbing and no sidewalks.

Conclusion

Blocks in which 20% or more of the buildings or site improvements are indicated as characterized by deterioration and, provided that at least 10% of all buildings are deteriorating to

a major deficient level, indicate the presence of deterioration to a major extent. Blocks in which less than 20% of the buildings or sites show the presence of deterioration and less than 10% of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a limited extent

Deterioration, including buildings, streets, curbs and gutters, sidewalks and site improvements, is present to a major extent in five blocks and to a limited extent in seven blocks within the Study Area.

5. Illegal Use Of Individual Structures

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

Discussion

While some uses may not conform to the zoning for the block in which they are located, no evidence of illegal uses has been documented as part of the exterior analysis of the Study Area.

Conclusion

The results of the analysis indicate that the factor of illegal uses of individual structures is not found to be present throughout the Study Area.

6. Presence Of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, fire, property maintenance or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

Discussion

Based on the exterior survey, 8 (8.9%) of the 90 structures in the Study Area contained advanced defects over major portions of visible components, which are below the Village's building and property maintenance codes.

Conclusion

Blocks in which 20% or more of the buildings contain advanced defects are indicated as characterized by the presence of structures below minimum code standards to a major extent.

Blocks in which less than 20% of the buildings are below minimum code standards are considered present to a limited extent.

The results of the analysis indicate that the factor of structures below minimum code standards is present to a major extent in one block and to a limited extent in four of the fourteen blocks in the Study Area.

7. Abandonment

Webster's New Collegiate Dictionary defines Abandon as "to give up with the intent of never again claiming one's right or interest"; or "to give over or surrender completely; to desert."

Conclusion

Based on the analysis of the properties within the Study Area, abandonment as a factor is not found to be present.

8. Excessive Vacancies

Excessive vacancies refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency or duration of vacancies. Excessive vacancies include properties which evidence no apparent effort directed toward their occupancy or utilization.

Discussion

Within the Study Area, vacancies include vacant buildings and vacant space within buildings including vacant store fronts or vacant space on upper floors. Of the 90 buildings in the Study Area, 5 are vacant, including the large industrial building formerly occupied by the Lawnware Company and 5 contain vacant space.

Blocks in which 20% or more of the buildings are partially or totally vacant are indicated as characterized by the presence of excessive vacancies to a major extent. Blocks with less than 20% of the buildings partially or totally vacant are characterized by the presence of excessive vacancies to a limited extent.

Conclusion

The results of the analysis indicate that the factor of excessive vacancies is present to a major extent in five blocks and to a limited extent in four blocks.

9. Overcrowding Of Structures And Community Facilities

Overcrowding of structures and community facilities refers to utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity.

Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use of activities without adequate provision for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

Discussion

Several buildings, including residential buildings were converted to accommodate other commercial activity, however, interior overcrowded conditions could not be substantiated as a factor from the exterior surveys.

Conclusion

Overcrowding of structures and community facilities as a factor is not sufficiently present throughout, nor distributed in enough blocks to be documented as part of this study.

10. Lack Of Ventilation, Light, Or Sanitary Facilities

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, *e.g.*, residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, *i.e.*, bathrooms, and dust, odor or smoke producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes with openable sections to provide the required amounts of ventilation based on the ratios of room size to window areas; and
- Adequate sanitary facilities, *i.e.*, garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

Conclusion

Conditions of the lack of ventilation, light, or sanitary facilities have not been documented as part of the exterior survey and analyses undertaken within the Study Area.

11. Inadequate Utilities

Inadequate utilities refers to deficiencies in the capacity or condition of infrastructure which services a property or area, including but not limited to, storm drainage, water supply, sanitary sewers, gas and electricity lines.

Conclusion

Inadequate utilities have not been documented as part of the surveys and analysis undertaken within the Study Area.

12. Excessive Land Coverage

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on a parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for natural light and air, an increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking and inadequate provision for loading, service and storage.

Discussion

Excessive land coverage is present within all but four blocks of the Study Area. Parcels with excessive lot coverage include parcels with single buildings covering nearly all of the sites on which they are located and parcels with multiple buildings.

These conditions contribute to the lack of sufficient space for loading, service and off-street parking provisions and to the hazards of fire spread, life and safety factors due to the close proximity to adjacent buildings.

Conclusion

Blocks in which 20% or more of the sites or land area is impacted by excessive land coverage are indicated as characterized by the presence of excessive land coverage to a major extent. Blocks in which less than 20% of the sites or land area indicates excessive land coverage are indicated as characterized by the presence of excessive land coverage to a limited extent.

The results of the analysis indicate that the factor of excessive land coverage is present to a major extent in six blocks and to a limited extent in five blocks.

13. Deleterious Land-Use Or Layout

Deleterious land-uses include all instances of incompatible land-use relationships, buildings which are occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive, or environmentally unsuitable.

Deleterious layout includes improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other buildings.

Discussion

Improper Platting/Layout. Improper platting/layout in the Study Area includes parcels of limited size and depth and interior land-locked parcels. These conditions exist in four blocks.

Incompatible Land-Uses. In six blocks, residential uses are inappropriately located adjacent to either commercial or, industrial activity. Several commercial uses are located in blocks which are predominantly residential.

Conclusion

Blocks in which 20% or more of all properties indicate deleterious land use or layout are indicated as characterized by the presence of deleterious land use or layout to a major extent. Blocks in which less than 20% of the properties indicate deleterious land use or layout are indicated as characterized by the presence of deleterious land use or layout to a limited extent. Deleterious land-use or layout exists to a major extent in four blocks and to a limited extent in seven blocks. These conditions are detrimental to the proper development of the entire Study Area.

14. Depreciation Of Physical Maintenance

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of the buildings, parking areas and public improvements, including curbs and gutters, walks, and streets. The presence of this factor within the Study Area includes:

- Buildings. Of the total 90 buildings, 36 (40%) contain defects and evidence deterioration and related deferred maintenance of exterior walls, windows, doors, roofs, fascias, gutters and downspouts, and porches.
- Parking and storage areas and vacant lots. Properties affected include 9 properties in 5 blocks which contain sand or gravel surfaces which are deteriorated and poorly maintained with weeds and debris.
- Curbs, gutters, streets and sidewalks. Deteriorated streets exists along 8 blocks. Lack of curbs, walks and gravel shoulders exists along 6 blocks.

Conclusion

Blocks in which 40% or more of the buildings, premises or sites exhibits depreciation of physical maintenance are indicated as characterized by the presence of depreciation of physical maintenance to a major extent. Block in which less than 40% of the buildings, premises or sites exhibit depreciation of physical maintenance are characterized by the presence of depreciation of physical maintenance to a limited extent

The results of the survey and analyses of depreciation of physical maintenance within the Study Area indicates that this factor exists to a major extent in eight blocks and to a limited extent in five blocks.

15. Lack Of Community Planning

A lack of community planning in the Project Area is evidenced in a variety of ways, including the disconnected mix of residential uses, commercial uses and office uses and the variety of buildings in age, design, size and layout. Further, the platting of blocks and placement of buildings occurred on a parcel-by-parcel basis, and was developed before the Village of Morton Grove prepared and adopted a comprehensive plan for the community.

Discussion

The existing problems, arrangement and admixture of uses, parcels and general overall poor appearance of many of the buildings and improvements, could have been avoided if the Village, at the time, had the benefit of a plan or development controls to guide development within the Study Area.

Conclusion

Lack of community planning as a factor is present to a major extent throughout the Study Area.

IV. ELIGIBILITY CONCLUSIONS

The Study Area meets the requirements of the Act for designation as a conservation area. Of the total 90 buildings, 79 (88%) exceed 35 years of age. In addition to age, there is a reasonable presence and distribution of eight of the fourteen factors listed in the Act. These factors include:

1. Obsolescence
2. Deterioration
3. Structures below minimum code
4. Excessive vacancies
5. Excessive land coverage
6. Deleterious land-use or layout
7. Depreciation of physical maintenance
8. Lack of community planning

The distribution of conservation factors is indicated in Table 2 and Figure 4, *Distribution of Conservation Factors*.

The conclusion of this Eligibility Study is that the Study Area qualifies as a conservation area as defined in State statute and is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of this central area of the Village. The Study Area is not yet a blighted area but appears to be declining and deteriorating and may become a blighted area. The presence of the conservation factors indicates that the Study Area has not been subject to sound growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan, of which this Eligibility Study is a part, for the Study Area.

Table 2

Distribution of Conservation Factors by Block

	201	202	203	204	205	206	100	102	111	112	113	117	114	121
Age	■	■	■	■	■	■	■	□	■	■	■	■	■	■
Other factors														
Dilapidation														
Obsolescence		■		■		■	■		■	□	■	□	■	■
Deterioration	□	■		□	□	■	□	□	■	■	□		■	□
Illegal use of individual structures														
Structures below minimum code		□				□			□				■	
Abandonment														
Excessive vacancies	■		■			□		□	□	□	■		■	■
Overcrowding of structures and community facilities														
Lack of ventilation, light and sanitary facilities														
Inadequate utilities														
Excessive land coverage		■	■	□		□	■		■	□	■	□	■	□
Deleterious land-use or layout		■	□			■	□		■	□	□	□	■	□
Depreciation of physical maintenance		■	■		■		□		■	■	□	□	■	□
Lack of community planning	■	■	■	■	■	■	■	■	■	■	■	■	■	■
□ Present to a limited extent														
■ Present to a major extent														

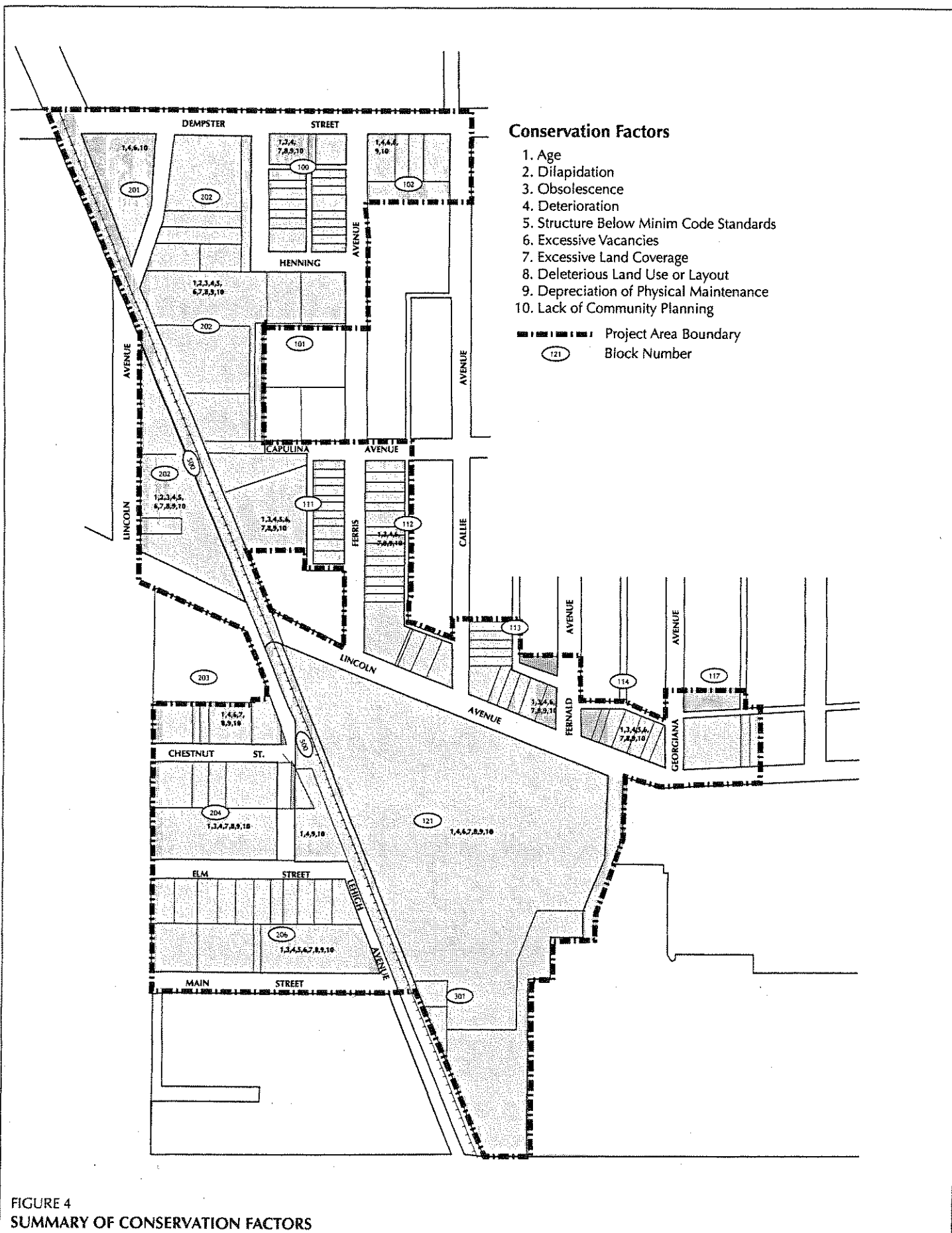


FIGURE 4
SUMMARY OF CONSERVATION FACTORS