

# SOUTH WESTMONT BUSINESS DISTRICT TAX INCREMENT FINANCING DISTRICT REDEVELOPMENT PLAN AND PROGRAM

Village of Westmont, Illinois



South Westmont Business District Tax Increment Financing District

**FINAL DRAFT**

October 8, 2012 (February 19, 2013 – Revised)



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## INTRODUCTION

The long term revitalization of the South Westmont Business District (SWBD) will be guided by the Tax Increment Redevelopment Plan and Program (the "Redevelopment Plan"). The SWBD study area (Project Area) is generally located at the intersection of Cass Avenue and 63<sup>rd</sup> Street in the southern portion of the Village of Westmont (See Project Boundary Area Map). To encourage new investment and redevelopment within the SWBD, the Village of Westmont will utilize tax increment financing (TIF) as a tool to facilitate development. With the recognized goals of conserving the taxable value of land and buildings, and protecting the character and the stability of the commercial, industrial, civic, recreational, and residential areas within Westmont, the Village developed this Redevelopment Plan to guide public and private improvement and investment decisions and public expenditures, including those associated with TIF revenues.

The TIF Eligibility Findings Report (Appendix A) indicates that the Project Area as a whole qualifies as a "**blighted area**" according to the criteria established by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq., as amended (the "Act"). As a result of the Project Area qualifying as a blighted area, TIF becomes an appropriate tool for the Village of Westmont to explore as it can provide the financial incentives necessary to attract redevelopment by eliminating the conditions that inhibit private investment, weaken the Village's tax base, affect the safety of community residents, and hinder the Village's ability to promote a cohesive development of compatible land uses.

This Redevelopment Plan represents a strong commitment and desire on the part of the Village to improve and revitalize the SWBD. The Redevelopment Plan is intended to provide a framework for improvements and reinvestment within the SWBD over the next 23 years. The goal of the Redevelopment Plan is to encourage the improvement and redevelopment of existing obsolete and deteriorating buildings and sites, including the revitalization of vacant and underutilized buildings for uses that will contribute to the economic strength and vitality of the community.

Village officials have determined that, without direct municipal involvement and financial assistance, the Village's goals and objectives for this area – particularly the improvement goals for the SWBD identified in the Westmont Comprehensive Plan, and the South Westmont Market Study in 2004, cannot be met. To encourage new investment in the SWBD, the Village of Westmont has created the following Redevelopment Plan to identify an effective approach to facilitate development.

## **SOUTH WESTMONT BUSINESS DISTRICT PLANNING INITIATIVES**

Village efforts to address the revitalization of the South Westmont Business District began in 2004 with the adoption of an ordinance creating the South Westmont Business District and adopting a development plan pursuant to the Business Development and Redevelopment Act, 65 ILCS 5/11-74.3-1 which provides the Village with additional taxing authority and the ability to pursue redevelopment. However, as noted in the South Westmont Market Study in 2004, the South Westmont Business District lacks the kind of investment experienced along Ogden Avenue; with several large parcels either undeveloped or experiencing high vacancies. Specifically, the market study notes, "... the performance of the corridor located along Ogden Avenue suggests the present uses of the site (*South Westmont Business District*) are underperforming and that a potential exists within the area to generate greater revenues."

The 2004 South Westmont Business District Plan recommended numerous public and private development activities to arrest and reverse trends that have resulted in disinvestment. Acknowledging the deteriorated condition of the District, and to encourage revitalization and development of a second strong commercial corridor to diversify the Village's tax base, Village officials determined that, without direct municipal involvement and financial assistance, planning objectives for this area could not be met. To encourage new investment in the South Westmont Business District, the Plan and market study recommended the use of additional financial tools, such as Tax Increment Financing (TIF) as a method to facilitate redevelopment. The proposed TIF District serves to enhance the developmental potential of the South Westmont Business District, and as a result further attracting office and business interests to the area. New development as a result of TIF assistance creates synergies that further encourage people to visit Westmont for other commercial purposes, which lead to a stronger and more diversified economic base.

Recent efforts underway to update the Village's Comprehensive Plan include a special focus on the future improvements and redevelopment needed within the SWBD. This Plan recognizes that the intersection of 63rd Street and Cass Avenue is one of Westmont's most prominent commercial areas; however, it remains an underperforming retail district. In comparison to other principal retail areas within Westmont, including Downtown which serves as a niche restaurant and specialty retail market, and Ogden Avenue that provides regional retail and services, the Plan recognizes that the SWBD is well positioned to provide both regional and local retail goods and services if existing blighting conditions can be overcome. The Plan notes that; "The 63rd and Cass subarea faces many challenges as it evolves to respond to changing market demand and consumer taste. ... Several lots have seen recent reinvestment in the form of new development or building and site rehabilitation. However, other lots are showing significant signs of stress, and others are experiencing high levels of vacancy." The SWBD Subarea Plan envisions large-scale redevelopment for the northwest corner of 63rd and Cass, including the Village-owned parcel and Westbrook Market shopping center. The intent of this redevelopment is to create a distinct "place" that includes a mix of commercial and retail uses, and is

designed to attract a variety of shopping and community-based activities in a comfortable and attractive environment.

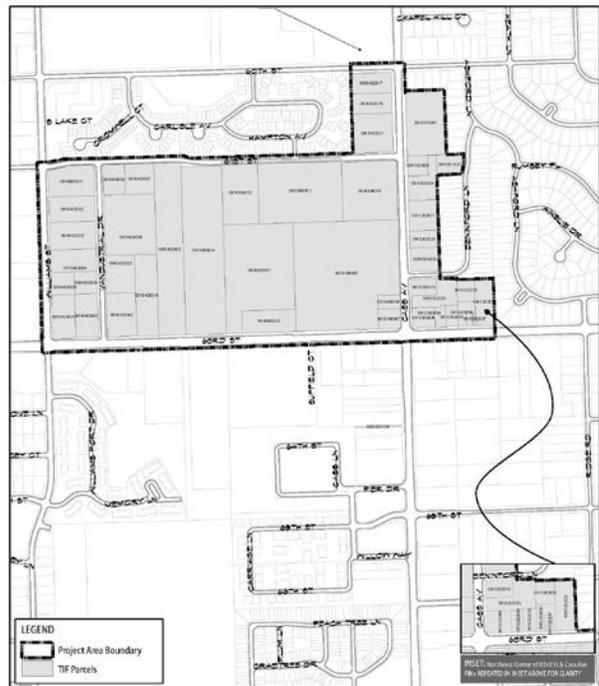
## DESCRIPTION OF THE PROJECT AREA

The boundaries of the Project Area have been carefully established to include those properties that will gain an immediate and substantial benefit from the Redevelopment Plan. The Project Area is located north of the 63<sup>rd</sup> Street corridor, extending north along Cass Avenue, generally between 61<sup>st</sup> Street on the north, Williams Street on the west, 63<sup>rd</sup> Street on approximately 600 feet of Case Avenue. The Project Area includes primarily commercial and industrial uses. Covering approximately 90 acres, the Project Area contains 52 structures on 43 parcels, and covers 5 blocks or parts thereof. Map 1 illustrates the boundaries of the Project Area.



Commencing in June 2011, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed redevelopment Project Area. Determination of eligibility of the Project Area for TIF was based on a comparison of data gathered through field observation by Teska, document and archival research, and information provided by the Village of Westmont and DuPage County, against the eligibility criteria set forth in the Act. As detailed in Appendix A of this Redevelopment Plan, the Project Area is eligible for designation as a "**blighted area**" due to the predominance and extent of the following factors:

1. **Age of buildings**
2. **Structures below minimum code standards**
3. **Obsolescence**
4. **Deterioration**



MAP 1  
Project Area Boundary Map w/ Parcels & PINs  
63rd Street TIF | Village of Westmont, Illinois  
Last Revised: February 11, 2013  
GIS data provided by the Village of Westmont; map prepared by Teska Associates, Inc.

5. **Excessive vacancies**
6. **Inadequate utilities**
7. **Lack of community planning**
8. **Decline in equalized assessed value (EAV)**

## **LEGAL DESCRIPTION**

See Appendix B

## **REDEVELOPMENT GOALS & OBJECTIVES**

The Redevelopment Plan seeks to respond to a number of issues and market conditions within the Project Area that have contributed to the inability to achieve the vision for revitalization established by the Village, particularly as outlined in the SWBD Plan and Comprehensive Plan Update. Consistent with the Village's past and current planning efforts, this Redevelopment Plan is indicative of a strong commitment on the part of the Village to revitalize the SWBD by capitalizing on redevelopment opportunities and improvements to existing businesses.

The goals established in the SWBD Plan and Village Comprehensive Plan provides the basis for the goals and objectives of the Redevelopment Plan, including the following:

1. Create a viable and sustainable commercial district that meets the needs of residents in the southern portion of the Village and serves as a regional destination for nearby communities.
2. Relocate uses that do not contribute to the vitality of the commercial corridor, such as warehousing, storage, or small distribution, in order to provide for new reinvestment in quality commercial development.
3. Enhance access between adjacent small-lot developments by creating cross-access agreements. This provides several benefits in addition to enhanced access, such as greater parking capacities on retail lots and safer and more efficient traffic management along the arterial corridors.
4. Improve linkages between retail uses and surrounding neighborhoods, through trails where existing development can accommodate them, or by designing new internal street networks on commercial sites that logically align with the surrounding street network.
5. Improve or provide landscaping and screening where the buffering is inadequate to mitigate all impacts related to the use of commercial lots and their servicing. Especially adjacent to residential development to ensure the preservation of neighboring blocks.

6. Strengthen the employment, commercial, residential, civic, and recreational components of the SWBD through the improvement of existing utilities, facilities, and infrastructure.
7. Induce the rehabilitation or redevelopment of existing deteriorated, underutilized, and vacant buildings and sites for new and/or improved uses.
8. Promote the SWBD as the southern gateway to the Village of Westmont, providing a mix of businesses opportunities that expand local and regional economic growth and enhance the vitality of Westmont's neighborhoods.
9. Utilize public investments in a way that fosters incremental private actions that lead towards a viable long-term vision for the SWBD.
10. Acquire new and expand and upgrade existing municipal facilities to provide the necessary infrastructure for redevelopment as well as encourage private investment.
11. Encourage private investment to upgrade or redevelopment existing vacant, deteriorated structures and sites, as well as encourage public/private partnerships where appropriate.
12. Explore carefully selected and positive financial and regulatory incentives that support the retention, expansion, and relocation of businesses to and within Westmont.
13. Promote, retain, and attract businesses that provide a diverse base of employment opportunities.
14. Promote the development of large format commercial projects to provide a strong anchor to the SWBD, to generate substantial sales tax revenues, and to spur additional growth and redevelopment.
15. Encourage private purchase of properties within the SWBD for redevelopment, and pursue the acquisition of properties if needed for redevelopment.
16. Establish guidelines for a cohesive and comprehensive streetscape within the SWBD, including but not limited to, sidewalks, street lights, public and private landscape improvements, gateway and wayfinding signs.
17. Consider improvement of roadways, including requests for left turn lanes, traffic lights and stop signs, where necessary to promote the public health, safety and welfare.

18. Consider appropriate economic incentives to spur private redevelopment on a case by case basis, subject to the restrictions of State Statute.
19. Provide the necessary beautification improvements to attract and encourage private investment.
20. Emphasize action and tangible results through specific short-term, highly visible projects that help demonstrate the commitment of the public sector to revitalize the SWBD.
21. Create a more appealing environment for pedestrians and bicyclists by improving the visual character, comfort, and convenience of the SWBD to make it more accessible and attractive to alternative modes of transportation.

## **REDEVELOPMENT PLAN & PROGRAM**

The revitalization of the SWBD is a large and complex undertaking that presents many challenges and opportunities for the Village. The success of this effort will depend on the cooperation between the private property owners and the local, county and State government. Public and private development efforts have not been able to stimulate the comprehensive revitalization of the SWBD. The adoption of this Redevelopment Plan and Program will aid in the implementation of the goals and objectives of the Village, and will assist in stimulating redevelopment and rehabilitation, which otherwise could not reasonably be anticipated to develop without the adoption of this Redevelopment Plan. Through public investment the SWBD will become an environment and setting that will attract private investment.

The Act describes the Redevelopment Plan as:

*"the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment Project Area as a blighted area or conservation area, and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment Project Area."*

The successful implementation of the Redevelopment Plan requires that the Village take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

## **Purpose of the Redevelopment Plan**

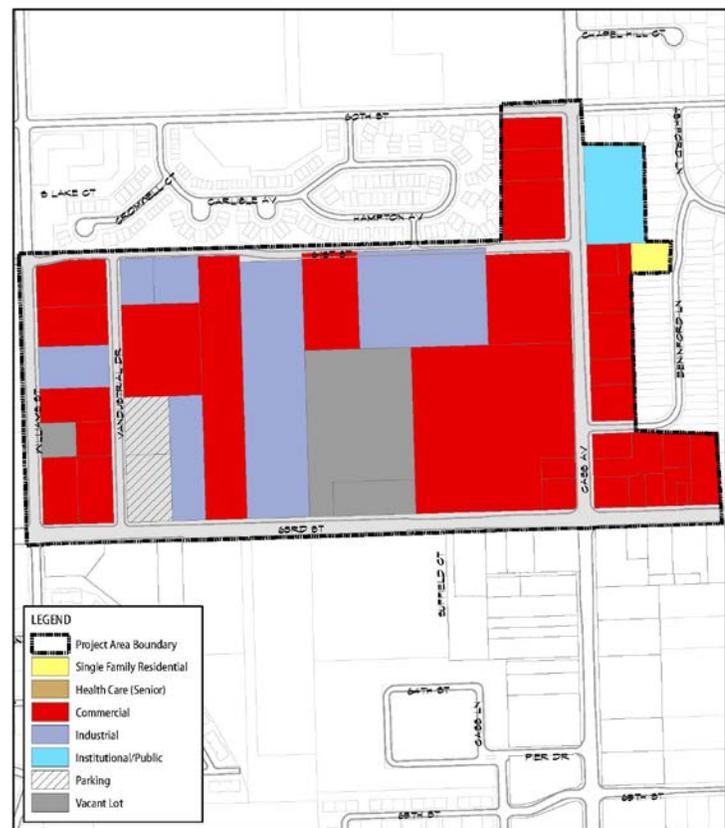
Pursuant to the Act, the purpose of a Redevelopment Plan for the SWBD is to promote the health, safety, morals, and welfare of the general public by:

1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing public utilities within the area; and
4. Enhancing the overall quality of the SWBD and adjacent neighborhoods.

## **Redevelopment Land Use Plan**

The aim of the Redevelopment Plan is the revitalization of the SWBD as a vibrant retail, entertainment and business center providing a mix of uses that offer a variety of goods and services, employment opportunities, and improvements to the health, vitality, and quality-of-life of the Village of Westmont. Figure 3 illustrates the proposed land uses for the SWBD as recommended in the Village's Draft Comprehensive Plan. Figure 2 illustrates existing land uses within the SWBD.

**FIGURE 2 –  
EXISTING LAND USE MAP**

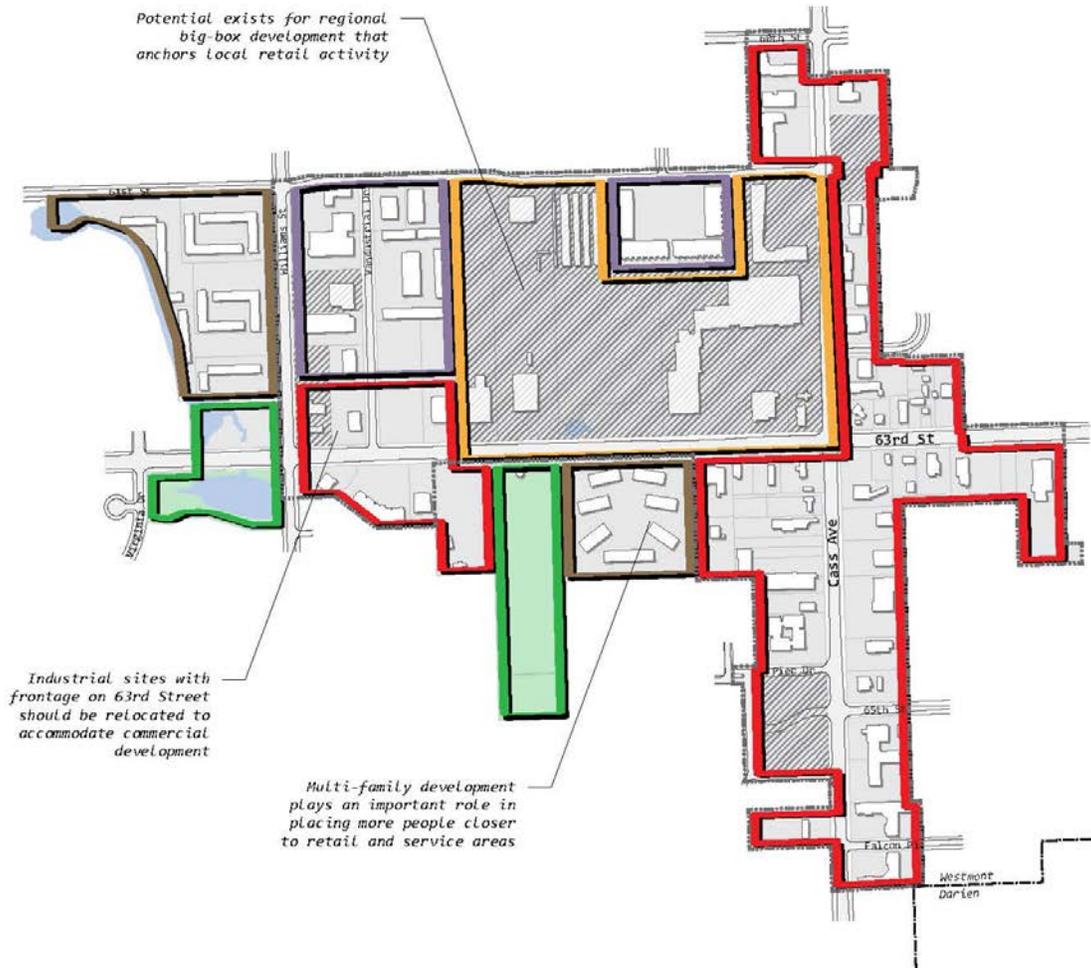


Map 10  
**Existing Land Use**  
SWBD TIF | Village of Westmont, Illinois

Last Revised: February 19, 2013

GIS data provided by the Village of Westmont; map prepared by Teska Associates, Inc.

**FIGURE 3 – FUTURE LAND USE PLAN MAP - DRAFT**



**63rd & Cass  
Land Use Framework**

- Commercial Infill / Improvement Area
- Commercial Redevelopment Area
- Multi-Family to Remain
- Office / Light Industrial to Remain
- Open Space to Remain
- Proposed TIF Boundary
- Opportunity Sites

1,000 feet      WEST



The Future Land Use Plan shown in Figure 3 indicates a configuration of land uses that are anticipated to create the optimal scenario for long-term growth and redevelopment of the SWBD. Below is a summary description of each land use type consistent with the Village Comprehensive Plan:

Commercial (Retail and Service Use). Commercial uses are the predominant recommend use for the SWBD. This land use classification includes individual businesses on smaller lots; modest neighborhood oriented shopping centers on parcels with limited depth typically due to adjacency to residential uses; community and regional retail centers consisting of large-format stores; and in-line shops and out-lot buildings developed in a unified center, typically on 10 acre or larger sites.



Office/Business Park. Office and Business uses are recommended in locations not ideally suited for commercial uses, or where existing uses are determined to be consistent with the overall plan. This type of development is intended to provide expanded employment opportunities and replace incompatible industrial uses and obsolete business uses. These uses are generally concentrated at the far western end of the Project Area, particularly located beyond the existing and proposed commercial uses along 63<sup>rd</sup> Street. Locating the office and business park uses away from 63<sup>rd</sup> Street reserves these prime sites for commercial tenants that require immediate frontage along major streets for maximum visibility and accessibility.



### **Redevelopment Plan Activities**

The focus of the redevelopment plan for the SWBD is to provide the necessary infrastructure to support redevelopment, to utilize financial and regulatory incentives that support the retention, expansion, and improvement of existing businesses, and encourage private investment in the Project Area in order to redevelop underutilized and vacant buildings and parcels. Overall, the following redevelopment activities will contribute to the long-term economic health and vitality of the Project

Area and Village of Westmont. This redevelopment plan is consistent with Village's plans and goals for the SWBD as expressed in its Comprehensive Plan. Redevelopment activities are not limited to the sites identified in the Plan. The Village of Westmont will entertain other development proposals for blocks or parcels if the proposed uses are consistent with the overall intent of the Village Comprehensive Plan and this Redevelopment Plan.

Figure 4 illustrates the key redevelopment opportunity sites in the Project Area. The key redevelopment opportunity sites are those parcels or clusters of parcels that offer a likelihood of being redeveloped over the 23-year life of the TIF District, primarily due to factors such as the presence of vacant or underutilized parcels, Village-owned parcels, or parcels that contain obsolete uses or uses that do not maximize the development potential of the SWBD. Additional redevelopment activity may also occur on other parcels not specifically highlighted on Figure 4 over the life of the TIF and would also be eligible for potential TIF funding assistance.

It must be noted that the Future Land Use Plan and Redevelopment Opportunity Sites maps contained in this document shall each serve as a guideline for redevelopment within the SWBD. They are not meant to establish specific requirements and should not be rigidly interpreted. Adjustments may be made in response to market conditions and other key factors as long as they remain consistent with the Village's overall goals and objectives. Designation of a property as a redevelopment opportunity site merely suggests future potential that may be realized through site improvements to better accommodate existing uses or through more significant redevelopment efforts.

These redevelopment opportunities include projects that may require assembly of properties, the demolition of existing structures, rehabilitation of existing structures, and/or the construction of new structures. Below are detailed descriptions of the 14 redevelopment opportunity sites:

Site A: Retail Shopping Center

Site A contains a retail shopping center with high vacancies and may be obsolete for its intended purpose. The Plan provides for the substantial remodeling or demolition of all or a portion of Site A to provide for retail buildings that meet modern commercial standards and Village codes.



Site B: Retail Shopping Center

The Plan for Site B calls for the consolidation of Village owned land and existing retail buildings into a unified retail development that will provide for modern, large format stores, shops and outlot parcels. As envisioned, existing uses would be redeveloped, and



additional site access would be provided at new signalized intersections on Cass Avenue and 63<sup>rd</sup> Street. Approximately one-half of Site B is vacant or consists of open storage and industrial uses.

Site C: Office/Business Park

A variety of office, business, industrial, vacant properties and sites uses for open storage occupy Site C. The Plan promotes the redevelopment of obsolete industrial and open storage uses, the development of vacant lands for office and business uses. Existing office/business uses may be rehabbed or improved.



Site D: Commercial Development

An existing commercial parcel and an adjacent parcel consisting of an open storage bus-yard are recommended for consolidation in Site D for redevelopment as a larger commercial retail site.



Site E: Office/Business Park

Similar to Site C, this Site contains a variety of office, business, industrial, and sites uses for open storage. The Plan promotes the redevelopment of obsolete industrial and open storage uses, the development of vacant lands for office and business uses. Existing office/business uses may be rehabbed or improved.



Site F: Retail Shopping Center

The redevelopment of a long standing vacant gas station and bank building, in conjunction with other existing business sites provides the opportunity to establish a unified retail center, enhance buffering of adjacent residential uses, and consolidate curb-cuts to improve traffic safety.



Site G: Commercial Development

Site G consists of a variety of commercial businesses and lots sizes, some of which are underutilized, and are not sized appropriately for modern uses and would not compliance with Village codes. The Plan recommends consolidating parcels, and improving



existing businesses, in order to enhance the area for redevelopment.

#### Site H: Retail Center

Currently used for agricultural/retail purposes, Site H primarily consists of old farm buildings and outdoor storage. The Plan recommends the consolidation of existing parcels, some of which are currently landlocked for redevelopment for commercial uses in a small shopping center format as a single business or a multi-tenant center.



Undertaking redevelopment activities outlined above will generate increased tax revenues, expand the availability of high quality retail, and office space in Westmont, and stimulate additional development in surrounding areas.

#### Property Improvements

In addition to redevelopment activities identified above, the Redevelopment Plan recommends improvements to existing properties and buildings, including building maintenance and repair, parking lot repair and reconstruction, and façade enhancements that will occur within the SWBD throughout the 23-year life of the TIF District. However, it is difficult to accurately predict on a parcel-by-parcel basis which of these properties will be improved. The Village should continue to enforce property maintenance requirements and encourage property improvements within the Project Area. While property maintenance must be sensitive to property owners' circumstances, it must also be cognizant of the greater good of the community to protect property values and eliminate health and safety hazards. Programs that combine early warnings and consistent enforcement of property maintenance codes are extremely important to prevent long-term neglect of properties that may lead to issues relating to habitability and the need to raze older properties.

**FIGURE 4 – TIF REDEVELOPMENT ACTIVITIES  
REDEVELOPMENT OPPORTUNITY SITES**



## **Eligible Project Costs**

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project, as allowed by Statute. 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.
2. The cost of marketing sites within the Project Area to prospective businesses, developers, and investors.
3. Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
4. Costs of rehabilitation, reconstruction, repair, or remodeling of existing private or public buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Costs of the construction of public works or improvements.
6. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of 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, as provided in the Act.
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto.

8. To the extent the Village by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act.
10. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law.
11. Payment in lieu of taxes.
12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act.
13. Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units as defined in Section 3 of the Illinois Affordable Housing Act, as provided by the Act.

### **Acquisition & Clearance**

To meet redevelopment objectives it may be necessary for the Village of Westmont to acquire properties in the Project Area, or by providing assistance in marketing and promoting redevelopment opportunities. The Village may elect to acquire property through a direct market transaction. However, under exceptional circumstances, the Village Board may choose to exercise its power of eminent domain, including appropriate compensation for property acquisition. It is not the intent of the Village to acquire properties unless, on a site-by-site basis, the Village Board determines acquisition to be necessary to implement this Redevelopment Plan. Such determination may be made without further amendment to this Plan.

### **Land Disposition**

Property, which may be acquired by the Village, may be assembled into appropriate redevelopment or rehabilitation sites. These properties may be sold or leased by the Village to other public bodies or to private developers, in whole or in part. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land. The Village reserves the right to sell or lease any property acquired within the Project

Area during the 23-year duration of the TIF District. Any future modifications to the stated disposition actions of this Plan will be in accordance with the objectives of this Redevelopment Plan and Program, and will not require any amendment to the Plan.

No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the Village. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without providing reasonable opportunity for the submission of alternative proposals or bids.

### **Public Improvements**

The Village of Westmont will provide public improvements in the Project Area to facilitate redevelopment, support the Redevelopment Plan, and serve the needs of Westmont residents, property and business owners. Appropriate public improvements may include, but are not limited to, the following:

1. Vacation, removal, resurfacing, widening, reconstruction, signalization, and other improvements to rights-of-way, streets, alleys, pedestrian ways, and pathways;
2. Development of or improvements to public open space;
3. Construction of off-street parking facilities and structures;
4. Improvement of public utilities such as sewer and water lines, sidewalks, curbs and gutters, and stormwater detention facilities;
5. Demolition and rehabilitation of obsolete structures;
6. Beautification improvements, including streetscape, lighting, signage, and landscaping within the Project Area;
7. Grants or loans to private property owners for eligible property improvements, including building rehabilitation, façade restoration or enhancements; and
8. Relocation expenses.

The Village of Westmont and individual developers, pursuant to an agreement between the parties, may share the costs associated with these improvements. The Village may determine at a later date that certain listed improvements are no longer needed or are appropriate and may remove them

from the list, or may add new improvements to the list that are consistent with the objectives of this Redevelopment Plan.

**Phasing of Projects**

The redevelopment projects anticipated in this Plan may commence immediately, but will likely occur over a longer period of time. For the purposes of this Redevelopment Plan Sites A, B, H are anticipated to be redeveloped with the first 5 years of the TIF District. The balance of the Sites – C, D, E, F, and G are anticipated to be redeveloped beyond 5 years after the establishment of the TIF District. All projects are anticipated to be completed within the 23-year life of the TIF District. Façade improvements, building rehabilitations, and other activities on individual properties will also occur throughout the life of the TIF District.

**Estimated Project Costs**

Estimated costs for public improvement projects listed above are provided in Table 1 below:

**Table 1: Estimated Redevelopment Project Costs**

<b>Expense Categories</b>	<b>Budget</b>
Property assembly, acquisition of land, demolition of buildings, site preparation and site improvements	\$64,434,746
Environmental, Market and Planning Studies, Surveys, Development of Engineering and Architectural Plans, Specifications, Implementation and Administration Fees	\$ 7,000,000
Rehabilitation, Reconstruction, Façade improvements, Repair, or Remodeling of Existing Public or Private Buildings and Fixtures	\$ 5,100,000
Streetscape Improvements, including but not limited to: Landscaping, Signs, Street Furniture, Trash Receptacles, Bike Racks, Banners, and Bollards	\$ 10,440,000
Road, Utility Improvements, Remediation, including but not limited to: sidewalks, new, repaved, or reconstructed roads; road or intersection widening; streetlights; water, sewer, stormwater replacements or improvements; environmental cleanup	\$ 40,360,200
<b>Total Estimated Project Costs</b>	<b>\$ 127,334,946</b>

(1) Over the lifetime of the TIF, redevelopment project costs may fluctuate and necessitate a change to the individual line items; however, such changes will not result in an increase of the total estimated project costs. Such

modifications may be made without further amendment to this Plan so long as there is not an overall increase in the total estimated project costs.

(2) Total redevelopment project costs exclude any additional financing costs, including any interest expenses, capitalized interest, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to the total project costs.

(3) Total project costs are inclusive of redevelopment project costs in contiguous Project Areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous Project Areas or those separated only by a public right-of-way. The amount of revenue from the Project Area made available to support such contiguous Project Areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area, shall not at any time exceed the total redevelopment project costs described in the Redevelopment Plan.

(4) Public improvements may also include capital costs of taxing districts and other costs allowable under the Act. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the Village or other public entities. As provided in the Act, Redevelopment Project Costs may include, to the extent the Village by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

### **Sources of Funds**

The Act provides a way for municipalities to finance public redevelopment costs with incremental real estate tax revenues. Incremental tax revenue is 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, resulting in the tax increment revenue.

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

1. Real property tax increment revenues from the Project Area;
2. Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
3. Interest earned on temporary investments;
4. Gifts, grants, and contributions;

5. Bond proceeds;
6. Sale or lease of land proceeds;
7. User fees;
8. Municipal sales taxes; and
9. The Village's general revenue fund.

The principal source of funds will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the Project Area over the initial equalized assessed value of each such lot, block, tract or parcel. It is estimated that the incremental increase in property taxes over the term of the TIF District in 2012 dollars will be **\$36,549,279**. There may be other eligible local sources of revenue that the Village determines are appropriate to allocate to the payment of redevelopment project costs.

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

In the event that adequate funds are not available as anticipated from aforementioned sources, the Village may utilize its taxing power to sustain the redevelopment projects or repay obligations issued in connection therewith, to be reimbursed over time, if possible, from tax increment revenues.

#### **Nature & Term of Obligations to be Issued**

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan, and whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the Village from undertaking initiatives designed to stimulate appropriate private investment in the Project Area.

Certain redevelopment projects may be of a certain scale or on a certain timetable as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed December 31<sup>st</sup> of the year after the 23<sup>rd</sup> year. Consistent with the conservative nature of the financial plan for this Redevelopment Plan, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this Plan, as now or hereafter amended, in accordance with law.

The Village may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

1. Net revenues of all or part of a redevelopment project;
2. Taxes levied and collected on any or all property in the municipality;
3. The full faith and credit of the municipality;
4. A mortgage on part or all of the redevelopment projects; or
5. Any other taxes or anticipated receipts that the municipality may lawfully pledge.

### **Equalized Assessed Valuation**

The total 2011 equalized assessed valuation of the Project Area is **\$20,378,940**. A detailed listing of the EAV of individual parcels within the TIF is provided in Appendix C. Upon the completion of the redevelopment projects, it is estimated that the equalized assessed valuation of real property within the Project Area will be approximately **\$68,545,239** in 2012 dollars, which represents an approximate **236%** increase in the total equalized assessed valuation. This figure is based upon estimates of value for the rehabilitation and redevelopment projects that are anticipated.

### **Payments in Lieu of Taxes**

No payments in lieu of taxes are anticipated as part of the Redevelopment Plan and Program.

### **Provisions for Amending the Redevelopment Plan & Program**

The Redevelopment Plan and Program may be amended pursuant to provisions of the Act.

## **FINDINGS OF NEED FOR TAX INCREMENT FINANCING**

On the basis of the preceding TIF Eligibility Findings Report and this Redevelopment Plan, the Westmont Village Board can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

### **Project Area Not Subject to Growth**

The Village finds that the Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise, based on physical conditions and the lag in growth in property values as follows:

- As described in the TIF Eligibility Findings Report (see Appendix A), the physical conditions of the Project Area testify to the lack of maintenance and improvement activities. In particular, the Eligibility Findings Report identifies a prevalence of deterioration, non-compliance with Village codes, vacancies, and decline in EAV, which are consequences of a lack of investment in the Project Area. While each individual property may not be deteriorated, the Project Area as a whole is characterized by a reasonable extent and meaningful distribution of this lack of investment.
- The Project Area also exhibits the condition of obsolescence. While each individual property may not be obsolete, the Project Area is characterized by a large number of structures that are functionally obsolete, and limit the re-use and marketability of such structures for their original intended purpose. Also, obsolescence is generally difficult to correct, particularly for larger structures that tend to limit the types of tenants that can re-occupy the spaces if they become available.
- The Project Area exhibits several instances of structures with vacant units and vacant parcels, which either have become vacant due to demolition of former structures or have never been developed. This distribution of vacancies exerts a significant blighting affect throughout the Project Area to the point that it will have a negative impact on adjacent properties and uses. The continued vacancies could begin to indicate that a significant portion of the Project Area

is underutilized, and the appearance of vacancies would exert a further drain upon the vitality of the community.

- The annual rate in change in equalized assessed value (EAV) of the Project Area has been less than the Village's rate, and less than CPI for 3 of the past 5 years in which complete EAV data is available, and has declined in 3 of the last 5 years.

Therefore, the Village of Westmont finds that the Project Area is not subject to appropriate growth and development, and is not reasonably anticipated to be developed without adoption of this Redevelopment Plan.

### **Conformance with Comprehensive Plan/Special Area Plan**

This Redevelopment Plan and Program is consistent with the community improvement goals identified in the 2012 Draft Westmont Comprehensive Plan Update, and with the specific recommendations for the 63<sup>rd</sup> & Cass SubArea Plan element of the Comprehensive Plan.

### **Date of Completion**

The estimated year of completion of the redevelopment projects and retirement of obligations issued to finance redevelopment project costs under no circumstances shall extend beyond December 31, 2037 (The year after the 23<sup>rd</sup> year from the date of adoption of the ordinance approving the Project Area).

## **FINANCIAL IMPACT OF REDEVELOPMENT**

Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of Village-sponsored redevelopment, there is a prospect that blighting factors will continue and spread to the adjacent residential neighborhoods and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites. 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.

Implementation of the Redevelopment Plan is expected to have short-term and long-term positive financial impacts on all the taxing districts affected by this Redevelopment Plan. In the short term, the Village's effective use of **tax increment financing 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, the completion of redevelopment projects and the payment of all redevelopment project costs and

municipal obligations, the **taxing districts will benefit from any enhanced tax base** which results from the increase in equalized assessed valuation generated as a result of financial incentives proposed in this Redevelopment Plan.

Specifically, the following taxing districts cover the Project Area:

1. DuPage County
2. DuPage Water Commission
3. DuPage County Forest Preserve District
4. DuPage County Airport Authority
5. Downers Grove Township
6. Village of Westmont
7. Westmont Park District
8. Grade School District #60
9. High School District #86
10. High School District #99
11. College of DuPage #502
12. Flagg Creek Water Reclamation District
13. Downers Grove Sanitary District
14. Darien-Woodridge Fire Protection District

#### **DuPage County Forest Preserve District**

Any increased demands for recreational services resultant from redevelopment will not have substantial impact on the DuPage County Forest Preserve District, as no new residential development is proposed. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

#### **Downers Grove Township**

Downers Grove Township provides services such as mosquito abatement, and limited social services. As no new residential development is proposed, and improvements to existing properties will likely reduce maintenance issues, development in the Project Area will not increase demand for Township services.

#### **Grade School District #60**

No new residential development is anticipated in the Redevelopment Project Area, therefore no increase in school age children will occur. Therefore, there will be no direct impact from new development on Grade School District #60.

### **High School District #86**

No new residential development is anticipated in the Redevelopment Project Area, therefore no increase in school age children will occur. Therefore, there will be no direct impact from new development on High School District #86.

### **High School District #99**

No new residential development is anticipated in the Redevelopment Project Area, therefore no increase in school age children will occur. Therefore, there will be no direct impact from new development on High School District #99.

### **College of DuPage District #502**

No new residential development is anticipated in the Redevelopment Project Area, therefore no increase in school age children will occur. Therefore, there will be no direct impact from new development on College of DuPage District #502.

### **Village of Westmont**

As a result of new and expanded development in the Project Area, the Village of Westmont may experience increased demand for services such as police and fire protection, permitting, inspections, and development review. Any increase in demand for services will be balanced by the rehabilitation of hazardous structures which are currently characterized by deterioration and code violations. However, this increased demand should not be so substantial that, on its own, warrants the hiring of additional staff or result in large capital expenditures. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### **Westmont Park District**

Any increased demands for recreational services resultant from redevelopment will not have substantial impact on the Westmont Park District, as no new residential development is proposed. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### **DuPage County**

With no new residential development anticipated in the Redevelopment Project Area, programs offered by the County will not experience increased demand for services. Therefore, there will be no direct impact from new development on DuPage County.

### **Flagg Creek Water Reclamation District**

The District's mandate is to provide sewer collection, conveyance, and treatment of sanitary waste. As the redevelopment project area is largely developed, any increase in sewer services will be minimal, and programs offered by the District will not experience increased demand for services. Therefore, there will be no direct impact from new development on the Flagg Creek Water Reclamation District.

### **Downers Grove Sanitary District**

The Downers Grove Sanitary District is responsible for providing sanitary sewer service for the Village of Westmont west of Cass Avenue. The District's mandate is to provide sewer collection, conveyance, and treatment of sanitary waste. As the Redevelopment Project Area is largely developed, any increase in sewer services will be minimal, and programs offered by the District will not experience increased demand for services. Therefore, there will be no direct impact from new development on the Downers Grove Sanitary District.

### **DuPage County Airport Authority**

With no new residential development anticipated in the Redevelopment Project Area, the expansion of general aviation services will not be required to serve new residents. Expanded and new businesses in the Redevelopment Project Area may utilize airport facilities and services; however this potential increase in business related use is expected to be minimal. Furthermore, any impact from the Redevelopment Project Area will be nominal when compared to the larger service area of the airport authority. Therefore, there will be no direct impact from new development on the DuPage County Airport Authority.

### **Darien-Woodridge Fire Protection District**

The Darien-Woodridge Fire Protection District may experience increased demand for fire protection services. However, this increased demand should not be so substantial that, on its own, warrants the hiring of additional fire fighters or the hiring of additional staff or requiring major capital expenditures as the portion of the Project Area served is minimal. Furthermore, the increased demand for services will be balanced by the rehabilitation of hazardous structures which are

currently characterized by deterioration and code violations. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### **DuPage Water Commission**

The Commission provides Lake Michigan water service for existing and future customers as required by, or pursuant to, state statutes in the communities of DuPage County, Illinois. As the Redevelopment Project Area is largely developed, any increase in sewer services will be minimal, and programs offered by the District will not experience increased demand for services. Therefore, there will be no direct impact from new development on the DuPage Water Commission.

## APPENDIX A – ELIGIBILITY FINDINGS

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# APPENDIX B – LEGAL DESCRIPTION

## VILLAGE OF WESTMONT SWBD TIF DISTRICT

To Be Provided

DRAFT

## APPENDIX C – 2011 EAV BY PIN

EAV2011	Parcel ID-CHECK
\$77,220	09-15-302-003
\$271,900	09-15-302-004
\$173,160	09-15-302-006
\$535,290	09-15-302-017
\$321,690	09-15-302-019
\$178,470	09-15-302-028
\$306,100	09-15-302-029
\$84,660	09-15-302-032
\$463,630	09-15-302-033
\$41,520	09-15-302-035
\$61,720	09-15-302-036
\$43,840	09-15-302-037
\$221,010	09-15-302-038
\$136,200	09-15-302-039
\$0	09-15-311-001
\$98,410	09-15-311-033
\$461,720	09-16-402-017
\$295,540	09-16-402-018
\$728,110	09-16-402-021
\$462,800	09-16-403-002
\$438,260	09-16-403-003
\$425,630	09-16-403-004
\$388,170	09-16-403-006
\$314,030	09-16-403-007
\$88,430	09-16-403-008
\$170,690	09-16-403-009
\$619,400	09-16-403-010
\$195,510	09-16-404-006
\$433,680	09-16-404-007
\$1,243,120	09-16-404-008
\$219,180	09-16-405-002
\$188,850	09-16-405-005
\$901,970	09-16-406-002

\$3,811,910	09-16-406-005
\$112,310	09-16-406-006
\$307,940	09-16-406-007
\$746,780	09-16-406-010
\$1,495,970	09-16-406-012
\$1,569,370	09-16-406-014
\$1,246,870	09-16-406-015
\$402,050	09-16-406-016
\$ -	09-16-406-017
\$95,830	09-16-406-018
\$20,378,940	TOTAL EAV OF TIF PARCELS