

CICERO GATEWAY TAX INCREMENT FINANCING DISTRICT REDEVELOPMENT PLAN AND PROGRAM

Village of Oak Lawn, Illinois



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INTRODUCTION

The Village of Oak Lawn established the 111th Street / Cicero Avenue TIF district in 2006. The intent of the Cicero Gateway Corridor TIF was to encourage the redevelopment of a blighted shopping center and related properties located at this prominent intersection within the Village. The Cicero Gateway Corridor occupies a strategic location within the Village of Oak Lawn. Although situated on a major regional arterial roadway in the region, the Project Area has experienced significant decline and obsolescence resulting in the Village having to acquire land, demolish buildings, and undertake improvements in order to make the area attractive once again for development.

Now eight years later, most of the study area is vacant, consisting of vacant land and buildings. The relatively undeveloped state of a large part of the Project Area, combined with declining equalized assessed values (EAV) since 2006, provide significant opportunity for new tax revenue to support public improvements and financial incentives that will be required to achieve development as envisioned in the Village plans. To reverse the trend of decline the Village in 2012 issued \$25 million in bonds to acquire property, demolish buildings and make the site ready for development, with repayment from TIF increment. However, with continuing decline in property assessed values, the ability for new development to generate sufficient new revenue to the TIF fund over the tax base established in 2006 to pay for the Village investment will not be achieved.

As a result of the inability of the existing TIF district to generate sufficient TIF revenue, the Village determined it necessary to re-evaluate the original TIF Project Area in order to determine the potential to remove parcels from the existing 111th Street / Cicero Avenue TIF District and create a new, adjacent TIF District (the Cicero Gateway TIF District). In order to capture all of the incremental real estate taxes to be derived from new development located in the Cicero Gateway TIF area the existing 111th Street/Cicero Avenue TIF district is reduced to a few parcels. This could not be accomplished through any amendment to the existing 111th Street/Cicero Avenue TIF district as a revision (and lowering) of the initial assessed value is not permitted without adopted a new TIF district. It is also important to know that the TIF Act permits transferring of funds to and from contiguous TIFs. Once the new TIF begins to generate incremental real estate tax revenue, it may be transferred to the remaining parcels of the original 111th Street/Cicero Avenue TIF district for payments of the outstanding principal and interest on bond payments.

The purpose of the Cicero Gateway project is to establish a long term revitalization plan that will be guided by the Tax Increment Redevelopment Plan and Program (the "Redevelopment Plan"). To encourage new investment and redevelopment within the Project Area, the Village of Oak Lawn 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 Oak Lawn, the Village developed this Redevelopment Plan to guide public and private improvement and investment

decisions and public expenditures, including those associated with TIF revenues.

This Redevelopment Plan represents a strong commitment and desire on the part of the Village to improve and strengthen the Cicero Gateway area for economic development and job growth. The Redevelopment Plan is intended to provide a framework for improvements and reinvestment within the Cicero Gateway area over the next 23 years. The goal of the Redevelopment Plan is to create a funding mechanism to provide the necessary public infrastructure and financial incentives required to encourage the improvement and redevelopment of existing businesses, remove blighting conditions, and promote development of vacant land and underutilized buildings for uses that will contribute to the economic strength and vitality of Oak Lawn.

Village officials have determined that, without direct municipal involvement and financial assistance, the Village's goals and objectives for this area – particularly the economic development goals for the Cicero Gateway corridor identified in the Oak Lawn Comprehensive Plan cannot be met. To encourage new investment in the Project Area, the Village of Oak Lawn has created the following Redevelopment Plan and Program to identify an effective approach to facilitate such development.

The TIF Eligibility Findings Report (Appendix A) indicates the Redevelopment Project Area as a whole qualifies for designation as a Tax Increment Financing District. The improved parcels within the Project Area qualify as a **"Conservation Area"** based on presence of 50% of the structures over 35 years of age, in addition to meeting at least 3 of eligibility criteria outlined in the Act. The unimproved / vacant parcels within the Project Area qualify as a **"Blighted Area"** based on the fact that these parcels qualified as a blighted area immediately prior to becoming vacant. Thus, the entire Project Area qualifies as a Tax Increment Financing District according to the definitions and 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 meeting the eligibility requirements, TIF becomes an appropriate tool for the Village of Oak Lawn 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 value of public and private property, and hinder the Village's ability to promote a cohesive development of compatible land uses.

Cicero Gateway Corridor Planning Initiatives

With the adoption of the Village's Comprehensive Plan in 1997, the Village established the importance of protecting and enhancing the commercial function and viability of the Cicero Avenue Corridor. This Plan recommends that all future land-use planning decisions should recognize the Cicero Avenue corridor as providing prime opportunities for regional and community level retail locations. Since the adoption of the 1997 Plan, the Village has undertaken a series of special area studies to provide a greater depth of analysis and

recommendations for key economic development opportunities in the Village. These planning efforts are in the form of Corridor Studies that assess and make recommendations to identify development opportunities, improve transportation systems, access to public transit, land use patterns, design guidelines, and zoning. They focus on improving pedestrian safety, redevelopment of key sites, and enhancing overall community image throughout each corridor. Cicero Avenue is one such corridor for which a specific plan is currently in progress through a grant provided by the Regional Transportation Agency (RTA).

The Cicero Avenue Corridor Plan will develop strategies to increase transit usage and development opportunities along Cicero Avenue from Midway Airport in Chicago on the north to I-294 in Alsip on the south. The study will address mobility and accessibility through a comprehensive transportation and transit analysis and recommend strategies for economic revitalization along the Corridor. The corridor originates at Midway Airport in Chicago and has frontage in Bedford Park, Burbank, Hometown, Oak Lawn, and Alsip, in addition to five southwest community areas in Chicago. Key findings of preliminary studies for the Cicero Avenue Corridor Plan identify the following opportunities that will enhance the Project Area for development:

- The planned redevelopment of the Stony Creek Promenade, anchored by Mariano's grocery store, will bring 101,787 square feet of new retail space to better balance the distribution of retail on the southern end of the Corridor.
- Oak Lawn is already positioning sites for residential mixed-use development. Townhomes, larger multifamily developments and senior housing are housing types that are under-represented in the study area. A potential future phase of the Stony Creek Promenade mixed-use development would include the construction of housing units.



Stony Creek Promenade (Oak Lawn)

This exciting mixed-use development is a multi-phase project at the northwest corner of Cicero Avenue and 111th Street in the Village of Oak Lawn. Approved in Fall 2013 by the Village Planning and Development Commission and the Village Board, the first phase is anticipated to be completed in Fall 2014. Itasca-based Hamilton Partners is the developer. A 15-acre first phase will be anchored by a 72,000-square-foot Mariano's supermarket, a bank, and three retail spaces (including a restaurant). The architecture and urban design will be high quality, and features a water feature among the landscaping elements to evoke nearby Stony Creek.

Exact plans for the second phase on the western side of the parcel haven't been designed yet. The long-term vision for the property Village officials envision the site as a vibrant new development anchor along the Corridor and for the Village, with top quality shopping and commercial opportunities, residential, and linkages to Stony Creek and the multi-use regional trail.

Source: URS Cicero Corridor Market Report 2013

- Expand restaurant offerings, particularly full service casual dining and fast-casual restaurants. Additional fast-casual restaurants, or those with higher-quality food but without table service, might be appealing to local office workers and daytime visitors, while casual dining restaurants might be appealing to local residents and guests at local hotels.
- Expand neighborhood retail offerings, including grocery or convenience-anchored shopping centers that provide services to residential neighborhoods, particularly those with increased density without competing with larger retail shopping centers.
- There is a substantial unmet local demand for gas stations, and the high traffic flows on Cicero Avenue should provide ample additional demand. Gas stations will be more successful on sites large enough to accommodate sufficient convenience and retail space.
- Expand medical related uses, including medical offices and diagnostic imaging facilities. These facilities are already on the rise in the Corridor and expected to continue to grow. There is an emerging cluster of medical office and imaging facilities near Advocate Christ Medical Center, and demand for new space is likely to continue to outpace supply.

The history of corridor planning policies for the Cicero Gateway area reveal the community's desire and vision for Project Area is to become a significant contributor to the economic and job base of the Village, providing for substantial expansion of commercial and other compatible uses in a comprehensively planned mixed-use development.

Previous and current planning efforts for the Cicero Gateway Project Area recommended numerous public and private development activities to create the conditions for the successful development of this area, including the extension of trails, greenways, flood control, transit facilities, pedestrian crossing improvements, gateway identity and wayfinding signs, and public infrastructure. The proposed TIF District serves to enhance the developmental potential of the Cicero Gateway Project Area, creating the conditions that will attract business interests to the area. New development as a result of TIF assistance creates synergies that further encourage people to visit Oak Lawn, which lead to a stronger and more diversified economic base, which reduces the tax burden of residents.

DESCRIPTION OF THE PROJECT AREA

The Cicero Gateway planning area (Project Area) is generally located north of U.S. Route 30, east and

west of Cicero Gateway in the central portion of the Village of Oak Lawn (See Project Area Boundary Map – Exhibit 1).

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 Cicero Gateway Redevelopment Project Area consists of 34 parcels, containing approximately 13 structures. The total area of the Project Area is approximately 37 acres, more or less.

Summary of Eligibility Findings

Teska Associates, Inc. conducted a field survey of every property in the Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred on October 16, 2013.

In order for developed or improved land to be designated as a “blighted area”, and therefore TIF eligible, a combination of at least five (5) of the blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area. A “conservation area” requires the majority of buildings to be over 35 years of age plus a combination of at least three (3) of the blighting factors present to a meaningful extent and reasonably distributed throughout the Project Area.

The improved areas within the Cicero Gateway TIF Project Area exhibit the following criteria to qualify as a Conservation Area under the Tax Increment Allocation Redevelopment Act:

1. Age of buildings;
2. Deterioration of Buildings and Site Improvements;
3. Obsolescence;
4. Inadequate Utilities;
5. Lack of Planning; and
6. Decline or Minimal Marginal Growth in EAV

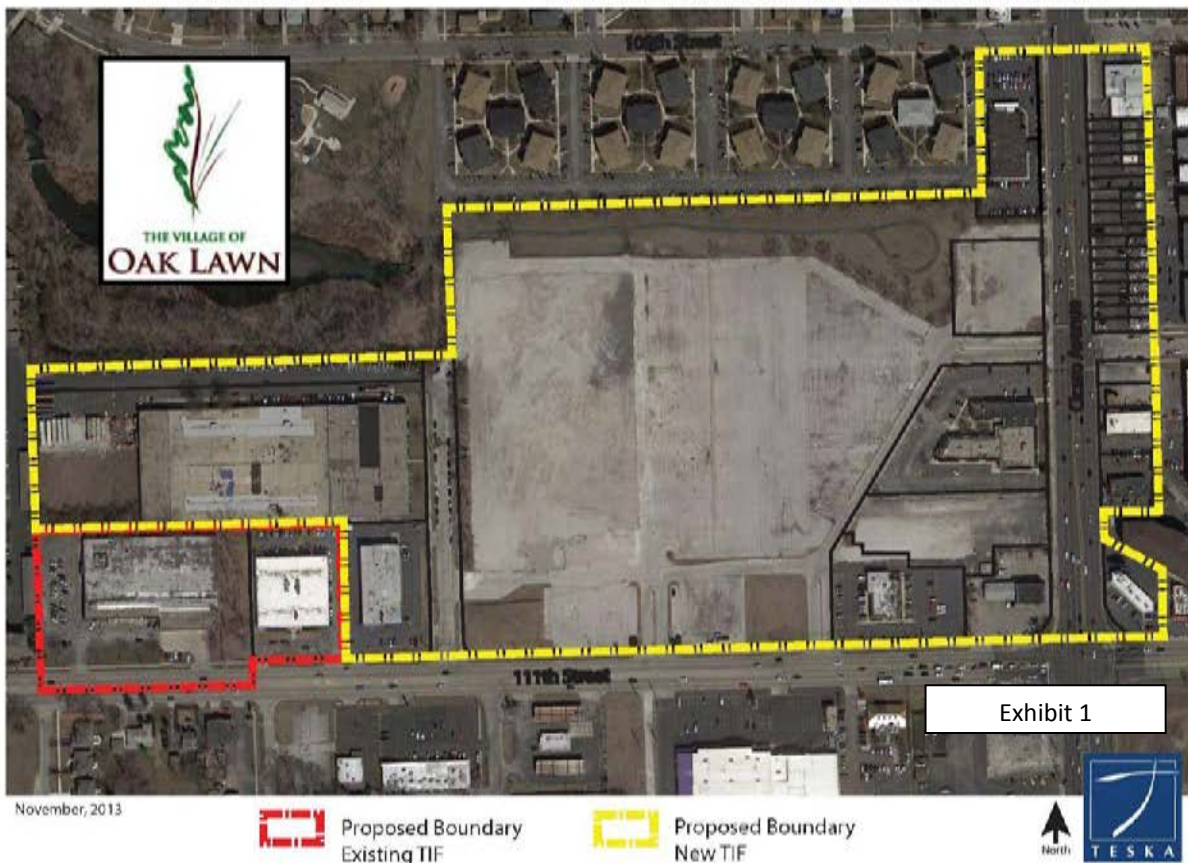
In addition, the unimproved/vacant parcels within the Cicero Gateway TIF Project Area qualify as a Blighted Area under the Tax Increment Allocation Redevelopment Act:

1. The area immediately prior to becoming vacant qualified as a blighted improved area, unless there has been substantial private investment in the immediately surrounding area.

A detailed description of each qualifying factor is provided in Appendix A.

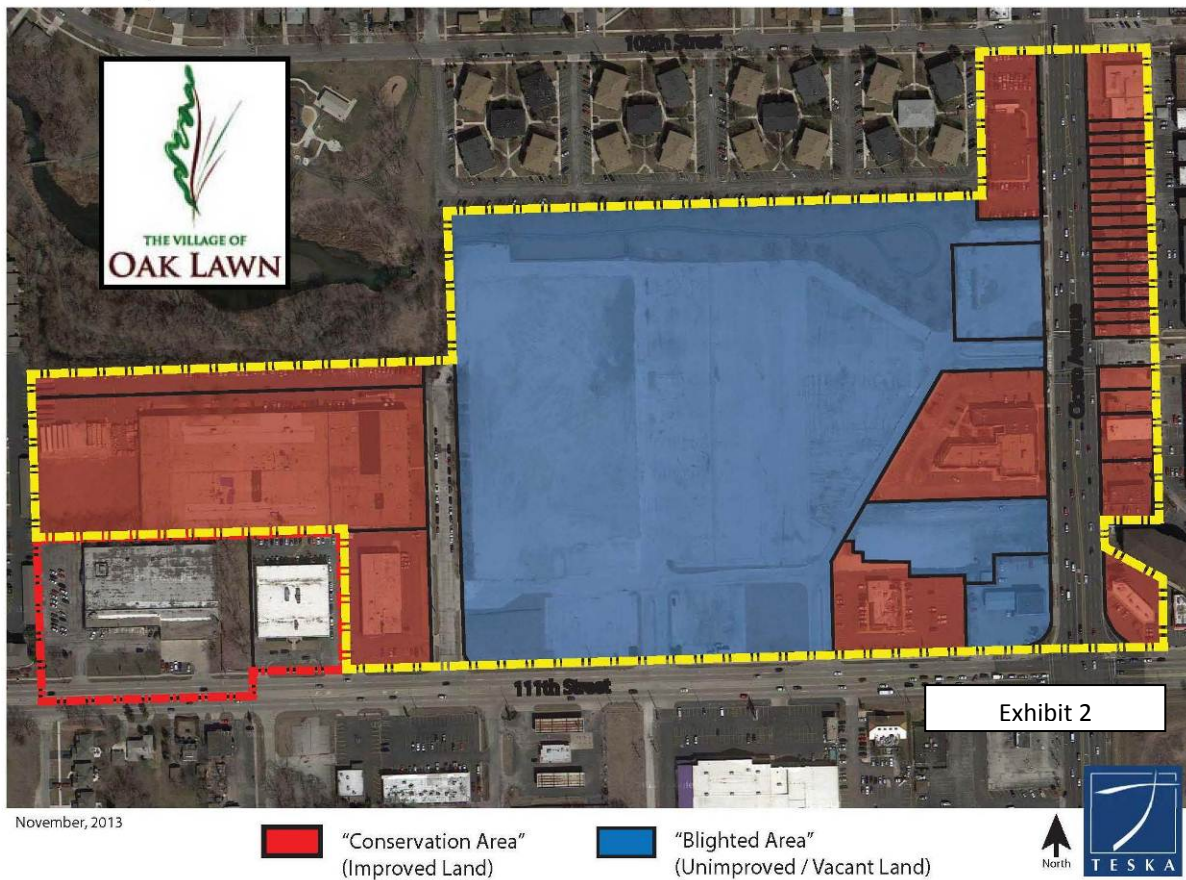
TIF BOUNDARY MAP

CICERO GATEWAY TAX INCREMENT FINANCING DISTRICT



TIF QUALIFICATION MAP

CICERO GATEWAY TAX INCREMENT FINANCING DISTRICT



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 established by the Village in its Comprehensive Plan, and subsequent corridor plan updates. Consistent with the Oak Lawn's past and current planning efforts, this Redevelopment Plan is indicative of a strong commitment on the part of the Village to enhance the economic potential of the Project Area by capitalizing on new development, redevelopment opportunities and improvements to existing businesses.

The goals established in the Village Comprehensive Plan, and other related planning documents provide the basis for the goals and objectives of the Redevelopment Plan, including the following:

1. Maintain and expand the employment, property and sales tax base within the community which enhances the overall standard of living.
2. Forge and maintain strong public and private partnerships to capitalize upon and coordinate all financial resources and local assets in carrying out plans, policies and programs.
 - a. Encourage private investment through direct and indirect financial incentives to develop existing vacant properties, and upgrade deteriorated structures and sites, as well as encourage public/private partnerships where appropriate.
3. Develop a strong and positive physical community image through public and private improvements which enhance various physical features of the community and contribute to Oak Lawn's sense of place.
 - a. Emphasize continued appearance improvements of the Village's major street corridors in ways which distinguish Oak Lawn from surrounding communities.
4. Economic development shall focus both on retention and improvement of existing businesses and attraction of new employment and shopping opportunities.
 - a. Identify and encourage the improvement or redevelopment of select commercial areas which are, or are becoming, functionally obsolete.

5. Create a viable and sustainable Cicero Gateway commercial district that meets the needs of residents, businesses and serves as a regional destination for nearby communities.
 - a. Promote the Project Area as an important commercial and employment center of Oak Lawn, providing a mix of businesses opportunities that expand local and regional economic growth and enhance the vitality and improve the stability of the Village's neighborhoods.
6. Promote the Village's arterial street corridors as the primary commercial activity areas.
 - a. Promote a mix of commercial, retail, institutional, municipal and transportation related uses along Cicero Avenue Corridor.
 - b. Expand the range of commercial activities along Cicero Avenue.
 - c. Promote the continued development of the Stony Creek mixed-use lifestyle center for additional retail uses, and explore complimentary housing to expand the customer base for new stores.
7. Reduce or eliminate flooding conditions that limit the vitality of the Project Area, negatively impact existing businesses, and create hazards for the public health, safety and welfare of property owners and residents of the Village.
8. Enhance access between adjacent developments by creating cross-access agreements, as full access points to Cicero Avenue are limited. 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 Cicero Avenue corridor.
9. 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.
 - a. Encourage the design of new commercial development to facilitate a system of pedestrian access.
10. Ensure that the residents of the Village of Oak Lawn have reasonable access to public transportation, and provide the support facilities and improvements that foster pedestrian activity and comfort.
11. Improve or provide landscaping and screening where buffering is inadequate to mitigate all impacts related to the use of commercial lots and neighboring properties, especially adjacent to residential development.

12. Induce the rehabilitation or redevelopment of existing deteriorated, underutilized, and vacant buildings and sites for new and/or improved uses.
13. Utilize public investments in a way that fosters private investment actions that will fulfill the long-term vision and objectives for the Project Area.
14. Expand and upgrade existing municipal utilities to provide the necessary infrastructure for new development and redevelopment that will encourage private investment.
15. Promote the development of large format commercial projects, and other complimentary retail, medical and office uses to provide a strong anchor for the Project Area, to substantially increase property and sales tax revenues, and to spur additional growth and redevelopment.
16. Encourage private purchase of properties within the Project Area for development, and pursue the public acquisition of properties if needed.
17. Establish guidelines for and implement a cohesive and comprehensive streetscape, and other beautification and gateway improvements within the Project Area to enhance the image and quality of the area for development, including but not limited to, sidewalks, street lights, public and private landscape improvements, gateway identity and wayfinding signs.
18. Create a more appealing environment for pedestrians and bicyclists by improving the visual character, comfort, and convenience of the Project Area to make it more accessible and attractive to alternative modes of transportation.

REDEVELOPMENT PLAN & PROGRAM

The development and improvement of the Project Area is a complex undertaking that presents many challenges and opportunities for the Village. The Village recognizes the need for implementation of a strategy to revitalize existing vacant and commercial properties within the Project Area, and to stimulate and enhance private development within the Village. Business attraction and expansion are key components of the strategy. The Village has made significant public investments in the area supported by anticipated new revenues generated through property tax increment. These Village investments have resulted in attracting private development efforts that will stimulate the comprehensive revitalization of the entire Project Area. 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 additional development and rehabilitation, which otherwise could not reasonably be anticipated to occur without the adoption of this Redevelopment Plan.

Through direct public investment the Project Area has become an attractive location for private investment. However, without the establishment of the new Cicero Gateway TIF, the Village's financial commitment will not be supported under the much higher base assessment levels established with the adoption of the 111th/Cicero Avenue TIF district in 2006. Therefore, incremental property tax revenue generated by the new development will play a decisive role in supporting existing private and public investment, and in encouraging additional private development

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 as planned by the Village without the use of such incremental revenues.

Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts in the form of a significantly expanded tax base. The designation of the area as a Redevelopment Project Area will allow the Village to address deficiencies including (but not limited to):

- Establishing a pattern of land-use activities that will increase efficiency and residential uses and economic relationships, especially as such uses complement adjacent retail and residential uses;
- Entering into redevelopment agreements in order to include the redevelopment of properly and/or to induce new development to locate within the Project Area;
- Coordinating and providing adequate parking for all redevelopments;
- Coordinating redevelopment uses located within floodplain areas;
- Improving area appearance through landscape, streetscape and signage programs;
- Coordinating land assembly in order to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

Purpose of the Redevelopment Plan

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

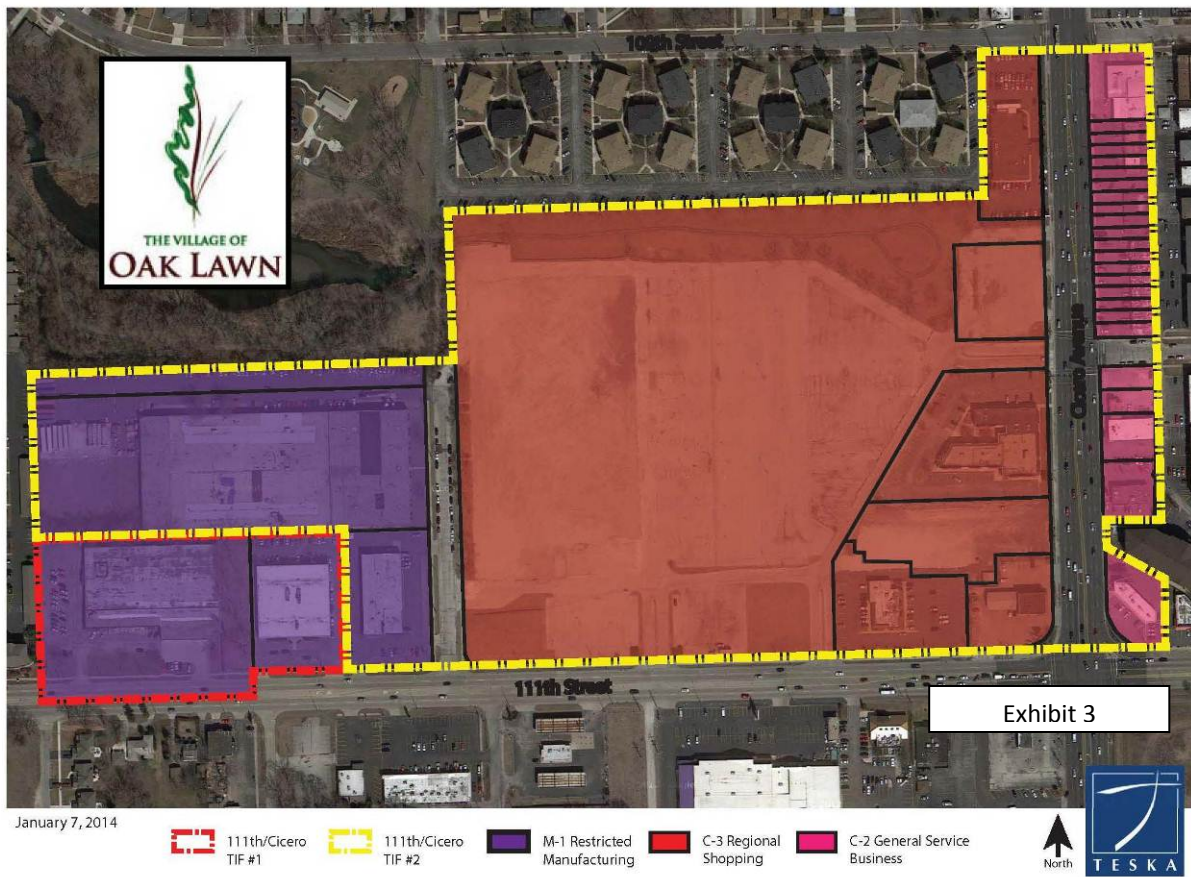
1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing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

Redevelopment Land Use Plan

The aim of the Redevelopment Plan is the revitalization of the Project Area as a vibrant retail, and business center providing a mix of uses that offer a variety of goods and services, employment opportunities, and improvements to the health, safety, vitality, property values, and quality-of-life of the Village of Oak Lawn. Exhibit 3 illustrates existing land uses within the Project Area. Exhibit 4 illustrates the proposed land uses for the Project Area.

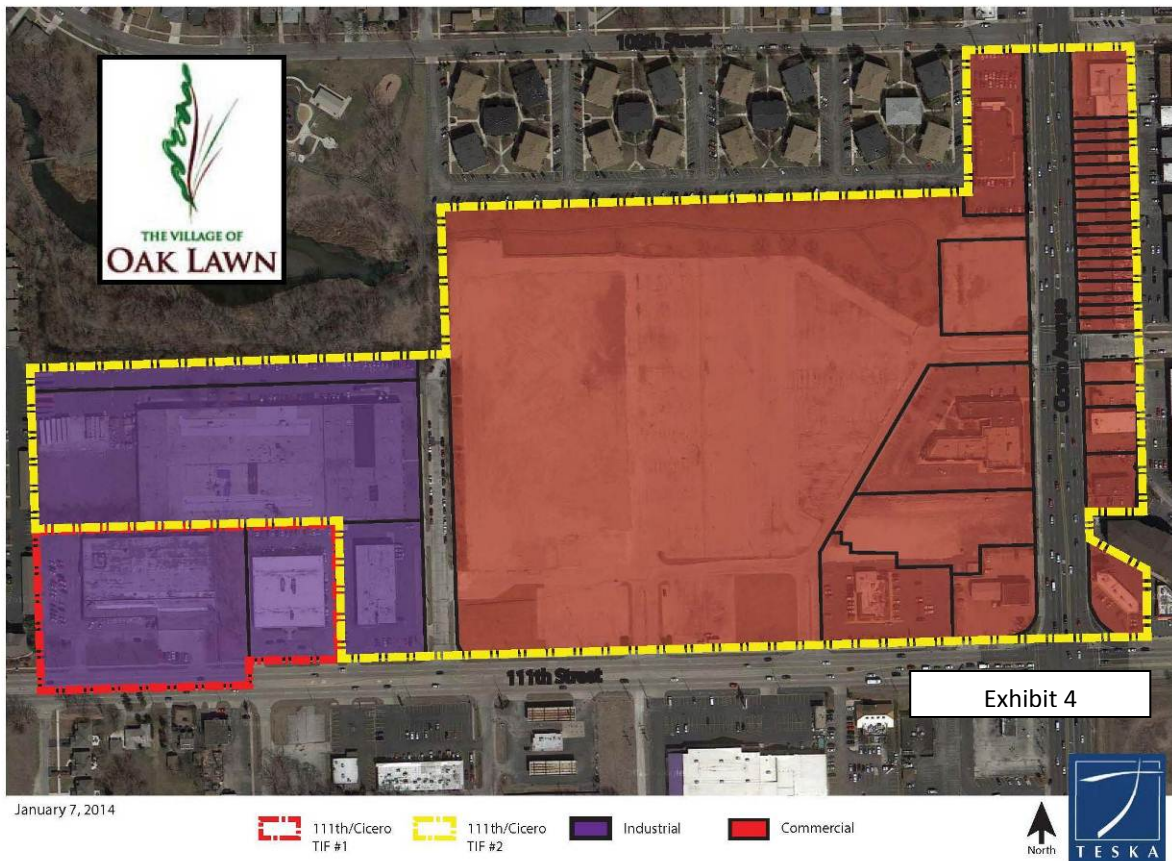
EXISTING LAND USE MAP

CICERO GATEWAY TAX INCREMENT FINANCING DISTRICT



FUTURE LAND USE MAP

CICERO GATEWAY TAX INCREMENT FINANCING DISTRICT



The Future Land Use Plan shown on Exhibit 3 indicates a configuration of land uses that are anticipated to create the optimal scenario for long-term growth and redevelopment of the Project Area. 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 most predominant recommend use for the Project Area. 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.



Industrial/Business Park. Industrial, warehousing and related 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 in the western part of the Project Area.



Redevelopment Plan Activities

The purpose of the Redevelopment Plan for the Project Area is to identify the necessary infrastructure to support development, the financial and regulatory incentives that are needed to support the retention, expansion, and improvement of existing businesses, and to 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 Oak Lawn.

The Village of Oak Lawn 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.

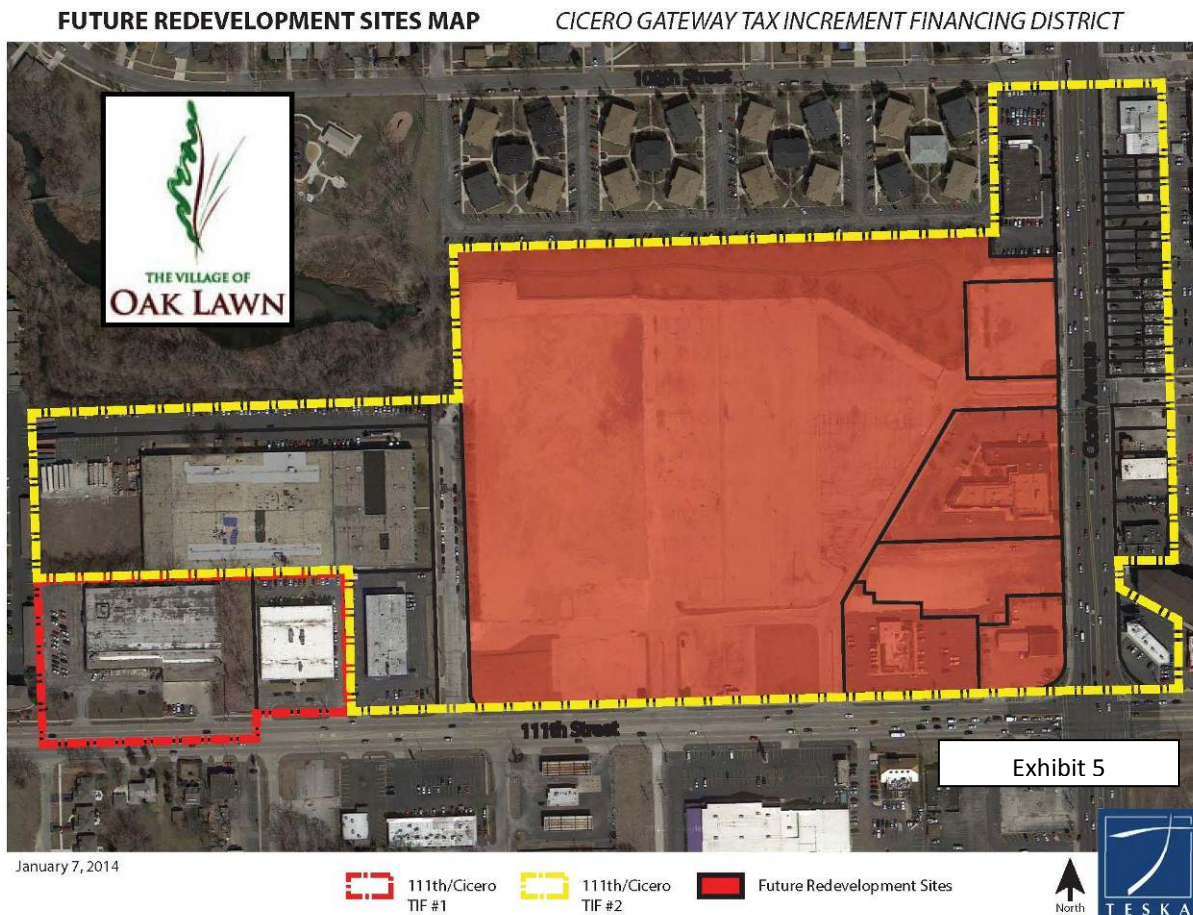


Exhibit 5 illustrates the key redevelopment opportunity sites in the Project Area. The key redevelopment opportunity sites are those parcels or clusters of parcels that offer a likelihood of being developed over the 23-year life of the TIF District, primarily due to factors such as the presence of vacant or underutilized parcels, and parcels that contain obsolete uses. Additional development activity may also occur on other parcels not specifically highlighted on Exhibit 5 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 Future Development Sites map identified in this document shall each serve as a guide for development within the Project Area. 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 development 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 development opportunities sites identified on Exhibit 5 include projects that may require assembly of properties, the demolition of existing structures, rehabilitation of existing structures, and/or the construction of new structures.

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

Property Improvements

In addition to redevelopment activities identified above, the Redevelopment Plan recommends improvements and expansion to existing properties and buildings, including building maintenance and repair, parking lot repair and reconstruction, and façade enhancements that will occur within the Project Area 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.

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 development objectives of this and the previous Cicero/111th TIF Plan the Village determined it necessary to secure bonds for the acquisition of a significant portion of the Project Area, to demolish buildings, and provide assistance in marketing and promoting development opportunities. The Village may elect to acquire additional properties 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 through eminent domain, or to acquire specific properties at this time. However, a determination by the Village to acquire properties may be made without further amendment to this Plan.

Land Disposition

Property, which may be acquired by the Village, may be assembled into appropriate development 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 Oak Lawn will provide public improvements in the Project Area to facilitate development in support the Redevelopment Plan, and to serve the needs of Oak Lawn residents, property and business owners. Appropriate public improvements may include, but are not limited to, the following:

1. Vacation, removal, resurfacing, widening, reconstruction, signalization, construction of bridges and other improvements to rights-of-way, streets, sidewalks, pedestrian ways, and pathways;

2. Development of or improvements to public open space;
3. Flood control, hazard and wetland mitigation, and stormwater management projects;
4. Construction of off-street parking facilities and structures;
5. Improvement or expansion of public utilities such as sewer and water lines, curbs and gutters, and stormwater detention facilities;
6. Demolition and rehabilitation of obsolete structures;
7. Beautification improvements, including streetscape, lighting, signage, and landscaping;
8. Grants or loans to private property owners for eligible property improvements, including building rehabilitation, façade restoration or enhancements; landscaping and
9. Relocation expenses.
10. Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation).
11. Signalization, traffic control and lighting.

The Village of Oak Lawn 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

Some of the redevelopment projects anticipated in this Plan will commence immediately, while others will likely occur over a longer period of time. For the purposes of this Redevelopment Plan, the redevelopment sites shown on Exhibit 5 west of Cicero Avenue will likely occur within five years, while other improvement projects east of Cicero Avenue will likely occur between 5 to 10 years. 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:

**Table 1: Estimated
Redevelopment Project Costs**

(1) Over the lifetime of the TIF, development 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 development 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 development 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 development 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 development project costs within the Project Area, shall not at any time exceed the total development 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, development 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 development project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

Expense Categories	Budget
Property assembly, acquisition of land, demolition of buildings, site preparation and site improvements, relocation costs, and related costs	\$25,000,000
Environmental, market and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$ 1,701,250
Rehabilitation, reconstruction, façade improvements, repair or remodeling of existing public or private buildings and fixtures	\$ 1,150,000
Streetscape improvements, including but not limited to: landscaping, signs, street furniture, trash receptacles, bike racks, banners, bollards, grading and detention	\$ 5,000,000
Development financing costs, taxing districts eligible reimbursement and capital costs	\$ 3,402,500
Environmental remediation	\$ 1,000,000
Road, utility improvements, including but not limited to: sidewalks, new repaved or reconstructed roads; road or intersection widening; streetlights; water, sewer, floodplain and wetland mitigation, stormwater replacements or improvements, bridges,	\$ 4,025,000
Total Estimated Project Costs	\$41,278,750

Sources of Funds

The Act provides a method for municipalities to finance public development 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 **\$39,187,012**. 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 31st of the year after the 23rd 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 2012 equalized assessed valuation of the Project Area is **\$\$5,181,833**. A detailed listing of the EAV of individual parcels within the TIF is provided in Appendix C. Upon the completion of the development projects it is estimated that the equalized assessed valuation of real property within the Project Area will be approximately **\$28,318,845** in 2014 dollars, which represents an approximate **440%** increase in the total equalized assessed valuation. This figure is based upon estimates of value of new development 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.

Affirmative Action

The Village of Oak Lawn will require each private developer entering into an agreement with the Village, in connection with development in the Project Area, to utilize fair employment practices, including an affirmative action program.

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

On the basis of the findings contained in the Cicero Gateway TIF Eligibility Report and this Redevelopment Plan, the Oak Lawn 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 development through investment by private enterprise, based on physical conditions, the lag in growth in property values, and lack of significant new development as follows:

- The Village of Oak Lawn established the 111th Street / Cicero Avenue TIF district in 2006, which area include the current Cicero Gateway TIF with the intent to encourage the redevelopment of a blighted shopping center located at this prominent intersection within the Village. In the seven years since the TIF was established the Village has acquired multiple parcels within the district and has begun demolition, site preparation and installation of public infrastructure. The Village has also secured a bond in the amount of \$25 million to accomplish the goals of the redevelopment plan. However, these efforts have not resulted in the increase in property value as hoped, but the area has experienced significant property value decline. As a result, future redevelopment under the current TIF will not generate sufficient revenues.
- As described in the TIF Eligibility Findings Report (see Appendix A), the conditions of the Project Area testify to the lack of maintenance and improvement activities. In particular, the Eligibility Report identifies a prevalence of deterioration, inadequate utilities, vacancies, and decline in EAV, which are consequences of a lack of investment in the Project Area. While each individual property may not exhibit these conditions, the Project Area as a whole is characterized by a reasonable extent and meaningful distribution of these factors which has resulted in the lack of investment as envisioned by the Village.
- The equalized assessed value (EAV) of the Project Area has decrease every year since 2009.

YEAR	EAV	% CHANGE
2009	\$20,488,580	
2010	\$18,579,684	-9.32%
2011	\$14,671,416	-21.04%
2012	\$5,181,833	-64.68%
2013*	\$2,043,414	-60.57%

** 2013 EAV has not yet been certified by the Cook County Assessor, and may be subject to change*

- The Project Area has experienced no new development activity in the past eight years.

Therefore, the Village of Oak Lawn finds that the Project Area is not subject to appropriate growth and development, and that conditions impede the continued development of the area. Therefore, the Project Area 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 1997 Oak Lawn Comprehensive Plan, and with the specific recommendations of sub-area plan amendments that include the Project Area.

Date of Completion

The estimated year of completion of the redevelopment projects and retirement of obligations issued to finance redevelopment project costs is December 31, 2037 (The year after the 23rd 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 Program the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of financial assistance and public improvements provided by the Village there is a prospect that blighting factors will continue and spread to the adjacent business areas, and the area as a whole will become less attractive for new development and investments in existing buildings and sites, which may lead to higher vacancies. The continued erosion of the assessed valuation of property in and outside of the Project Area will 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.

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on most of the affected taxing districts. In fact, the action taken by the Village to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project will have a positive impact on the affected taxing districts by addressing Project Area vacancies and the lag in growth (as compared to the remainder of the Village). The Redevelopment Plan does not provide for new residential uses, therefore no direct increased burden will be placed on the area's school districts. To the extent that such development does occur, and school age children result from new community arrivals, the elementary and high school taxing districts could potentially be affected. The Village will follow the guidelines provided by the Act to compensate the districts at levels dictated by the precise increase in net new students pursuant to the Act.

Additionally, should the Village achieve success in attracting private investment which does result in the demonstrated need for increased services from any other taxing district, the Village would consider declaring sufficient TIF related surpluses, which funds are neither expended or obligated for redevelopment activities, as provided by the Act, to assist such taxing districts in paying the costs for any increased services. Any surplus Special Tax Allocation Funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the Village. This will occur only after all TIF eligible costs to satisfy any financial obligations that have incurred or expended by the Village have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act. The exception to this provision will be to the extent that the Village utilizes TIF funding to assist in the redevelopment of residential units. In such cases the Village will provide for the cost incurred by eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act.

APPENDIX A – ELIGIBILITY REPORT

APPENDIX B – LEGAL DESCRIPTION

VILLAGE OF OAK LAWN CICERO GATEWAY TIF DISTRICT

(to be provided)

APPENDIX C – 2012 EAV BY PIN

	2012
24-16-408-007-0000	\$630,733
24-16-408-009-0000	\$182,749
24-16-408-011-0000	\$43,266
24-16-409-048-0000	\$1,128,429
24-16-409-054-0000	\$0
24-16-409-055-0000	\$0
24-16-409-057-0000	\$557,069
24-16-409-058-0000	\$450,554
24-16-412-045-0000	\$0
24-16-416-056-0000	\$251,441
24-15-312-038-0000	\$289,036
24-15-312-007-0000	\$33,690
24-15-312-008-0000	\$31,440
24-15-312-009-0000	\$31,440
24-15-312-010-0000	\$31,440
24-15-312-011-0000	\$31,440
24-15-312-012-0000	\$31,440
24-15-312-013-0000	\$53,135
24-15-312-014-0000	\$53,135
24-15-312-015-0000	\$53,135
24-15-312-016-0000	\$29,237
24-15-312-017-0000	\$35,757
24-15-312-018-0000	\$35,757
24-15-312-019-0000	\$35,757
24-15-312-020-0000	\$35,757
24-15-312-021-0000	\$35,757
24-15-312-022-0000	\$35,757
24-15-312-023-0000	\$35,757
24-15-312-024-0000	\$36,487
24-15-317-023-0000	\$35,222
24-15-317-024-0000	\$68,555
24-15-317-028-0000	\$210,759
24-15-317-033-0000	\$268,344
24-15-318-003-0000	\$399,358
	\$5,181,833