

Irving Park Road Corridor Redevelopment Project Area

**Tax Increment Financing District
Eligibility Study, Redevelopment Plan and Project**

Village of Hanover Park

June 6, 2005

Table of Contents

1. Executive Summary.....	1
2. Introduction.....	5
3. Eligibility Analysis.....	12
4. Redevelopment Project and Plan.....	28
5. Financial Plan.....	33
6. Required Findings and Tests.....	40
7. Provisions for Amending Redevelopment Plan.....	43
8. Affirmative Action Plan.....	44

Appendices

- Appendix 1: Boundary Legal Description
- Appendix 2: Summary of EAV by PIN

List of Maps

1. Community Context.....	6
2. Boundary.....	7
3. Existing Land Use.....	11
4. Eligibility Factors.....	18
5. Proposed Future Land Use.....	32

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1. Executive Summary

In April, 2005, *S. B. Friedman & Company* was engaged by the Village of Hanover Park (the "Village") to conduct a Tax Increment Financing Eligibility Study and prepare a Redevelopment Plan and Project (the "Redevelopment Plan") along Irving Park Road in the Village. This report details the eligibility factors found within the Irving Park Road Corridor Redevelopment Project Area (the "Irving Park Road Corridor RPA") Tax Increment Financing ("TIF") District in support of its designation as a "blighted area" within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"). This report also contains the Redevelopment Plan and Project for the Irving Park Road Corridor RPA.

The Irving Park Road Corridor RPA is generally located at the intersection of Irving Park Road and Barrington Road. The Study Area generally includes the frontage along both sides of Irving Park Road from east of Barrington Road to just west of Cumberland Drive on the north side of Irving Park Road and to just west of Longmeadow Lane on the south side of Irving Park Road. This area is defined herein for the purposes of the Eligibility Study as the "Study Area." The Study Area consists of 28 tax parcels (26 improved and two vacant) and 23 buildings not including ancillary structures, and contains approximately 46 acres of land.

Determination of Eligibility

This report concludes that the Irving Park Road Corridor RPA is eligible for TIF designation as a "blighted area" because the following seven eligibility factors for improved land have been found to be present to a major extent:

1. Lack of Growth in EAV;
2. Deterioration;
3. Excessive Vacancies;
4. Obsolescence;
5. Deleterious Land Use or Lay-Out;
6. Lack of Community Planning; and
7. Structures Below Minimum Code

Redevelopment Plan Goals and Objectives

The overall goal of the Redevelopment Plan is to reduce or eliminate conditions that qualify the Irving Park Road Corridor RPA as a blighted area. Implementation of the Redevelopment Plan will enhance the quality of life for Village residents and strengthen the Village's economic base. Redevelopment of the Irving Park Road Corridor RPA will be accomplished by:

- Re-establishing the Irving Park Road Corridor RPA as a cohesive and vibrant commercial area, while also accommodating public/institutional, parking, and open space uses where appropriate;

- Providing the direction and mechanisms necessary to identify potential redevelopment opportunities and, where appropriate, facilitate the implementation of redevelopment projects; and
- Providing adequate investment in public infrastructure and other improvements to foster a more cohesive and coordinated commercial area, enhance the design and lay-out of parcels, integrate land uses, and secure new development.

Rehabilitation and redevelopment of the Irving Park Road Corridor RPA will be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment. The underlying strategy is to use tax increment financing, as well as other funding sources, to reinforce and encourage further private investment.

Objectives. Nine broad objectives support the overall goal of area-wide revitalization of the Irving Park Road Corridor RPA. These include:

1. Strengthen the Irving Park Road Corridor RPA as a commercial district for the surrounding community by providing resources for the rehabilitation and adaptive re-use of existing businesses and for the development, redevelopment, and rehabilitation of commercial, cultural, and public/institutional property within the RPA;
2. Improve and construct new public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, storm water detention facilities, lighting, and landscaping to create an attractive and cohesive environment in support of new development;
3. Facilitate the assembly, preparation, and marketing of potential sites for new commercial development and redevelopment including demolition, relocation, and remediation, and assist private developers in assembling sites that meet contemporary development standards;
4. Improve visibility, traffic flow, and safety within the RPA by providing street improvements, lighting, traffic signals, coordinated curb cuts, signage, and pedestrian amenities such as sidewalks and crosswalks where needed;
5. Improve and continue to provide adequate off-street parking to support commercial uses within the RPA;
6. Provide for corrective actions to address environmental problems as needed to permit development and redevelopment within the RPA;
7. Support the goals and objectives of other overlapping plans, including the Village's Comprehensive Plan, and coordinate available federal, state, and local resources to further the goals and objectives of this Redevelopment Plan;

8. Provide opportunities for locally owned, women-owned, and minority-owned businesses to share in the job and construction opportunities associated with the redevelopment of the Irving Park Road Corridor RPA; and
9. Support job training programs and increase employment opportunities, including welfare to work programs, for individuals working in Irving Park Road Corridor RPA businesses.

Required Findings

The required conditions for the adoption of a Redevelopment Plan and Project are found to be present within the Study Area.

First, the Village is required to evaluate whether the Study Area has been subject to growth and private investment, and must substantiate a finding of lack of such investment prior to establishing a TIF district.

Taken as a whole, the Study Area has not been subject to widespread growth and development through investment by private enterprise. The equalized assessed valuation ("EAV"), which is the value of property on which property taxes are based, in the Study Area grew at a slower rate than that of the remainder of the Village in five of the last five years. Furthermore, the EAV within the Study Area declined in two of the last five years. Overall, the compound annual growth rate of EAV for the Study Area was 2.6 percent between 1998 and 2003, compared to 6.7 percent for the remainder of the Village of Hanover Park over the same period of time.

The lack of growth of property values in the RPA is due in large part to chronic vacancies that have plagued much of the commercial properties in the RPA in recent decades. The history of the Tradewinds Shopping Center, located at the northeast corner of Irving Park and Barrington roads, exemplifies this problem. This approximately 216,000 square foot shopping center was originally developed in the late 1960s. Since then, the center has experienced significant tenant vacancies, and has been unable to sustain itself as a viable retailing center. Repeated attempts to redevelop the center have failed. Occupants that have unsuccessfully located at the center include a discount department store, movie theater, and drug store. The most recent attempt to redevelop the center occurred in 1997 when a new approximately 66,000 square foot Dominick's grocery store was constructed on the site. This location, however, was vacated by Dominick's seven years later. Today, the Tradewinds Shopping Center is only 50 percent occupied.

Second, the Village is required to find that but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the Study Area.

Without the support of public resources, the Redevelopment Plan Goals and Objectives for the Study Area would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the Study Area as a commercial district are extensive and costly, and the private market, unassisted, has shown little ability to absorb all of these costs. Any recent interest in investing in the Study Area has been created by the possible designation of the TIF District and the use of tax increment financing that will allow for

TIF assistance to the private sector to create redevelopment opportunities and suitable sites for modern redevelopment needs. Public resources to assist with redevelopment project costs as described in the Act are needed to leverage private investment and facilitate area-wide redevelopment consistent with the needs of the Irving Park Road Corridor RPA. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur.

Third, the Study Area includes only those contiguous parcels of real property that are expected to benefit substantially from the proposed improvements.

Finally, the proposed land uses described in this Redevelopment Plan are consistent with the Comprehensive Plan of the Village of Hanover Park. The redevelopment opportunities identified in earlier area planning initiatives will be supported substantially and their implementation facilitated through the adoption of the Redevelopment Plan.

2. Introduction

The Study Area

This document serves as the eligibility study ("Eligibility Study") and Redevelopment Plan for the Irving Park Road Corridor RPA. The Irving Park Road Corridor RPA is located in the northern portion of the Village, in Cook County (the "County"). During April and May 2005, *S. B. Friedman & Company* conducted a study of certain properties in this area to determine whether the area containing these properties would qualify for status as a "blighted area" and/or "conservation area" under the Act.

The community context of the Irving Park Road Corridor RPA is detailed on Map 1.

The Irving Park Road Corridor RPA is generally located at the intersection of Irving Park Road and Barrington Road. The Study Area generally includes the frontage along both sides of Irving Park Road from east of Barrington Road to just west of Cumberland Drive on the north side of Irving Park Road and to just west of Longmeadow Lane on the south side of Irving Park Road. The Irving Park Road Corridor RPA consists of 28 tax parcels, 23 buildings, and approximately 46 acres of land. Of the 28 tax parcels, two are vacant.

Map 2 details the boundary of the Irving Park Road Corridor RPA which includes only those contiguous parcels of real property that are expected to benefit substantially from the Redevelopment Plan improvements discussed herein. The boundary of the Study Area encompasses a commercial district which contains a single public/institutional use.

As a whole, the area suffers from a lack of growth in private investment and property values, physical deterioration, excessive vacancies, obsolescence, deleterious land use or layout, lack of community planning, and structures below minimum code. Without a comprehensive approach to address these issues, the Irving Park Road Corridor RPA could continue its decline, thereby discouraging future development opportunities. The Redevelopment Plan addresses these issues by providing resources for improvements to the area's infrastructure and for the assemblage and marketing of underutilized or vacant land. These area-wide improvements will benefit all of the property within the Irving Park Road Corridor RPA.

Appendix 1 contains the legal description of the Irving Park Road Corridor RPA.

The Eligibility Study covers events and conditions that existed and that were determined to support the designation of the Irving Park Road Corridor RPA as a "blighted area" under the Act at the completion of our research on May 31, 2005 and not thereafter. These events or conditions include, without limitation, governmental actions and additional developments.

This Eligibility Study summarizes the analysis and findings of the consultant's work, which, unless otherwise noted, is solely the responsibility of *S. B. Friedman & Company*. The Village is entitled to rely on the findings and conclusions of the Redevelopment Plan in designating the Irving Park Road Corridor RPA as a redevelopment project area under the Act. *S. B. Friedman & Company* has prepared this Eligibility Study with the understanding that the Village

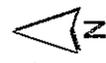
MAP 1: Community Context

Irving Park Road
Corridor
Redevelopment
Project Area

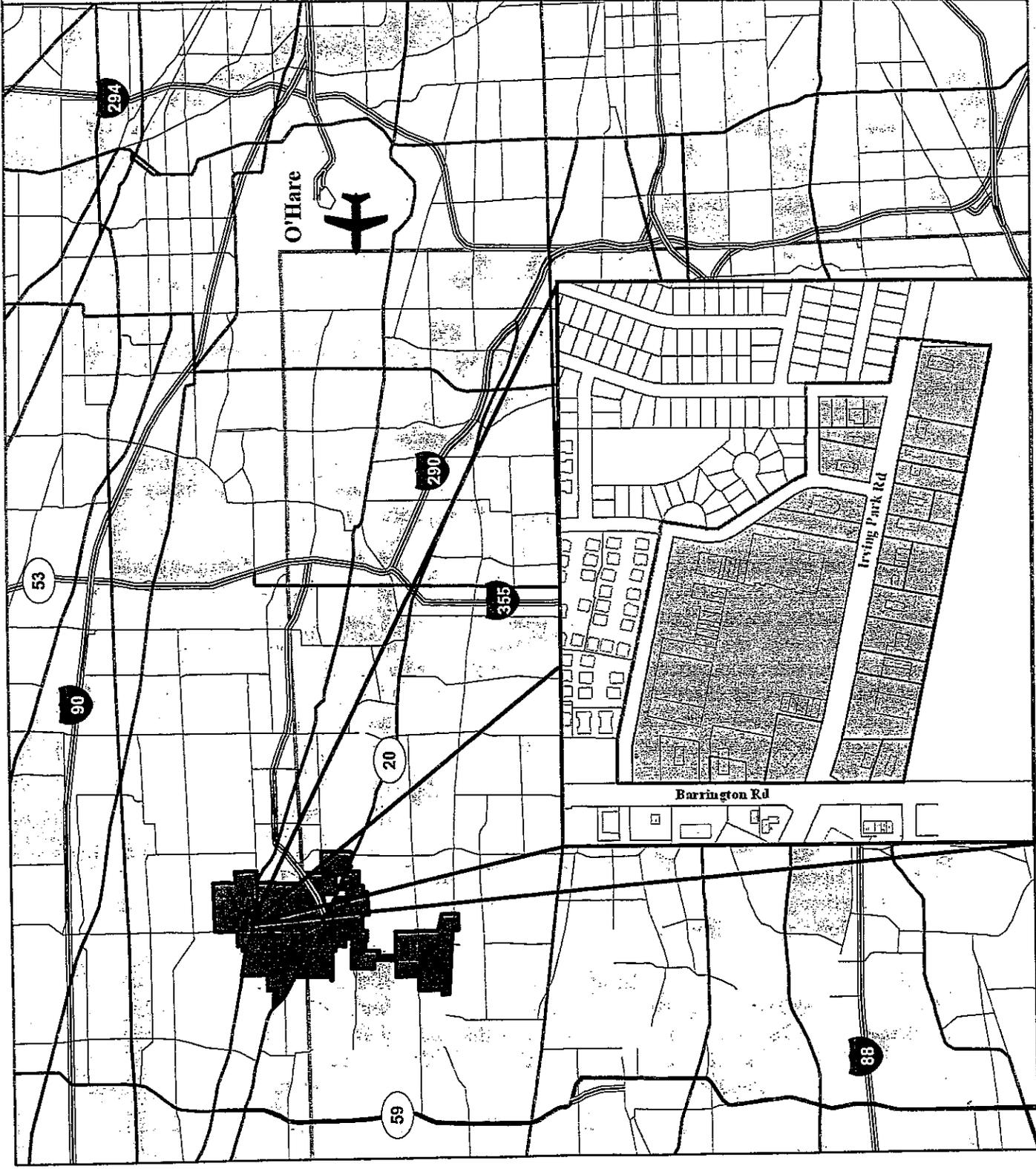
Hanover Park, IL

Legend

-  Hanover Park
-  TIF Boundary



F. S. B. Friedman & Company
Road Layout, Utilities and Hydrographical Consultants



MAP 2: Boundary Map

Irving Park Road
Corridor
Redevelopment
Project Area

Hanover Park, IL

Legend



TIF Boundary

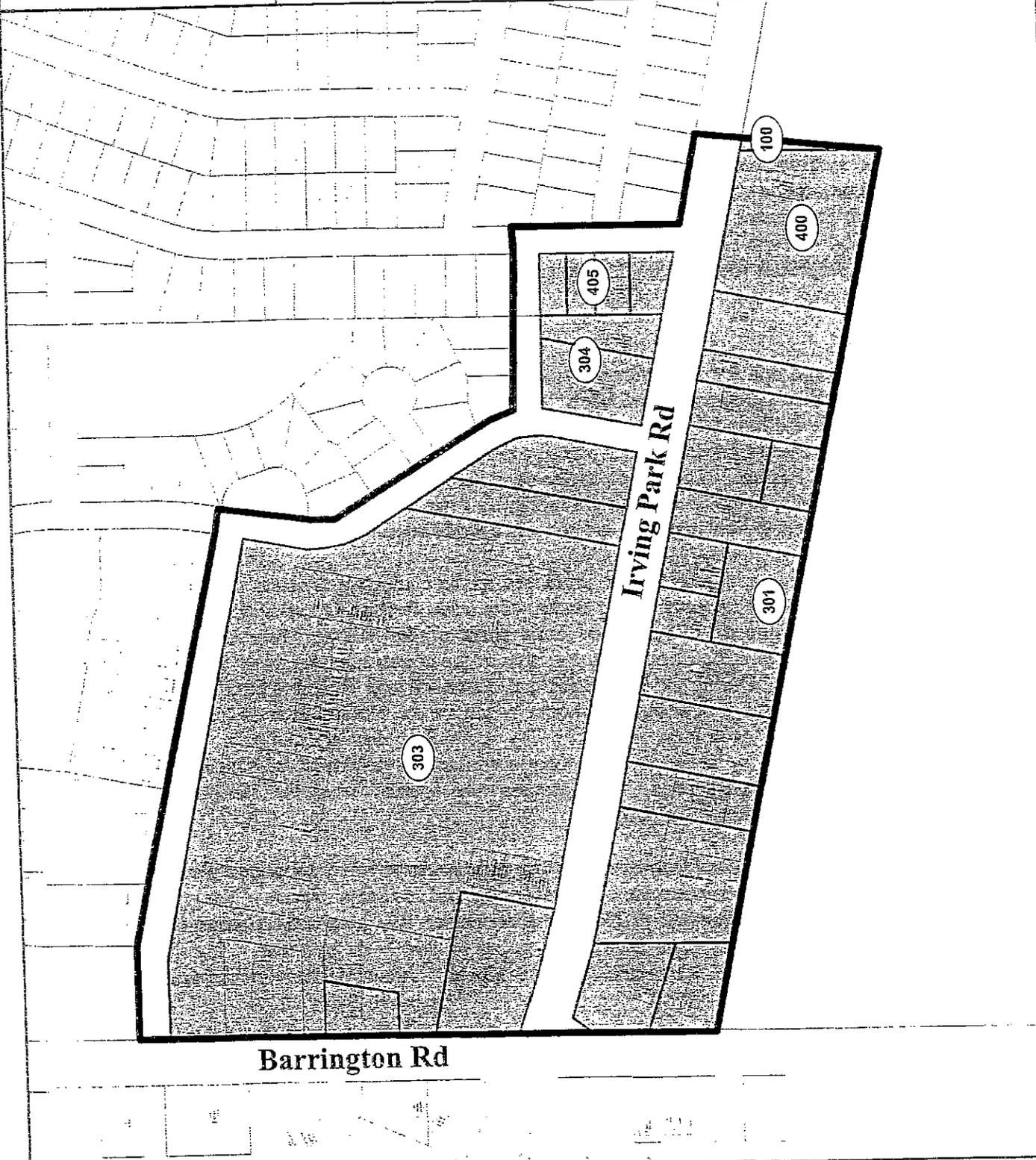


TIF Parcels



Block Numbers

303



Barrington Rd

Irving Park Rd

303

304

405

301

400

100

would rely (1) on the findings and conclusions of the Eligibility Study in proceeding with the designation of the Irving Park Road Corridor RPA and the adoption and implementation of the Redevelopment Plan, and (2) on the fact that *S. B. Friedman & Company* has obtained the necessary information including, without limitation, information relating to the EAV of parcels comprising the Irving Park Road RPA, so that the Redevelopment Plan will comply with the Act and so that the Irving Park Road Corridor RPA can be designated as a redevelopment project area in compliance with the Act.

History of Area¹

Hanover Park, incorporated in 1958 with a population of 450, has grown rapidly in the past five decades. Incorporation was motivated principally by the possibility that the neighboring communities of Streamwood, Hoffman Estates, and Schaumburg would carve up and annex the rural community. Growth before the 1920s was slow, matching the development of neighboring communities. Migration from England, Germany and the eastern states did not begin until the 1830s. A stagecoach line reached the area in 1836, running along the Lake Trail, which became Lake Street.

In 1871, the Chicago and Pacific Railroad laid track northwest from Chicago in the relatively undeveloped area between Chicago and Elgin. Edward Bartlett, by donating seven acres of land for a depot, became the founder of the village and, when the first post office was established, the first postmaster. Bartlett's brother Luther had also donated land for a depot west of the site and named that station Bartlett. The depot on the land donated by Edward Bartlett was named Ontario (it was supposedly located on an old Indian trail stretching from Lake Ontario to Green Bay) and the settlement Edward Bartlett laid out was called Ontarioville.

In the 1920s, a suburban real estate boom developed in the communities closer to Chicago. As automobiles became more important Lake Street, which ran through Ontarioville, became U.S. Route 20, a major highway. The bypass built north of the village, however, meant that development shifted toward the Cook County section of the community and away from the older DuPage County section. During the Depression and Second World War, few families moved to Ontarioville. Even though a new building boom began in the suburbs after 1945, the village remained basically rural as commuting to the city remained relatively difficult. During the 1950s, developers began to move into the farm communities northwest of Chicago, buying farmland and building subdivisions. That process was spurred when the Douglas-Orchard Airport became O'Hare International Airport.

In the 1950s, the residents of unincorporated Ontarioville began to worry about being annexed to the new, rapidly growing communities of Streamwood and Hoffman Estates. The village of Streamwood had been incorporated in 1957 by a developer who purchased a group of farms northwest of Ontarioville. Hoffman Estates was going up fast in the northeast. The drive for incorporation was led by Emil Rinne and Arthur Schlueter. Although many residents initially

¹ Information on the history of the Village of Hanover was derived from the Local Community Fact Book of Chicago Metropolitan Area 1990, edited by the Chicago Fact Book Consortium (copyright 1995, Board of Trustees of the University of Illinois).

opposed incorporation because they wished to maintain the rural character of their community, they could see that they would inevitably be annexed by Streamwood or Hoffman Estates and would lose control of their own development. Only the Cook County part of Ontarioville was incorporated as Hanover Park in 1958. The DuPage part was not included because it was not surrounded by new development and it was thought that governing the new village would be easier if it were in a single county.

By 1970 the population of the village was almost 12,000 and the Cook County part of Hanover Park was almost completely developed. The growth of Hoffman Estates and Streamwood prevented further expansion to the north. The village began to annex land in DuPage County. A special census in 1972 indicated that in two years the village had grown to 20,000 residents, an increase of more than two-thirds. By the end of the decade the total was approaching 29,000.

After the explosive growth in the early 1970s, population growth slowed in the late 1970s and early 1980s. The 2000 census recorded that the population of Hanover Park was approximately 38,300, having increased by over 16 percent in the previous decade. In 1970 the population was virtually all European white. Now approximately six percent is African-American and approximately twelve percent Asian. Over a quarter of the total population is of Hispanic origin. Predominantly a white collar community, many of the residents are employed in Schaumburg and Rolling Meadows. Over 80 percent of the housing is owner-occupied. With its moderately priced housing, mainly ranches and split levels, Hanover Park remains a community attractive to young families.

Commercial development in the RPA first occurred in the late 1960s. The Tradewinds Shopping Center located at the northeast corner of Irving Park and Barrington roads is the largest commercial development in the Study Area. This approximately 216,000 square foot shopping center was originally developed in 1969. Since then, the center has been plagued by tenant vacancies, and has been unable to sustain itself as a viable retailing center. The most recent attempt to redevelop the center occurred in 1997 when a new approximately 66,000 square foot Dominick's grocery store was constructed on the site. This location, however, was vacated by Dominick's seven years later. Today, the Tradewinds Shopping Center is only 50 percent occupied.

Existing Land Use

Based upon *S. B. Friedman & Company's* field research, two land uses have been identified within the Irving Park Road Corridor RPA:

- Commercial; and
- Vacant Land.

The existing land use pattern in the Irving Park Road Corridor RPA is shown in Map 3. This map represents the land use in the area on a parcel-by-parcel basis.

Overall, the Irving Park Road Corridor RPA consists primarily of commercial land uses. A description of existing land uses is as follows:

Commercial. Commercial and retail uses are found throughout the Irving Park Road Corridor RPA. These uses include, among others, retailers, restaurants, auto service stations, and strip mall shopping centers. The overall character of the Irving Park Road Corridor RPA is that of a retail and service-oriented commercial district. Many of the businesses and buildings within the RPA are deteriorated and vacant, and could potentially benefit from rehabilitation.

Vacant Land. The two vacant land parcels located within the Irving Park Road Corridor RPA are both relatively small parcels, and are effectively "land-locked" by improved parcels fronting the major rights-of-way with no access.

**MAP 3:
Existing
Land Use**

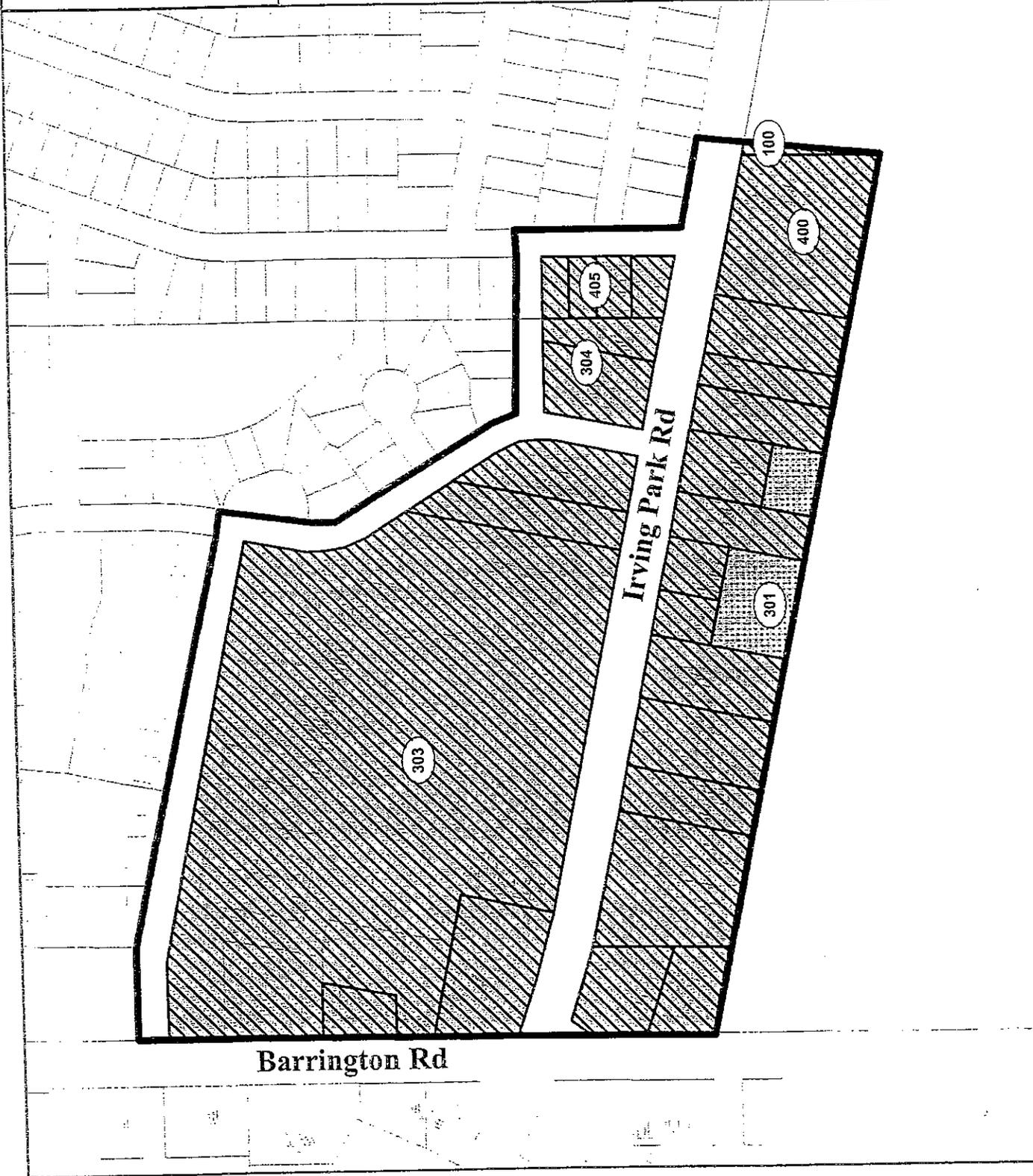
Irving Park Road
Corridor
Redevelopment
Project Area
Hanover Park, IL

Legend

- TIF Boundary
- Land Use Category
 - Commercial
 - Vacant
- Block Numbers



S. B. Friedman & Company
Professional Engineers and Surveyors



Barrington Rd

Irving Park Rd

3. Eligibility Analysis

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the Irving Park Road Corridor RPA at the completion of *S. B. Friedman & Company's* research completed on May 31, 2005, it has been determined that the Irving Park Road Corridor RPA meets the eligibility requirements of the Act as a "blighted area." The following outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" or a "conservation area," or a combination of both.

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "blighted area" or "conservation area," or a combination of both based upon evidentiary findings of certain eligibility factors listed in the Act. These factors are identical for each designation.

According to the Act, "blighted areas" must have a combination of five or more of these eligibility factors acting in concert which threaten the health, safety, morals, or welfare of the proposed district. "Conservation areas" must have a minimum of 50 percent of the total structures within the area aged 35 years or older, plus a combination of three or more additional eligibility factors which are detrimental to the public safety, health, morals, or welfare and which could result in such an area becoming a blighted area.

Factors for Improved Property

The 13 factors are listed in 65 ILCS 5/11-74.4-3 (a) and (b) and are defined in the Act as follows:

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

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

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration including

but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

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

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

Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

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

Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

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

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

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

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

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

As explained, "blighted areas" must have a combination of five or more of these eligibility factors and "conservation areas" must have a minimum of 50 percent of the total structures within the area aged 35 years or older, plus a combination of three or more additional eligibility factors.

Factors for Vacant Land

Under the provisions of the "blighted area" section of the Act, if the land is vacant, a combination of two or more of the following six factors also may be identified which combine to impact the sound growth in tax base for the proposed district.

Obsolete Platting of Vacant Land. This is where parcels of limited or narrow size or configurations of parcels of irregular size or shape make it difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or where platting has failed to create rights-of-ways for streets or alleys or has created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or has omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. This factor applies when the number of owners of parcels of vacant land is sufficient to retard or impede the ability to assemble the land for development.

Tax and Special Assessment Delinquencies. This factor is present when tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

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

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the "blighted area" section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five or more of the 13 "blighted area" eligibility factors were present immediately prior to demolition of the area's structures.

The vacant "blighted area" section includes six other tests for establishing eligibility, but none of these are relevant to the conditions within the Irving Park Road Corridor RPA.

Methodology Overview and Determination of Eligibility

Analysis of eligibility factors was done through research involving an extensive exterior survey of all properties within the Irving Park Road Corridor RPA, as well as a review of building and property records. Property records include building code violation citations, building permit data, and assessor information. In addition, to verify the age of the area buildings, field observations were compared to the recorded age of the buildings in property records obtained from the Cook County Assessor's Office.

Our survey of the area established that there are a total of 28 parcels (26 improved and 2 vacant) and 23 buildings (not including ancillary structures) within the Irving Park Road Corridor RPA. All properties were examined for qualification factors consistent with either "blighted area" or "conservation area" requirements of the Act. Since less than 50 percent of the structures are 35 years of age or older, the Irving Park Road Corridor RPA cannot qualify as a "conservation area." However, we do conclude that the properties within the Irving Park Road Corridor RPA qualify for designation as a "blighted area" based upon the presence to a meaningful extent of the eligibility criteria as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* calculated the number of eligibility factors present on a building-by-building or parcel-by-parcel basis and analyzed the distribution of the eligibility factors within the Irving Park Road Corridor RPA on a block-by-block basis. When appropriate, we calculated the presence of eligibility factors on infrastructure and ancillary properties associated with the structures. The eligibility factors were correlated to buildings using aerial maps, property files created from field observations, and record searches. This information was then graphically plotted on a tax parcel map of the Irving Park Road Corridor RPA to establish the distribution of eligibility factors, and to determine which factors were present to a major or minor extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent on a majority of the parcels and reasonably distributed throughout the Irving Park Road Corridor RPA. Minor factors are supporting factors present to a meaningful extent on some of the parcels or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment. Through our analysis, seven major factors and no minor factors were identified in the Irving Park Road Corridor RPA.

Blighted Area Findings

As required by the Act, within a blighted area, at least five of the 13 eligibility factors for improved property must be found present to a major extent within the Irving Park Road Corridor RPA.

Our research has revealed that the following seven factors for improved property are present to a major extent:

1. Lack of Growth in EAV;
2. Deterioration;

3. Excessive Vacancies;
4. Obsolescence;
5. Deleterious Land Use or Lay-Out;
6. Lack of Community Planning; and
7. Structures Below Minimum Code

Based on the presence of these factors, the Irving Park Road Corridor RPA meets the requirements of a "blighted area" under the Act.

Maps 4A through 4F illustrate the distribution of those eligibility factors found to be present to a major extent by highlighting each block where the respective factors were found to be present to a meaningful degree. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the Irving Park Road Corridor RPA.

**MAP 4A:
Lack of
Growth in EAV**

Irving Park Road
Corridor
Redevelopment
Project Area
Hanover Park, IL

Legend



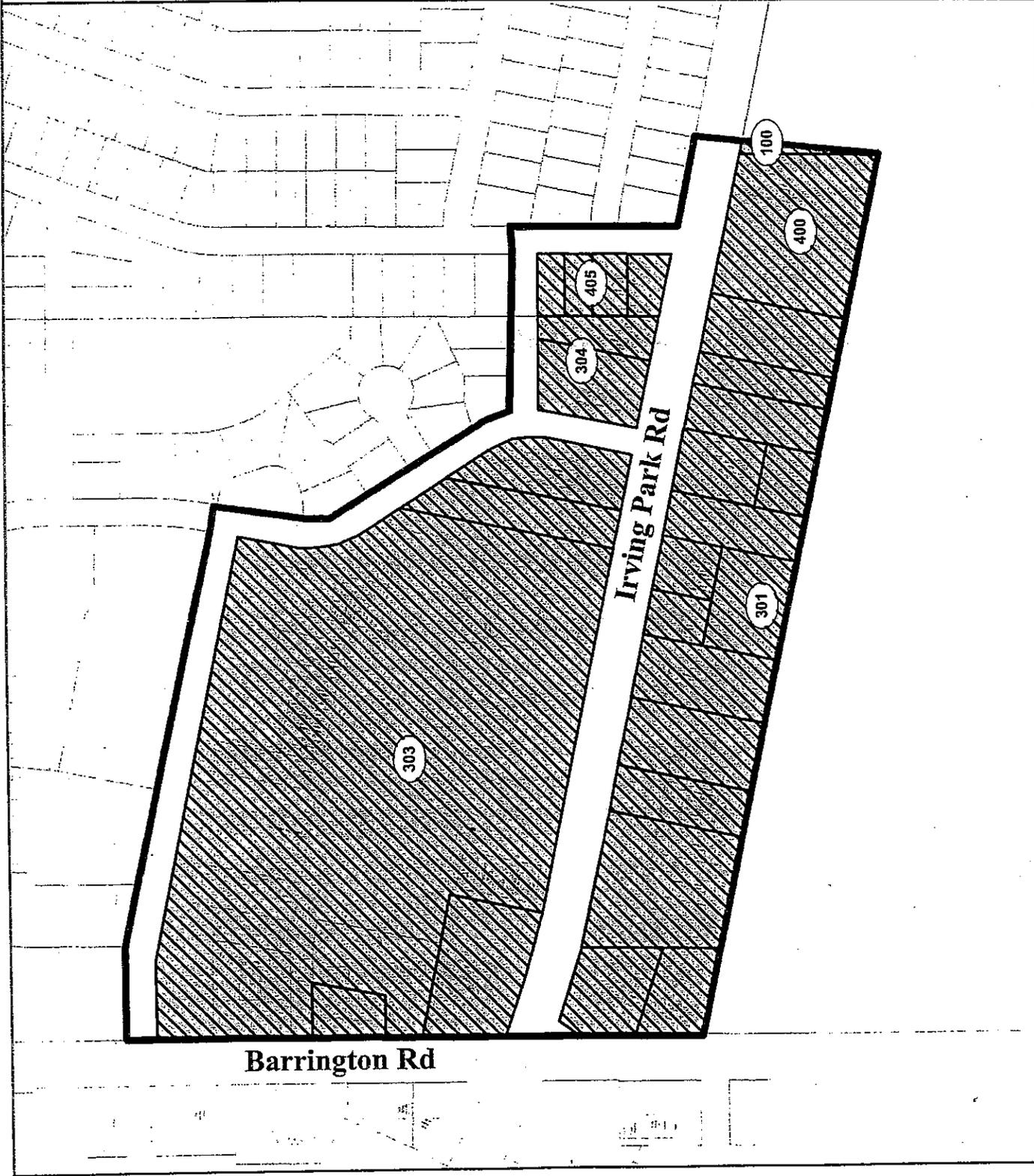
TIF Boundary



Lack of Growth in EAV



303 Block Numbers

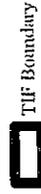


MAP 4B: Deterioration

Irving Park Road
Corridor
Redevelopment
Project Area

Hanover Park, IL

Legend



TIF Boundary



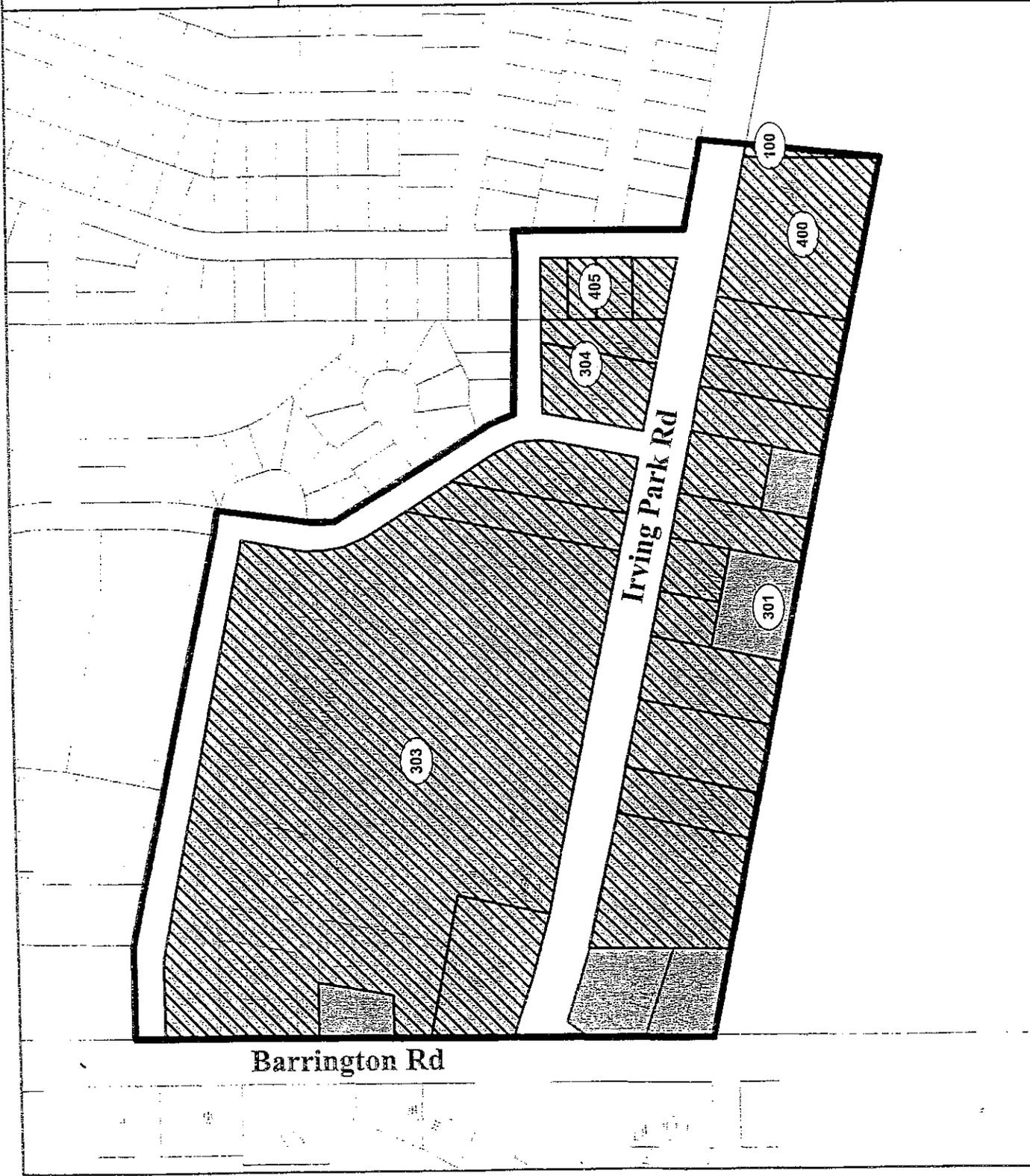
Deterioration

303

Block Numbers



S. B. Friedman & Company
Real Estate, Builders and Developers of Illinois



Barrington Rd

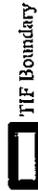
Irving Park Rd

MAP 4C: Excessive Vacancies

Irving Park Road
Corridor
Redevelopment
Project Area

Hanover Park, IL

Legend



TIF Boundary



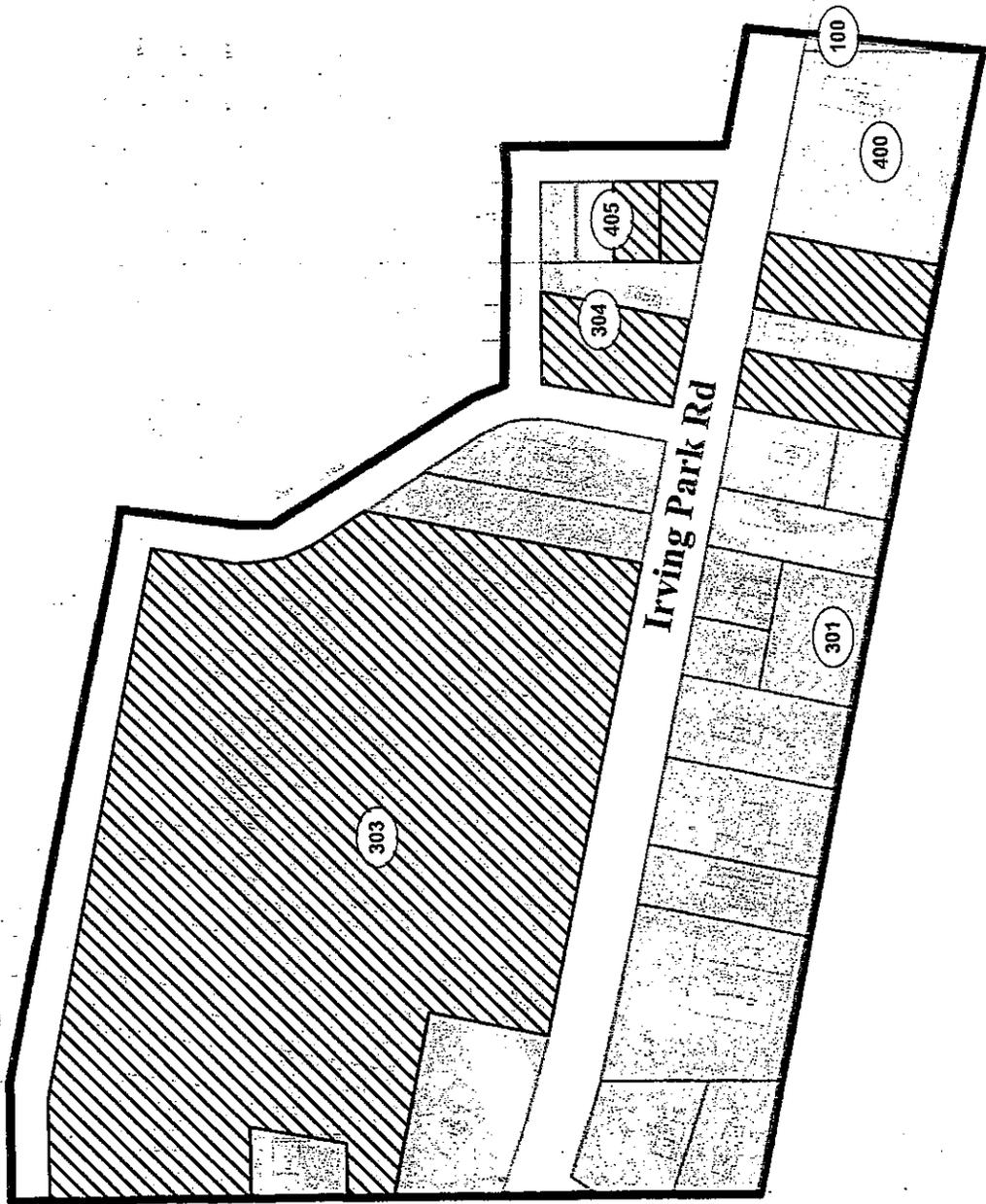
Excessive Vacancies



Block Numbers



S. B. Friedman & Company
Surveyors and Engineers, Inc.



Barrington Rd

**MAP 4D:
Obsolescence**

Irving Park Road
Corridor
Redevelopment
Project Area

Hanover Park, IL

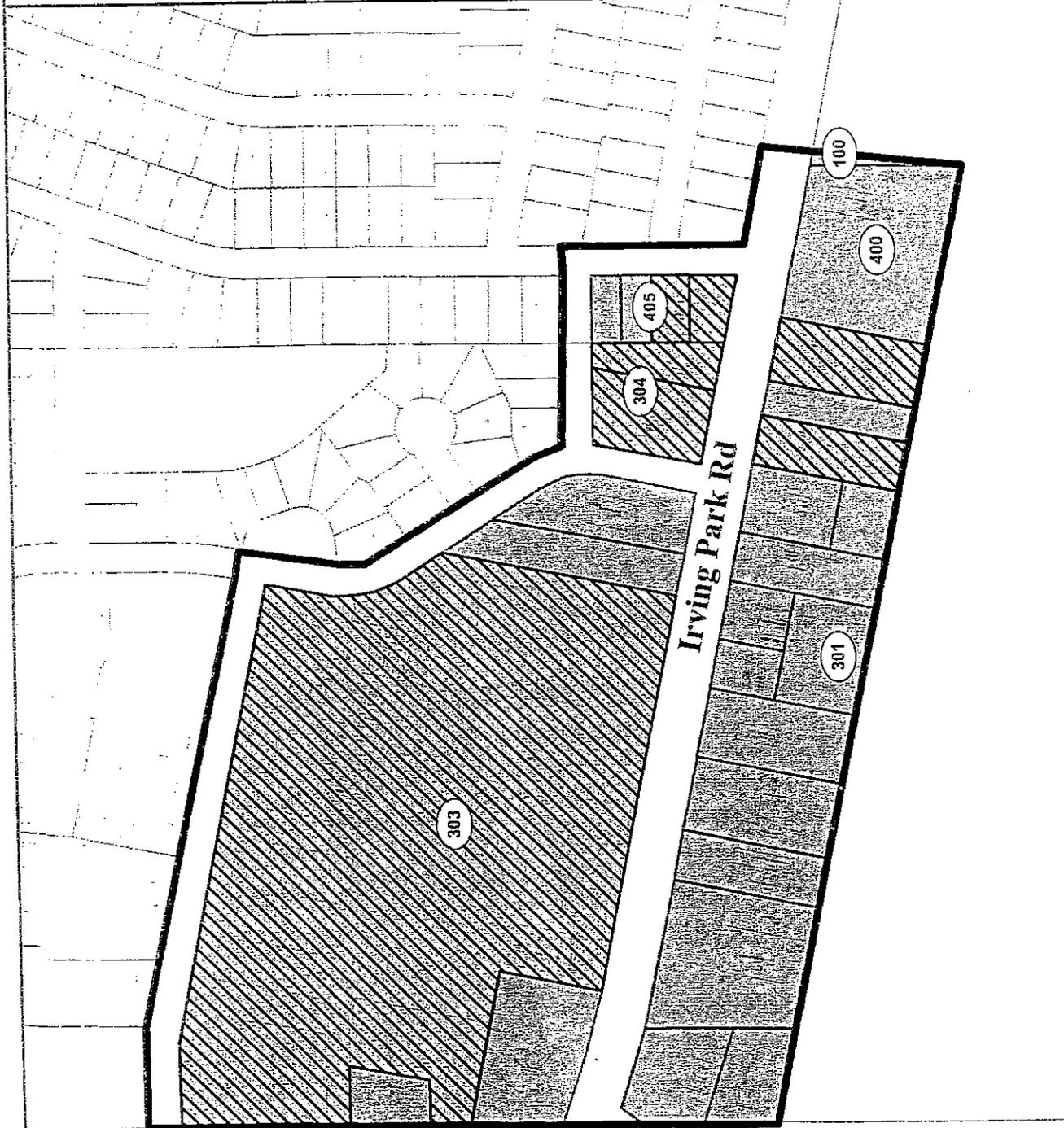
Legend

- TIF Boundary
- Obsolescence

303 Block Numbers



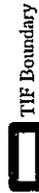
F. S. B. Friedman & Company
Real Estate, Appraisers and Development Consultants



Barrington Rd

**MAP 4E:
Deleterious
Land Use
or Layout**
Irving Park Road
Corridor
Redevelopment
Project Area
Hanover Park, IL

Legend



TIF Boundary



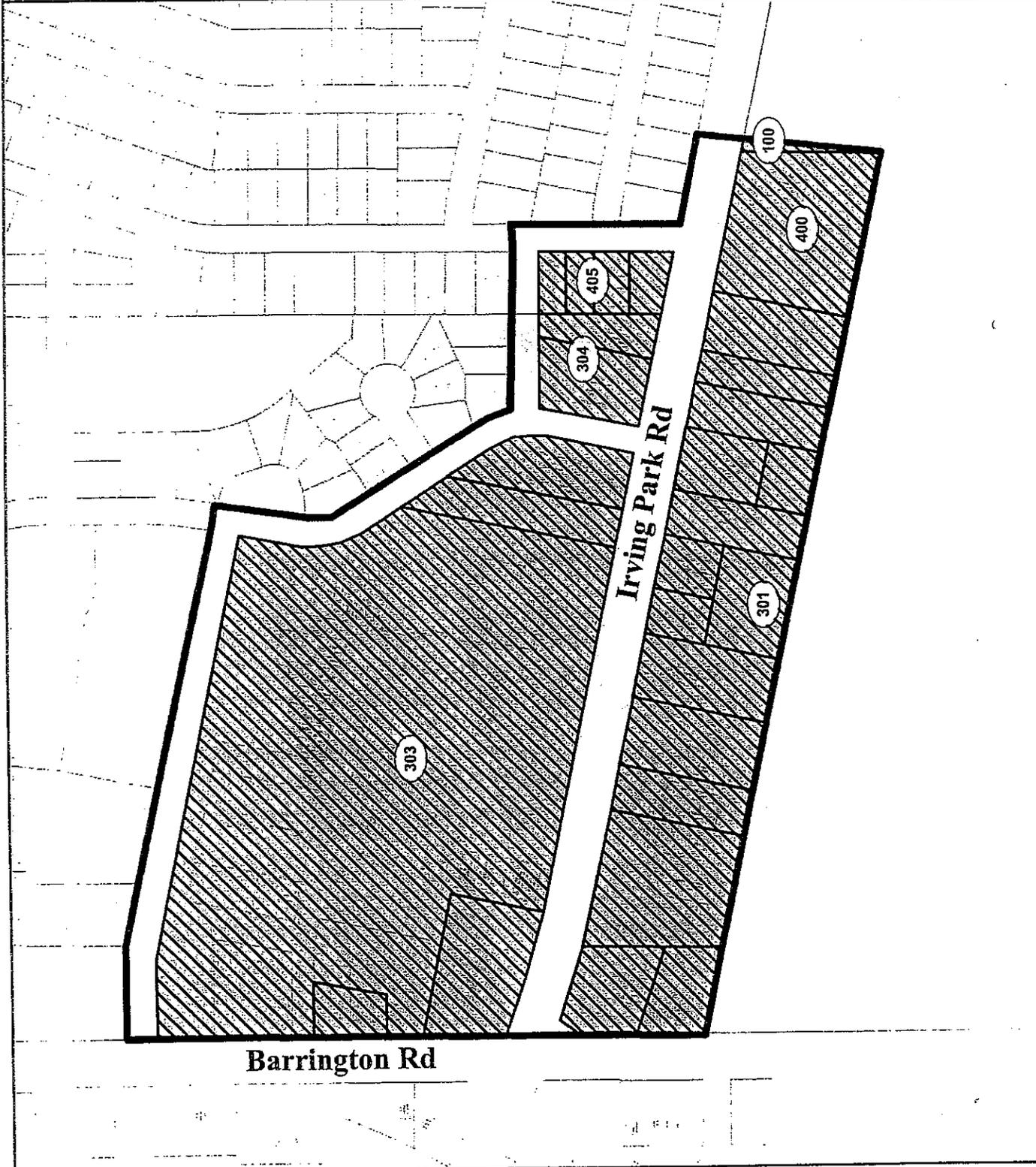
Deleterious Use/Layout



Block Numbers



F S. B. Friedman & Company
Real Estate, Urban and Development Consultants



Barrington Rd

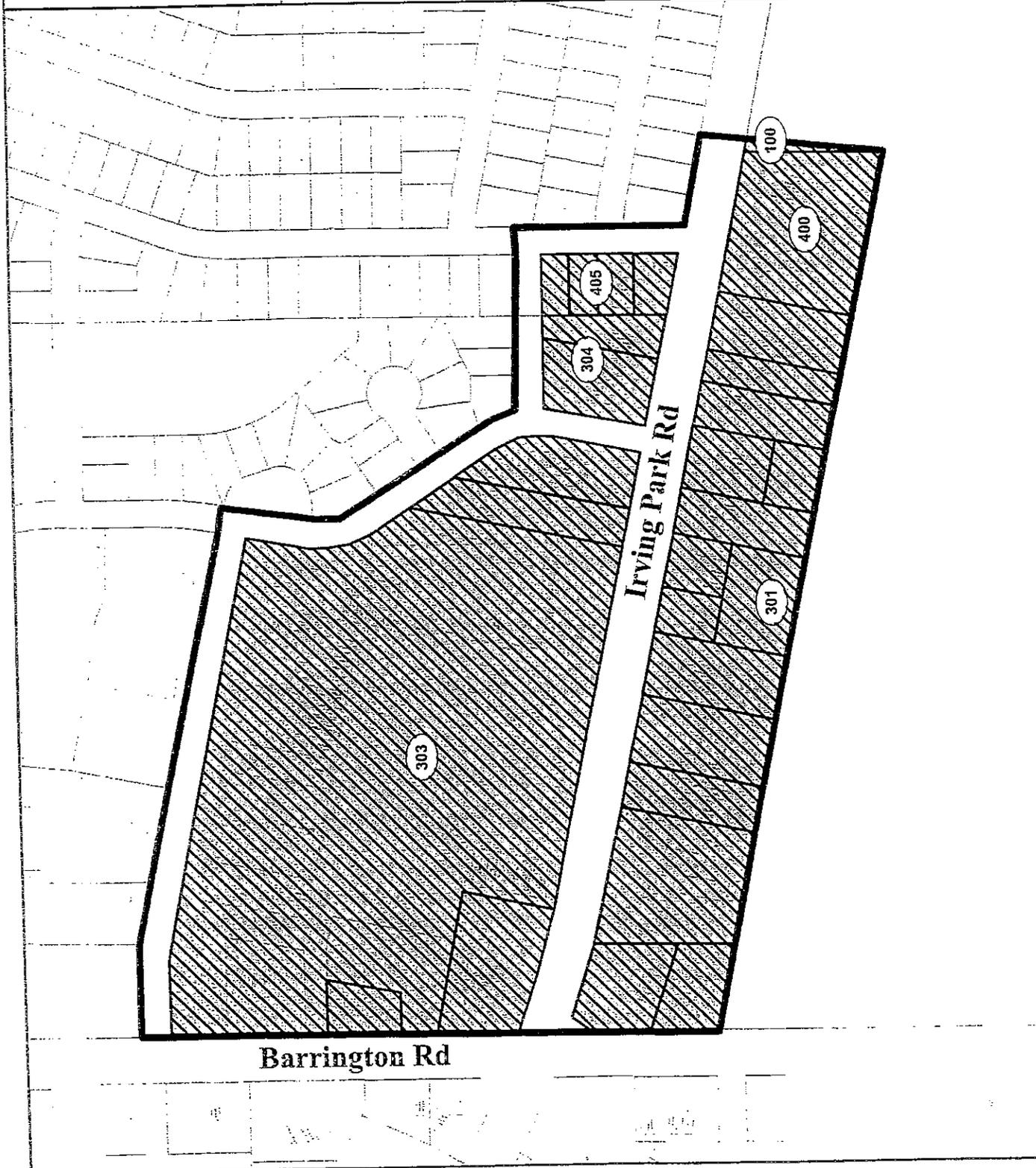
MAP 4F
Lack of
Community
Planning
Irving Park Road
Corridor
Redevelopment
Project Area
Hanover Park, IL

Legend

- TIF Boundary
- Lack Comm. Planning
- 303 Block Numbers



F. S. B. Friedman & Company
Real Estate, City Planning and Development Consultants



1. Lack of Growth in EAV

In order to qualify for this factor, the total EAV of the area must have increased at an annual rate that is less than the balance of the municipality or at an annual rate that is less than the Consumer Price Index (CPI) for All Urban Consumers for three of the last five calendar years prior to the year in which the RPA is designated. The total EAV is a measure of the property value in the Study Area. The EAV history of all the included tax parcels in the Study Area was tabulated for the last six years (five periods) for which assessed values and EAV are available. The most recent year for which this information is available is 2003.

A lack of growth in EAV has been found for the Study Area in that the rate of growth in EAV of the Study Area has been less than that of the balance of the Village for five of the last five years for which information is available. In two of the five periods, the growth rate was negative. The basis for this finding is summarized in Table 1 below. The lack of growth in EAV within the area is one of the strongest indicators that the area as a whole has been falling into a state of decline.

TABLE 1: Percent Change in Annual Equalized Assessed Valuation (EAV)

	Percent Change in EAV 1998-1999	Percent Change in EAV 1999-2000	Percent Change in EAV 2000-2001	Percent Change in EAV 2001-2002	Percent Change in EAV 2002-2003
Irving Park Rd. Corridor RPA	1.0%	-0.2%	10.1%	4.0%	-1.3%
Village of Hanover Park (balance of)	3.8%	1.9%	14.2%	9.7%	4.3%

Note: The percent change in EAV of the RPA was lower than that of the balance of the Village of Hanover Park for five of the last five years. Therefore, the RPA as a whole qualifies for the Lack of Growth in EAV factor.

This eligibility factor was analyzed area-wide and is considered to be present to a meaningful extent for the entire Irving Park Road Corridor RPA.

2. Deterioration

Ten of the 23 buildings (43%) within the Study Area demonstrate a significant level of deterioration. This included physical deterioration, including cracked or broken windows and cracked exterior walls. In addition, widespread deterioration was documented on ancillary property within the Study Area, including cracked pavement, curbs, and sidewalks. Ancillary property includes surface parking lots, property used for storage or other related uses, property enclosed with fencing, or garages. Twenty-two of the 28 total parcels (79%) in the Study Area exhibit deterioration due to the condition of ancillary property and surface improvements.

3. Excessive Vacancies

Of the 23 buildings in the Study Area, seven (30%) exhibited excessive vacancies. Moreover, of the approximately 321,000 square feet of building area in the RPA, approximately 157,000 square feet, or 49 percent of the total building area in the RPA is vacant. The close proximity of these buildings to the other structures in the RPA magnifies their impact on the remainder of the properties in the RPA. If they are not addressed, the extent and nature of the vacancies within the Irving Park Road Corridor RPA are sufficient to have negative effects on nearby properties and the future development of the RPA.

4. Obsolescence

Obsolescence, either functional, economic, or some combination of both, was documented for eight of the 23 buildings (35%) within the Study Area. The economic obsolescence of some Study Area properties is demonstrated by the stagnant, or in some cases declining, assessed valuation (other than routine increases attributable to the effect of inflation upon triennial reassessment values), excessive vacancies, and observations in the field that certain properties are falling into disuse. Economically obsolete buildings and properties have an adverse effect on nearby properties and detract from the physical, functional, and economic vitality of the surrounding community.

In addition to economic obsolescence, some of the buildings in the Study Area were designed for uses that have become outmoded. Reconfiguration and rehabilitation of such structures would result in substantial cost to any future user and therefore would render the structure functionally obsolete. This functional obsolescence directly inhibits the redevelopment of these properties due to the substantial practical disadvantages faced by potential new users.

5. Deleterious Land Use and Lay-Out

Deleterious land use and lay-out was evaluated on both a parcel-by-parcel and an area-wide basis. This factor may be present regardless of whether or not a structure exists on a parcel. The documented presence of this factor within the Study Area includes:

- Incompatible Land Use Relationships. The lay-out of the parcels and the uncoordinated nature of the development have resulted in several incompatible land use relationships. Commercial and residential uses exist back-to-back in several locations, and many of the commercial parcels lack sufficient buffering from residential uses located outside of the Study Area. This was observed most often in the rear of commercial buildings where loading areas, trash pick-up, and general truck traffic create noise and other disturbances. These areas could be redesigned to provide buffers and other screening elements to better accommodate the close proximity of residential uses.
- Traffic Volume/Accident Data. The intensive commercial uses and the manner in which development has occurred in the area have resulted in traffic hazards. A review of area-wide traffic data obtained from the Village shows that the capacity of Irving Park Road and Barrington Road cannot appropriately handle current traffic volumes. Consequently,

these arterial roadways are operating at an unacceptable level of service, with major delays, congestion, and an overall low traffic-flow. Accident reports from the past five years show that the major signalized intersections and entranceways for the major shopping centers within the Study Area have accounted for approximately 700 traffic accidents. A study conducted by State Farm Insurance Company deemed the intersection of Irving Park and Barrington roads to be one of the most dangerous for traffic accidents in the state.

- Lack of Coordinated Curb-Cuts and Parking Areas. The orientation of buildings, curb cuts and parking on particular sites or within the context of an entire block create impediments to the safe and efficient movement of traffic and pedestrians. The number of curb-cuts and the lack of access between adjacent parking areas require that most parcel-to-parcel traffic be pushed onto the major arterial roadways, exacerbating traffic volume and traffic flow conditions.
- Inadequate Sidewalks and Pedestrian Access. The presence of inadequate sidewalks in most of the Study Area results in impediments to pedestrian traffic and/or the complete lack of pedestrian access to parcels. The lack of pedestrian amenities intensifies the necessity and reliance on automobile passage between commercial businesses. In several areas within the Irving Park Road Corridor RPA clearly defined pathways caused by continued pedestrian traffic have been impressed into setbacks where sidewalks are missing.

Deleterious land use and lay-out was found to affect the Irving Park Road Corridor RPA on an area-wide basis and is considered to be present to a meaningful extent for the entire Irving Park Road Corridor RPA. The presence of these deleterious land use and lay-out features limits future development opportunities within the Irving Park Road Corridor RPA. The viability of the area as a commercial district has been threatened by the combination of the lack of capacity for traffic levels, the high incidence of traffic accidents, insufficient vehicular access to many parcels, unsafe pedestrian movement, the absence of pedestrian access, and non-conforming land uses. These problems aggravate traffic patterns and pose special hazards for pedestrians who shop in the Irving Park Road Corridor RPA.

6. Lack of Community Planning

Lack of community planning is an area-wide factor, not necessarily attributable to any one parcel. The Irving Park Corridor RPA was first developed in the late 1960s, which was prior to the implementation or guidance of the Village's first comprehensive community plan, which was adopted in June of 1977. This is evidenced by deleterious street layouts and lack of buffering between land uses. Lack of community planning limits potential redevelopment opportunities within the RPA. This eligibility factor is present throughout the Irving Park Corridor RPA.

7. Structures Below Minimum Code

Structures below code standards indicate that a building or structure is in a current state of non-compliance and could potentially fall into more severe disrepair. These include code standards

related to zoning, subdivision, building, fire, and other governmental codes applicable to property. According to the Village, numerous code violations have been issued for properties in the RPA over the last five years for violations related to maintenance of exterior walls and accessory structures; maintenance of secondary building components such as windows and doors; extermination; maintenance of plumbing, mechanical, and electrical equipment; and maintenance of means of egress. Failure to comply with contemporary code standards has inhibited the continuing use of the RPA as a viable commercial area. This is underscored by the chronic vacancies exhibited in the area and the RPA's inability to compete in the marketplace. This eligibility factor is present throughout the Irving Park Corridor RPA.

4. Redevelopment Project and Plan

Redevelopment Needs of the Irving Park Road Corridor RPA

The existing land use pattern and physical conditions in the Irving Park Road Corridor RPA suggest seven redevelopment needs for the area:

1. Property assembly, demolition, and site preparation;
2. Infrastructure improvements, streetscaping, and buffering/screening between land uses;
3. Redevelopment of vacant and underutilized parcels;
4. Commercial development and redevelopment;
5. Resources for retail, commercial development;
6. Job training assistance; and
7. Relocation.

The Redevelopment Plan identifies tools for the Village to:

- Support the establishment and improvement of the Irving Park Road Corridor RPA as a cohesive and vibrant commercial district consistent with the Village's Comprehensive Plan;
- Support other improvements that serve the redevelopment interests of the local community and the Village; and
- Assist existing businesses to expand and improve their places of business, and/or other mechanisms as set forth in the Redevelopment Plan.

The expenditure of redevelopment costs as described in the Redevelopment Plan will create an environment conducive to private investment and redevelopment within the Irving Park Road Corridor RPA. The goals and objectives discussed below have been developed to address these needs and facilitate the sustainable redevelopment of the Irving Park Road Corridor RPA. To support specific projects and encourage future investment in the Irving Park Road Corridor RPA, public resources including tax increment financing may be used to:

- Facilitate site assembly, site preparation, and demolition for future private sector redevelopment activities;
- Improve Irving Park Road Corridor RPA infrastructure;
- Foster an identity for the area and the community;
- Support building rehabilitation; and
- Provide assistance, as appropriate and allowed under the Act, to the private sector to facilitate acquisition, assembly, and preparation of property to create redevelopment opportunities and suitable sites for modern development needs.

Ultimately, the goals, objectives and strategies are designed to redevelop the Irving Park Road Corridor RPA as a vibrant commercial district, providing new and enhanced commercial

activities that complement and service the Village population while improving the image and visibility of the Village as a whole within the surrounding communities.

The Redevelopment Plan identifies the tools that the Village will use to guide redevelopment in the Irving Park Road Corridor RPA to stimulate economic development and to promote and sustain a strong commercial district.

The goals, objectives, and strategies discussed below have been developed to address these needs and facilitate the sustainable redevelopment of the Irving Park Road Corridor RPA. The proposed public improvements outlined in the Redevelopment Plan will help arrest the current decline and create an environment conducive to private investment and redevelopment within the Irving Park Road Corridor RPA.

Goals and Objectives

Goals and objectives designed to address the needs of the community form the overall framework of the Redevelopment Plan for the use of anticipated tax increment funds generated within the Irving Park Road Corridor RPA.

Goal. The overall goal of the Redevelopment Plan is to reduce or eliminate conditions that qualify the Irving Park Road Corridor RPA as a blighted area. Implementation of the Redevelopment Plan will enhance the quality of life for Village residents and strengthen the Village's economic base. Redevelopment of the Irving Park Road Corridor RPA will be accomplished by:

- Re-establishing the Irving Park Road Corridor RPA as a cohesive and vibrant commercial area, while also accommodating public/institutional, parking, and open space uses where appropriate;
- Providing the direction and mechanisms necessary to identify potential redevelopment opportunities and, where appropriate, facilitate the implementation of redevelopment projects; and
- Providing adequate investment in public infrastructure and other improvements to foster a more cohesive and coordinated commercial area, enhance the design and lay-out of parcels, integrate land uses, and secure new development.

Rehabilitation and redevelopment of the Irving Park Road Corridor RPA will be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment. The underlying strategy is to use tax increment financing, as well as other funding sources, to reinforce and encourage further private investment.

Objectives. Nine broad objectives support the overall goal of area-wide revitalization of the Irving Park Road Corridor RPA. These include:

1. Strengthen the Irving Park Road Corridor RPA as a commercial district for the surrounding community by providing resources for the rehabilitation and adaptive re-use of existing businesses and for the development, redevelopment, and rehabilitation of commercial property within the RPA;
2. Improve and construct new public infrastructure where needed, including streets, sidewalks, curbs, gutters, underground water and sanitary systems, storm water detention facilities, lighting, and landscaping to create an attractive and cohesive environment in support of new development;
3. Facilitate the assembly, preparation, and marketing of potential sites for new commercial development and redevelopment including demolition, relocation, and remediation, and assist private developers in assembling sites that meet contemporary development standards;
4. Improve visibility, traffic flow, and safety within the RPA by providing street improvements, lighting, traffic signals, coordinated curb cuts, signage, and pedestrian amenities such as sidewalks and crosswalks where needed;
5. Improve and continue to provide adequate off-street parking to support commercial uses within the RPA;
6. Provide for corrective actions to address environmental problems as needed to permit development and redevelopment within the RPA;
7. Support the goals and objectives of other overlapping plans, including the Village's Comprehensive Plan, and coordinate available federal, state, and local resources to further the goals and objectives of this Redevelopment Plan;
8. Provide opportunities for locally owned, women-owned, and minority-owned businesses to share in the job and construction opportunities associated with the redevelopment of the Irving Park Road Corridor RPA; and
9. Support job training programs and increase employment opportunities, including welfare to work programs, for individuals working in Irving Park Road Corridor RPA businesses.

Proposed Future Land Use

The proposed land use of the Irving Park Road Corridor RPA reflects the objectives of the Redevelopment Plan, which provide direction for the marketing of vacant and underutilized sites in the Irving Park Road Corridor RPA, to support the improvement of the Irving Park Road Corridor RPA as an active commercial district, and to support other improvements that serve the redevelopment interests of the Village as a whole. The proposed objectives are compatible with the Comprehensive Plan of the Village of Hanover Park.

The proposed land uses are detailed on Map 5. To support the development of the area as a commercial shopping district while also supporting the potential rehabilitation and development of public/institutional and parking uses in the future, the entire RPA is shown as a commercial area. This land use description allows for commercial, public/institutional, parking, and open space.

**MAP 5:
Proposed
Future
Land Use**

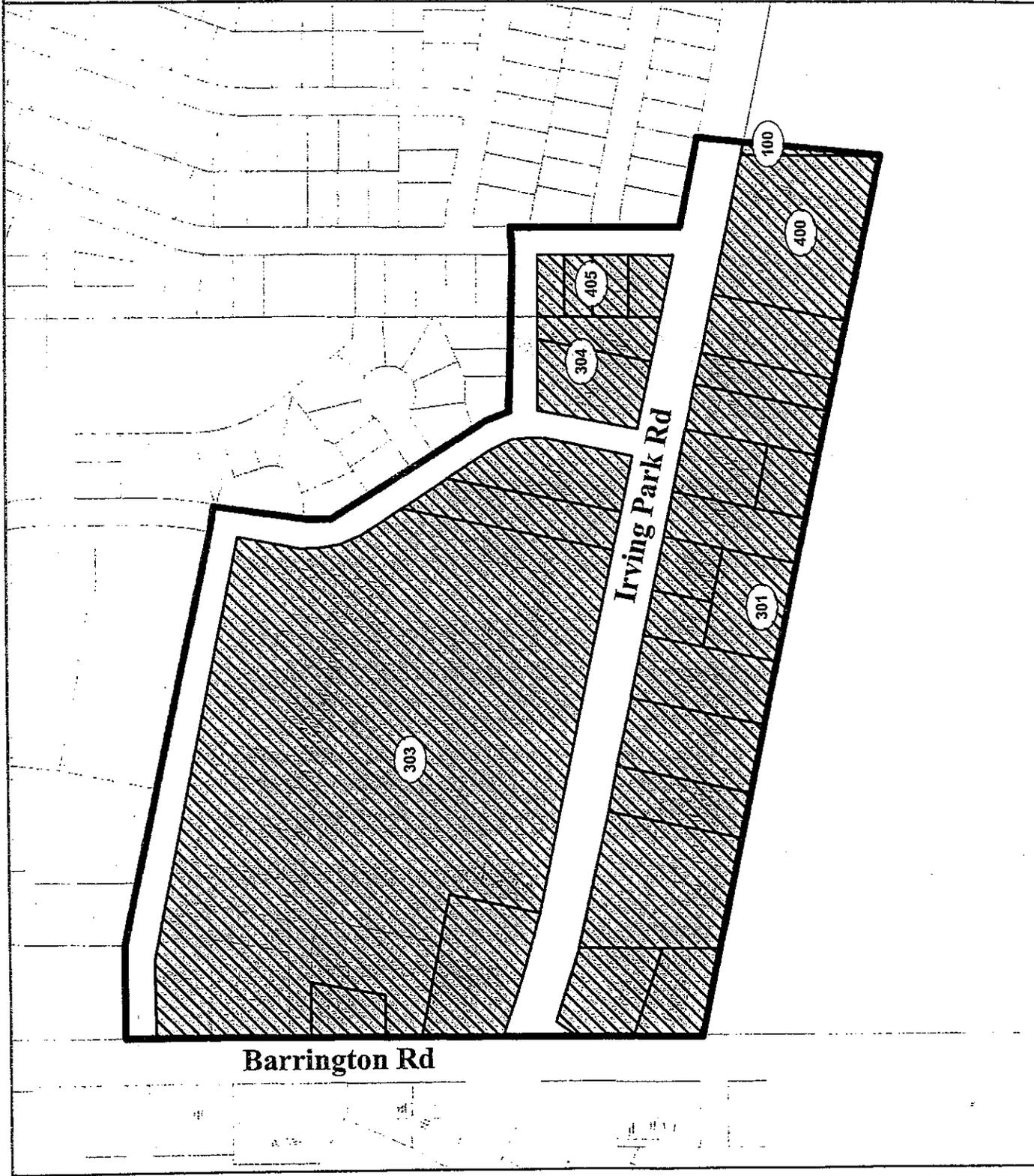
Irving Park Road
Corridor
Redevelopment
Project Area
Hanover Park, IL

Legend

-  TIF Boundary
-  Land Use Category
Commercial
-  Block Numbers



S. B. Friedman & Company
Real Estate Advisors and Developers



5. Financial Plan

Eligible Costs

The Act outlines several categories of expenditures that can be funded using tax increment financing. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this plan pursuant to the Act. The Village proposes to realize its goals and objectives of redevelopment through public finance techniques, including, but not limited to, tax increment financing, and by undertaking certain activities and incurring certain costs. Some of the costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible 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, marketing sites within the area to prospective businesses, developers, and investors, financial, planning or other services, related hard and soft costs, and other related expenses; provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, and clearing and grading of land, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures and leasehold improvements;
4. Costs of the construction of public works or improvements consistent with the Act, including the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of job training and retraining projects including the costs of welfare to work programs implemented by businesses located within the redevelopment project area;
6. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto and interest accruing during a construction period;

7. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and project, to the extent the municipality by written agreement accepts and approves such costs;
8. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
9. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or under the Act;
10. Payment in lieu of taxes;
11. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and taxing district(s), which agreement describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of cost pursuant to Section 10-22.20a and 10-23.3a of the School Code as cited in the Act.
12. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. Such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;
 - c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (12) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

- d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 - e. The percentage increases from thirty percent (30%) to seventy-five percent (75%) for the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
 - f. Instead of the interest costs described above in paragraphs 12b. and 12d., a municipality may pay from tax incremental revenues up to fifty percent (50%) of the cost of construction, renovation, and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;
13. Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

Estimated Redevelopment Project Costs

The estimated eligible costs of this Redevelopment Plan are shown in Table 2. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan. Additional funding in the form of State and Federal grants, private developers contributions and other outside sources may be pursued by the Village as a means of financing improvements and facilities which are of benefit to the general community.

Adjustments to the estimated line item costs in Table 2 are expected and may be made by the Village without amendment to the Plan. Each individual project cost will be reevaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The amounts in the line items set forth below are not intended to place a limit on the described expenditures. Adjustments may be made in line items, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs; provided, however, that any such adjustments shall not exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

Table 2: Estimated TIF Eligible Costs

Project/Improvements	Estimated Project Costs*
Professional Services	\$2,000,000
Property Assembly: including site preparation, demolition, and environmental remediation	\$6,000,000
Rehabilitation Costs (Commercial)	\$2,000,000
Eligible Construction Costs	\$0
Relocation	\$1,000,000
Public Works or Improvements (1)	\$2,000,000
Job Training	\$500,000
Interest Costs	\$400,000
Day Care	\$100,000
TOTAL REDEVELOPMENT COSTS (2)	\$14,000,000

* Exclusive of capitalized interest, issuance costs, interest on obligations issued to pay for redevelopment project costs, and other financing costs

(1) This category also may include the reimbursement of capital costs of taxing districts including schools resulting from the redevelopment project necessarily incurred in the furtherance of the objectives of the Redevelopment Project Area Plan and Project to the extent the Village by written agreement accepts and approves such costs.

(2) All costs are in 2005 dollars and may be increased by five percent after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the Village Board of Trustees to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s) to the Act, the Village may add any new eligible redevelopment project costs as a line item in Table 2, or otherwise adjust the line items in Table 2 without amendment to this Redevelopment Plan. In no instance, except as describe in footnote 2 in the table above, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

Phasing and Scheduling of the Redevelopment

Certain projects within the Irving Park Road Corridor RPA shall be governed by the terms of written redevelopment agreements entered into between a designated developer and the Village. Other projects will consist of Village reimbursements of the specified eligible redevelopment costs of applicants who qualify under various programs developed by the Village and approved by the Village Board of Trustees.

Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the Village shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the Village Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2029, if the ordinances establishing the Irving Park Road Corridor RPA are adopted in 2005).

Sources of Funds to Pay Costs

Funds necessary to pay for redevelopment project costs and/or municipal obligations which may be issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or proceeds from municipal obligations which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the Village may require the utilization of guarantees, letters of credit, bonds, deposits, reserves, and/or other forms of security made available by private sector developers. The Village may incur Redevelopment Project Costs which are paid from the funds of the Village other than incremental taxes, and the Village may then be reimbursed for such costs from incremental taxes.

The tax increment revenue which will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase of the current EAV of each taxable lot, block, tract, or parcel of real property in the redevelopment project area over and above the certified

initial EAV of each such property. Without the use of such incremental revenues, the redevelopment project area is not likely to redevelop.

Other sources of funds which may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, investment income, private investor and financial institution funds, and other sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

The Irving Park Road Corridor RPA is contiguous to the Barrington Road RPA and may in the future become contiguous to, or be separated only by a public right-of-way from, other redevelopment areas created under the Act. The Village may utilize net incremental property tax revenues received from the Irving Park Road Corridor RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Irving Park Road Corridor RPA 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 Irving Park Road Corridor RPA, shall not exceed the total Redevelopment Project Costs described in Table 2 (Estimated TIF Eligible Costs) of this Redevelopment Plan.

The Irving Park Road Corridor RPA may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois Industrial Jobs Recovery Law, (65 ILCS 5/11-74.61-1 et. seq.). If the Village finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Irving Park Road Corridor RPA, the Village may determine that it is in the best interests of the Village and in furtherance of the purposes of the Plan that net revenues from the Irving Park Road Corridor RPA be made available to support any such redevelopment project areas, and vice versa. The Village, therefore, proposes to utilize net incremental revenues received from the Irving Park Road Corridor RPA to pay eligible redevelopment projects costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Irving Park Road Corridor RPA and such areas. The amount of revenue from the Irving Park Road Corridor RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Irving Park Road Corridor RPA, or other areas as described in the preceding paragraph, shall not exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance of Obligations

To finance project costs, the Village may issue bonds or obligations secured by the anticipated tax increment revenue generated within the Irving Park Road Corridor RPA, or such other bonds or obligations as the Village may deem as appropriate. The Village may require the utilization of

guarantees, letters of credit, bonds, deposits or other forms of security made available by private sector developers to secure such obligations. In addition, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired within the time frame described under "Phasing and Scheduling of the Redevelopment" above. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the Village shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, and for reserves, bond sinking funds, and redevelopment project costs. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked, or otherwise designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to area taxing districts in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the Irving Park Road Corridor RPA is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Irving Park Road Corridor RPA. The 2003 EAV of all taxable parcels in the Irving Park Road Corridor RPA is approximately \$18,400,000. The total EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Cook County. The total EAV amounts by PIN for the Irving Park Road Corridor RPA are summarized in Appendix 2.

Anticipated Equalized Assessed Valuation

By 2029, the EAV for the Irving Park Road Corridor RPA will be approximately \$33,100,000. This estimate is based on several key assumptions, including: (1) an inflation factor of 2.0 percent per year on the EAV of all properties within the Irving Park Road Corridor RPA, (2) an equalization factor of 2.4598, and (3) that redevelopment occurs on certain underutilized sites in the Irving Park Road Corridor RPA.

6. Required Findings and Tests

Lack of Growth and Private Investment

The Village is required under the Act to evaluate whether the Irving Park Road Corridor RPA has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

Taken as a whole, the Study Area has not been subject to widespread growth and development through investment by private enterprise. The equalized assessed valuation ("EAV"), which is the value of property on which property taxes are based, in the Study Area grew at a slower rate than that of the remainder of the Village in five of the last five years. Furthermore, the EAV within the Study Area declined in two of the last five years. Overall, the compound annual growth rate of EAV for the Study Area was 2.6 percent between 1998 and 2003, compared to 6.7 percent for the remainder of the Village of Hanover Park over the same period of time.

The lack of growth of property values in the RPA is due in large part to chronic vacancies that have plagued much of the commercial properties in the RPA in recent decades. The history of the Tradewinds Shopping Center, located at the northeast corner of Irving Park and Barrington roads, exemplifies this problem. This approximately 216,000 square foot shopping center was originally developed in the late 1960s. Since then, the center has experienced significant tenant vacancies, and has been unable to sustain itself as a viable retailing center. Repeated attempts to redevelop the center have failed. Occupants that have unsuccessfully located at the center include a discount department store, movie theater, and drug store. The most recent attempt to redevelop the center occurred in 1997 when a new approximately 66,000 square foot Dominick's grocery store was constructed on the site. This location, however, was vacated by Dominick's seven years later. Today, the Tradewinds Shopping Center is only 50 percent occupied.

Finding: The Irving Park Road Corridor RPA on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

But for...

The Village is required to find that, but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the Irving Park Road Corridor RPA.

Without the support of public resources, the redevelopment objectives for the Study Area would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the Study Area as a commercial district are extensive and costly, and the private market, unassisted, has shown little ability to absorb all of these costs. Public resources to assist with redevelopment project costs in accordance with the Act are needed to leverage private investment and facilitate area-wide redevelopment consistent with the Comprehensive Plan of the Village of Hanover Park. Any recent interest in investing in the Study Area has been created by the possible designation of the TIF District and the use of tax

increment financing that will allow for TIF assistance to the private sector to create redevelopment opportunities and suitable sites for modern redevelopment needs. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur without TIF designation for the Irving Park Road Corridor RPA.

Finding: But for the adoption of this Redevelopment Plan, critical resources will be lacking that would otherwise support the redevelopment of the Irving Park Road Corridor RPA and the Irving Park Road Corridor RPA would not reasonably be anticipated to be developed.

Conformance to the Plans of the Village

The Irving Park Road Corridor RPA and Redevelopment Plan must conform to the Comprehensive Plan of the Village of Hanover Park, conform to the strategic economic development plans, or include land uses that have been approved by the Village Board of Trustees.

Dates of Completion

As discussed in Section 5 above, the Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the Village Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2029, if the ordinances establishing the Irving Park Road Corridor RPA are adopted in 2005).

Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Redevelopment Plan and tax increment financing, the Irving Park Road Corridor RPA is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that conditions found to qualify the Irving Park Road Corridor RPA as a blighted area under the Act will continue to exist and spread, and that the entire area will become a less attractive place to maintain and improve existing buildings and sites. The slow rate of growth (and decline in one year) of property values within the Irving Park Road Corridor RPA may continue and also may lead to a decline of property values in surrounding areas and could lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the Village to create an environment in which private investment can reasonably occur. The redevelopment program will be staged gradually over the life of the Irving Park Road Corridor RPA. If a redevelopment project is successful, various new projects will be undertaken that will assist in alleviating the conditions found to qualify the Irving Park Road Corridor RPA as a blighted area under the Act, creating new jobs, and promoting rehabilitation and development in the Irving Park Road Corridor RPA.

This Redevelopment Plan is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the certified initial EAV (established at the time of adoption of this document by the Village) may be used to pay eligible redevelopment project costs for the Irving Park Road Corridor RPA. At the time when the Irving Park Road Corridor RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the Irving Park Road Corridor RPA will be distributed to all taxing district levying taxes against property located in the Irving Park Road Corridor RPA. These revenues will then be available for use by the affected taxing districts.

Demand on Taxing District Services and Program to Address Financial and Service Impact

The Village intends to monitor development in the area and with the cooperation of the affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

Given the preliminary nature of the Redevelopment Plan, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot accurately be assessed within the scope of this plan. The following major taxing districts presently levy taxes on properties within the Irving Park Road Corridor RPA:

- County of Cook
- Consolidated Elections
- Forest Preserve District of Cook County
- Town of Schaumburg
- General Assistance Schaumburg
- Road and Bridge Schaumburg
- Village of Hanover Park
- School District CC 54
- Palatine Township High School 211
- Harper Community College District 512
- Hanover Park Park District
- Schaumburg Township District Public Library
- Metropolitan Water Reclamation of Greater Chicago
- Northwest Mosquito Abatement
- Northwest Suburban Mass Transit District
- Suburban Tuberculosis Sanitarium

Redevelopment within the Irving Park Road Corridor RPA may result in additional demands on services and facilities provided by the districts. At this time no special programs are proposed for these taxing districts. According to information provided by the Village of Hanover Park, each of the school districts which serve the Irving Park Road Corridor RPA is capable of accommodating additional students. Should demand increase as a result of redevelopment within the RPA, the Village will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

7. Provisions for Amending Redevelopment Plan and Project

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

8. Commitment to Fair Employment Practices and Affirmative Action Plan

The Village is an equal opportunity employer. As part of this Redevelopment Project and Plan the Village will work with any developers who assist in the redevelopment of the Irving Park Road Corridor RPA to implement an effective affirmative action program that conforms to Village policies and practices.

This program will ensure equal opportunity for all personnel regardless of race, color, religion, sex, age, marital status, handicapped status, nation of origin, sexual preference, creed, or ancestry. All entities involved are responsible for conformance to the policy that is put in place.

*Appendix I:
Boundary Legal Description*

IRVING PARK ROAD CORRIDOR REDEVELOPMENT PROJECT AREA

That part of the southwest fractional quarter and the southeast quarter of Section 30, Township 41 North, Range 10 East of the Third Principal Meridian described as follows:

Commencing at the southwest corner of Lot 3 of the Hanover Highlands Unit 10 Subdivision, recorded as Document No. 20672558 as a point of beginning, that point also being the intersection of the east right-of-way line of Barrington Road and the north right-of-way line of Bristol Lane; thence 171.57 ft. easterly along said north right-of-way line of Bristol Lane to a point of deflection; thence 939.54 ft. southeasterly along said north right-of-way line to the southeast corner of Lot 4 of Hanover Highlands Unit 10 Subdivision; thence continuing southeasterly 60.00 ft. along the extension of said north right-of-way line to the northwest corner of Lot 6 of the Pasquinelli's Coventry Place Subdivision, recorded as Document No. 93371220, that point also being on the east right-of-way line of Kingsbury Drive; thence 166.84 ft. southerly along said east right-of-way line of Kingsbury Drive; thence 133.52 ft. southerly along an arc convex to the west with a radius of 170.00 ft.; thence 313.41 ft. southeasterly along said east right-of-way line; thence 86.57 ft. southerly along an arc convex to the east with a radius of 230.00 ft. to the southwest corner of Lot 21 of Pasquinelli's Coventry Place Subdivision; thence 208.16 ft. easterly to the southeast corner of Pasquinelli's Coventry Place Subdivision, that point also being on the north right-of-way line of Bristol Lane; thence 135.00 feet easterly along said north right-of-way line of Bristol Lane to the southeast corner of Lot 1 of Block 32 of the Hanover Highlands Unit 5 Subdivision, recorded as Document No. 19868966; thence continuing easterly 60.00 ft. along the direction of said north right-of-way line to a point on the east right-of-way line of Cumberland Drive; thence 363.10 ft. south along said east right-of-way line of Cumberland Drive to the southwest corner of Lot 1 of Block 34 of the Hanover Highlands Unit 5 Subdivision, that point also being the intersection of the east right-of-way line of Cumberland Drive and the north right-of-way line of Irving Park Road; thence 200.54 ft. easterly along said north right-of-way line of Irving Park Road; thence 395.09 ft. southerly to a point on a line parallel to and 293.22 ft. south of the south right-of-way line of Irving Park Road and 2000.00 ft. east of the west line of Section 30, Township 41 North, Range 10 East of the Third Principal Meridian, that point also being the southeast corner of the lot commonly known as 1301 Irving Park Road; thence 1947.07 ft. westerly along a line parallel to and 293.22 ft. south of the south right-of-way line of Irving Park Road to a point on the east right-of-way line of Barrington Road; thence 1249.87 ft. north along said east right-of-way line of Barrington Road to the point of beginning, encompassing 45.86 acres all in Cook County, Illinois.

*Appendix 2:
Summary of EAV by PIN*

Summary of 2003 Equalized Assessed Value by Permanent Index Number (PIN)

No.	PIN	Assessed Value 2003 (AV)	Equalized Assessed Value 2003 (EAV)
1	07-30-301-004-0000	\$ 299,443	\$ 736,570
2	07-30-301-006-0000	\$ 118,222	\$ 290,802
3	07-30-301-009-0000	\$ 209,626	\$ 515,638
4	07-30-301-010-0000	\$ 167,198	\$ 411,274
5	07-30-301-012-0000	\$ 100,998	\$ 248,435
6	07-30-301-014-0000	\$ 111,077	\$ 273,227
7	07-30-301-015-0000	\$ 41,473	\$ 102,015
8	07-30-301-016-0000	\$ 18,306	\$ 45,029
9	07-30-301-017-0000	\$ 119,853	\$ 294,814
10	07-30-301-018-0000	\$ 265,049	\$ 651,968
11	07-30-301-019-0000	\$ 102,599	\$ 252,373
12	07-30-301-020-0000	\$ 80,532	\$ 198,093
13	07-30-301-021-0000	\$ 90,247	\$ 221,990
14	07-30-301-022-0000	\$ 390,001	\$ 959,324
15	07-30-301-023-0000	\$ 194,971	\$ 479,590
16	07-30-303-001-0000	\$ 314,639	\$ 773,949
17	07-30-303-004-0000	\$ 102,428	\$ 251,952
18	07-30-303-005-0000	\$ 427,071	\$ 1,050,509
19	07-30-303-006-0000	\$ 223,616	\$ 550,051
20	07-30-303-007-0000	\$ 3,369,085	\$ 8,287,275
21	07-30-304-004-0000	\$ 107,472	\$ 264,360
22	07-30-304-005-0000	\$ 149,560	\$ 367,888
23	07-30-400-009-0000	\$ 351,025	\$ 863,451
24	07-30-405-001-0000	\$ 22,940	\$ 56,428
25	07-30-405-002-0000	\$ 54,184	\$ 133,282
26	07-30-405-003-0000	\$ 17,243	\$ 42,414
27	07-30-405-004-0000	\$ 19,668	\$ 48,379
28	07-31-100-006-8002	\$ 222	\$ 546
	Total	\$ 7,468,748	\$ 18,371,626

2003 Equalization Factor

2.4598

Source: Cook County Assessor and *S. B. Friedman & Company*

