

Tax Increment Finance

Village of Hanover Park

**Redevelopment Project Area #5
(Irving Park Road East)**

Redevelopment Plan and Project

July 2012

**Village of Hanover Park
Redevelopment Plan and Project (Irving Park Road East – TIF #5)**

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I. INTRODUCTION

A. Discussion of TIF

Under the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 *et seq.*, as supplemented and amended (the “**Act**”), the Village of Hanover Park, Illinois (the “**Village**”) anticipates designating the Redevelopment Project Area (Irving Park Road East – TIF #5) as a “redevelopment project area” (the “**Redevelopment Project Area**”) under the **Act**, prior to which the **Village** shall have adopted and approved this “Tax Increment Finance, Village of Hanover Park, Redevelopment Project Area (Irving Park Road East – TIF #5), Redevelopment Plan and Project”, as a “redevelopment plan” (the “**Redevelopment Plan**”) and “redevelopment project” (the “**Redevelopment Project**”) and the use of tax increment allocation financing (“**TIF**”) in connection with the payment of qualifying “redevelopment project costs” (the “**Redevelopment Project Costs**”) under the **Act** and implementation of this **Redevelopment Plan** and **Redevelopment Project** for the **Redevelopment Project Area** in twenty-three years, and with the receipt of the 23rd year of incremental taxes in the 24th year.

As part of a strategy to encourage managed growth, deter continuing deterioration, encourage preservation and redevelopment, and stimulate private investment in the **Redevelopment Project Area**, the **Village** has determined the **Redevelopment Project Area** qualifies under the **Act** as a "Conservation Area".

B. Village of Hanover Park

The Village of Hanover Park was incorporated in 1958 in order to ensure that surrounding communities would not annex the rural community of Ontarioville. The Cook County portion of the Village was first incorporated and developed throughout the 1950s and 1960s. By 1970, the Village began to annex land within DuPage County, which was quickly developed, increasing the population from 12,000 to 20,000 by 1972. Development slowed over the next several decades, with the population reaching 28,850 in 1980 and 32,895 in 1990. There was slight growth in the 1990s, with a population of 35,579 in 1994 and 38,287 in 2000. Today, population remains steady, with the 2010 Census showing 37,973 residents.

What began as a mainly European White community has developed into a diverse community. Currently, the population is approximately 7% African American, 15% Asian of multiple nationalities, and 19% of more than one race. Over 38% of the population is of Hispanic origin. The population includes many young families, with a median age of 32.2 and an average family size of 3.86. The housing is moderately priced, consisting of mainly ranch and split-level style homes, which are approximately 80% owner-occupied.

The Village has a land area of six square miles, located in both Cook and DuPage Counties. The **Redevelopment Project Area** is completely in Cook County. The Village is located 30 miles northwest of downtown Chicago and 17 miles due west of the O’Hare International Airport. The community has convenient access to major highways, with direct access from the Elgin-O’Hare Expressway and links to I-90 and I-290/355 via Barrington Road, Lake Street, and the Elgin-O’Hare Expressway.

The Village is governed by a President and Board of Trustees, which is made up of six trustees and a Village President, who make the policy decisions for the Village. The Village Manager is the chief executive officer and, among other things, carries out those policies and oversees the day to day operations of the Village, which are conducted by the following departments: Administration, Finance, Community Development, Building, Police, Public Works/Engineering, and Water and Sewer. Pursuant to the 1970 State of Illinois Constitution, Hanover Park is a Home Rule Community.

The factors affecting the **Redevelopment Project Area** require special attention, including extra-ordinary costs in order to make development and redevelopment possible. These factors go beyond normal development and redevelopment costs, and **TIF** funds will be necessary to finance qualifying costs, including but not limited to site acquisition, site preparation, infrastructure and road improvements, building remodeling, repair and rehabilitation.

The **Redevelopment Project Area** is located in Cook County. Cook County has a commercial assessment rate of 38%. Counties in the rest of the State, including the DuPage County area in which the Village is located, have a 33% assessment rate, and might appear more desirable for development and redevelopment. In addition, Cook County also has an equalizer (multiplier) that is applied to the assessed value. The equalizer has been in excess of 2.0 over the last twenty years and over 3.0 over the past three years. This puts the Village's commercial and industrial development arguably at a possible disadvantage, especially when more favorable tax rates are in place in close proximity to the community such as in DuPage County.

C. Tax Increment Financing

In January 1977, the Illinois General Assembly passed the initial version of what is now the present Tax Increment Allocation Redevelopment Act (the "**Act**"). This 1977 legislation was the initial authorization of "tax increment financing" (**TIF**) in Illinois. The General Assembly amended the **Act** many times since 1977, and it is now found in the Illinois Municipal Code at 65 ILCS 5/11-74.4-1 et seq. The **Act** provides a means for municipalities, after the approval of a **Redevelopment Plan and Redevelopment Project**, designation of a **Redevelopment Project Area** and adoption of tax increment allocation financing, to redevelop blighted, conservation, or industrial park conservation redevelopment project areas and to finance "redevelopment project costs" ("**Redevelopment Project Costs**") with "incremental property tax revenues" ("**Incremental Property Taxes**"). **Incremental Property Taxes** are derived from the increase in the equalized assessed valuation (EAV) of taxable real property within the **Redevelopment Project Area** over and above the equalized assessed value of such property at the time tax increment allocation financing is adopted ("**Initial EAV**"). Any year to year increase in EAV over the **Initial EAV** of such property is then multiplied by the current tax rate, which results in **Incremental Property Taxes**.

The **Act** defines a number of eligible items that qualify as **Redevelopment Project Costs** under the **Act**. **Incremental Property Taxes** may pay for many of these **Redevelopment Project Costs** or may be pledged to pay bonds, notes or other obligations issued for that purpose. In addition, a municipality may pledge as payment additional revenues including revenues from

the **Redevelopment Project**, municipal property taxes or other revenue sources, bonds backed by the general obligation of the municipality or payable solely by **Incremental Property Taxes** and other sources.

Tax increment allocation financing generates **Incremental Property Taxes** through the capture for the life of the Redevelopment Project Area of new tax revenues generated by the increase in the EAV over the **Initial EAV**. This increased EAV of properties can result from a municipality's redevelopment program, improvements and activities, various developments and redevelopment activities, and the reassessment of properties. Under the **Act**, all taxing districts continue to receive property taxes levied by application of their ordinary tax rates on the **Initial EAV** of taxable properties within the **Redevelopment Project Area**. Taxing districts benefit from the increased property tax base after **Redevelopment Project Costs** and obligations are paid and the Redevelopment Project Area terminates.

D. Redevelopment Project Area

The **Teska Associates, Inc. (Teska)** has surveyed the area identified as the **Redevelopment Project Area (Irving Park Road East – TIF #5)** to document any blighting or conservation area factors that may exist within the **Redevelopment Project Area**. The documentation of these factors is in an analysis entitled the “Village of Hanover Park, Redevelopment Project Area (Irving Park Road East – TIF #5), Eligibility Report” (the “**Eligibility Report**”), in Attachment 4 to this **Redevelopment Plan and Project**. The **Eligibility Report** is made part of this **Redevelopment Plan and Project** by reference thereto. The **Redevelopment Project Area** and its existing conditions are briefly described below.

In general, the **Redevelopment Project Area** includes approximately 25.32 acres of property bordered on the west by Old Salem Road, on the south by W. Irving Park Road to Orchard Lane, south on Orchard Lane, then west along Countryside Drive extended to Keystone Place and north to West Irving Park and West Wise Road, on the east by the commercial property line approximately 266 feet east of Farmstead Lane to an east-west line north along the commercial property approximately 150' south of Taylor Street and Wilson Street and north along Old Salem Circle to Roosevelt Road, and on the north by an access road one lot width south of Roosevelt Road. The **Redevelopment Project Area** is completely within Cook County and within the corporate limits of the Village of Hanover Park.

Attachment 1 is the legal description and Attachment 2 is the map depicting the boundaries of the **Redevelopment Project Area**. Both are made part of this document by reference hereto.

The **Redevelopment Project Area** has been occupied by presently abandoned, deteriorated and rapidly deteriorating commercial uses and related parking. Several buildings throughout the **Redevelopment Project Area** suffer from serious deterioration.

The improved properties presently do not have adequate parking and related facilities. There are ineffective buffers between the existing residential uses adjoining the **Redevelopment Project Area** and the commercial uses.

Significant portions of the Project Area lack adequate infrastructure including water, sewer, storm drainage, sidewalks, and traffic signals and parking. Furthermore, planned improvements to Irving Park Road to add more lanes will reduce congestion and improve public safety. In order to utilize the parcels for their intended use, interior roads may have to be constructed. These factors will require extra-ordinary costs in order to make development and redevelopment possible. TIF funds will be necessary to assist in the financing these costs.

E. Tax Increment Redevelopment Plan and Project

The Irving Park Road corridor is of strategic importance for the Village as it serves as both the prime economic engine of the community as the location of most of the sales tax generating uses, and as a major gateway into Hanover Park. As such, the **Village** intends that the area develops and redevelops with commercial uses and compatible residential uses in mixed use developments.

The **Redevelopment Project Area** as a whole has not been subject to growth and development through private investment. This is supported by the lack of growth in EAV in the **Redevelopment Project Area** as compared to the **Village** as a whole for three of the five years, by the decline in EAV for two of the last five years, by the fact that Project Area EAV grew less than the Consumer Price Index for three of the last five years, and by the fact that, with the exception of one small project at the southwest corner of Irving Park Road and Orchard Lane, no building permit for new construction has been issued for work with the **Redevelopment Project Area** for five years. Likewise, no recent real estate transactions have occurred within the **Redevelopment Project Area** within the last five years.

The **Redevelopment Project Area** also lacks the adequate infrastructure necessary for redevelopment, such as water, sewer, and storm drainage and parking. Landscaping is either lacking or does not comply with Village codes to ensure adequate buffering to residential uses. It should be noted that a number of buildings are obsolete for modern uses, and if these structures were to be developed or redeveloped, there would need to be significant building improvements or demolition.

Development and redevelopment in the Redevelopment Project Area is not expected to cause impacts on other taxing districts. However, over time this might change, and these impacts could also need to be addressed.

Finally, there will need to be infrastructure improvements, such as water, roadway widening, new roads, traffic signals, sewer, and storm drainage and parking that are costly. Therefore, it is not reasonable to expect that the **Redevelopment Project Area** as a whole will be redeveloped on a comprehensive and coordinated basis without the use of **TIF**.

This **Redevelopment Plan** has been prepared in accordance with the provisions of the **Act**. This **Redevelopment Plan** is intended to guide improvements and activities within the **Redevelopment Project Area** in order to stimulate private investment in the **Redevelopment Project Area**. The goal of the **Village**, through the implementation of this **Redevelopment Plan**, is that the **Redevelopment Project Area** be developed to the extent

possible on a comprehensive and planned basis. For this to occur, the **Village** has to encourage private investment in the **Redevelopment Project Area**, including by TIF incentives.

In order for future development and redevelopment successes to occur, cooperation is necessary between the private sector and the **Village**. **TIF** is a means of implementing such cooperation. By public investment through the **TIF**, the **Redevelopment Project Area** can become an environment that will attract private investment.

This **Redevelopment Plan** specifically describes the **Redevelopment Project Area** and sets forth the factors that qualify the **Redevelopment Project Area** for designation as a **Redevelopment Project Area** as defined in the **Act**.

Successful implementation of the **Redevelopment Plan** requires that the **Village** utilize **Incremental Property Taxes** in accordance with the **Act** and work cooperatively with the private sector and local governmental entities. The **Village** will use **Incremental Property Taxes** to stimulate the comprehensive and coordinated development and redevelopment of the **Redevelopment Project Area**. Only through the implementation of this **Redevelopment Plan** under the **Act** would the **Redevelopment Project Area** develop on a comprehensive and coordinated basis, thereby reducing the factors which have precluded substantial development and redevelopment of the **Redevelopment Project Area** by the private sector. Left on its own, the **Redevelopment Project Area**, without incentives authorized by the **Act**, will likely continue to experience the blight conditions or conditions that will lead to blight.

The use of **Incremental Property Taxes** by the **Village** to pay **Redevelopment Project Costs** will permit the **Village** to participate in and coordinate public and private improvements and activities to stimulate private investments on a comprehensive basis. These improvements, activities, and investments will benefit the **Village**, its residents, and all local governments serving the **Redevelopment Project Area**. The anticipated benefits include:

- Strengthened property tax base;
- Increased sales taxes;
- Increased job opportunities;
- Reduced problem conditions as well as general physical improvement and upgrading of properties;
- Enhanced landscaping and visual appearance;
- Increased office opportunities;
- Increased retail opportunities;
- Increased residential opportunities;
- Improved access to developable land; and
- Stabilize this portion of the community.

The following is a summary of the key recommendations for the **Redevelopment Project Area** to achieve the above benefits. To accomplish redevelopment on a comprehensive basis within the **Redevelopment Project Area**, the following steps can be taken:

- 1) Addition of residential opportunities (mixed-use residential);
- 2) Coordination of design within the **Redevelopment Project Area**;
- 3) Creation of public and private facilities and improvements;
- 4) Provision of access and creation of necessary rights-of-way not present;
- 5) Implementation of a landscaping plan;
- 6) Repair, remodel, rehabilitate, or replace some obsolete and/or deteriorating structures;
- 7) Provision of needed infrastructure improvements;
- 8) Acquisition of real estate and personal property, including for disposition at up to 100% write-down for public and/or private development activities;
- 9) Address environmental problems that may be affecting properties;
- 10) Address drainage issues associated with properties;
- 11) Preparation of land for development;
- 12) Provide adequate parking and loading facilities; and
- 13) Provision of financing assistance and interest subsidy for public and private development activities.

In addition the Act requires certain expenditures with respect to school districts and library districts if additional TIF supported dwelling units are added to the Project Area.

II. REDEVELOPMENT PROJECT AREA ELIGIBILITY CONDITIONS

The **Redevelopment Project Area**'s "blighted" conditions documented in this section are based on surveys and analyses initially conducted by Teska Associates, Inc.. As set forth in the **Act**, the **Redevelopment Project Area** qualifies as a "conservation area" for improved land.

1. Section 5/11-74.4-3(a) defines a "conservation area" as:

"...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value."

2. For each factor to be claimed it must be distributed throughout the **Redevelopment Project Area** and should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the **Act**.
3. The property must equal or exceed 1.5 acres; and
4. The **Redevelopment Project Area** must meet the "but for" requirements in that development and redevelopment would not occur without financial assistance and intervention by the municipality.

There must be a reasonable presence of and distribution of the blighting factors in the **Redevelopment Project Area**, as stated in the **Act**. The Eligibility Report establishes that the criteria presented are reasonably present and distributed in the **Redevelopment Project Area**.

The **Redevelopment Project Area** is approximately 25.32 acres, in excess of the required 1.5 acres.

The **Redevelopment Project Area** as a whole is adversely impacted by the presence of blight factors and these factors are reasonably distributed throughout the **Redevelopment Project Area**. There has been a lack of growth and development through investment by private enterprise in the **Redevelopment Project Area**.

Surveys and Analyses Conducted

The conditions summarized in this Redevelopment Plan are based upon surveys and analyses conducted by **Teska** Associates, Inc. in April, 2012. The surveys and analyses conducted include:

1. An exterior survey of the condition and use of each building;
2. Field survey of conditions concerning street, sidewalks, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Analysis of tax maps to ascertain platting;
5. Analysis of vacant or unused sites;
6. Review of previously prepared plats, plans and studies;
7. Review of Federal Emergency Management Agency (FEMA) flood maps;
8. Review of Environmental Protection Agency (EPA) and Illinois Environmental Protection Agency (IEPA) compliance lists;
9. Analysis of water, sewer, gas utilities, etc.; and
10. Contacts with **Village** officials knowledgeable as to area conditions, history, age of buildings and site improvements, real estate matters and related items, as well as examination of existing information related to the **Redevelopment Project Area**.

The **Redevelopment Project Area** meets the requirements of Section 11-74.4-3 (a) (1): (C), (F), (H), and (M) of the **Act** for designation of improved land as a **Conservation Area**. For designation as a **Conservation Area** three criteria are to be met in addition to the finding that more than 50% of the buildings are 35 years old or older, and in this case four criteria have been met.

The following four criteria are present in the improved land:

- Deterioration
- Excessive Vacancies
- Inadequate Utilities
- EAV rate of growth is less than the balance of the **Village's** in three (3) of the last five (5) calendar years
- The EAV of the redevelopment project area grew less than the CPI in three of the last five calendar years

There must be a reasonable presence of and distribution of these factors in the Redevelopment Project Area, as stated in the Act. The criteria presented are reasonably present and distributed in the improved portion and vacant portions of the **Redevelopment Project Area**.

The **Redevelopment Project Area** as a whole is adversely impacted by the presence of blight factors and these factors are reasonably distributed throughout the **Redevelopment Project Area**. There has been a lack of growth and development through investment by private enterprise.

Several buildings and parking lots throughout **Redevelopment Project Area** suffer from deterioration. The improved properties do not have adequate parking. The present parking facilities are quite deteriorated. Significant grading, internal road construction, and other improvements are necessary, resulting in extra-ordinary costs for development and redevelopment.

The entire area lacks other appropriate infrastructure including water, sewer, storm drainage, and parking. These factors impose costs in order to make development and redevelopment possible. **TIF** funds will be necessary to assist in the financing of infrastructure.

The property in the **Redevelopment Project Area** is located in Cook County. Cook County has a commercial property assessment rate of 25% (as per the 10 & 25 Ordinance 08-0-51 passed September 2008). Counties that have a population of less than 200,000 in the rest of the State have a 33 1/3% assessment rate, making this redevelopment project area more desirable for development. In addition, Cook County also has an equalization factor (multiplier) that is applied to the assessed value. The equalization factor for the 2010 tax year was 3.3. This suggests that the Village's commercial and industrial development may be at a disadvantage, especially when more favorable tax rates are in place in close proximity to the community, such as in DuPage County.

In addition, the EAV in the **Redevelopment Project Area** has not increased on par with the rest of the municipality for three of the last five years.

These factors are beyond normal development and redevelopment costs and **TIF** funds will be necessary to finance such infrastructure, land preparation, and building rehabilitation and related facilities, improvements and costs.

The **Redevelopment Project Area** has not been subject to sound growth and development through investment by private enterprise and the **Redevelopment Project Area** would not reasonably be anticipated to be developed without **TIF** assistance.

Based on these factors, the **Village** has concluded that property within the Project Area qualifies as a **Conservation Area** for improved land, and is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the **Village**.

III. REDEVELOPMENT PLAN

A. Redevelopment Plan Goals

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

1. An improved quality of life in and adjoining the **Redevelopment Project Area** and the **Village**.
2. An environment within the **Redevelopment Project Area** that will contribute more positively to the health, safety and general welfare of the **Village** and preserve or enhance the value of properties in and adjacent to **Redevelopment Project Area**.
3. An increased sales tax base and an increased property tax base.
4. A strengthened economy of the **Village** and the larger community.
5. A stabilized business area for the **Village**.

B. Redevelopment Plan Objectives

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

1. Reduce or eliminate those conditions that qualify the **Redevelopment Project Area** as a “conservation area.” (Attachment 4 describes these conditions.)
2. Encourage a high-quality appearance of buildings, rights-of-way, and open spaces and encourage high standards of design.
3. Strengthen the economic well-being of the **Redevelopment Project Area** and surrounding areas by increasing business activity, tax base, and job opportunities.
4. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with this **Redevelopment Plan** and contemporary development and redevelopment needs and standards.
5. Stimulate private investment in appropriate new construction and redevelopment.
6. Provide needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
7. Provide needed incentives to encourage a broad range of improvements.
8. Improve the visual attractiveness through landscaping and coordination of design in the **Redevelopment Project Area**.
9. Address drainage problems.
10. Create additional recreational opportunities.
11. Increase residential, office, retail, and mixed use redevelopment opportunities.

C. Redevelopment Program

The **Village** may use any program element authorized by the **Act** including, but not limited to, those in the following listing (1. to 15.). The **Village** proposes to achieve the development and redevelopment goals and objectives of this **Redevelopment Plan** for the **Redevelopment Project Area** through public financing techniques including, but not limited to, tax increment financing and by utilizing such financing techniques to undertake, as examples, some or all of the following activities and improvements:

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

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

2. Property Assembly

The **Village**, or an agent for the **Village**, may acquire and assemble land for the purpose of development and redevelopment. Vacant, underutilized or misused property may be acquired by purchase, exchange, up to 100% write down, or long-term lease by private developers or the **Village** for the purpose of new development and redevelopment.

3. Land Preparation

The **Village** may assist in the preparation of land, including demolition, environmental remediation and flood mitigation.

4. Relocation

The **Village** may assist in relocation efforts.

5. Rehabilitation and Lease Hold Improvements

The **Village** may assist in remodeling, repair, rehabilitation and leasehold improvements.

6. Land Acquisition

The **Village** may reimburse for, purchase or write down the purchase of land.

7. Development Agreements

The **Village** may enter into development and redevelopment agreements with private or public entities for the furtherance of this **Redevelopment Plan**. Such agreements may be for the assemblage of land, construction of improvements or facilities, improvement of access, the provision of services or any other lawful purpose. Agreements may contain terms and provisions that are more specific than the controls that are summarized in this **Redevelopment Plan**.

8. Provision of Public Works or Improvements

The **Village** may provide public works and improvements that are necessary to service the **Redevelopment Project Area** in accordance with this **Redevelopment Plan**. Public works and improvements may include, but are not

limited to, the following:

a) Streets, Sidewalks, Lighting, Utilities and Parking

Public infrastructure improvements may be necessary to adequately serve the **Redevelopment Project Area** and potential new development. Improved access will be necessary to develop portions of the **Redevelopment Project Area**. Certain infrastructure improvements, in connection with and adjacent to the **Redevelopment Project Area**, may be necessary to advance the goals and objectives of this **Redevelopment Plan**. It is expected that streets, trails, sidewalks, utilities and parking can be part of any development or redevelopment activity.

b) Landscaping

Landscape/buffer improvements, street lighting and general beautification improvements may be provided, compatible with surrounding residential uses.

c) Stormwater Management

Facilities may be needed to be created to eliminate or reduce stormwater runoff.

d) Sewage Treatment

Facilities will be needed to collect and treat sewage.

e) Water System

An adequate water supply must be provided.

9. Coordinate Design within the Redevelopment Project Area

Where possible, design elements should be planned in such a way as to make the **Redevelopment Project Area** aesthetically pleasing. Consistent and coordinated design patterns should be promoted.

10. Job Training

Improve job skills of those working in the **Redevelopment Project Area**.

11. Interest Subsidy

Funds may be provided to reimburse developers and redevelopers for a portion of interest costs related to the construction of qualifying redevelopment facilities and improvements.

12. Eminent Domain

Should it be necessary, the **Village** may use the power of eminent domain, as authorized by the **Act**, to obtain land necessary to achieve the objectives of the **Redevelopment Plan**.

13. Assist in financing Redevelopment Project Area Contiguous TIFs

Funds derived from either this **Redevelopment Project Area** or others in the future that might be contiguous are eligible to be used for the support of the other redevelopment programs under this **Redevelopment Plan** should such **TIFs** be

created.

14. Payment to Schools

Under the Act payments may be required to be made according to the **Act** to school districts.

15. Payment to Libraries

Under the Act, payments may be required to be made to library districts.

Presently, the Village does not know specifically which, or in what amount, Redevelopment Project Costs are to be funded, so this Redevelopment Plan is intended to broadly allow many options and mixes.

D. Redevelopment Policies

The **Village** proposes to affect this **Redevelopment Plan** and the related Redevelopment Project, which consists of planned economic development and redevelopment activities, sound fiscal policies, marketable land uses, and other private and public activities. Appropriate policies have been or are to be developed as required, assuring the completion of this **Redevelopment Plan** and the activities specified.

The **Village** may employ the use of financial incentives for private investment within the **Redevelopment Project Area**. This includes tax increment financing, which constitutes one of the key financial components for enabling the redevelopment of the **Redevelopment Project Area**. This portion of the community, adjacent residential properties, the **Village** as a whole, and all local taxing bodies, are expected benefit from the implementation of this **Redevelopment Plan**.

E. Redevelopment Implementation Strategy

The implementation and conclusion of a well-devised redevelopment strategy is a key element in the success of this **Redevelopment Plan**. These strategies and plans are under current development and will be implemented through this **Redevelopment Plan** and Project. In order to maximize program efficiency and to take advantage of development interest in the **Redevelopment Project Area**, and with full consideration of available funds, the **Village** intends to proceed in an expeditious manner.

A combination of public and private investments and public and private fees and improvements is an essential element of this **Redevelopment Plan**. In order to achieve this end, the **Village** may enter into agreements, including with private developers and redevelopers, proposing that **TIF** assistance may be provided, where deemed appropriate by the **Village**, to facilitate private projects, development and redevelopment. The **Village** may also contract with others to accomplish certain public projects as contained in this **Redevelopment Plan**.

IV. AGREEMENT WITH COMPREHENSIVE PLAN

The **Village's** Comprehensive Plan is entitled the *Village of Hanover Park, Comprehensive Plan 2010*.

The Village's Comprehensive Plan recognizes the Irving Park Road corridor as a strategic part of Village's economic base as it serves as both the prime economic engine of the community, as it is the location of most of the sales tax generating uses, and is as a major gateway into Hanover Park. As such, the Village intends that the area develops and redevelops with commercial uses, and compatible residential uses in mixed use developments.

The following Goals and Objectives in the Comprehensive Plan reflect goals in this **Redevelopment Plan and Project**:

- Foster a diverse property and sales tax base;
- Enhance the diversity of housing options to meet varying income levels, ages, and desires;
- Increase employment opportunities;
- Improve pedestrian walkways and bicycle access;
- Consolidate parcels to provide opportunities for larger, unified retail development;
- Encourage façade improvements;
- Encourage site enhancements, including improved landscaping and buffers;
- Establish site cross-access easements to reduce curb-cuts;
- Promote green infrastructure improvements to reduce stormwater flooding;
- Create consistent design scheme for the Irving Park Road corridor through the adoption of design guidelines;
- Make public investments in the public right-of-way to improve the visual appeal of the corridor;
- Provide quality, accessible public open spaces and recreational facilities;
- Promote sustainable land use patterns, and development, particularly in the area around the Metra commuter rail station;
- Provide a balanced, multi-modal transportation network; and
- Create a contiguous, connected multi-use trail network.

V.EVIDENCE SUPPORTING THE NEED FOR THE TIF

The **Redevelopment Project Area** as a whole is adversely impacted by the presence of blight factors and these factors are reasonably distributed throughout the **Redevelopment Project Area**.

The **Redevelopment Project Area** also lacks the infrastructure necessary for development and redevelopment. Water and sewer, and storm drainage improvements are necessary for development and redevelopment. The creation and expansion of such infrastructure can be a substantial cost.

Internal roads may need to be constructed, which will entail a substantial expense.

The **Redevelopment Project Area** contains deteriorated buildings and parking lots.

The **Redevelopment Project Area** has an active property within the ILEPA Site Remediation Program. Future development of the properties within the **Redevelopment Project Area** may prove to require substantial remediation costs.

There have been no recent real estate transactions within the **Redevelopment Project Area** except in connection with proposed developments seeking public assistance through this **Redevelopment Plan**. This lack of activity is the converse of activity and investment that has taken around the Redevelopment Project Area. This lack of activity relates to the difficulty and expense of the redevelopment of the site.

The EAV in the **Redevelopment Project Area** has not increased on a par with the rest of the municipality for three of the last five years on vacant land. The EAV for the improved area grew at a rate less than the rate of the **Village** as a whole for three of the last five years.

As noted previously, the property in the **Redevelopment Project Area** is located in Cook County. Cook County has a commercial assessment rate of 25%. Counties in the rest of the State have a 33 1/3% assessment rate, making development in Cook County more desirable. However, Cook County has an equalization multiplier that is applied to the assessed value. The equalization factor for the 2010 tax year was 3.3. This puts Hanover Park's commercial and industrial development at a disadvantage, especially when more favorable tax rates are in place in close proximity to the community, such as in DuPage and Will Counties.

As described in Attachment 4, the **Redevelopment Project Area** as a whole is adversely impacted by the presence of blight factors, and these factors are reasonably distributed throughout the **Redevelopment Project Area**.

The **Redevelopment Project Area** as a whole has not been subject to growth and development through private investment. This is supported by the lack of growth in EAV in the **Redevelopment Project Area** as compared to the **Village** as a whole and by the fact that only one building permit for a small project has been issued for a property in the **Redevelopment Project Area in the last five years**. Furthermore, no recent real estate transactions have occurred within the **Redevelopment Project Area**.

The **Redevelopment Project Area** also lacks the infrastructure necessary for redevelopment, such as water sewer, storm drainage and parking. Landscaping is also needed. It should be noted that a number of buildings are obsolete and if these structures were to be redeveloped, there would need to be significant changes.

Therefore, it is not reasonable to expect that the **Redevelopment Project Area** as a whole will be redeveloped on a comprehensive and coordinated basis without the use of **TIF**.

VI. REDEVELOPMENT PROJECT COSTS

Redevelopment Project Costs are defined within the **Act** and all costs to be paid or reimbursed in the **Redevelopment Project Area** will conform to this definition.

A. Estimated Redevelopment Project Costs

A wide range of redevelopment activities, facilities and improvements will be required to implement the **Redevelopment Plan**. The activities, facilities and improvements and their estimated costs (2012 dollars) are summarized below. To the extent that obligations are issued to pay for such **Redevelopment Project Costs** prior to, and in anticipation of, the adoption of **TIF** and designation of the **Redevelopment Project Area**, the **Village** intends to be reimbursed from **Incremental Property Taxes** for such **Redevelopment Project Costs** to the fullest extent. Total **Redevelopment Project Costs**, described in this **Redevelopment Plan**, are intended to provide an upper estimate of expenditures. At the present time, the particular Redevelopment Project Costs categories cannot be known, so all categories are large to cover any realistic possibility

These costs are subject to prevailing market conditions and are in addition to total **Redevelopment Project Costs**. While all of the costs in the budget are eligible **Redevelopment Project Costs** under the **Act** and this **Redevelopment Plan**, inclusion herein, does not commit the **Village** to finance all these costs with **TIF** funds.

(See notes below table for additional information regarding **Redevelopment Project Costs**.)

- | | |
|---|--------------|
| (1) Costs of studies, surveys, development of plans and specifications, implementation and administration (annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a Redevelopment Project Area or approved a Redevelopment Plan) of the Redevelopment Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services..... | \$500,000 |
| (2) Costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors | \$500,000 |
| (3) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests herein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land. | \$10,000,000 |
| (4) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the cost of replacing an existing public | |

	building pursuant to the implementation of the 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 investments	\$10,000,000
(5)	Costs of the construction of public works or improvements.	\$10,000,000
(6)	Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Redevelopment Project Area	\$200,000
(7)	Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations including interest accruing during the estimated period of construction of the Redevelopment Project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto.	\$5,000,000
(8)	To the extent the Village, by written agreement, accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and Redevelopment Project	\$4,000,000
(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 in order to satisfy subparagraph (7) of subsection (n) of Section 11-74.4-3 of the Act	\$1,000,000
(10)	Payment in lieu of taxes.	\$1,000,000
(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 a Redevelopment Project Area ; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of	

the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.	\$500,000
(12) Interest cost incurred related to the construction, renovation or rehabilitation of a redevelopment project.	\$5,000,000
(13) Contributions to Schools as required by the Act for an increased student population as a result of TIF Projects.	\$2,500,000
(14) Contributions to Library as required by the Act for an increased library population as the result of TIF Projects.	\$2,000,000
(15) Contributions to Contiguous TIF 's should they be developed.	\$10,000,000

The **Village** may reimburse developers and redevelopers who incur **Redevelopment Project Costs** authorized by a redevelopment agreement.

The **Village** reserves the right to utilize revenues received under the Tax Increment Allocation Redevelopment **Act** for eligible costs from one **Redevelopment Project Area** in another **Redevelopment Project Area** that is either contiguous to, or is separated only by a public right-of-way from, the **Redevelopment Project Area** from which the revenues are received.

It is anticipated that the **Village** will carefully stage **Village** expenditures for **Redevelopment Project Costs** on a reasonable and proportional basis to coordinate with expenditures by private developers and redevelopers and the receipt of revenues from the **Redevelopment Project Area**.

Presently, the Village does not know specifically which, or in what amount, Redevelopment Project Costs are to be funded, so this Redevelopment Plan is intended to broadly allow many options and mixes.

Notes regarding **Redevelopment Project Costs**:

- 1) All costs shown are in 2012 dollars.
- 2) Private development and redevelopment costs and investment are in addition to the above.
- 3) To the extent permitted by law, the **Village** reserves the right to adjust and transfer budgeted amounts within the Total Redevelopment Project Budget among eligible **Redevelopment Project Costs**.
- 4) Certain infrastructure work in connection with and appurtenant to the **Redevelopment Project Area** can be undertaken under the **Act**.
- 5) Total budgeted costs exclude any additional financing costs, including interest

expense, capitalized interest, and any and all closing costs associated with any obligations issued.

- 6) Inflationary costs may be realized according to the **Act**.

VII. REDEVELOPMENT PROGRAM CERTIFICATIONS

This section reviews the **Redevelopment Plan** and provides appropriate responses to certifications required in the **Act**.

“Each **Redevelopment Plan** shall set forth in writing the program to be undertaken to accomplish the objectives and shall include but not be limited to:...”

A. An itemized list of estimated Redevelopment Project Costs.

See Section VI. **Redevelopment Project Costs**.

B. Evidence indicating that the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise.

Evidence appears in Section V.

C. An assessment of any financial impact of the Redevelopment Project Area on or any increased demand for services from any taxing district affected by the plan and any program to address such financial impact or increased demand.

It is anticipated that the development and redevelopment projects implemented, as part of this **Redevelopment Plan**, will not cause increased demand for services or capital improvements by any other taxing districts. No current property taxes will be diverted from any taxing district.

The following is an assessment of the impact on each individual District:

Cook County

There will be no increased demand for services or negative financial impact.

Consolidated Elections

There will be no increased demand for services or negative financial impact.

Forest Preserve District of Cook County

There will be no increased demand for services or negative financial impact.

Metropolitan Water Reclamation District of Greater Chicago

There will be no increased demand for services or negative financial impact. Capital funds are in the budget should there be necessary capital costs.

Schaumburg Township

There will be no increased demand for services or negative financial impact.

Schaumburg Township General Assistance

There will be no increased demand for services or negative financial impact.

Schaumburg Township Road and Bridge

There will be no increased demand for services or negative financial impact.

Village of Hanover Park

There will be no increased demand for services or negative financial impact. Funds are available for capital needs should any be determined, especially for the **Redevelopment Project Area**.

Consolidated Community School District #54

If additional students result from activities undertaken in the **Redevelopment Project Area**, funds are to be available in **Redevelopment Project Costs** for reimbursement according to the **Act**.

Palatine Township High School District #211

If additional students result from activities undertaken in the **Redevelopment Project Area**, funds are to be available in **Redevelopment Project Costs** for reimbursement according to the **Act**.

Harper Community College District 512

If additional students result from activities undertaken in the **Redevelopment Project Area**, funds are to be available in **Redevelopment Project Costs** for reimbursement according to the **Act**.

Schaumburg Park District

Increase in the demand for services is not expected to affect Park District services financial impact. Most of this impact will be mitigated by fees charged by the Park District.

Schaumburg Township Public Library District

If additional patrons result from activities undertaken in the **Redevelopment Project Area**, funds are to be available in project costs for reimbursement according to the **Act**.

Northwest Mosquito Abatement District

Increased demand for district services is not expected.

D. The sources of funds to pay costs.

The **Incremental Property Taxes** are expected to be a principal source of funds to pay **Redevelopment Project Costs** and secure municipal general and revenue obligations issued for that purpose. The **Village** may pledge as payment additional revenues including revenues from the **Redevelopment Project**, municipal property taxes or other revenue sources, bonds backed by the general obligation of the **Village**. In addition, the **Village** may utilize State and Federal grants. Finally, the **Village** may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers and redevelopers.

E. The nature and term of obligations to be issued.

The **Village** may issue obligations secured by or payable from **Incremental Property Taxes** pursuant to the **Act**. To enhance the security of such municipal obligations, the **Village** may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the **Village** may provide other legally permissible credit enhancements to any obligations issued pursuant to the **Act**. All obligations issued by the **Village** pursuant to this **Redevelopment Plan** and the **Act** shall have a term not to exceed 20 years and shall be retired within twenty-three (23) years from the adoption of the initial ordinances approving the **Redevelopment Project Area** and **Redevelopment Plan**, with the **Village** reserving the right to have obligations maturing in the 24th year and to apply **Incremental Property Taxes** received in such 24th year to retire obligations or pay **Redevelopment Project Costs** pursuant to the **Act**.

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

The scheduled final maturity date of any financial obligation may not exceed 20-years from the date of issuance. One or more series of obligations may be issued to implement the **Redevelopment Plan** for the **Redevelopment Project Area**. Subsequent obligations, if any, may be issued as junior lien obligations or as parity obligations.

F. The most recent equalized assessed valuation of the Redevelopment Project Area.

See Table 1.

G. An estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the Redevelopment Project Area.

Upon the completion of the redevelopment projects, it is estimated that the equalized assessed valuation (EAV) of real property within the **Redevelopment Project Area** will be approximately \$17,804,595 in 2012 dollars. The approximately \$11,900,000 increase in EAV represents an approximate **180%** increase in the total equalized assessed valuation. This figure is based upon estimates of value for the rehabilitation and redevelopment projects that are anticipated.

General land uses within the **Redevelopment Project Area** are shown on the Future Land Use Map (Attachment 3).

H. A commitment to fair employment practices and an affirmative action plan.

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

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

I. If it concerns an industrial park conservation Redevelopment Project Area, the plan shall also include a general description of any proposed developer, user and tenant of any property, a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of employees to be employed in the operation of the facilities to be developed.

This **Redevelopment Plan** does not concern an Industrial Park Conservation **Redevelopment Project Area**.

J. If property is to be annexed to the municipality, the plan shall include the terms of the annexation agreement.

All parcels within the **Redevelopment Project Area** are presently in the

Village's corporate limits.

VIII. FINDINGS

The **Village** makes the following findings as described in the **Act**:

1. **According to the Act, the municipality must find that the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.**

No development or redevelopment has occurred in the **Redevelopment Project Area**. As described in Section III of this **Redevelopment Plan** and in Attachment 4, **Eligibility Report**, the **Redevelopment Project Area** as a whole is adversely impacted by the presence of blight factors and these factors are reasonably distributed throughout the **Redevelopment Project Area**. There has been a lack of growth and development through investment by private enterprise.

The **Redevelopment Project Area** will require that infrastructure including but not limited to internal roads, water mains, drainage, stormwater detention and parking are to be developed. Infrastructure development, such as water, sewer, storm drainage and other utilities will require extra-ordinary expenditures, as will remediation of any environmental issues. Redevelopment of the **Redevelopment Project Area** will not occur without private investment and assistance with extra-ordinary expenses will be needed to obtain private investment.

Based on these factors, the **Village** finds that the **Redevelopment Project Area** has not been subject to growth and development through private enterprise and would not be reasonably anticipated to be developed or redeveloped without the adoption of the **Redevelopment Plan**. Private investment and redevelopment has not occurred to eliminate the blighting influences that currently exist. The Redevelopment Project is not reasonably expected to be developed without the efforts and leadership of the **Village**, including the adoption of this **Redevelopment Plan** and the application of **Incremental Property Taxes** to the **Redevelopment Project Area** under the **Act** and this **Redevelopment Plan**.

In the absence of **Village**-sponsored development and redevelopment initiatives, blighting conditions are expected to continue in the improved area and exist in the vacant area. Erosion or lack of appreciation of the assessed valuation of property in and near of the **Redevelopment Project Area** could lead to a reduction of real estate tax revenue to all taxing districts.

2. **According to the Act, the municipality must find that the Redevelopment Plan and Project conform to the comprehensive plan for the development of the municipality as a whole.**

This **Redevelopment Plan and Project** conforms to the Comprehensive Plan for the development of the municipality as a whole. Section IV describes how the specific goals and objectives in the **Village**'s Comprehensive Plan are reflected in

the goals of the **Redevelopment Plan and Project**.

3. **According to the Act, the Redevelopment Plan must establish the estimated dates of completion of the Redevelopment Project and retirement of obligation issues to finance the Redevelopment Project Costs. The Act sets the maximum date at not more than 23 years with the right to receive the 23rd year of the Incremental Property Taxes in the 24th year.**

The **Redevelopment Project** is to be completed in 2035 on or before the 23rd anniversary date of the adoption of the ordinance adopting this **Redevelopment Plan and Project**. The **Village** reserves the right under this **Redevelopment Plan** to receive the 23rd year of **Incremental Property Taxes** by December 31 of the 24th year, December 31, 2036.

4. **According to the Act, the municipality must find, in the case of an Industrial Park Conservation Redevelopment Project Area, that the municipality is a labor surplus municipality and that the implementation of the Redevelopment Plan will reduce unemployment, create new jobs and by the provision of new facilities, enhance the tax base of the taxing districts that extend into the Redevelopment Project Area.**

The **Redevelopment Project Area** is not an Industrial Park Conservation Redevelopment Project Area.

5. **According to the Act, the municipality must find that the Redevelopment Project Area would not reasonably be developed without the use of incremental tax revenue.**

Based on the historical lack of private investment without assistance and the documented problems in the **Redevelopment Project Area**, the **Village** finds that the **Redevelopment Project Area** would not reasonably be developed without the use of incremental tax revenue.

This is also noted previously in this section under **Redevelopment Program Certification B**.

6. **According to the Act, the municipality must certify that such incremental revenues will be exclusively utilized for the development of the Redevelopment Project Area.**

The **Village** hereby certifies that incremental revenues will be exclusively utilized for the development of the **Redevelopment Project Area** or in a contiguous **Redevelopment Project Area** as allowed by the **Act**. **Incremental Property Taxes** will be used according to the budget and estimated **Redevelopment Project Area** set forth in this **Redevelopment Plan** for the **Redevelopment Project Area**.

7. **According to the Act, the municipality must determine the need for a housing impact study, based on 10 or more inhabited residential units**

to be displaced, and certify if the above criteria are not met.

The **Village** hereby certifies that this **Redevelopment Plan** will not result in displacement of residents from 10 or more inhabited residential units, but reserves the option, but does not expect to, displace 9 or fewer inhabited residential units.

- 8. According to the Act the municipality must determine the number of residences and certify that the area contains 75 or fewer occupied residential units.**

The **Village** hereby certifies that there are less than 75 inhabited residential units in the **Redevelopment Project Area**.

- 9. According to the Act, the municipality must incorporate the housing impact study if required.**

Based on the fact that there are fewer than 75 occupied residential units within the **Redevelopment Project Area** and there will be fewer than ten housing relocations, no impact study is required.

- 10. When a relocation plan is required, and the residents are low and very low-income households, then the plan must adopt an assistance plan that is not less than the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under the Act.**

As certified above in 7 and 8, the **Redevelopment Plan** does not require a housing impact study and, therefore no relocation plan is required, and as no Relocation Plan is required, no assistance plan is required.

- 11. According to the Act, the municipality must indicate the effort to be made for relocation to occur near the Redevelopment Project Area.**

As certified, the **Redevelopment Plan** does not require a housing impact study and, therefore, requires no relocation plan.

- 12. According to the Act, the municipality must indicate how a change in the number of units to be affected in a plan causes the housing provisions to be triggered.**

As certified, the **Redevelopment Plan** does not require a housing impact study.

- 13. According to the Act, the Redevelopment Project Area includes only those contiguous parcels of real property and improvements that will be substantially benefited by the proposed redevelopment project improvements.**

The map of the **Redevelopment Project Area** is Attachment 2 and is made part of this document by reference hereto.

The **Redevelopment Project Area** is found to qualify as “conservation area”. The **Redevelopment Project Area** Program (Section III, C of this report) and the Redevelopment Project Costs as identified in the Redevelopment Area Program and Budget are specifically geared to development and redevelopment of the entire **Redevelopment Project Area**. The area will substantially benefit from the proposed **Redevelopment Project** improvements.

The **Redevelopment Project Area** will substantially benefit from the improved infrastructure investment.

All parcels in the **Redevelopment Project Area** are contiguous.

14. According to the Act, no redevelopment plan may be approved or amended that includes the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, State, county or municipal government as public land for “outdoor recreational activities” or for nature preserves and used for that purpose within five years prior to the adoption of the redevelopment plan. For the purpose of this subsection, “recreational activities” is limited to camping and hunting.

The plan does not include the development of vacant land (i) with a golf course or (ii) designated as public land for “outdoor recreational activities” or for nature preserves used for those purposes within five years prior to the adoption of the plan.

IX. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN

This **Redevelopment Plan** may be amended pursuant to the **Act**.

TABLES

Table 1: Five-Year EAV History for the Redevelopment Project Area

Parcel PIN numbers	Years					
	2010	2009	2008	2007	2006	2005
07-30-400-006	\$1,755,861	\$5,782,856	\$5,102,508	\$4,762,341	\$3,305,891	\$3,305,891
<i>Change</i>	<i>-70%</i>	<i>13%</i>	<i>7%</i>	<i>44%</i>	<i>0%</i>	
07-29-300-004	\$504,758	\$1,193,937	\$1,053,468	\$2,383,237	\$766,633	\$766,633
<i>Change</i>	<i>-58%</i>	<i>13%</i>	<i>-56%</i>	<i>211%</i>	<i>0%</i>	
07-29-300-003	\$618,427	\$551,684	\$486,771	\$454,320	\$361,387	\$361,387
<i>Change</i>	<i>12%</i>	<i>13%</i>	<i>7%</i>	<i>26%</i>	<i>0%</i>	
07-29-300-007	\$929,237	\$848,494	\$1,082,997	\$1,164,120	\$727,178	\$727,178
<i>Change</i>	<i>10%</i>	<i>-22%</i>	<i>-7%</i>	<i>60%</i>	<i>0%</i>	
07-29-300-088	\$245,867	\$253,317	\$319,626	\$298,318	\$110,638	\$110,638
<i>Change</i>	<i>-3%</i>	<i>-21%</i>	<i>7%</i>	<i>170%</i>	<i>0%</i>	
07-31-207-017	\$231,455	\$241,992	\$213,522	\$91,493	\$31,126	\$31,126
<i>Change</i>	<i>-4%</i>	<i>13%</i>	<i>133%</i>	<i>194%</i>	<i>0%</i>	
07-31-207-018	\$322,196	\$330,065	\$291,237	\$117,121	\$36,750	\$36,750
<i>Change</i>	<i>-2%</i>	<i>13%</i>	<i>149%</i>	<i>219%</i>	<i>0%</i>	
07-31-207-050	\$33,528	\$34,544	\$53,937	\$50,341	\$31,487	\$31,487
<i>Change</i>	<i>-3%</i>	<i>-36%</i>	<i>7%</i>	<i>60%</i>	<i>0%</i>	
07-29-300-089	\$1,371,889	\$1,102,868	\$1,370,526	\$1,353,755	\$1,187,992	\$1,187,992
<i>Change</i>	<i>24%</i>	<i>-20%</i>	<i>1%</i>	<i>14%</i>	<i>0%</i>	
07-31-208-001	\$74,445	\$110,211	\$97,248	\$175,711	\$61,698	\$61,698
<i>Change</i>	<i>-32%</i>	<i>13%</i>	<i>-45%</i>	<i>185%</i>	<i>0%</i>	
07-31-208-002	\$105,191	\$151,983	\$134,106	\$295,058	\$69,047	\$69,047
<i>Change</i>	<i>-31%</i>	<i>13%</i>	<i>-55%</i>	<i>327%</i>	<i>0%</i>	
07-31-208-003	\$105,191	\$151,983	\$134,106	\$295,058	\$69,047	\$69,047
<i>Change</i>	<i>-31%</i>	<i>13%</i>	<i>-55%</i>	<i>327%</i>	<i>0%</i>	
Total EAV	\$6,299,000	\$10,754,989	\$10,341,630	\$11,442,346	\$6,759,958	\$6,759,958
<i>Change</i>	<i>-41%</i>	<i>4%</i>	<i>-10%</i>	<i>69%</i>	<i>0%</i>	

The above table concludes that the redevelopment project area does not qualify for declining EAV in three of the last five years.

Table 2: Comparing the EAV of the redevelopment project area to the Consumer Price Index (CPI)

	2010	2009	2008	2007	2006	2005
CPI	\$218	\$215	\$215	\$207	\$202	\$195
<i>Change</i>	2%	0%	4%	3%	3%	
Redevelopment area	\$6,298,043	\$10,753,935	\$10,340,052	\$11,440,873	\$6,758,872	\$6,758,872
<i>Change</i>	-41%	4%	-10%	69%	0%	

The above table concludes that the EAV of the redevelopment project area 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 for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

Table 3: Comparing the EAV of the redevelopment project area to that of the rest of the Village

	2010	2009	2008	2007	2006	2005
Hanover Park	\$753,653,328	\$810,756,275	\$789,204,793	\$746,188,021	\$687,946,444	\$656,485,204
<i>Change</i>	-7%	3%	6%	8%	5%	
Hanover Park (excluding TIF5 area)	\$747,355,285	\$800,002,340	\$778,864,741	\$734,747,148	\$681,187,572	\$649,762,332
<i>Change</i>	-7%	3%	6%	8%	5%	
Redevelopment area	\$6,298,043	\$10,753,935	\$10,340,052	\$11,440,873	\$6,758,872	\$6,758,872
<i>Change</i>	-41%	4%	-10%	69%	0%	

The above table concludes that the EAV of the redevelopment project area is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available.

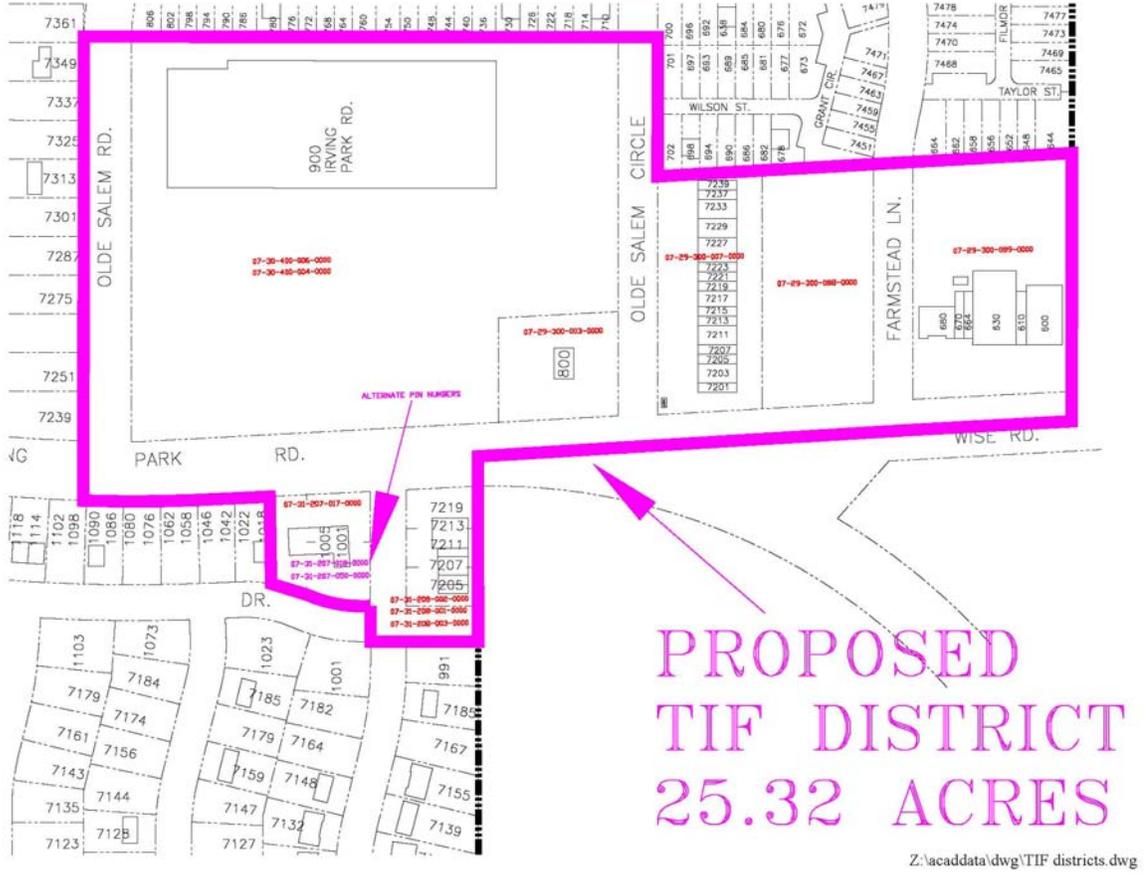
ATTACHMENTS

Attachment 1: Legal Description

That part of the Sections 29, 30, and 31 of Township 41 N, Range 10 East of the Third Principal Meridian, described as follows:

Commencing at the Point of Beginning, being the Northeast corner of said Section 31; thence south a distance of 310.86 feet along the east line of said Section 31 to a point on the south right-of-way line of Countryside Drive; thence west a distance of 180.00 feet along the south right-of-way line of Countryside Drive to the southwest corner of the intersection of the rights-of-way of Countryside Drive and Orchard Lane; thence 60.00 feet north to the northwest corner of the rights-of-way of Countryside Drive and Orchard Lane; thence northwesterly along the north right-of-way line of Countryside Drive, a distance of 166.85 feet; thence north along a line 5 feet east and parallel with the west line of Lot 16 in Hanover Highlands Unit No. Four recorded as Document T2187451, a distance of approximately 146.14 feet to a point on the south right-of-way line of Irving Park Road and located 168.70 feet west of the west right-of-way of Orchard Lane; then west along the south right-of-way line of Irving Park Road, a distance of 311.4 feet more or less to a point 100' south of the northwest corner of the intersection of the right-of-way lines of Irving Park Road and Olde Salem Road; thence north a distance of 100 feet to the northwest corner of the intersection of Irving Park Road and Olde Salem Road; thence north along the westerly right-of-way of Olde Salem Road, a distance of 668.14 feet ; thence east a distance of 960.08 feet along the south line of New Salem Unit 1 Subdivision recorded as Document 25515786 to a point on the east right-of-way line of Olde Salem Circle; thence south along the east right-of-way line of Olde Salem Circle, a distance of 237 feet more or less to the southwest corner of New Salem Unit 3 recorded as Document 26397453; thence east along the south line of said New Salem Unit 3 and also the south line of New Salem Unit 5 recorded as Document 26584235, a distance of 694.03 feet to the southeast corner of said New Salem Unit 5; thence south a distance of 450.00 feet along the West line of the East 20 Acres of the West Half of the Southwest Quarter of Section 29, Township 29, Range 11 East of the Third Principal Meridian, to a point on the south line of Section 29 and the centerline of Wise Road; thence west along the south line of said Section 29, a distance of 960.03 feet to the Point of Beginning, all in the Village of Hanover Park, Cook County, Illinois, and containing 25.32 acres more or less.

Attachment 2: Redevelopment Project Area Map



Attachment 3: Future Land Use Map



FUTURE LAND USE MAP

Last updated: May 18, 2012



Attachment 4:

Redevelopment Project Area (Irving Park Road East – TIF #5) Eligibility Report

Redevelopment Project Area Description

The Redevelopment Project Area is approximately 25.32 acres. There are five separate sets of commercial buildings. The most prominent is the now relocated former Menards site in the former Park Plaza Shopping Center. An expansive unmaintained and deteriorating parking lot fronts the former Menards site. There is a Long John Silver's at northwest corner of Old Salem Circle and West Irving Park Road, a strip development at the northeast corner of Old Salem Circle and West Irving Park Road, a strip center northeast of the intersection of Wise Road and West Irving Park Road, and a commercial building to the south of the former Park Plaza Shopping Center site.

Summary of Eligibility Findings

The Project Area qualifies as a "conservation area" as defined in the TIF Act, as over 50% of the structures are 35 years old or older (four buildings, or 67% of all buildings within the Project Area). A survey of all buildings and properties in the Redevelopment Project Area shows that in addition to qualifying under the age criteria, at least four additional conditions are present and reasonably distributed throughout the Project Area, as identified below.

- Deterioration
- Excessive vacancies, with the vacant old Menards site over 50% of the Redevelopment Project Area
- Decline or lack of growth in EAV
- Inadequate Utilities