

Tax Increment Finance
Village of Villa Park
North Ardmore/Vermont
Redevelopment Project Area

Eligibility Report
May 2014 – Draft



Prepared by



EHLERS
LEADERS IN PUBLIC FINANCE



I. Executive Summary

This “Tax Increment Finance, Village of Villa Park, North Ardmore/Vermont Redevelopment Project Area, Eligibility Report, May 2014” (the “Eligibility Report”), among other things, documents the eligibility and qualifications of the North Ardmore/Vermont Redevelopment Project Area (the “Redevelopment Project Area”) in the Village of Villa Park, Illinois (the “Village”) for designation as a “Conservation Area” pursuant to the definition contained in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq. (the “Act”).

As set forth in the Act, “Redevelopment Project Area” (Redevelopment Project Area) means an area designated by a municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as “an industrial park conservation area” (an “Industrial Park Conservation Area”) or a blighted area (“Blighted Area”) or a conservation area (“Conservation Area”), or a combination of both “Conservation Area” and “Blighted Area.” The definitions of each of these areas are in **Appendix A: Definitions**.

Conservation Area provisions apply in the Redevelopment Project Area. This Eligibility Report documents the relevant statutory requirements and how the Redevelopment Project Area meets the eligibility criteria.

II. Basis for Redevelopment

A. Statutory Findings

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

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

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

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that each prospective redevelopment project area qualifies either as a “Blighted Area” or as a “Conservation Area” or a combination of Blighted Area and Conservation Area or an “Industrial Park Conservation Area” within the definitions set forth in the Act. The definitions of each of these areas are found in **Appendix A: Definitions**.

B. Eligibility

Each Redevelopment Project Area must meet the requirements for designation as Blighted, Conservation, Blighted and Conservation or Industrial Park Conservation Area. The criteria for each of these requirements are listed in **Appendix B: Eligibility Categories**.

C. Conclusions and Findings

1. The area must meet the criteria under one or more of three categories if it is determined to be blighted. One set of the criteria for both the Blighted Area and Conservation Area designation deals with developed property. Two sets of criteria within the blighted designation deal with vacant property. The minimum number of factors must be present in at least one of these categories and the presence of each must be documented;
2. Each factor to be claimed 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 1½ acres;
4. The Redevelopment Project Area must meet the “but for” requirements in that development and redevelopment would not reasonably occur without financial assistance and intervention by the municipality; and
5. In the case of a Conservation Area, a finding that the area is not yet blighted, but because of blighting factors is detrimental to the health, safety, morals or welfare of

the public, and such an area may become a blighted area, and that 50% or more of the structures in the area are 35 years or older.

This report concludes that the North Ardmore/Vermont Redevelopment Project Area is eligible for Tax Increment Finance (“TIF”) designation as a Conservation Area.

The land within the Redevelopment Project Area is eligible to be designated as a “Conservation Area” in that 50% or more of the structures in the area are 35 years or older, according to York Township tax records. The Redevelopment Project Area also meets the requirements of Section 11-74.4-3 (b) (2), (3), (9), and (13) of the Act for designation as a Conservation Area, as these criteria are reasonably present and distributed to a major extent. For designation as a Conservation Area three (3) criteria are to be met, and in this case four (4) criteria have been met.

The following four (4) Conservation Area criteria are present in the Redevelopment Project Area:

- Obsolescence
- Deterioration
- Excessive Land Coverage and Overcrowding of Structures and Community Facilities
- Lagging EAV

There must be a reasonable presence of and distribution of these factors in the Redevelopment Project Area, as stated in the Act. These factors are not required to be present in every parcel. The above factors are distributed throughout the Redevelopment Project Area and are present to a meaningful extent such that a local governing body may reasonably find that the factors are clearly present within the intent of the Act. **Table 2** contains the results of various research, field survey, and analysis of existing conditions in the Redevelopment Project Area, which demonstrates that the above criteria are present to a meaningful extent and distributed throughout the Redevelopment Project Area.

The Redevelopment Project Area is approximately 16 acres, in excess of the minimum 1½ acres required by the Act.

The Redevelopment Project Area as a whole is adversely impacted by the presence of conservation factors, which are detrimental to the health, safety, morals or welfare of the public, 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.

These factors go beyond normal development needs, and to prevent this area from becoming blighted, TIF funds will be necessary to finance redevelopment activities.

III. The Redevelopment Project Area

The Redevelopment Project Area is approximately 16 acres. The improved land consists of commercial, public transportation, residential, governmental, office, and recreational uses. The vacant land is for parking and public park uses.

A general description of the boundaries of the Redevelopment Project Area is the area east of North Harvard Avenue, north of the Union Pacific Railroad (now Metra Railroad), including the Jefferson Park swimming pool, park building, parking lot and grounds, then proceeding west along West Terrace Street to include the apartment buildings and parking lots on the north side of that street until reaching its western boundary at North Douglas Ave. Also included are the commercial properties on the east and west side of North Ardmore Avenue from West Terrace Street to the north boundary at East Vermont Street, and the residential buildings on the west side of North Beverly Avenue between West Terrace Street and East Vermont Street. Additionally, the boundaries contain adjoining rights-of-way.

There are 29 parcels in the Redevelopment Project Area, 24 of which are improved and 5 of which are vacant. There are approximately 21 structures on the improved parcels, which are primarily multi-family residential buildings or parts of small commercial centers. Of the 5 vacant parcels, 3 are used for vehicle parking near the Metra Station, one is a parking lot near an apartment building and one is adjacent to Jefferson Park.

Attachment 1 is the legal description of the Redevelopment Project Area. **Attachment 2** is the Map of the Redevelopment Project Area. **Attachment 2** illustrates that all parcels in the Redevelopment Project Area are contiguous. Both **Attachment 1** and **Attachment 2** are made part of this document by reference hereto.

IV. Analysis of Conditions in the Redevelopment Project Area

In determining whether the proposed Redevelopment Project Area meets the eligibility requirements of the Act, at the Village's direction, Ehlers & Associates, Inc. (the "Consultant") conducted research and field surveys.

A survey and analysis of existing conditions within the Redevelopment Project Area were completed in March 2014 by the Consultant to document the extent to which each conservation factor is present within the Redevelopment Project Area. Various research and field surveys were undertaken, including:

1. Exterior survey of the condition and use of each building.
2. Field survey of conditions, including streets, 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 sites, if any.
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 public utilities, such as water, sewer, gas utilities, etc.
10. Review of County and Township Tax Records.
11. Contacts with Village officials, county officials, other taxing bodies as appropriate, and private parties 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.

A. Eligibility Survey and Analysis

1. Building Components Evaluated

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

a. Primary Structure

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

b. Secondary Structure

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

2. Building Components Evaluated

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

a. Sound Structures

Sound buildings kept in a standard condition, requiring no maintenance at present. These buildings so classified have defects so minor as to not impact the area.

b. Deteriorated

Buildings where deterioration factors were present from a major to extreme extent. Usually these buildings contain defects that are not easily correctable through normal maintenance or required contracted skills to accomplish the level of improvements as part of maintenance or correction of defects. These buildings are noted as being deteriorated on the survey.

c. Dilapidated

Buildings appear to be so severely defective as to need demolition. Structural integrity, however, was not documented. While these dilapidation factors were reviewed, the Consultant did not conduct a documented building condition analysis to reveal major structural problems.

B. Presence of Eligibility Factors

Summarized below are the conclusions of the surveys and analyses completed for each eligibility factor based on existing conditions within the Redevelopment Project Area. In order to qualify the Redevelopment Project Area for a TIF, the Redevelopment Project Area must meet criteria set forth in the Act. The specific criteria as defined by the Act precede each finding. The conclusions indicate whether the factor is found to be present within the Redevelopment Project Area, and the relative extent to which the factor is present.

C. Eligibility of a Blighted Area

As defined in the Act, “blighted area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where: if improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health or welfare based on the documentation of five (5) of thirteen (13) specific factors that are reasonably distributed throughout the improved part of the Redevelopment Project Area. If vacant, the sound growth of the redevelopment project area is impaired by two or more specific factors in one section of the Act or one or more in a second section of the Act.

The following is an analysis of the Blighted Area eligibility factors:

1. **If improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (5) or more of the factors for an Improved Blighted Area as outlined in the Act, each of which is (i) present, with that presence documented, to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) reasonably distributed throughout the improved part of the Redevelopment Project Area.

The Redevelopment Project Area does not qualify as a “Blighted Area” for improved land.

2. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present with the intent of the Act, and (ii) reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

The vacant land in the Redevelopment Project Area may qualify as a “Blighted Area” for vacant land under this section of the Act; however, because 4 of the 5 vacant parcels are actively being used for vehicle parking, this area will be considered as part of the “Conservation Area” as a whole.

3. **If vacant**, the sound growth of the Redevelopment Project Area is impaired by one (1) of the following factors that (i) is present, with that presence documented, to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:

The vacant land in the Redevelopment Project Area does not qualify as a “Blighted Area” for vacant land under this section of the Act.

D. Eligibility of Conservation Area

“Conservation Area” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the Village 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 (3) or more of the conservation factors as defined in the Act is detrimental to the public safety, health, morals or welfare, and such an area may become a Blighted Area.

A review of information provided by York Township tax records, and verified by visual inspection, indicate that more than 50% of the structures in the Redevelopment Project Area are 35 years of age or older. There are approximately 21 structures in the Redevelopment Project

Area, and approximately 19 (or 90%) are 35 years of age or more. Therefore, the age criterion for a Conservation Area has been satisfied.

In order to be designated a Conservation Area, three (3) conservation factors must be also be met. The Redevelopment Project Area qualifies for “Conservation Area” designation, as it meets the age criteria and four (4) of the conservation factors as defined in the Act.

The following is an analysis of the conservation area eligibility factors:

1. **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.

There are no structures within the Redevelopment Project Area that appear to be dilapidated. Therefore, an ascertainment of the structural state was not completed. This factor does not apply.

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

Obsolescence applies to 22 of 24 of the improved parcels, or 92%, in the Redevelopment Project Area.

According to York Township tax records, 19 primary structures in the Redevelopment Project Area are more than 35 years of age. The majority of the buildings are multi-family residential buildings or small commercial properties. One single family house has been converted to a doctor’s office.

As buildings age, it can become challenging and costly to adapt them to the occupants’ current needs, which constrain the structures’ re-use and marketability. Many of these older buildings do not have modern amenities and suffer from outdated layouts or designs. Most buildings have no room to expand as they already occupy most, if not all, of their lots. Heating and air conditioning systems, elevators and accessibility issues may need to be addressed in many structures. Substantial expenditures would be necessary to bring these buildings up to current standards and to provide modern amenities needed in comparable types of residential buildings or commercial properties. The Village’s Jefferson Park swimming pool and building require significant repairs and do not have the features of many more modern recreational facilities.

Table 2 lists the parcels in the Redevelopment Project Area in which this factor is reasonably present.

3. **Deterioration.** With respect to building 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.

Deterioration, as a factor, is present throughout the Redevelopment Project Area when structures are closely examined. Foundation cracks and/or deteriorated concrete/masonry were identified on many buildings. Roofing, fascia, signage and windows in retail spaces require repair or replacement. There are rotted window frames and garage doors in some buildings. The age of the structures contributes to the deterioration of many buildings, as property maintenance has not kept pace with the wear and tear that has occurred over time.

Deterioration was observed in the paved areas in both the improved and vacant portions of the Redevelopment Project Area, particularly in the loading areas behind commercial buildings and in the parking areas of the residential buildings. Most of these have cracked pavement, and many have pot holes, loose pavement materials, and damaged curbs.

Deterioration can be applied as a factor to 23 of the 24 improved parcels (96%), and 4 of the 5 vacant parcels (80%) in the Redevelopment Project Area, with defects ranging from minor to medium deterioration. This condition applies to 93% of all parcels in the Redevelopment Project Area.

Table 2 lists the parcels in the Redevelopment Project Area in which this factor is reasonably present.

- 4. 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.

Structures below minimum code standards are not apparent. Therefore, this factor does not apply to the Redevelopment Project Area.

- 5. Illegal use of individual structures.** The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

Illegal use of individual structures was not apparent. Therefore, this factor does not apply to the Redevelopment Project Area.

- 6. 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.

Only one vacancy was noted within one of the commercial spaces. There may be vacancies within the multi-family residential buildings as well, but they were not evident, indicating that more of this type of housing and commercial space may be

needed in the area, or in the Village. In any case, this factor does not apply to the Redevelopment Project Area.

7. **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 refer 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.

Lack of ventilation, light, or sanitary facilities is not apparent. Therefore, this factor does not apply to the Redevelopment Project Area.

8. **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.

The Village has indicated there currently is not a need for infrastructure improvements within the Redevelopment Project Area. Therefore, this factor will not be used to qualify the Redevelopment Project Area; however, it should be noted that funds are included in the Redevelopment Project Costs to assist with utility and drainage issues that may need to be addressed in the course of implementing the Redevelopment Plan and Project.

9. **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 building, 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.

This factor applies to 22 of 24 of the improved parcels, or 92%, in the Redevelopment Project Area.

Most of the improved parcels exhibit excessive land coverage. Most are completely covered with buildings and/or paved parking areas, with little to no pervious surface

or green space. The multi-family residential structures in particular demonstrate an over-intensive use of property and the crowding of buildings onto a site. Although the park is nearby for those buildings along W. Terrace Street, there is little or no green space on these parcels for use by residents. There appear to be some drainage issues in the some of the paved parking areas as well, which can be brought on by excessive land coverage in adjacent improved areas.

Table 2 lists the parcels in the Redevelopment Project Area in which this factor is reasonably present.

- 10. Deleterious land use or layout.** 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.

This criterion does not apply. The above characteristics were not noted in the Redevelopment Project Area.

- 11. 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.

The first comprehensive plan for the Village of Villa Park was established in 1937. This area was developed after that time, and does not appear to evidence any of the problems associated with poor implementation of the plan to a significant degree. Therefore, this factor does not apply in the Redevelopment Project Area.

- 12. 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.

This criterion does not apply. The above characteristics were not noted in the Redevelopment Project Area.

- 13. The total equalized assessed value of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) 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 (3) of the last five (5)

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 (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

The table below illustrates that the improved parcels within the Redevelopment Project Area have a total EAV that has declined in four (4) of the last five (5) calendar years. It also shows that the EAV of the improved parcels within the Redevelopment Project Area grew at an annual rate less than the balance of the Village as a whole in four (4) of the last five (5) calendar years. Further, the total EAV of the improved parcels in the Redevelopment Project Area increased at an annual rate that is less than the Consumer Price Index for All Urban Consumers for five (5) of the last five (5) calendar years. All three measurements of EAV indicate that EAV is lagging in the improved parcels within Redevelopment Project Area. These findings are consistent with the measurements of EAV within the Redevelopment Project Area as a whole. Therefore, this criterion applies.

EAV Trend for Improved Parcels within the Redevelopment Project Area

	TAX YEAR EAV					
	2007 FINAL	2008 FINAL	2009 FINAL	2010 FINAL	2011 FINAL	2012 FINAL
TOTAL EAV	3,200,750	3,312,193	3,206,797	2,949,837	2,487,696	2,310,903
Percent Change		3.48%	-3.18%	-8.01%	-15.67%	-7.11%
Village Wide EAV	677,662,120	727,020,975	722,392,660	675,703,653	619,972,026	566,318,599
Balance of Village Wide EAV	674,461,370	723,708,782	719,185,863	672,753,816	617,484,330	564,007,696
Percent Change		7.30%	-0.62%	-6.46%	-8.22%	-8.66%
CPI		3.80%	-0.40%	1.60%	3.20%	2.10%

EAV for the entire Redevelopment Project Area by parcel is provided in Table 1.

E. Eligibility of an Industrial Park Conservation Area

“Industrial Park Conservation Area” means an area within the boundaries of a Redevelopment Project Area located within the territorial limits of a municipality that is a labor surplus municipality or within 1½ miles of the territorial limits of a municipality that is a labor surplus area if the area is annexed to the municipality; which area is zoned industrial no later than at the time the municipality by ordinance designates the Redevelopment Project Area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

The Redevelopment Project Area does not qualify as an Industrial Park Conservation Area.

V. Eligibility Conclusions

This report concludes that the North Ardmore/Vermont Redevelopment Project Area is eligible for Tax Increment Finance (“TIF”) designation as a Conservation Area.

The land within the Redevelopment Project Area is eligible to be designated as a “Conservation Area” in that 50% or more of the structures in the area are 35 years or older, according to York Township tax records. The Redevelopment Project Area also meets the requirements of Section 11-74.4-3 (b) (2), (3), (9), and (13) of the Act for designation as a Conservation Area, as these criteria are reasonably present and distributed to a major extent. For designation as a Conservation Area three (3) criteria are to be met, and in this case four (4) criteria have been met.

The following four (4) Conservation Area criteria are present in the Redevelopment Project Area:

- Obsolescence
- Deterioration
- Excessive Land Coverage and Overcrowding of Structures and Community Facilities
- Lagging EAV

There must be a reasonable presence of and distribution of these factors in the Redevelopment Project Area, as stated in the Act. These factors are not required to be present in every parcel. The above factors are distributed throughout the Redevelopment Project Area and are present to a meaningful extent such that a local governing body may reasonably find that the factors are clearly present within the intent of the Act. **Table 2** contains the results of various research, field survey, and analysis of existing conditions in the Redevelopment Project Area, which demonstrates that the above criteria are present to a meaningful extent and distributed throughout the Redevelopment Project Area.

The Redevelopment Project Area is approximately 16 acres, in excess of the minimum 1½ acres required by the Act.

As in many metropolitan communities throughout the country, the Village of Villa Park has been dealing with the challenges of a changing economic and demographic landscape and aging commercial centers and infrastructure. While this area is still functional with respect to its uses as a center for multi-family housing, supporting commercial centers and parking surrounding the Village’s train station, and a Village park, its buildings and surrounding land are showing signs of neglect and are in need of some investment.

Properties suffer from obsolescence. Many of these older buildings do not have modern amenities and suffer from outdated layouts or designs. Most buildings have no room to expand as they already occupy most, if not all, of their lot. Substantial expenditures would be necessary to bring these buildings up to current standards and to provide modern amenities needed in comparable types of residential buildings or commercial properties. The

Village's Jefferson Park swimming pool and building require significant repairs and do not have the features of many more modern recreational facilities.

Deterioration, as a factor, is present throughout the Redevelopment Project Area when structures are closely examined. Foundation cracks and/or deteriorated concrete/masonry were identified on many buildings. Roofing, fascia, signage and windows in retail spaces require repair or replacement. There are rotted window frames and garage doors in some buildings. The age of the structures contributes to the deterioration of many buildings, as property maintenance has not kept pace with the wear and tear that has occurred over time. TIF funding could be used to provide some incentives to property owners to make some of these repairs or upgrades.

Deterioration was observed in the paved areas in both the improved and vacant portions of the Redevelopment Project Area, particularly in the loading areas behind commercial buildings and in the parking areas of the residential buildings. Most of these have cracked pavement, and many have pot holes, loose pavement materials, and damaged curbs.

Only one vacancy was noted within one of the commercial spaces. There may be vacancies within the multi-family residential buildings as well, but they were not evident, indicating that more of this type of housing and commercial space may be needed within this area, or perhaps in the Village as a whole. New development of this nature would not be likely however without some incentive, such as that that could be offered through the use of tax increment finance.

Most of the improved parcels exhibit excessive land coverage. Most are completely covered with buildings and/or paved parking areas, with little to no pervious surface or green space. The multi-family residential structures in particular demonstrate an over-intensive use of property and the crowding of buildings onto a site. Although the park is nearby for those buildings along W. Terrace Street, there is little or no green space on these parcels for use by residents. There appear to be some drainage issues in the some of the paved parking areas as well. Many of these issues will require Village involvement in a coordinated effort and extraordinary expense to address.

Further, since the Redevelopment Project Area developed, primarily in the 1960's, market demands and constraints have changed. Village records indicate that no new construction has taken place since then and there have been few, if any, significant redevelopment projects since that time. The Village may need to intervene to allow and encourage renovations and new construction that meet contemporary demands for the type of residential and commercial area residents (or prospective residents) desire.

If Villa Park is not able to accommodate the construction of these new facilities and provide supporting services and venues, such as residential, retail, restaurant and recreational opportunities, some of these residents and businesses will relocate elsewhere. This will require extraordinary expense and a cooperative public-private partnership, to which tax increment financing can be an integral component.

Finally, the parcels within the Redevelopment Project Area have a total EAV that has declined in four (4) of the last five (5) calendar years. It also shows the EAV of all parcels within the Redevelopment Project Area grew at an annual rate less than the balance of the Village as a whole in five (5) of the last five (5) calendar years. Further, the total EAV of the parcels in the Redevelopment Project Area increased at an annual rate that is less than the Consumer Price Index for All Urban Consumers for five (5) of the last five (5) calendar years. All three measurements of EAV described in the Act indicate that EAV is lagging in the Redevelopment Project Area. These conditions demonstrate a lack of investment in the Redevelopment Project Area.

The Redevelopment Project Area as a whole is adversely impacted by the presence of conservation factors, which are detrimental to the health, safety, morals or welfare of the public, and these factors are reasonably distributed throughout the Redevelopment Project Area. These factors go beyond normal development needs, and to prevent this area from becoming blighted, TIF funds will be necessary to finance redevelopment activities.

There has been a lack of growth and development through investment by private enterprise. The Redevelopment Project Area would not reasonably be anticipated to be developed without TIF assistance.

This report concludes that the North Ardmore/Vermont Redevelopment Project Area is eligible for Tax Increment Finance ("TIF") designation as a Conservation Area.

Based on these factors, the Consultant recommends that the Village of Villa Park conclude that the property within the Redevelopment Project Area qualifies as a Conservation Area as defined in State statute and is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the Village.

Attachments

Attachment 1: North Ardmore/Vermont Redevelopment Project Area Legal Description

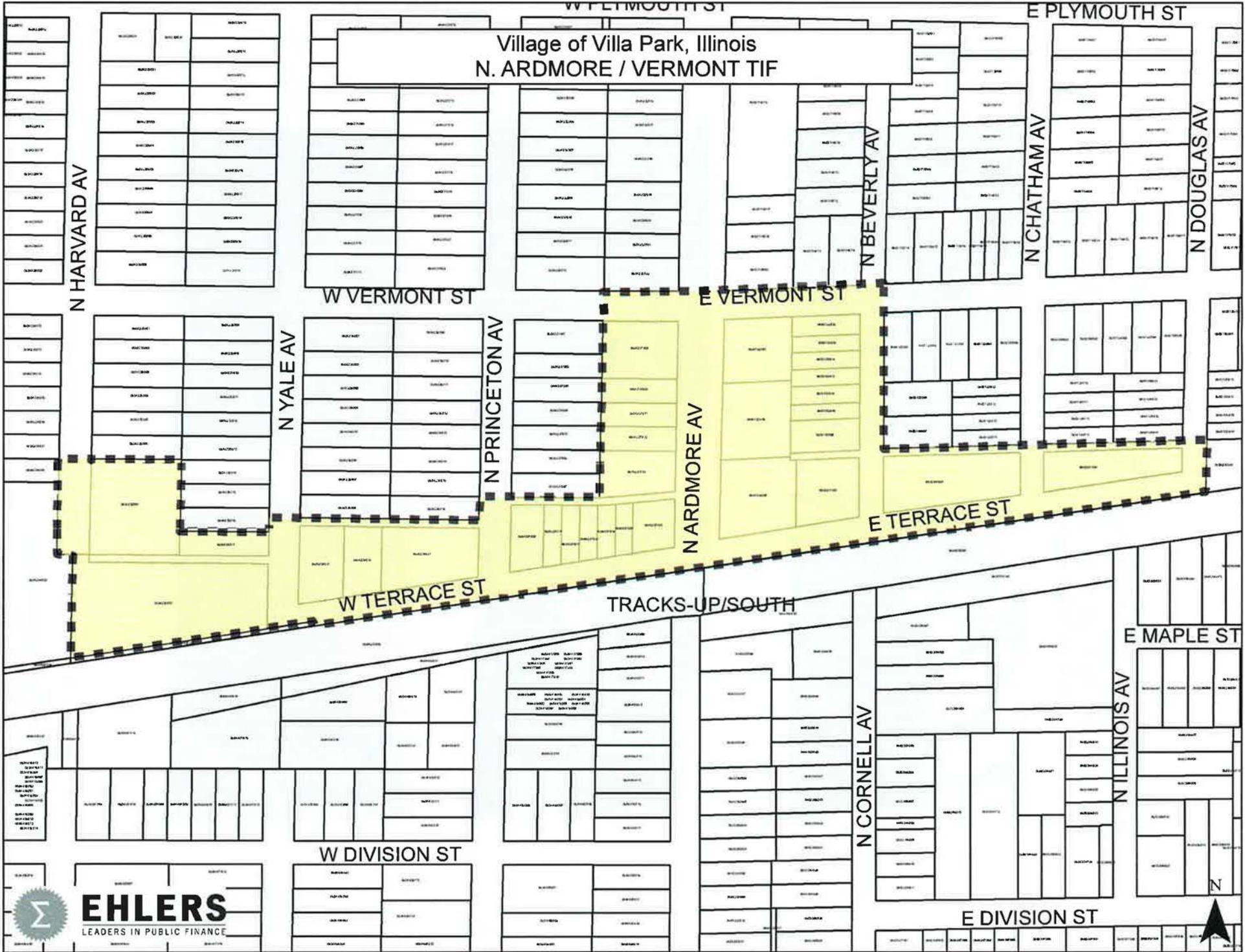
LEGAL DESCRIPTION

THAT PART OF SECTIONS 3 AND 4, TOWNSHIP 39 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD (NOW METRA RAILROAD) WITH THE WEST RIGHT OF WAY LINE OF HARVARD AVENUE (AND THE SOUTHERLY EXTENSION THEREOF); THENCE NORTH ALONG SAID SOUTHERLY EXTENSION AND WEST RIGHT OF WAY LINE 420.9 FEET, MORE OR LESS, TO THE NORTHWEST CORNER OF LOT 7 IN BLOCK 16 IN ARDMORE MANOR SUBDIVISION RECORDED AS DOCUMENT NUMBER 185662; THENCE EAST ALONG THE NORTH LINE (AND THE WESTERLY EXTENSION THEREOF) OF LOT 25 IN BLOCK 4 IN SECOND ADDITION TO ARDMORE HIGHLANDS SUBDIVISION RECORDED AS DOCUMENT NUMBER 171279, 252.8 FEET, MORE OR LESS, TO THE NORTHEAST CORNER OF SAID LOT 25 IN BLOCK 4; THENCE SOUTH 150 FEET TO THE SOUTHWEST CORNER OF LOT 9 IN BLOCK 4 IN SAID SECOND ADDITION TO ARDMORE HIGHLANDS; THENCE EAST 185.0 FEET TO THE SOUTHEAST CORNER OF SAID LOT 9 IN BLOCK 4; THENCE NORTH ALONG THE WEST LINE OF YALE AVENUE RIGHT OF WAY TO ITS INTERSECTION WITH THE SOUTH LINE OF LOTS 8 AND 20 IN BLOCK 4 (AND THEIR WESTERLY EXTENSIONS) IN ARDMORE HIGHLANDS SUBDIVISION RECORDED AS DOCUMENT NUMBER 162022; THENCE EAST ALONG SAID SOUTH LINE OF LOTS 8 AND 20 IN BLOCK 4 AND THEIR WESTERLY EXTENSIONS, 441.0 FEET TO THE SOUTHEAST CORNER OF SAID LOT 8 IN BLOCK 4; THENCE NORTH ALONG THE WEST LINE OF PRINCETON AVENUE RIGHT OF WAY TO ITS INTERSECTION WITH THE SOUTH LINE OF LOT 18 IN BLOCK 1 (AND THE WESTERLY EXTENSION THEREOF) IN SAID ARDMORE HIGHLANDS SUBDIVISION; THENCE EAST ALONG SAID WESTERLY EXTENSION AND SOUTH LINE OF LOT 18 IN BLOCK 1, 251.0 FEET TO THE SOUTHEAST CORNER OF SAID LOT 18 IN BLOCK 1; THENCE NORTH ALONG THE EAST LINES OF LOTS 18 TO 24 (BOTH INCLUSIVE, AND THE NORTHERLY EXTENSION THEREOF), 430.0 FEET, MORE OR LESS, TO THE NORTH RIGHT OF WAY LINE OF VERMONT STREET; THENCE EAST ALONG SAID NORTH LINE OF VERMONT STREET TO ITS INTERSECTION WITH THE EAST RIGHT OF WAY LINE OF BEVERLY AVENUE; THENCE SOUTH ALONG SAID EAST LINE OF BEVERLY AVENUE, 341.6 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF LOT 157 IN GEORGE M. COLLINS' VILLA PARK SUBDIVISION RECORDED AS DOCUMENT NUMBER 172335; THENCE EAST ALONG THE SOUTH LINE OF SAID GEORGE M. COLLINS' VILLA PARK SUBDIVISION 680.0 FEET, MORE OR LESS, TO THE SOUTHWESTERLY CORNER OF LOT 149 THEREIN; THENCE SOUTH ALONG THE EAST LINE OF DOUGLAS

AVENUE RIGHT OF WAY (ALSO BEING THE WEST LINE OF LOT 32 IN TOWNLEY'S VILLA PARK HIGHLANDS SUBDIVISION RECORDED AS DOCUMENT NUMBER 196958), 106.7 FEET, MORE OR LESS, TO THE AFORESAID NORTHERLY RIGHT OF WAY LINE OF THE UNION PACIFIC RAILROAD (NOW METRA RAILROAD); THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE POINT OF BEGINNING, ALL IN DUPAGE COUNTY, ILLINOIS.

Attachment 2: North Ardmore/Vermont Redevelopment Project Area Map

Village of Villa Park, Illinois
N. ARDMORE / VERMONT TIF



EHLERS
LEADERS IN PUBLIC FINANCE

Attachment 3: Representative Photographs of Conditions in the North Ardmore/Vermont Redevelopment Project Area

The photographs below are graphic examples of the qualifying factors found within the North Ardmore/Vermont Redevelopment Project Area at the time of this report.







Tables

Table 1: North Ardmore/Vermont Redevelopment Project Area Parcel Numbers and Five Year EAV History

PIN	TAX YEAR EAV					
	2007 FINAL	2008 FINAL	2009 FINAL	2010 FINAL	2011 FINAL	2012 FINAL
0603122001	184,800	218,970	226,660	211,240	207,920	191,490
0603122008	180,540	150,000	150,000	139,800	96,320	88,710
0603122009	55,440	54,820	54,320	50,220	27,623	30,966
0603122010	55,440	54,820	54,320	50,220	27,623	30,966
0603122012	53,670	52,890	52,390	44,080	32,546	29,978
0603122013	53,670	52,890	52,390	48,420	26,546	29,978
0603122014	54,080	53,340	52,840	44,420	32,789	30,197
0603122015	52,780	57,420	57,420	53,520	32,003	36,390
0603122016	n/a	n/a	n/a	206,660	203,410	187,340
0603300005	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
0603301001	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
0604235007	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
0604235017	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
0604235027	Exempt	Exempt	Exempt	Exempt	Exempt	Exempt
0604236017	358,160	358,160	283,330	257,580	223,280	205,650
0604236018	300,480	260,000	260,000	242,320	238,510	219,670
0604236021	365,140	392,552	362,316	310,578	305,696	281,546
0604237008	165,000	179,520	179,520	167,320	164,690	151,680
0604237011	76,510	83,240	83,240	77,580	67,190	61,880
0604237012	73,590	74,560	74,060	68,620	62,760	57,330
0604237013	133,650	145,410	145,410	135,520	133,390	122,850
0604237016	150,460	163,700	163,700	152,570	105,130	96,820
0604237017	150,460	163,700	163,700	152,570	105,130	96,820
0604237018	134,460	146,300	146,300	136,350	90,390	83,251
0604237019	134,460	140,741	140,741	131,169	93,960	83,251
0604237020	18,470	20,100	15,080	14,060	13,840	12,750
0604237021	82,500	89,760	89,760	83,660	82,350	75,840
0604237022	180,540	196,430	196,430	183,070	126,130	116,160
0604237023	70,950	77,200	77,200	71,950	70,820	65,230
0603122011	198,000	215,430	215,430	n/a	n/a	n/a
TOTAL EAV	3,283,250	3,401,953	3,296,557	3,033,497	2,570,046	2,386,743
Percent Change		3.62%	-3.10%	-7.98%	-15.28%	-7.13%
Village Wide EAV	677,662,120	727,020,975	722,392,660	675,703,653	619,972,026	566,318,599
Balance of Village Wide EAV	674,378,870	723,619,022	719,096,103	672,670,156	617,401,980	563,931,856
Percent Change		7.30%	-0.63%	-6.46%	-8.22%	-8.66%
CPI		3.80%	-0.40%	1.60%	3.20%	2.10%

Table 2: Conditions Survey

The table below documents the Conservation Area qualifying factors present within the North Ardmore/Vermont Redevelopment Project Area at the time of this report. **Attachment 3** shows the location of the parcels in the Redevelopment Project Area.

Parcel Number	Conservation Area Eligibility Factors			
	Obsolescence	Deterioration	Excessive Land Coverage	EAV*
0603122001	X	X	X	X
0603122008	X	X	X	X
0603122009	X	X	X	X
0603122010	X	X	X	X
0603122012	X	X	X	X
0603122013	X	X	X	X
0603122014	X	X	X	X
0603122015	X	X	X	X
0603122016	X	X	X	X
0603300005		X		X
0603301001		X		X
0604235007		X		X
0604235017				X
0604235027	X	X		X
0604236017	X	X	X	X
0604236018	X	X	X	X
0604236021	X	X	X	X
0604237008		X	X	X
0604237011	X	X	X	X
0604237012				X
0604237013	X	X	X	X
0604237016	X	X	X	X
0604237017	X	X	X	X
0604237018	X	X	X	X
0604237019	X	X	X	X
0604237020		X		X
0604237021	X	X	X	X
0604237022	X	X	X	X
0604237023	X	X	X	X

** Lagging EAV is measured for the area as a whole rather than by parcel. The total EAV of parcels within the Redevelopment Project Area has declined for four (4) of the last five (5) calendar years. Additionally, the total EAV of parcels within the Redevelopment Project Area has increased at an annual rate which is less than the balance of the Village as a whole in five (5) of the last five (5) calendar years. Further, the total EAV of parcels also grew at an annual rate that is less than the Consumer Price Index for All Urban Consumers for five (5) of the last five (5) calendar years.*

Appendices

Appendix A: Definitions

As defined in the Act “blighted area” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where: if improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health or welfare based on the documentation of five of thirteen specific factors that are reasonably distributed throughout the improved part of the Redevelopment Project Area. If vacant, the sound growth of the redevelopment project area is impaired by two or more specific factors in one section of the Act or one or more in a second section of the Act.

As defined in the Act “conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% 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 3 or more of thirteen specific factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

As defined in the Act “[i]ndustrial park conservation area’ means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 ½ miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.”

Appendix B: Eligibility Categories

Eligibility of a Blighted Area

There are three categories under which an area can be determined to meet the “Blighted area” criteria. The area must meet the criteria under one of the following three categories.

“Blighted area,” means any improved or vacant area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where:

1. If improved, industrial commercial and residential building or improvements are detrimental to the public safety, health, or welfare because of a combination of five or more of the following factors, each of which is (i) present, with the presence documented, to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Redevelopment Project 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
- Deleterious land use or layout
- EPA remediation finding
- Lack of community planning
- Lagging EAV

OR

2. If vacant (Vacant Land), the sound growth of the Redevelopment Project Area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present with the intent of the Act, and (ii) reasonably distributed throughout the vacant part of the Redevelopment Project Area to which it pertains:
 - Obsolete platting
 - Diversity of ownership

- Tax sale and special assessment delinquencies
- Deterioration of structures or site improvements in neighboring or adjacent areas
- EPA remediation finding
- Lagging EAV

OR

3. If vacant (Vacant Land), the sound growth of the Redevelopment Project Area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent, so that a municipality may reasonably find that the factor is clearly present within the intent of the Act, and (ii) is reasonably distributed throughout the vacant part of the area to which it pertains:
 - The area consists of one or more unused quarries, mines or strip mine ponds.
 - The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
 - The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
 - The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.
 - Prior to the effective date of the applicable amendatory Act of the 91st General Assembly, the area is not less than fifty (50), nor more than one hundred (100) acres, and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the Redevelopment Project Area, and the area meets at least one of the factors itemized in paragraph (1) above, the area has been designated as a town or Village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.
 - The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding.

Eligibility of a Conservation Area

“Conservation area” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the Village 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 (3) 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
- Deleterious land use or layout
- Lack of community planning
- EPA remediation finding
- Lagging EAV

Eligibility of an Industrial Park Conservation Area

“Industrial Park Conservation Area” means an area within the boundaries of a Redevelopment Project Area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 ½ miles of the territorial limits of a municipality that is a labor surplus area if the area is annexed to the municipality; which area is zoned industrial no later than at the time the municipality by ordinance designates the Redevelopment Project Area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.