

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	North Ave/Schmale Rd TIF
Primary Use of Redevelopment Project Area*:	
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <input checked="" type="checkbox"/>	Industrial Jobs Recovery Law <input type="checkbox"/>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A		X
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D	X	
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H		X
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2010, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

Fund Balance at Beginning of Reporting Period \$ -

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment			0%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest			0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation Fund During Reporting Period \$ -

Cumulative Total Revenues/Cash Receipts \$ - 0%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2) \$ 34,354

Distribution of Surplus

Total Expenditures/Disbursements \$ 34,354

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS \$ (34,354)

FUND BALANCE, END OF REPORTING PERIOD* \$ (34,354)

* if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))
Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period

FUND BALANCE, END OF REPORTING PERIOD \$ (34,354)

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
	\$ -	\$ -

Total Amount Designated for Obligations \$ - \$ -

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ -

SURPLUS*/(DEFICIT) \$ (34,354)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 XX No property was acquired by the Municipality Within the Redevelopment Project Area

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

If NO projects were undertaken by the Municipality Within the Redevelopment Project Area, indicate so in the space provided: _XX_
If Projects WERE undertaken by the Municipality Within the Redevelopment Project Area enter the TOTAL number of projects and list them in detail below.

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE **MUST BE INCLUDED** WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED IF PROJECTS ARE LISTED ON THESE PAGES

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1:			
Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 7:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 8:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 9:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 10:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 11:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 12:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 13:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 14:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 15:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 16:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 17:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 18:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 19:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 20:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 21:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 22:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 23:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 24:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 25:			
Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

ORDINANCE NO. _____

**AN ORDINANCE APPROVING THE
VILLAGE OF CAROL STREAM NORTH AVENUE AND SCHMALE ROAD
TAX INCREMENT FINANCING DISTRICT
REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT**

WHEREAS, the Mayor and Board of Trustees of the Village of Carol Stream (hereinafter referred to as the "Village") desire to implement tax increment financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.* (hereinafter referred to as the "TIF Act") for the proposed Carol Stream North Avenue and Schmale Road Tax Increment Financing District (hereinafter referred to as the "N/S TIF District") redevelopment plan and project (hereinafter referred to as the "TIF Plan"), and designate the tax increment redevelopment project area (hereinafter referred to as the "Redevelopment Project Area") relative to the N/S TIF District; and

WHEREAS, the Village authorized a study in regard to the designation of the Redevelopment Project Area for the N/S TIF District and the preparation of the TIF Plan in relation thereto; and

WHEREAS, on September 6, 2011, the Village announced the availability of the TIF Plan, with said TIF Plan containing an eligibility study for the N/S TIF District addressing the tax increment financing eligibility of the Redevelopment Project Area (hereinafter referred to as the "Eligibility Study"); and

WHEREAS, the Mayor and Board of Trustees of the Village desire to implement tax increment financing pursuant to the TIF Act for the TIF Plan within the municipal boundaries of the Village and within the Redevelopment Project Area described and

depicted in EXHIBIT A-1 and EXHIBIT A-2, both being attached hereto and made part hereof; and

WHEREAS, the Village has complied with the specific notice, joint review board meeting and public hearing requirements provided for in the TIF Act as a prerequisite to approving the TIF Plan in relation to the N/S TIF District, in that the Village has taken the following actions:

	<u>ACTION</u>	<u>DATE TAKEN</u>
1.	Announced the availability of the Eligibility Study and the TIF Plan at a Village Board meeting	September 6, 2011
2.	Approved Ordinance No. 2011-09-32 calling for a Joint Review Board meeting and a public hearing relative to the proposed approval of the Redevelopment Project Area and the TIF Plan in relation thereto	September 19, 2011
3.	Mailed notices relative to the availability of the Eligibility Study and TIF Plan to all residential addresses within 750 feet of the boundaries of the Redevelopment Project Area and to all parties who were registered on the Village's TIF Interested Parties Registry (by First Class U.S. Mail)	September 26, 2011
4.	Mailed a copy of Ordinance No. 2011-09-32, the Eligibility Study and the TIF Plan, along with a notice of the Joint Review Board meeting and the public hearing, to all taxing districts and the Illinois Department of Commerce and Economic Opportunity (by certified mail, return receipt requested)	September 26, 2011
5.	Held the Joint Review Board meeting	October 11, 2011
6.	Published notice of the public hearing in the newspaper (<i>Daily Herald</i>) twice	November 8, 2011 and November 10, 2011
7.	Mailed notices of the public hearing to each taxpayer of record (by certified mail, return receipt requested) within the Redevelopment Project Area, and to each person on the Village's TIF Interested Parties Registry (by First Class U.S. Mail)	November 10, 2011
8.	Held a public hearing	November 21, 2011

; and

WHEREAS, on October 11, 2011, the Joint Review Board, relative to the N/S TIF District, recommended the approval of the Redevelopment Project Area and approval of the TIF Plan in relation thereto; and

WHEREAS, pursuant to the TIF Act, the Village has waited at least fourteen (14) days, but not more than ninety (90) days, from the public hearing date to take action on this Ordinance approving the TIF Plan; and

WHEREAS, the TIF Plan sets forth the conditions in the Redevelopment Project Area qualifying the Redevelopment Project Area as a "conservation area"; and the Mayor and Board of Trustees of the Village have reviewed testimony concerning said conditions presented at the public hearing and are generally informed of the conditions causing the Redevelopment Project Area to qualify as a "conservation area," as said term is defined in Section 5/11-74.4-3 of the TIF Act (65 ILCS 5/11-74.4-3); and

WHEREAS, the Mayor and Board of Trustees have reviewed the conditions pertaining to the lack of private investment in the Redevelopment Project Area to determine whether private development would take place in the Redevelopment Project Area as a whole without the adoption of the TIF Plan; and

WHEREAS, it is the intent of the Mayor and Board of Trustees to utilize the tax increment from all sources authorized by law; with such revenues to be exclusively utilized for the development of the TIF Plan within the Redevelopment Project Area; and

WHEREAS, the Redevelopment Project Area would not reasonably be redeveloped without the use of such incremental revenues; and

WHEREAS, the Mayor and Board of Trustees have reviewed the conditions pertaining to real property in the Redevelopment Project Area to determine whether

contiguous parcels of real property and improvements thereon in the Redevelopment Project Area would be substantially benefited by the TIF Plan improvements;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Board of Trustees of the Village of Carol Stream, DuPage County, Illinois, as follows:

SECTION 1: That the Mayor and Board of Trustees hereby make the following findings:

A. The area constituting the Redevelopment Project Area is described and depicted as set forth in the attached EXHIBIT A-1 and EXHIBIT A-2;

B. There exist conditions which cause the area proposed to be designated as the Redevelopment Project Area to be classified as a "conservation area," as such term is defined in Section 5/11-74.4-3 of the TIF Act (65 ILCS 5/11-74.4-3);

C. The Redevelopment Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise and would not be reasonably anticipated to be redeveloped without the adoption of the TIF Plan;

D. The Redevelopment Project Area would not reasonably be redeveloped without the tax increment derived from real property tax incremental revenues, and the increment from such revenues will be exclusively utilized for the redevelopment as outlined in the TIF Plan within the Redevelopment Project Area;

E. The TIF Plan conforms to the Village's Comprehensive Plan for the development of the Village as a whole;

F. The parcels of real property in the Redevelopment Project Area are contiguous and only those contiguous parcels of real property and improvements

thereon which will be substantially benefited by the TIF Plan are included in the Redevelopment Project Area;

G. The estimated date for final completion of the TIF Plan is December 31, 2034, subject to the receipt of 2034 incremental real estate tax revenues during 2035; and

H. The estimated date for retirement of obligations incurred to finance TIF Plan costs is not later than December 31, 2034, subject to the receipt of 2034 incremental revenues during 2035.

SECTION 2: That the TIF Plan which was the subject matter of the public hearing held on November 21, 2011, is hereby adopted and approved. A copy of said TIF Plan is attached hereto as EXHIBIT B and made a part hereof.

SECTION 3: That this Ordinance shall be in full force and effect from and after its adoption, approval and publication in pamphlet form as provided by law.

SECTION 4: That if any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity thereof shall not affect any of the other provisions of this Ordinance.

SECTION 5: That all ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

ADOPTED this 5th day of December, 2011, pursuant to a roll call vote as follows:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED by me this 5th day of December, 2011.

Frank Saverino, Sr., Mayor

ATTEST:

Beth Melody, Village Clerk

Published by me in pamphlet form this 6th day of December, 2011.

Beth Melody, Village Clerk

EXHIBIT A-1

Redevelopment Project Area Description

**Village of Carol Stream
North Avenue and Schmale Road TIF District**

Legal Description:

LOTS 1 AND 2 IN DUDA'S FIRST RESUBDIVISION, BEING A RESUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

LOTS 1 AND 2 (EXCEPT THAT PART OF SAID LOTS 1 AND 2 THAT IS LOCATED IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DUPAGE COUNTY, ILLINOIS) IN SMURFIT STONE SUBDIVISION OF PART OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND SECTION 4, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

LOT 4 IN CONTAINER CORPORATION OF AMERICA PLAT OF LOT 4, BEING A PART OF THE NORTHWEST $\frac{1}{4}$ OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 29, 1985 AS DOCUMENT R 85-72067, IN DUPAGE COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

OF THAT PART OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED BY BEGINNING AT A POINT ON THE SOUTH LINE OF CONTAINER CORPORATION OF AMERICA PLAT OF LOT 3 WHICH IS ON THE WESTERLY RIGHT-OF-WAY LINE OF STATE AID ROUTE 36 (SCHMALE ROAD) (SAID PLAT HAVING BEEN RECORDED ON NOVEMBER 10, 1969 AS DOCUMENT R69-48794, IN DUPAGE COUNTY, ILLINOIS) AND RUNNING THENCE SOUTH 3 DEGREES 09 MINUTES 36 SECONDS EAST ALONG SAID RIGHT-OF-WAY LINE, 154.85 FEET TO THE NORTHERLY LINE OF THE RIGHT-OF-WAY OF THE COMMONWEALTH EDISON COMPANY; THENCE SOUTH 87 DEGREES 26 MINUTES 52 SECONDS WEST ALONG SAID NORTHERLY LINE, 737.07 FEET TO THE NORTHWEST CORNER OF SAID RIGHT-OF-WAY; THENCE SOUTH 3 DEGREES 31 MINUTES 04 SECONDS EAST, 117.02 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO

AND NORTHWESTERN RAILROAD; THENCE SOUTH 87 DEGREES 26 MINUTES 52 SECONDS WEST ALONG SAID NORTHERLY LINE, 35.94 FEET TO THE EAST LINE OF MARIE I. HUSKA'S PLAT OF SURVEY; THENCE NORTH 5 DEGREES 32 MINUTES 19 SECONDS WEST ALONG SAID EAST LINE, 274.93 FEET TO THE NORTHEAST CORNER THEREOF (BEING ON THE SAID SOUTH LINE OF CONTAINER CORPORATION OF AMERICA PLAT OF LOT 3); THENCE NORTH 87 DEGREES 38 MINUTES 45 SECONDS EAST ALONG SAID SOUTH LINE, 158.04 FEET; THENCE NORTHEASTERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 302.94 FEET, A LONG CHORD BEARING OF NORTH 69 DEGREES 37 MINUTES 32 SECONDS EAST, AND A LONG CHORD LENGTH OF 119.77 FEET, FOR AN ARC DISTANCE OF 120.56 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 00 SECONDS EAST, 511.99 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE OF STATE AID ROUTE 36 (SCHMALE ROAD); THENCE SOUTH 03 DEGREES 09 MINUTES 36 SECONDS EAST ALONG SAID WESTERLY LINE, 16.17 FEET TO THE PLACE OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS. SITUATED IN THE COUNTY OF DUPAGE, IN THE STATE OF ILLINOIS.

ALONG WITH THAT PORTION OF SCHMALE ROAD LOCATED ADJACENT THERETO;

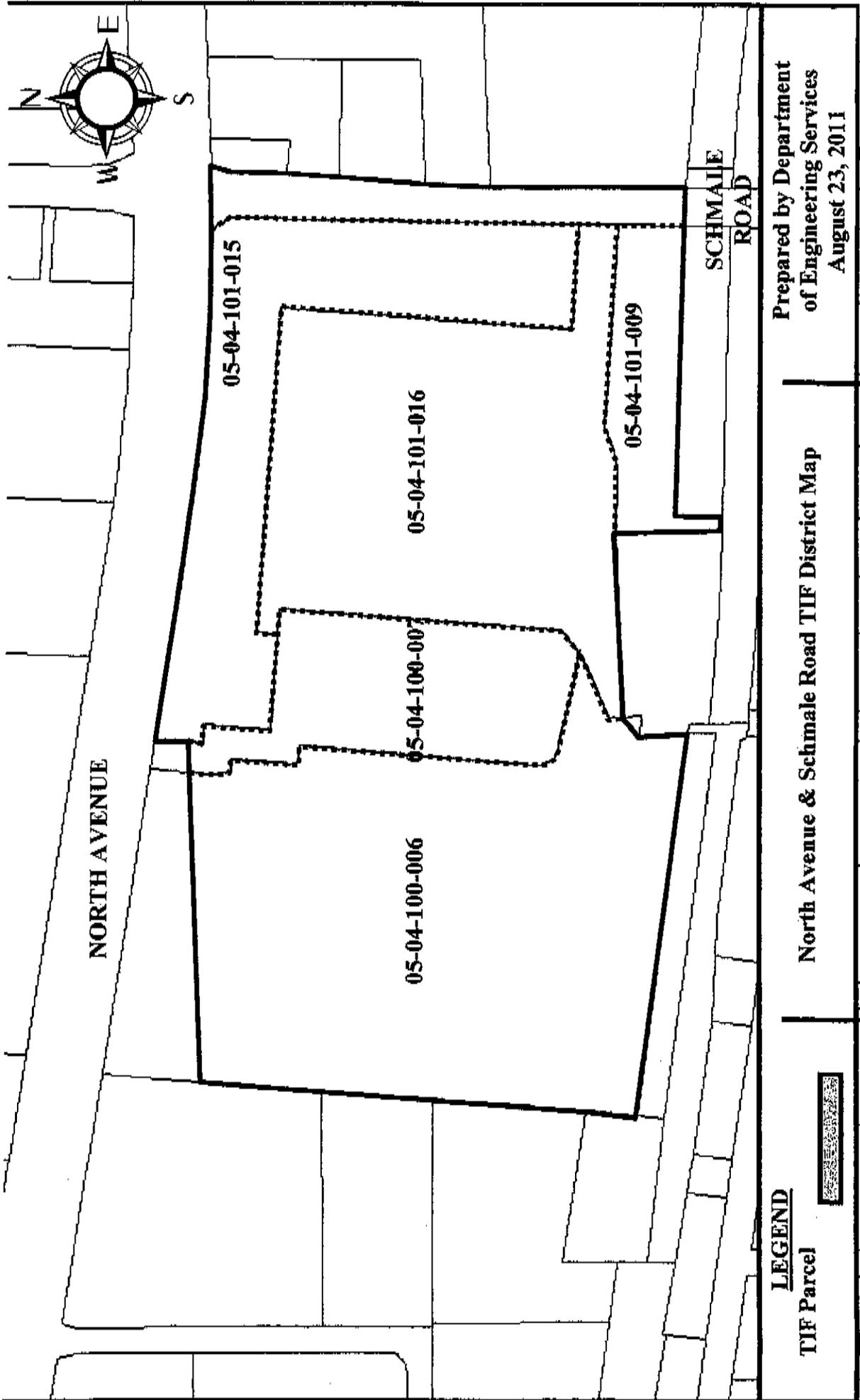
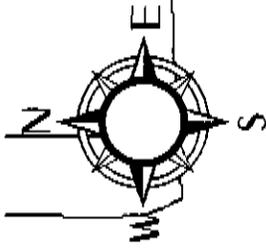
PINs: 05-04-100-006 and -007; 05-04-101-009, -015 and -016;

Common Addresses: 400, 450, and 500 to 550 East North Avenue;
and 200 S. Schmale Road, Carol Stream, Illinois.

EXHIBIT A-2

Street Location Map

(attached)



Prepared by Department
of Engineering Services
August 23, 2011

North Avenue & Schmale Road TIF District Map

LEGEND
TIF Parcel



EXHIBIT B

**Redevelopment Plan and Project for the
Carol Stream North Avenue and Schmale Road
Tax Increment Financing District**

(attached)

**VILLAGE OF CAROL STREAM
TIF REDEVELOPMENT PLAN
NORTH AVENUE/SCHMALE ROAD TIF
DISTRICT**

"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

Prepared by the Village of Carol Stream, Illinois

in conjunction with

Kane, McKenna and Associates, Inc.

August, 2011

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I. INTRODUCTION

The Village of Carol Stream (the "Village") is located in DuPage County, Illinois, and generally lies adjacent to the municipalities of Bloomingdale on the north, Glendale Heights to the east, Wheaton to the south, and unincorporated DuPage County to the west.

This Village was incorporated in 1959. The Village includes a mix of uses including residential, industrial, and commercial. From a development standpoint it is important to the Village that appropriate actions are taken to protect and where possible, expand the non-residential base for the community.

TIF Plan Requirements. The Village is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, *et. seq.*, as amended. To establish a TIF district (otherwise known as the Redevelopment Project Area ("RPA")), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Eligibility Report.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest so as to: "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas" (65 ILCS 5/11-74.4-2(b)).

By definition, a TIF "Redevelopment Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a "blighted area," "conservation area" (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

The Proposed TIF District. The proposed RPA is generally bounded to the east by Schmale Road, Village boundaries to the south, and North Avenue to the north. The western boundary is the property line of the Bluegrass Folding Carton facility.

The proposed RPA is largely industrial and includes adjacent right of ways.

The proposed TIF District suffers from a variety of economic development impediments, as identified in the TIF Act. Section V of the *TIF Eligibility Report* (see Appendix 5) report identifies the following impediments to redevelopment:

- Inadequate Utilities
- Obsolescence
- Lack of Community Planning
- Excessive Vacancies
- Deterioration.

On balance, the combination of these factors limits the opportunities for private reinvestment within and around the RPA. Such factors potentially suppress the value of future development and weaken the potential for business growth – limiting employment and contributing to the lack of sustained investment in the area.

The RPA may be suitable for new development if there is coordination of uses and redevelopment activity by the Village. Under this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the Village intends to attract and encourage industrial, institutional, and commercial uses to locate, upgrade, expand and/or modernize their facilities within the Village. Through the establishment of the RPA, the Village would implement a program to redevelop key areas within the Village and in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts over the long run.

Rationale for Redevelopment Plan. The Village recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment may only be possible if a TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Plan will benefit both the Village and surrounding taxing districts, by virtue of the expected expansion of the tax base.

The Village does not anticipate that area as a whole would be developed in a coordinated manner without the adoption of the TIF Redevelopment Plan. The Village, with the assistance of KMA, has therefore commissioned this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future retail, commercial and retail/mixed use opportunities surrounding the area.

The designation of the area as an RPA will allow the Village to pursue the following beneficial strategies:

- Enhancing area appearance through construction and rehabilitation of structures and improvements to landscape, streetscape and signage;
- Coordinating land and/or building assembly in order to provide sites for more modern redevelopment;
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future institutional opportunities and Village redevelopment projects within the RPA and/or surrounding area;
- Providing infrastructure that supports redevelopment plans for the RPA; and
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA.

Through this Plan, the Village will serve as the central influence for the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits will accrue to the area: a stabilized and expanded tax base; retention of existing businesses; entry of new businesses; new employment opportunities; and physical and aesthetic improvements related to the rehabilitation of existing structures. Ultimately, the implementation of the Plan will benefit (a) the Village, (b) the taxing districts serving the RPA, (c) residents and property owners within the RPA, and (d) existing and new businesses.

Village Findings. The Village, through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;
- That public/private partnerships are determined to be necessary in order to achieve development goals;

- That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and development would not reasonably be expected to be achieved;
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and
- That the TIF Redevelopment Plan conforms to the Village's comprehensive plan for development, and the Village's Zoning Ordinance.

It is further found, and certified by the Village, in connection to the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA would not result in the dislocation of more than ten (10) inhabited residential units and that the RPA contains fewer than seventy-five (75) inhabited residential units. Therefore, *this Plan does not include a Housing Impact Study.*

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

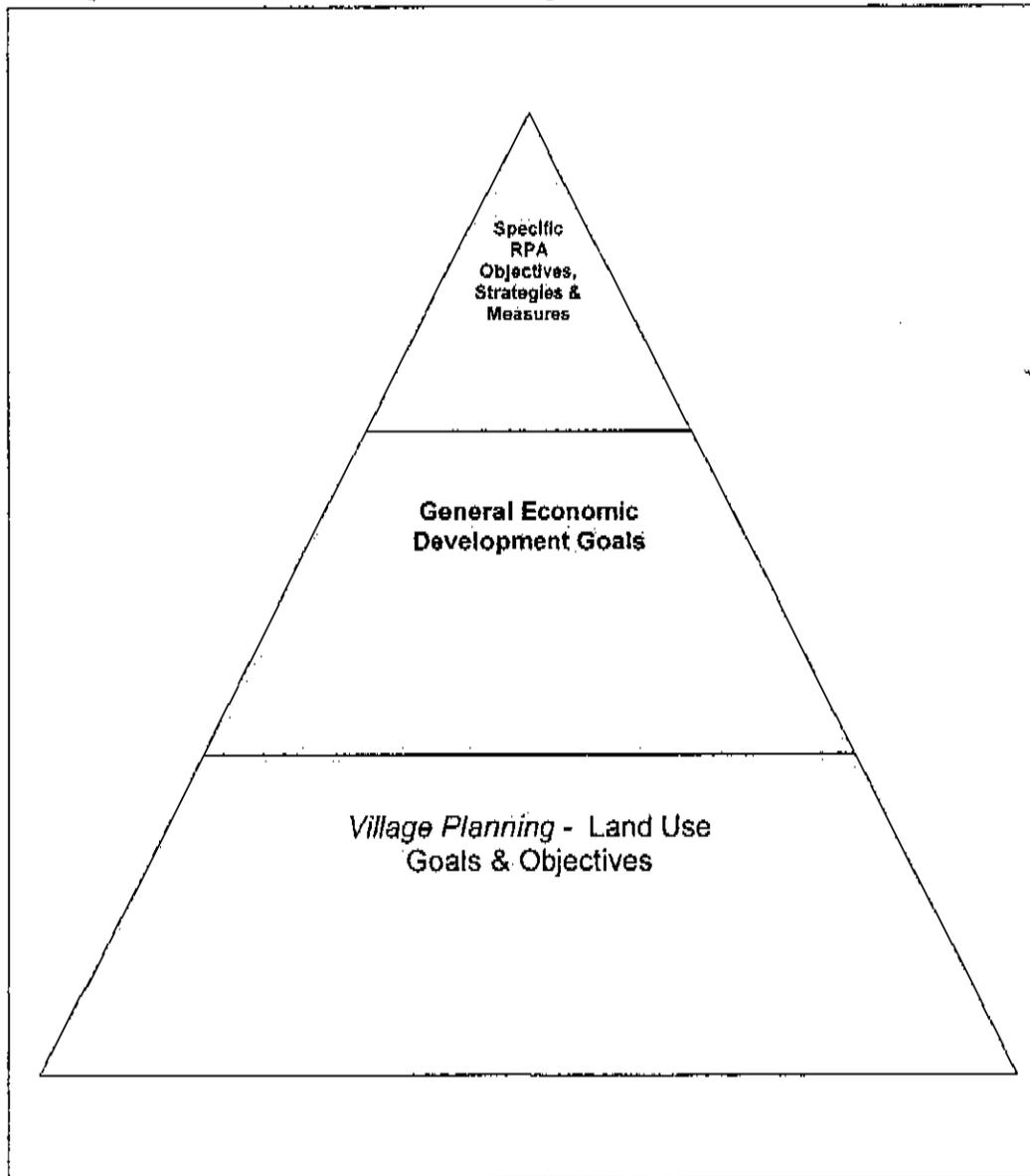
II. RPA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Appendix 1.

III. RPA GOALS AND OBJECTIVES

The Village has evaluated a number of economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the proposed TIF District.

Exhibit 1
Relationship of Land Use and Economic Development Plans



Specific Objectives and Strategies for the RPA. The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would “impact” the redevelopment activities undertaken within the proposed RPA. TIF designation would allow the Village to pursue the following objectives within the RPA:

- Accomplish redevelopment over a reasonable time period;
- Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Reduce or eliminate any negative factors present within the area including the reoccupancy of vacant structures; and
- Create an attractive overall appearance for the area.

Ultimately, the implementation of the Redevelopment Project would contribute to the economic development of the area and provide new employment opportunities for Village residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the assembly, preparation and marketing of improved and underutilized sites, while assisting private developers who would assemble suitable sites for modern development needs;
- Provision of adequate stormwater management facilities;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development as well as the rehabilitation of existing properties within the RPA;
- Facilitating the provision of adequate on- and off-street parking within the RPA; and
- Providing assistance to existing businesses and to encourage current institutional operations or upgrades to facilities.

To track success in meeting RPA-specific objectives and strategies, the Village may wish to consider establishing certain performance measures that would help the Village monitor the projects to be undertaken within the proposed RPA. The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). Exhibit 3 below identifies the types of performance measures the Village may consider to track the performance of projects within the RPA. (Section VI of this report discusses the types of projects that the Village may pursue within the RPA, with the caveat that specific projects at this point are only conceptual in nature.)

Exhibit 3
Examples of TIF Performance Measures

Measure	Examples
Input	Public investment (\$) Private investment (\$) Acres of land assembled for TIF Bond proceeds
Output/Workload	Jobs created or retained Number of streetscaping fixtures installed Commercial space created (square feet)
Efficiency	Leverage ratio (private investment / public investment) Cost per square foot of commercial space Public subsidies per job created/retained
Effectiveness	% change in assessed value (AV) in TIF versus AV in rest of Village % change in AV within TIF before and after TIF creation Municipal sales taxes before and after TIF creation
Risk	Debt coverage ratio Credit ratings of anchor tenants Tenant diversification (e.g., percent of total TIF EAV attributable to top 10 tenants in commercial development)

Source: *An Elected Official's Guide to Tax Increment Financing*, Government Finance Officers Association.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS

Evidence of the Lack of Development and Growth within the RPA. As documented in Appendix 5 of this Plan, the RPA would qualify as a conservation area. In recent years, the area has not benefited from sustained private investment and/or development. Absent intervention by the Village, properties within the RPA would not be likely to gain in value.

The proposed RPA exhibits various conditions which, if not addressed by the Village, would eventually result in blight. For example, structures and public improvements reflect lack of community planning and obsolescence. These various conditions discourage private sector investment in business enterprises.

Assessment of Fiscal Impact on Affected Taxing Districts. It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the Village to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV). In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of falling AV.

Should the Village achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the Village will consider the declaration of "surplus funds," as defined under the Act. Such funds which are neither expended nor obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the Village. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the Village – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act.

An exception to the tax-sharing provision relates to the Village's utilization of TIF funding to mitigate the impact of residential redevelopment upon school and library districts. In such cases, the Village will provide funds to offset the costs incurred by eligible school and the library district in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. (Refer to Section VI of this Report, which describes allowable TIF project costs). However, proposed land uses do not include residential uses, only industrial and commercial/retail uses are considered.

V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA

Findings. The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under the Act. Refer to the TIF Qualification Report, attached as Appendix 5 in this Plan.

Eligibility Survey. Representatives of KMA and Village staff evaluated the RPA from May, 2010 to the date of this Plan. Analysis was aided by certain reports obtained from the Village, reports from Village engineering consultants, on-site due diligence, and other sources. In KMA's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF District.

VI. REDEVELOPMENT PROJECT

Redevelopment Plan and Project Objectives. As indicated in Section III of this Report, the Village has established a planning process which guides economic development and land use activities throughout the Village. Consistent with the established planning process, the Village proposes to achieve economic development goals and objectives through the redevelopment of the RPA, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques (including but not limited to tax increment financing).

The project-specific objectives envisioned for the RPA are as follows:

- 1) Implementing a plan that provides for the attraction of users to redevelop underutilized properties that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
 - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with Village standards for context-sensitive design);
 - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
 - Signalization, traffic control and lighting;
 - Off-street parking and public parking facilities; and
 - Landscaping and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation and rehabilitation of structures.
- 5) Exploration and review of job training programs in coordination with any Village, federal, state, and county programs.

Redevelopment Activities. Pursuant to the project objectives cited above, the Village will implement a coordinated program of actions. These include, but are not limited to, acquisition, site preparation, clearance, demolition, rehabilitation, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites including relocation costs, if required. It is expected that the Village would facilitate private acquisition through reimbursement or write-down of related costs.

Public Improvements

The Village may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems, stormwater management related improvements, roadways, and traffic-related improvements;
- Parking facilities (on grade and parking structures); and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

Rehabilitation

The Village may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to Village code provisions. Improvements may include exterior and facade-related work as well as interior-related work.

Interest Rate Write-Down

The Village may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid for out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The Village may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Applicable local vocational educational programs, including community college sponsored programs;
- Federal programs;
- State of Illinois programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

General Land Use Plan. As noted in Section I of this report, the proposed RPA currently contains primarily industrial uses.

Existing land uses are shown in Appendix 3 attached hereto and made a part of this Plan. Appendix 4 designates intended land uses in the Redevelopment Project Area. Future land uses would conform to the Village Comprehensive Plan, as it may be amended from time to time, and include industrial and commercial/retail uses.

Additional Planning and Control Standards. The appropriate planning and control standards (including any Planned Unit Developments are subject to review by existing Village procedures and processes) and are set forth in the Village's Zoning Ordinance, and the Village's comprehensive plan.

Eligible Redevelopment Project Costs. Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts

that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

- The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
 - 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;
 - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – Costs including but not limited to acquisition of land and other property (real or personal) or rights or interests therein, demolition of buildings, site preparation, 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;
 - (3) *Improvements to Public or Private Buildings* – Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
 - (4) *Public Works* – Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

- (5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) *Financing Costs* – Costs including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;
- (7) *Capital Costs* – To the extent the municipality 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 project;
- (8) *School-Related Costs* – For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually.¹ Certain library district costs may also be paid as provided for in the Act.

¹ The calculation is as follows: (A) For foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (C) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

- (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 the Act;
- (10) *Payment in lieu of taxes*;
- (11) *Other Job Training* – 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;
- (12) *Developer Interest Cost* – Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
- (A) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - (C) if there are not sufficient funds available in the special tax allocation fund to make the payment then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - (D) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
 - (E) the cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D).

(F) Instead of the eligible costs provided by subparagraphs (B) and (D), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F).²

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.³

Projected Redevelopment Project Costs. Estimated project costs are shown in Exhibit 4 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

² The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

³ Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the "Total Estimated TIF Budget" in Exhibit 4) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the RPA.

Exhibit 4 RPA Project Cost Estimates

(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..... \$450,000
- (2) Costs of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors \$50,000
- (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 cleaning and grading of land \$4,000,000
- (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 if pursuant to the implementation of a Redevelopment Project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment \$5,000,000
- (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 \$50,000

- (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 issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto N/A refet to footnote 4) below
 - (8) To the extent the municipality, 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 Project \$50,000
 - (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 \$50,000
 - (10) Payment in lieu of taxes \$50,000
 - (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 agreements 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 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..... \$450,000
 - (12) Interest cost incurred by a redeveloper related to the construction renovation or rehabilitation of a redevelopment project \$2,000,000
- TOTAL REDEVELOPMENT PROJECT BUDGET: \$22,150,000**

The Village may reimburse developers 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 coincide with Redevelopment Project expenditures by private developers and the receipt of revenues from the Redevelopment Projects.

Notes regarding Redevelopment Project Costs:

- 1) All costs shown are in 2011 dollars.
- 2) Private redevelopment costs and investments 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) Total budgeted costs exclude any additional financing costs, including interest expense, capitalized interest, and any and all closing costs associated with any obligations issued.
- 5) The total estimated Redevelopment Project Costs shall not be increased by more than five percent (5%) after adjustment for inflation from the date of the approval of this Redevelopment Plan and Project, unless otherwise authorized by the Act.

Sources of Funds to Pay Redevelopment Project Costs. Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the Village may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the Village may establish in the future. (Conversely, incremental revenues from the TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Exhibit 4 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the Village Board, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA – over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2010 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

Nature and Term of Obligations to Be Issued. The Village may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to Illinois State Law.

Any and all obligations issued by the Village pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years after the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Certain revenues may be declared as surplus funds if not required for: principal and interest payments, required reserves, bond sinking funds, redevelopment project costs, early retirement of outstanding securities, or facilitating the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan. Such surplus funds shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the Village may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

Most Recent Equalized Assessed Valuation for the RPA. The most recent equalized assessed valuation for the RPA is based on the 2010 EAV, and is estimated to be approximately \$9,573,880.

Anticipated Equalized Assessed Valuation for the RPA. Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA will be approximately \$25,000,000 to \$30,000,000.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Redevelopment Project. The Village will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to Village zoning and planning requirements, or if the Village undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the Village:

- Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act.
- Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare site(s) for desired redevelopment projects.
- Rehabilitation: The Village may assist in the rehabilitation of buildings or site improvements located within the RPA.
- Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate new development. Upgrading of existing utilities may be undertaken. The Village may also undertake the provision of necessary detention or retention ponds.
- Roadway/Street/Parking Improvements: The Village may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.
- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.
- Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.
- Professional Services: The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and Affirmative Action. As part of any Redevelopment Agreement entered into by the Village and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs, and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs. This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third year after the ordinance approving the RPA is adopted.

VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT

This Plan may be amended pursuant to the provisions of the Act.

APPENDIX 1

Legal Description of Project Area

**VILLAGE OF CAROL STREAM
NORTH AVENUE AND SCHMALE ROAD TIF DISTRICT**

LEGAL DESCRIPTION

LOTS 1 AND 2 IN DUDA'S FIRST RESUBDIVISION, BEING A RESUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

LOTS 1 AND 2 (EXCEPT THAT PART OF SAID LOTS 1 AND 2 THAT IS LOCATED IN THE SOUTHWEST ¼ OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DUPAGE COUNTY, ILLINOIS) IN SMURFIT STONE SUBDIVISION OF PART OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND SECTION 4, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN DUPAGE COUNTY, ILLINOIS.

LOT 4 IN CONTAINER CORPORATION OF AMERICA PLAT OF LOT 4, BEING A PART OF THE NORTHWEST ¼ OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AUGUST 29, 1985 AS DOCUMENT R 85-72067, IN DUPAGE COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS:

OF THAT PART OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED BY BEGINNING AT A POINT ON THE SOUTH LINE OF CONTAINER CORPORATION OF AMERICA PLAT OF LOT 3 WHICH IS ON THE WESTERLY RIGHT-OF-WAY LINE OF STATE AID ROUTE 36 (SCHMALE ROAD) (SAID PLAT HAVING BEEN RECORDED ON NOVEMBER 10, 1969 AS DOCUMENT R69-48794, IN DUPAGE COUNTY, ILLINOIS) AND RUNNING THENCE SOUTH 3 DEGREES 09 MINUTES 36 SECONDS EAST ALONG SAID RIGHT-OF-WAY LINE, 154.85 FEET TO THE NORTHERLY LINE OF THE RIGHT-OF-WAY OF THE COMMONWEALTH EDISON COMPANY; THENCE SOUTH 87 DEGREES 26 MINUTES 52 SECONDS WEST ALONG SAID NORTHERLY LINE, 737.07 FEET TO THE NORTHWEST CORNER OF SAID RIGHT-OF-WAY; THENCE SOUTH 3 DEGREES 31 MINUTES 04 SECONDS EAST, 117.02 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF THE CHICAGO AND NORTHWESTERN RAILROAD; THENCE SOUTH 87 DEGREES 26 MINUTES 52 SECONDS WEST ALONG SAID NORTHERLY LINE, 35.94 FEET TO THE EAST LINE OF MARIE I. HUSKA'S PLAT OF SURVEY; THENCE NORTH 5 DEGREES 32 MINUTES 19 SECONDS WEST ALONG SAID EAST LINE, 274.93 FEET TO THE NORTHEAST CORNER THEREOF (BEING ON THE SAID SOUTH LINE OF

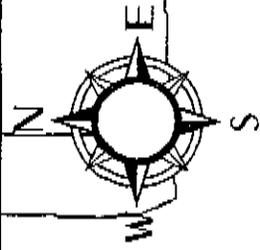
CONTAINER CORPORATION OF AMERICA PLAT OF LOT 3); THENCE NORTH 87 DEGREES 38 MINUTES 45 SECONDS EAST ALONG SAID SOUTH LINE, 158.04 FEET; THENCE NORTHEASTERLY ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 302.94 FEET, A LONG CHORD BEARING OF NORTH 69 DEGREES 37 MINUTES 32 SECONDS EAST, AND A LONG CHORD LENGTH OF 119.77 FEET, FOR AN ARC DISTANCE OF 120.56 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 00 SECONDS EAST, 511.99 FEET TO SAID WESTERLY RIGHT-OF-WAY LINE OF STATE AID ROUTE 36 (SCHMALE ROAD); THENCE SOUTH 03 DEGREES 09 MINUTES 36 SECONDS EAST ALONG SAID WESTERLY LINE, 16.17 FEET TO THE PLACE OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS. SITUATED IN THE COUNTY OF DUPAGE, IN THE STATE OF ILLINOIS.

ALONG WITH THAT PORTION OF SCHMALE ROAD LOCATED ADJACENT THERETO;

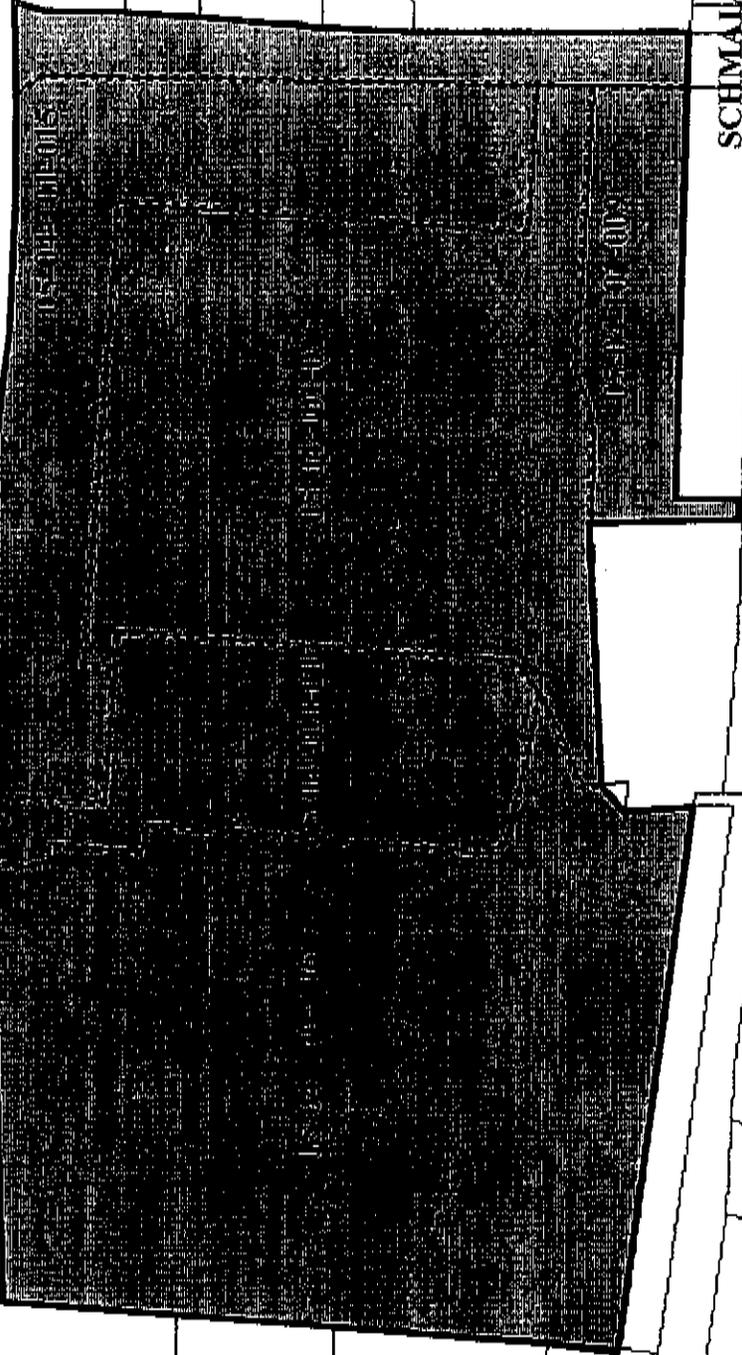
PINs: 05-04-100-006 and -007; 05-04-101-009, -015 and -016;

Common Addresses: 400, 450, and 500 to 550 East North Avenue;
and 200 S. Schmale Road, Carol Stream, Illinois.

APPENDIX 2
Boundary Map of RPA



NORTH AVENUE



SCHMALE
ROAD

LEGEND

TIF Parcel

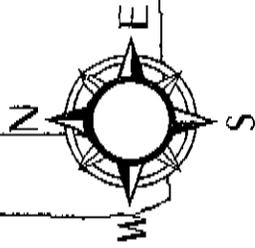


North Avenue & Schmale Road TIF District Map

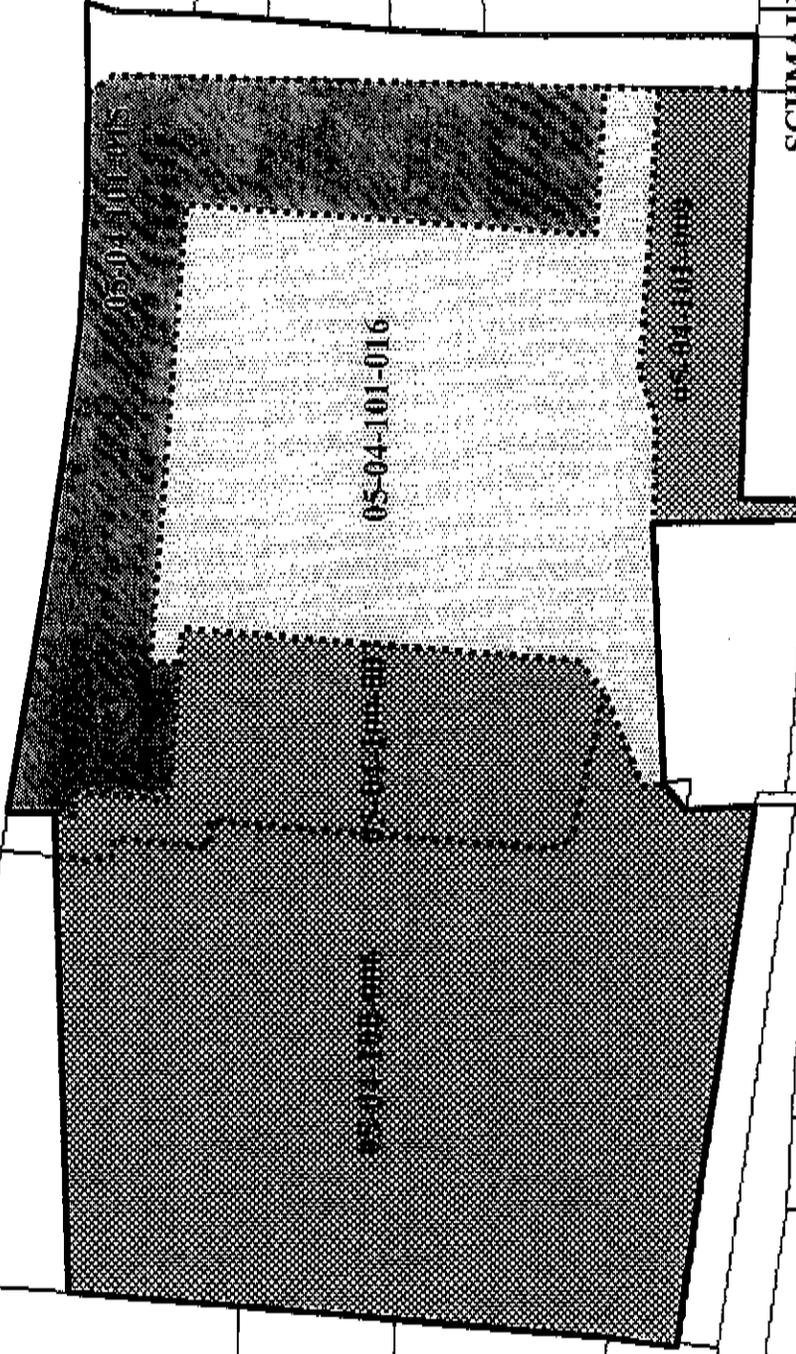
Prepared by Department
of Engineering Services
August 23, 2011

APPENDIX 3

Existing Land Use Map of RPA



NORTH AVENUE



SCHMALE ROAD

LEGEND



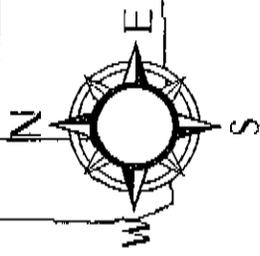
Vacant Commercial
Vacant Industrial
Occupied Industrial

North Avenue & Schmale Road TIF District
Existing Land Use Map

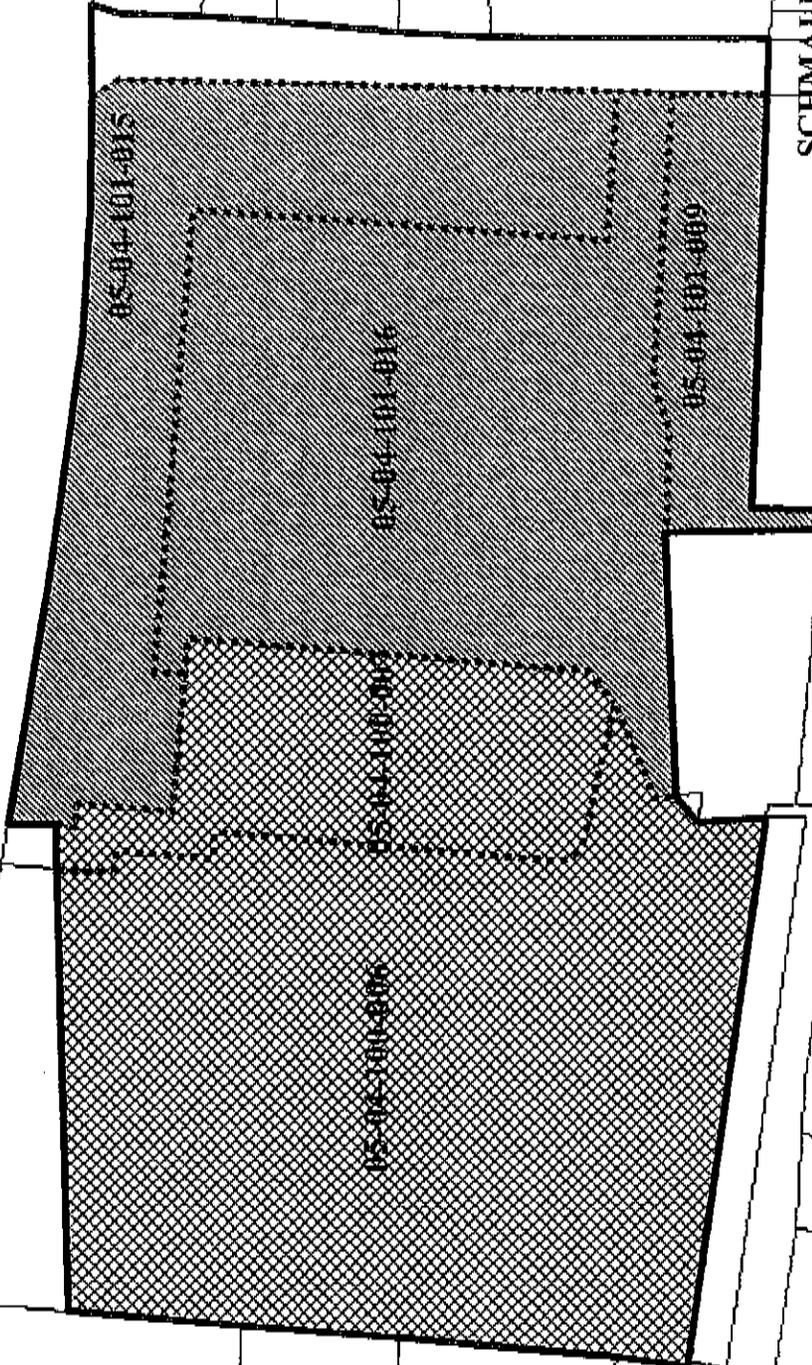
Prepared by Department
of Engineering Services
August 26, 2011

APPENDIX 4

Future Land Use Map of RPA



NORTH AVENUE



SCHMALE ROAD

LEGEND



Commercial
Industrial

North Avenue & Schmale Road TIF District
Future Land Use Map

Prepared by Department
of Engineering Services
August 26, 2011

APPENDIX 5

TIF Qualification Report

Prepared by Kane, McKenna and Associates

**VILLAGE OF CAROL STREAM
TIF ELIGIBILITY REPORT
NORTH AVENUE/SCHMALE ROAD TIF**

A study to determine whether all or a portion of an area located in the Village of Carol Stream qualifies as a Conservation Area as set forth in the definition in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

Prepared for: Village of Carol Stream, Illinois

Prepared by: Kane, McKenna and Associates, Inc.

August, 2011

**VILLAGE OF CAROL STREAM
NORTH AVENUE/SCHMALE ROAD TIF ELIGIBILITY REPORT**

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A	Boundary Map	

EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Carol Stream to conduct an analysis of the qualification of an area that would result in the establishment of the North Avenue/Schmale Road Tax Increment Finance (TIF) District. The Village is pursuing the creation of the proposed TIF District as part of its strategy to promote the revitalization of significant economic development related properties (the parcels studied and analyzed in this report to be included within the TIF District) located within the Village.

Based upon the analysis completed to the date of this Report, KMA has reached the following conclusions regarding the potential qualification of the TIF District:

1) *Conservation Area* – The proposed TIF District qualifies as a “Conservation Area” as defined under the TIF Act. Overall, because of certain factors identified in this report, the area is in danger of declining toward a blighted condition. This condition prevents, or threatens to prevent, the healthy economic and physical development of properties in a manner that the community deems essential to its overall economic health. Because the majority of structures (100% or 5 of 5 structures) are 35 years old or older, the TIF District meets the statutory criteria as a Conservation Area TIF.

2) *Current conditions impede redevelopment* – The existence of certain conditions found within the proposed TIF District present impediments to the area’s successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in the overall TIF District. Without the use of Village planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.

3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed TIF District, there are properties which potentially could be redeveloped and thereby produce incremental property tax and sales tax revenue. Such revenue, used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF District.

4) *TIF designation recommended* – To mitigate Conservation Area conditions, promote private sector investment, and foster the economic viability of the proposed TIF District, KMA recommends that the Village proceed with the formal TIF designation process for the entire area.

Because the Village will NOT be pursuing the redevelopment of any residential parcels, the Village is not obligated to conduct a housing impact study pursuant to the Illinois Tax Increment Allocation Act (ILCS 5/11-74.4-1 *et. seq.*, as amended; hereinafter referred to as the “Act”).

I. INTRODUCTION AND BACKGROUND

In the context of planning for the proposed establishment of the North Avenue/Schmale Road Tax Increment Financing District (the "TIF District," "Redevelopment Project Area" or "RPA"), the Village has initiated the study of parcels within the proposed TIF District to determine whether they qualify for inclusion in the district. Kane, McKenna and Associates, Inc. has agreed to undertake the study of the area.

Objectives. The Village proposes to enhance industrial and commercial/retail opportunities within the RPA.

Given the Village's objectives as well as the conditions described in this report, the Village has made a determination that it is highly desirable to promote the redevelopment of the proposed RPA. Without an implementation plan for redevelopment, the Village believes adverse conditions could impair property valuations. The Village intends to create and implement such a plan in order to restore, stabilize, and increase the economic base associated with the TIF District, which will not only benefit the community as a whole but also generate additional tax revenues.

Because of the conditions observed in the TIF District and the required coordination for future land uses, the Village is favorably disposed toward supporting redevelopment efforts. The Village has determined that redevelopment should take place through the benefit and guidance of comprehensive economic planning by the Village. Through this coordinated effort, the TIF District is expected to improve and development barriers to be eliminated.

The Village has further determined that redevelopment currently planned for the TIF District is feasible only with public finance assistance that would serve to leverage private investment. The creation and utilization of a TIF redevelopment plan is intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the TIF District.

The use of TIF relies upon induced private redevelopment in the RPA to create higher real estate values and result in the redevelopment of underutilized properties, that would otherwise decline or remain underutilized without such investment. By so doing, it would result in increased property taxes compared to the previous land use (and/or lack of use). In this way, the existing tax base for all tax districts would be protected and a portion of future increased taxes pledged to attract the requisite private investment.

Current Land Use. The proposed TIF District is generally located along the south side of North Avenue and west of Schmale Road. At one point (late 1960's), this area served as the Container Corporation campus, including buildings located numerous facilities west of Schmale Road.

Container Corporation has since ceased operations in the RPA and various users and operations now occupy one time single use buildings (designed as part of the Container Corporation facility). The proposed TIF District suffers from a variety of economic development impediments, as identified in the TIF Act. For example, it suffers from inadequate utilities, deterioration, and excessive vacancies. Almost ½ of the building space is vacant and one former Container Corporation building was demolished. In addition, a service station use in the TIF District was demolished several years ago.

Refer to Appendix 1 of the TIF Plan which provides a detailed map of the proposed TIF.

General Scope and Methodology. KMA formally began its analysis by conducting a series of meetings and discussions with Village staff, starting in May, 2010 and continuing periodically up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for the TIF District and to gather data related to the qualification criteria for properties included in the TIF District. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF District on a parcel-by-parcel basis. The field surveys and data collected have been utilized to test the likelihood that various areas located within the proposed TIF District would qualify for TIF designation.

For the purpose of the study, properties within the proposed TIF District were examined in the context of the TIF Act governing improved areas. The qualification factors discussed in this report qualify the area as a Conservation Area, as the term is defined pursuant to the TIF Act.

During the course of its work, KMA reported to key Village staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the Village (a) made refinements to the TIF District boundaries and (b) directed KMA to complete this report and to move forward with the preparation of a Redevelopment Plan and Project for the TIF District.

For additional information about KMA's data collection and evaluation methods, refer to Section IV of this report.

II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc. assessed the proposed TIF District to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a TIF District/Redevelopment Project Area. By definition, a Redevelopment Project Area is:

“An area designated by the 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 a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “Conservation Area” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a Conservation Area. In accordance with the Illinois TIF Act, KMA performed a two-step assessment to determine if the proposed TIF District would qualify as a Conservation Area. First, KMA analyzed the threshold factor of age to determine if a majority of structures were 35 years of age or older.

If a proposed Conservation Area meets the age threshold, then following factors are to be examined to determine TIF qualification:

If a *Conservation Area*, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of three (3) 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 within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Redevelopment Project Area:

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building 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.

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

(C) Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, 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 limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) 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.

(E) 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.

(F) 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.

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

(H) 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.

(I) 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 exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased

threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) 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.

(K) 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. Any such remediation costs would constitute a material impediment to the development or redevelopment of the Redevelopment Project Area.

(L) 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.

(M) "Stagnant, Lagging" EAV. The total equalized assessed value (EAV) 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 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.

III. THE PROPOSED TIF DISTRICT

The proposed TIF District contains approximately five (5) tax parcels located along the south side of North Avenue adjacent to and west of Schmale Road.

The TIF District contains improved land designated primarily for industrial and commercial purposes.

It has been determined that this TIF Eligibility Report will NOT require a Housing Impact Study, pursuant to the Act. This is because the final boundaries selected by the Village will include no known residential units that could be subject to removal or relocation during the life of the proposed TIF District.

IV. METHODOLOGY OF EVALUATION

In evaluating the TIF District's qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the TIF District were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Site surveys were completed for each parcel within the proposed TIF District.
- 2) KMA performed EAV trend analysis to ascertain whether EAV growth in the proposed TIF District underperformed relative to EAV growth in the remaining part of the Village.
- 3) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration, and obsolescence. Additionally, KMA reviewed the following data: 2003-2010 tax information from DuPage County and Milton Township, parcel tax maps, site data, local history (discussions with Village staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, inadequate utilities, etc.).
- 4) Existing structures and site conditions were initially surveyed only in the context of checking against statutory criteria detailed in the TIF Act and as applied to structures and site conditions on the parcels.
- 5) The TIF District was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. Land within the TIF District was examined to determine the applicability of the thirteen (13) different Conservation Area factors for qualification for TIF designation under the Act.

V. QUALIFICATION FINDINGS FOR PROPOSED TIF DISTRICT

Based upon KMA's evaluation of parcels in the proposed TIF District and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the proposed TIF District as a Conservation Area. The factors are summarized in the table below. These factors are found to be clearly present and reasonably distributed throughout the TIF District, as required under the Act.

Exhibit 2

Summary of Conservation Area Findings

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed TIF District
13	3	5 <ul style="list-style-type: none"> • Obsolescence • Inadequate Utilities • Lack of Community Planning • Deterioration • Excessive Vacancies

Note: In addition to 5 qualifying factors above, the proposed TIF District meets the statutory age threshold of 35 years.

Finding as a Conservation Area. The TIF District is found to qualify as a Conservation Area under the statutory criteria set forth in the TIF Act. As indicated in Section II, KMA performed a two-step assessment, first finding that a majority of parcels within the Conservation Area were over 35 years of age. Based upon County Assessor and site survey data, 5 out of 5 structures (100%) were over 35 years in age.

Conservation Area Factors. As a second step, KMA determined reviewed the criteria needed to qualify an area as a Conservation Area, finding that six factors were present:

- 1) Obsolescence. The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. The building located at 520 East North Avenue has been vacant since September, 2009 (and was in the process of reducing occupancy prior to that time). The structure is approximately 290,000 s.f., and was part of the original Container Campus facility. This structure has fallen into disuse. Other structures in the TIF District are over 40 years old and were originally designed as part of the original Container Corporation campus, single use facility. Over the years these facilities have been utilized for separate, different uses (e.g., the former maintenance/garage facility is now a repair/garage). All of the facilities have been reused by other entities.

Newer standards for industrial buildings consistently include higher ceilings and efficiently designed loading/unloading functions as well as coordinated access/egress. The configuration of industrial uses in the RPA appear dated. In addition, industrial building layouts and rear lots have limited access and use in relation to the frontage which is primarily occupied by parking areas or open space.

Overall, these older structures have a disproportionately negative “spill-over” effect on the area given the size of the properties (both the buildings and the associated land areas). Absent private and public sector reinvestment, said conditions may deter other property owners from reinvesting in or adjacent to the RPA. Equalized Assessed Valuation (EAV) of properties has also declined in tax year 2009 and 2010. The physical characteristics of the properties and the condition of infrastructure (see below) indicate that area wide obsolescence is present.

- 2) Inadequate Utilities. The Act states that this factor is present when: “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’s staff has identified the following deficiencies in the Study Area:

There are no public roadways located within the TIF District; however, because the five separate parcels were once part of a single corporate campus, there is a network of private roadways within the TIF District. The roadways are two-lane asphalt with curb-and-gutter, and the majority are in fair to good condition; however, there are some areas with no curb-and-gutter, cracking, potholes and base failures, and these are generally in fair to poor condition. One roadway is approximately 1,600 feet in length and extends from a full intersection with North Avenue south to St. Charles Road. A frontage road extends from this north-south road east along North Avenue for approximately 1,500 feet to Schmale Road. An east-west road extends from the south end of the aforementioned north-south road to Schmale Road, a distance of approximately 1,400 feet. In total, there is approximately 4,500 feet of private roadway, in addition to access drives which serve the various buildings within the TIF District. The intersections of the private roadway network with North Avenue and Schmale Road are unsignalized.

Access to the properties in the TIF District is gained by private roadway network, with a full intersection at North Avenue on the north and two full intersections at Schmale Road on the east. In addition, access can be gained from the south and west by travelling through adjacent properties. For the TIF District properties to redevelop, access will need to be improved by providing an additional (right-in-right-out) intersection at North Avenue and signalization at one or more of the intersections at North Avenue and

Schmale Road, as warrants are met. Other improvements are necessary to repair and bring to current standards some sections of pavement within the internal private roadway network.

The underground utilities in this area were constructed in the mid-1960s and are therefore over 40 years old, nearing the end of their useful service life. The sanitary sewer runs along North Avenue, and is 12-inch cast-iron pipe. There is an approximate 175-foot section of this sanitary sewer which runs through the intersection with Schmale Road that is in particularly poor condition. Video inspection conducted in 2007 revealed severe corrosion throughout the entire section. In addition, there is a significant sag in the pipe for approximately seventy-five feet. This section of pipe through the Schmale intersection is clearly past its useful life and is no longer reliable.

The City has been replacing small sections of the water main and sanitary sewers as they break or collapse. The City's Public Works Department has reported an average of 3 to 5 major water main breaks per year due to the old corroded pipe. The water main is cast iron pipe and the sanitary sewer is clay; both materials are no longer used respectively in modern construction because they are brittle materials that have a tendency to break sooner and more often than modern ductile iron and pvc materials. Due to its age, condition and layout a completely new water main and sanitary sewer system would need to be constructed to serve the redevelopment. The overall age and condition dictate the construction of completely new water and sanitary sewer systems to sever the buildings in the TIF District.

Like the water main and sanitary sewer, the existing storm sewer system was constructed over 40 years ago. Although there have been some improvements made to the storm water management system, the most recent occurring in 2006 with the McKesson expansion (parcel 05-04-101-016), almost all of the facilities are obsolete or ineffective. Aside from the McKesson expansion improvements, the existing storm water management system was primarily constructed prior to DuPage County and Village storm water management requirements. The existing detention basin located at the southwest corner of parcel 05-04-100-006 is overgrown with vegetation, poorly maintained, significantly undersized and therefore largely ineffective.

Presently there are no plans or layouts for redevelopment to delineate which storm water management facilities would require repair, rehabilitation, reconstruction or new installation. However, given that most of the existing facilities are in poor condition, obsolete, ineffective or possibly not conducive to a redevelopment plan, it is assumed that an entire new storm water management system will be required.

- 3) Lack of Community Planning. The Act states that if the Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan, this factor is present. If the area developed prior to the adoption by the municipality of a comprehensive or other community plan, or if that plan was not followed at the time of the area's development, these facts can serve as a basis for this funding. 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 deficiencies in terms of stormwater management, coordinated access/egress, and parking have not been corrected on an area-wide basis.

Internal traffic circulation and North Avenue connection are primary challenge to coordinating future land-use and promoting redevelopment. There is an absence of internal roads and/or frontage roads that would connect stand-alone businesses along North Avenue. North Avenue includes a median and limits access/egress options. Other issues relating to access/egress (such as the number of curb cuts on major arterials) and truck traffic routing also require coordination by the Village as part of redevelopment efforts.

When the properties in the TIF District were first developed in the 1960s, they followed a trend of campus-like corporate headquarters that established the tone for development along North Avenue in Carol Stream. The community standards established in the 1960s for the North Avenue corridor reflect the deep frontages and extensive landscaping intended to create the desired image for this gateway to the Village. Recently, the properties have become less viable to businesses, and the outdated buildings no longer serve to adequately convey the image of high-quality development, nor do they present the desirable impression as a gateway to the community. While there are minimal zoning nonconformities with respect to the current bulk standards for the TIF District, the uses of the properties have become a challenge. The properties at the northeast end of the TIF District have been vacant for over two years, with few businesses interested in taking on the substantial cost of necessary building improvements or reconstruction.

- 4) Deterioration. The Act defines deterioration as the physical decline of surface improvements, primary building components, and secondary buildings components such as doors, windows, porches or gutters. With respect to surface improvements, deterioration is determined by the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas (including but not limited to surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces).

Deterioration is primarily observed among the surface improvements including parking lots and internal roadways. Parking lots adjacent to buildings have widespread cracking as well as potholes and depressions. Because parking lots constitute a much larger percentage of overall land use than in other areas of the RPA, the parking lots, in combination with the lack of landscaping and screens discussed above, have a negative aesthetic impact on the properties.

Secondary evidence of deterioration was observed among certain buildings components, mainly loading areas.

- 5) Excessive Vacancies. The Act states that this factor is present if there is “the presence of buildings that are unoccupied or underutilized, and represent an adverse influence on the area because of the frequency extent, or duration of the vacancies.

The 520 E. North Avenue building consisting of approximately 290,000 s.f. represents almost 36% of building square footage in the TIF District (total of 809,000 s.f. based on township data). The extended period of vacancy – since September, 2009, and the prominent location - along both North Avenue and Schmale Road – support this finding. In addition, two other structures (an addition to the 520 E. North Avenue building and a former service station) were demolished and have not been replaced.

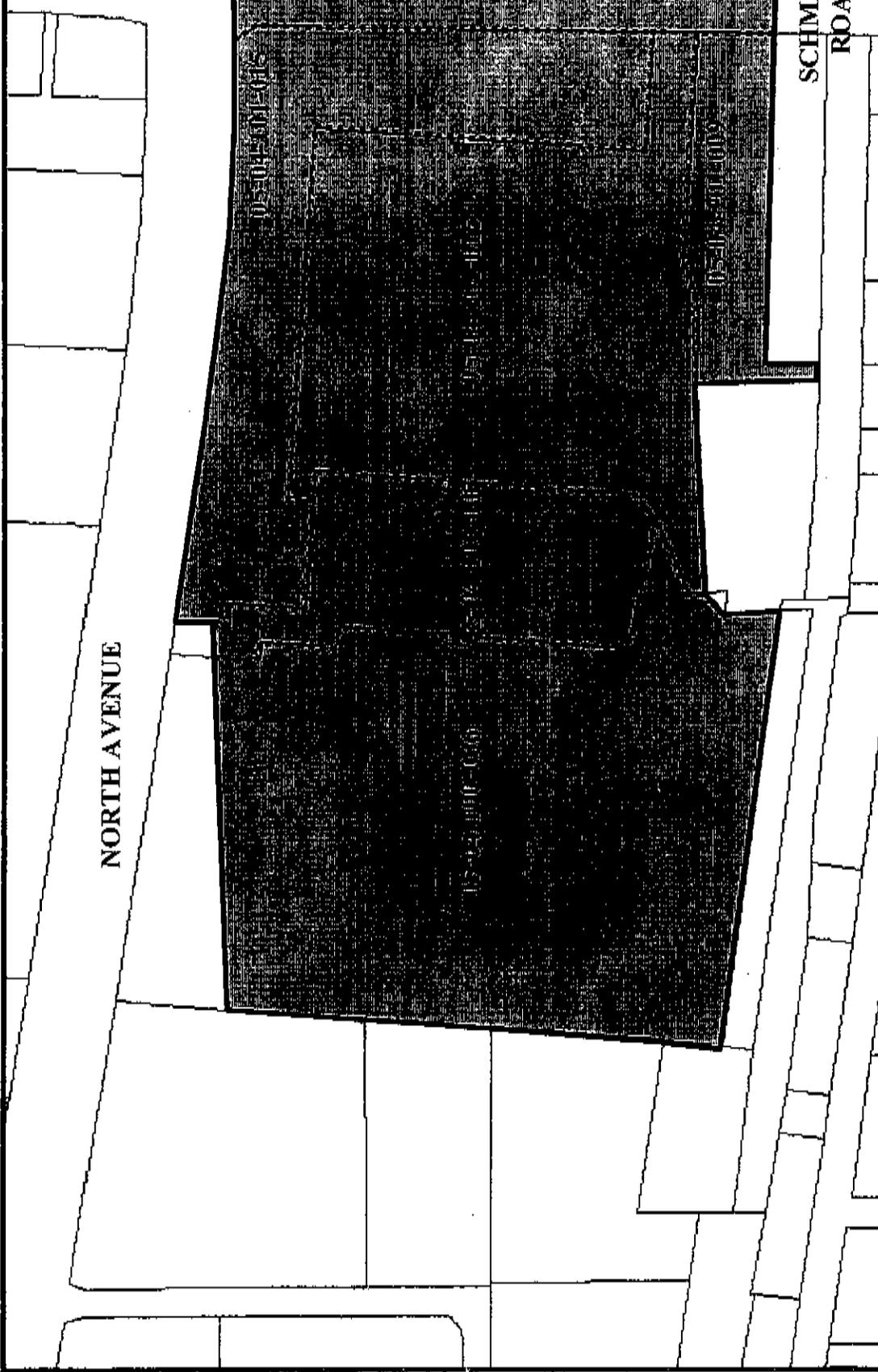
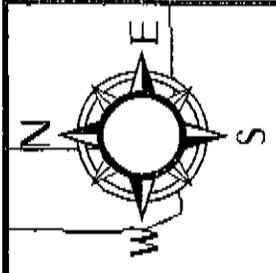
VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the Village's designation of the proposed TIF District.

1. The area is contiguous and is greater than 1½ acres in size;
2. The RPA will qualify as a Conservation Area. Further, the Conservation Area factors found in the RPA are present to a meaningful extent and are distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the TIF District for inclusion within the proposed TIF District.

EXHIBIT A
Boundary Map



NORTH AVENUE

SCHMALE ROAD

LEGEND
TIF Parcel

North Avenue & Schmale Road TIF District Map

Prepared by Department
of Engineering Services
August 23, 2011

Village of Carol Stream

FRANK SAVERINO, SR., MAYOR • BETH MELODY, CLERK • JOSEPH E. BREINIG, MANAGER
500 N. GARY AVENUE • CAROL STREAM, ILLINOIS 60188-1899
(630) 665-7050 • FAX (630) 665-1064
www.carolstream.org



Carol Stream
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Attachment B

October 1, 2012

Illinois Office of the Comptroller
Local Government Division
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601

Re: Village of Carol Stream
North Ave/Schmale Road TIF
Unit Code 022/030/32

To whom it may concern:

Pursuant to the provisions of the Tax Increment Allocation Redevelopment Act ("Act"), to the best of my knowledge and belief, and based on the attached representations of the Village's legal counsel, the Village of Carol Stream is in compliance with the provisions of the Act for the above-referenced tax increment financing district as of and for the year ended April 30, 2012.

Sincerely,


Joseph E. Breinig
Village Manager

MEETING OF THE JOINT REVIEW BOARD
CAROL STREAM NORTH AVENUE AND SCHMALE ROAD
TAX INCREMENT FINANCING (TIF) DISTRICT
TUESDAY, OCTOBER 11, 2011
9:30 A.M.

Attachment H

Roll Call of Joint Review Board Meeting

Attorney Thomas P. Bayer of Klein, Thorpe and Jenkins, Ltd. called the roll at 9:35 a.m.

Members Present:

Frank Saverino, Sr. Mayor, Village of Carol Stream
Brian Harris, Superintendant, Wheaton/Warrenville School Dist. 200
William Farley, Assistant Superintendant, Wheaton/Warrenville School Dist. 200
Scott Engel, College of DuPage (Arrived at 10 a.m.)
Susan Rini, Carol Stream Park District (Arrived at 10:05 a.m.)
Rick Gieser, Public Member

Staff/Others Present:

Joseph Breinig, Village Manager, Village of Carol Stream
Robert Mellor, Assistant Village Manager of Carol Stream
Jon Batek Finance Director, Village of Carol Stream
Dawn Damolaris, Assistant Finance Director, Village of Carol Stream
Bob Gleys, Community Development Director, Village of Carol Stream
Don Bastian, Assistant Community Development Director, Village of Carol Stream
Thomas P. Bayer, Klein, Thorpe and Jenkins, Ltd.
Robert Rychlicki, Kane, McKenna and Associates, Inc.
LaVon McGhinnis, Administrative Assistant, Village of Carol Stream

Mayor Saverino moved to appoint Rick Gieser to the Pubic Member position of on the Joint Review Board for the Carol Stream North Avenue and Schmale Road TIF District. Motion was seconded by Brian Harris. All ayes. Motion carried.

Mayor Saverino moved to appoint himself as Chairman of the Joint Review Board for the Carol Stream North Avenue and Schmale Road TIF District. Motion was seconded by Rick Gieser. All ayes. Motion carried.

Thomas P. Bayer turned the meeting over to Chairman Frank Saverino, Sr.

Thomas P. Bayer of Klein Thorpe and Jenkins, Ltd. presented the Joint Review Board Statutory Duties in regard to the proposed establishment of the North Avenue and Schmale Road TIF District. William Farley inquired as to whether a quorum was required at the Joint Review Board meeting. Thomas P. Bayer responded by stating that a quorum was not needed to conduct business at the meeting and a motion would be carried by a majority of those present and voting.

North Ave / Schmale Rd
Unit Code 022/030/32

Attachment H

Robert Rychlicki of Kane, McKenna and Associates, Inc. presented an overview of the proposed Redevelopment Project Area for the North Avenue and Schmale Road TIF District which included the Eligibility Qualifications and the Redevelopment Plan.

Representatives for Community Unit School District No. 200 raised concerns regarding reclassification of the land use from commercial and industrial to residential, the length of the TIF, and future additional TIF plans for North Avenue. The Village staff responded to these concerns by stating that reclassifying the land use would require the JRB to amend the TIF Redevelopment Plan and was not in compliance with the Village's Comprehensive Plan. In addition it is not in the best interest of the Village to reclassify it residential since the Village depends on sales tax revenues. Through financial analysis it was determined that it is not feasible to shorten the length of the TIF. The time length of the TIF could be shortened after review of annual financial reports if circumstances warranted it. There are presently no plans to create another TIF for North Avenue.

Robert Rychlicki stated that the next step was to publish two separate notices in the newspaper of the public hearing to be held on November 21, 2011 at the Village Hall, mail notices of the public hearing to each taxpayer of record within the Redevelopment Project Area, and to each person on the Village's TIF Interested Parties Registry.

Chairman Frank Saverino, Sr. moved to recommend approval of establishing the proposed TIF District to the Village Board and to authorize the Chairman to put the recommendation in writing to the Village Board. Motion was seconded by Rick Gieser. Voting was as follows:

Village of Carol Stream - Aye
College of DuPage Community College District 502 - Aye
Community Unit School District No. 200 - Aye
Carol Stream Park District - Aye
Public Member - Aye

Motion carried. The recommendation will be presented in writing to the Village of Carol Stream Board and the Public Hearing will be held on November 21, 2011. If approved by the Village Board, members will be notified each year in writing of the annual meeting.

Brian Harris moved to adjourn the meeting. Motion was seconded by Chairman Frank Saverino, Sr. Meeting was adjourned at 10:44 a.m.

Prepared by LaVon McGhinnis
Administrative Assistant

North Ave / Schmale Rd
Unit Code 022/080/32

VILLAGE OF CAROL STREAM, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2012

Attachment K

	Motor Fuel Tax	Geneva Crossing TIF	* North Avenue/ Schmale Road TIF	Total
ASSETS				
Cash and Investments	\$ 2,639,336	\$ 1,249,574	\$ -	\$ 3,888,910
Restricted Cash and Investments	-	367,141	-	367,141
Receivables				
Property Taxes	-	407,328	-	407,328
Due from Other Funds	-	89,825	-	89,825
Due from Other Governments	77,095	-	-	77,095
TOTAL ASSETS	\$ 2,716,431	\$ 2,113,868	\$ -	\$ 4,830,299
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 97,752	\$ -	\$ 4,817	\$ 102,569
Due from Other Funds	3,400	-	-	3,400
Advances from Other Funds	-	-	29,537	29,537
Deferred Revenues	-	407,328	-	407,328
Total Liabilities	101,152	407,328	34,354	542,834
FUND BALANCES				
Restricted				
Debt Service - Reserve	-	367,141	-	367,141
Economic Development	-	1,339,399	-	1,339,399
Maintenance of Roadways	2,615,279	-	-	2,615,279
Unrestricted				
Unassigned (Deficit)	-	-	(34,354)	(34,354)
Total Fund Balances	2,615,279	1,706,540	(34,354)	4,287,465
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,716,431	\$ 2,113,868	\$ -	\$ 4,830,299

North Ave / Schmale Rd
Unit Code 022/030/32

See accompanying notes to financial statements.

VILLAGE OF CAROL STREAM, ILLINOIS
 NON-MAJOR GOVERNMENTAL FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Year Ended April 30, 2012

Attachment K

	Minor Fuel Tax		Geneva Crossing TIF		North Avenue/Schmale Road TIF		Totals	
	Original Budget	Final Budget	Original Budget	Final Budget	Original Budget	Final Budget	Original Budget	Final Budget
REVENUES								
Taxes								
Intergovernmental	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ 300,000	\$ 300,000
Alleviations	1,048,000	1,048,000	-	-	-	-	1,048,000	1,048,000
Investment Income	10,000	10,000	500	500	-	-	10,500	10,500
Total Revenues	1,058,000	1,058,000	300,500	300,500	-	-	1,358,500	1,358,500
EXPENDITURES								
Current								
General Government								
Highways and Streets	512,500	512,500	387,472	387,472	40,000	34,354	512,500	512,500
Debt Service	-	-	220,000	220,000	-	-	220,000	220,000
Principal Retirement	-	-	150,735	151,574	-	-	150,735	151,574
Interest and Fiscal Charges	512,500	512,500	387,472	370,735	40,000	34,354	883,235	920,235
Total Expenditures	512,500	512,500	796,724	771,235	40,000	34,354	883,235	920,235
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	545,500	545,500	(70,235)	(71,235)	(40,000)	(34,354)	475,265	438,265
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	545,500	545,500	796,724	796,724	(40,000)	(34,354)	605,265	605,265
FUND BALANCE, MAY 1								
Fund Balance - Available	1,824,535	1,824,535	1,048,000	1,048,000	1,048,000	1,048,000	3,978,535	3,978,535
Fund Balance - Encumbrances	2,615,272	2,615,272	-	-	-	-	2,615,272	2,615,272
FUND BALANCE (DEFICIT), APRIL 30								
Fund Balance - Available								
Fund Balance - Encumbrances								
FUND BALANCE (DEFICIT), APRIL 30								

North Ave / Schmale Rd
Unit Code 02a/030/32



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

Attachment L

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE OF ILLINOIS PUBLIC ACT 85-1142

The Honorable Mayor
Members of the Board of Trustees
Village of Carol Stream, Illinois

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Carol Stream, Illinois (the Village) as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated August 31, 2012. The financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on the eligibility for costs incurred incidental to the implementation of the redevelopment plan and redevelopment projects associated with the Geneva Crossing TIF District pursuant to Subsection (q) of Section 11-74.4-3 of the Illinois Tax Incremental Redevelopment Allocation Act.

Our audit was made in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The Village of Carol Stream, Illinois' management is responsible for the Village's compliance with laws and regulations. In connection with our audit referred to above, we selected and tested transactions and records to determine the Village's compliance with State of Illinois Public Act 85-1142, "An Act in Relation to Tax Incremental Financing."

The results of our test indicated that for the items tested, the Village of Carol Stream, Illinois complied with Subsection (q) of Section 11-74.4-3 of Public Act 85-1142.

Naperville, Illinois
August 31, 2012

Sikich LLP

Norm Ave / Schmale Rd
Unit Code 022/080/32