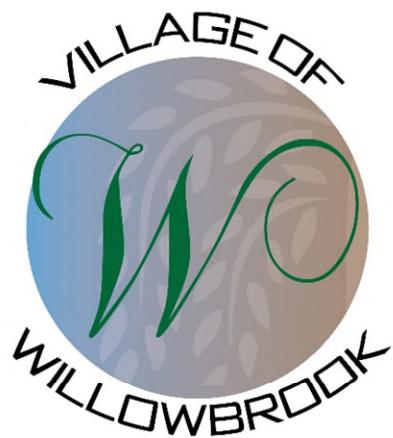


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WILLOWBROOK, ILLINOIS
WILLOWBROOK REDEVELOPMENT CORRIDOR TIF
DISTRICT ELIGIBILITY REPORT

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&
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August, 2021

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EXECUTIVE SUMMARY

The Village of Willowbrook, Illinois (the “Village”) is pursuing the establishment of the Willowbrook Redevelopment Corridor Tax Increment Finance District (the “TIF District”, “Redevelopment Project Area” or “RPA”) to promote the revitalization of certain underutilized properties within the Village. In the context of planning for the establishment of the RPA, the Village has initiated the study of certain tax parcels (the “Study Area”) to determine whether they qualify separately or in aggregate under the Tax Increment Allocation Redevelopment Act, 65ILCS 5/11-74.4-3, et seq., as amended (the “TIF Act” or “Act”) for inclusion in the RPA. Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village to conduct this study on the Village’s behalf.

KMA has reached the following conclusions regarding the qualification of the Study Area based upon the analysis completed to date:

- 1) The Study Area qualifies as a conservation area - The Study Area qualifies as a conservation area as defined in the TIF Act. The conservation area factors found in the Study Area are present to a meaningful extent and are distributed throughout the area.
- 2) Current conditions impede redevelopment – The existence of certain conditions found within the Study Area present a barrier to the area’s successful redevelopment. The current conditions in the Study Area are impediments to redevelopment, creating an environment where it is reasonable to conclude redevelopment would not take place “but for” the use of the TIF Act. The factors present on the ground negatively impact coordinated and substantial private sector investment in the overall area. Without the use of Village planning and economic development resources to mitigate such factors, potential redevelopment projects and other activities that require private sector investment are not likely to be economically feasible.
- 3) Viable redevelopment sites could produce incremental revenue - The Study Area potentially could, with TIF-related assistance, be redeveloped and thereby produce incremental property 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 in the Study Area.
- 4) TIF designation is recommended - To mitigate conservation area conditions, promote private sector investment, and foster the economic viability of the Study Area, KMA recommends that the Village proceed with the formal TIF designation process for the entire area.

I. INTRODUCTION

Description of the Study Area

The Study Area is located in the southern portion of the Village which contains the Village's industrial park and municipal campus. This southern portion of the Village, of which the Study Area is a part, is characterized by a wide variety of land uses including commercial, industrial, institutional and recreational uses.

The Study Area consists of certain tax parcels generally bound by Route 83 (Kingery Highway) to the west, 72nd Court to the north, Soper Road and Madison Street to the east and the I-55 Expressway to the south.

The Study Area consists of 104 tax parcels and is estimated to be approximately 146 acres in size excluding right-of-ways.

Please see Appendix A for a list of the tax parcels included in the Study Area and Appendix B for a visual depiction of the Study Area.

Background

The Study Area is located in the southern portion of the Village of Willowbrook. The area is situated northeast of the intersection of the I-55 Expressway and IL Route 83 and is part of the Village's southern gateway.

Historic US Route 66 passes through the southern section of the Study Area. The first land uses to develop were oriented to advantage traffic along the route (e.g. Del Rhea's Chicken Basket, gas stations, etc.). A subsequent wave of development occurred upon the completion of the I-55 Expressway in the 1960s. Land uses which followed the interstate's completion included industrial, commercial, hospitality and institutional uses.

The development of the area following the completion of the I-55 Expressway was largely uncoordinated and gave rise to platting issues and incompatible land use relationships which now challenge subsequent redevelopment. These challenges are exacerbated by deficient stormwater management infrastructure.

In recent years, the Village has recognized the need to address existing conditions within the Study Area. The Village, with the assistance of KMA, commissioned this Eligibility Report to determine if redevelopment in a coordinated manner would not occur without the adoption of a Tax Increment Financing Redevelopment Plan.

Overview of Tax Increment Financing (TIF)

Tax Increment Financing (or "TIF") is an economic development tool which uses future revenues to finance redevelopment activity. In the State of Illinois an area can be designated as a TIF district if it faces certain impediments to redevelopment. At the time of designation, the equalized

assessed value of tax parcels within the boundaries of the district are “frozen” for the term of the TIF district. Taxing jurisdictions that overlap that district continue to receive property taxes, but those revenues generated from increase in equalized assessed value relative to the frozen values are deposited in a special tax allocation fund. This revenue is then used to finance redevelopment activities within the district to accomplish community and economic development goals.

The Eligibility Report

The TIF 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 in order 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)).

To establish a TIF district (i.e. “Redevelopment Project Area” or “RPA”), Illinois municipalities must adopt several documents including a Redevelopment Plan and an Eligibility Report. An Eligibility Report is a document which provides the basis for the RPA’s qualification under the TIF Act in reasonable detail.

The Village has authorized KMA to evaluate the Study Area in relation to its qualification as a TIF district under the TIF Act and to prepare a TIF District Eligibility Report for the Study Area.

Determination of the “But-For”

The Village has determined that planned redevelopment of the Study Area is feasible only with public financial assistance. The creation and utilization of a TIF redevelopment plan and redevelopment agreements is intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the Study Area, strengthen the tax base and improve resident quality of life.

General Scope and Methodology

KMA formally began its analysis by conducting a series of meetings and discussions with Village staff starting in May, 2020 and continuing up to the date of this report’s issuance. The purpose of the meetings was to establish boundaries for initial analysis and to gather data related to the qualification criteria for parcels included in the Study Area. These meetings were complemented by a series of field surveys for the entire area to evaluate conditions in the Study Area. KMA also analyzed the Village’s most recent comprehensive plan and other reports relevant to the Study Area.

Properties within the Study Area were examined in the context of the TIF Act governing improved areas (separate provisions of the Act address non-improved or vacant 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 findings to key Village staff regarding TIF qualification and the feasibility of redevelopment within the Study Area. KMA has summarised these findings in this Eligibility Report.

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

DRAFT

II. QUALIFICATION CRITERIA

The TIF Act sets out specific procedures for qualifying a RPA. By definition, a RPA 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 TIF Act, “conservation area” means any improved area within the boundaries of a RPA located within the territorial limits of the municipality where:

- 50% or more of existing structures are 35 years or older in age
- At least three of 13 eligibility factors are present and distributed to a meaningful extent

The 13 possible eligibility factors are:

1. 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.
2. Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.
3. Deterioration: With respect to buildings, defects are evident, 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 demonstrate evidence of deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.
4. Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.
5. Illegal Use of Individual Structures: The use of structures in violation of applicable Federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
6. Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.

7. Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts according to room area to window area ratio requirements. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
8. Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the RPA; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the RPA.
9. Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as 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, and lack of reasonably required off-street parking or inadequate provision for loading service.
10. Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses that are considered to be noxious, offensive or unsuitable for the surrounding area.
11. Environmental Clean-Up: The RPA 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 RPA.
12. Lack of Community Planning: The RPA 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 development of the area. 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.

13. Lagging or Declining EAV: The total equalized assessed value (EAV) of the RPA has declined for three (3) of the last five (5) calendar years prior to the year in which the RPA 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 RPA is designated.

III. METHODOLOGY OF EVALUATION

The following method was applied to evaluate the Study Area's qualification as a TIF district.

1. KMA representatives collected primary data during site visits to the Study Area. These site visits consisted of visual observation of the area which included, but was not limited to, tax parcel counts, address matches and the identification of current land uses, building conditions, lot conditions and traffic flows. KMA documented these observations via notes and photography.
2. KMA representatives collected secondary data including, but not limited to, 2015 to 2020 tax information, tax parcel maps, site data, planning documents and information related to local history and context from interviews with Village staff and other stakeholders.
3. The age of existing structures was ascertained by matching data collected during site visits to local tax and building records to determine if the Study Area would qualify as a conservation area as defined by the TIF Act.
4. KMA also utilized the collected data to conduct an evaluation of the presence and extent of the aforementioned eligibility factors (e.g. deterioration, excessive vacancies, etc.) that would qualify the Study Area as a conservation area as defined by the TIF Act.

IV. QUALIFICATION FINDINGS FOR STUDY AREA

Summary of Age Findings for a Conservation Area

As mentioned in Section II of this report, an area may qualify as a conservation area under the TIF Act if 50% or more of existing structures are 35 years in age or older. KMA collected primary data from site surveys and secondary data from the Downers Grove Township Assessor regarding the age of existing structures within the Study Area. KMA found that at least 66 of the 82 existing structures, or 80%, are 35 years in age or older. Therefore, it is possible for the Study Area to qualify as a conservation area as defined by the TIF Act.

Table 1. Summary of Age Findings for Conservation Area

Total number of structures in Study Area	82
Number of structures in Study Area 35 years or older in age	66
Percent of structures in Study Area 35 years or older in age	80%

Summary of Factor Findings for a Conservation Area

Once it was established that the Study Area may qualify as a conservation area based upon the age threshold of structures within the area, KMA analyzed the Study Area in relation to the 13 aforementioned eligibility factors. Three of these factors must be present and distributed to a meaningful extent within the Study Area to qualify the area as a conservation area under the TIF Act. KMA determined that six of the 13 possible factors were present and distributed to a meaningful extent within the Study Area.

Table 2. Summary of Factor Findings for Conservation Area

Total number of possible factors per TIF Act	13
Minimum factors needed to qualify per TIF Act	3
Factors present in Study Area	4

The 4 factors found to be present and distributed to a meaningful extent within the Study Area are:

1. Lack of Community Planning
2. Inadequate Utilities
3. Declining/Lagging Equalized Assessed Value (EAV)
4. Deterioration

These factors are summarised as follows:

1. Lack of Community Planning: The Act states that this factor is present if the Study Area developed prior to or without the benefit or guidance of a community plan. This factor must be documented by evidence of adverse or incompatible land use relationships, an inadequate street layout, improper subdivision, parcels of inadequate shape or size to meet

contemporary development standards or other evidence demonstrating an absence of effective community planning.

When evaluating an area for the presence of this factor it is helpful to compare the age of existing structures with any key community planning events in the area's history. In the case of the Study Area, and as indicated in the below Table 2, at least 78 of 82 existing structures in the Study Area, or 95% of existing structures, were built prior to the Village's most recent revision of its comprehensive plan in 1993.

Table 2. Support for Lack of Community Planning Factor

Total number of structures in RPA	82
Number of structures in RPA older than 1993	78
Percent of structures in RPA older than 1993	95%

Evaluation for the presence of this factor is also aided by analyzing differences between existing conditions, the objectives of recent planning efforts and contemporary planning and development standards.

Existing conditions, found to still be present, are described in the Comprehensive Plan which is evidence of the presence of an inadequate street layout. For example, the Executive Center Sector Plan as part of the Comprehensive Plan calls for the addition or realignment of streets within the Study Area to provide more efficient access to industrial and commercial users. The need for certain pedestrian improvements and placemaking elements are also identified as being present within the Study Area. In both cases, improvements are recommended to correct a street layout which is inadequate for existing and planned uses.

Similarly, existing conditions are described in the more recent Willowbrook South Subarea Plan (the "Subarea Plan), completed in 2017, which evidence the presence of tax parcels of an inadequate size and shape to meet contemporary planning and development standards. The Subarea Plan notes that growth in the area which occurred in the 1980s was associated with several subdivisions where...,

"...the development of these smaller subdivisions without a cohesive plan and design standards has led to the creation of a hodgepodge area of mismatched uses and degrees of quality."

This mismatch of uses supports the finding that the Study Area developed in an uncoordinated fashion and without the guidance of contemporary planning standards.

Other existing conditions observed by KMA staff also evidence the presence of the lack of community planning finding, particularly when compared to planning standards as expressed in the objectives and policies of the Comprehensive Plan and Subarea Plan. For example, the Comprehensive Plan emphasizes the importance of adequate buffering and transitioning between industrial uses, commercial uses and residential uses. However,

KMA observed and documented a number of instances where residential uses abut commercial and industrial uses with no transitional uses or very little to no buffering/screening. Additionally, KMA staff and Village staff have identified certain areas as having insufficient on-site parking. In addition to impacting the functionality of properties for users, this condition has led to illegal street parking creating a dangerous and confusing environment for motorists, bicyclists and pedestrians.

2. **Inadequate Utilities:** This factor is present if underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electric services that are shown to be inadequate.

Inadequate utilities are those that are: (i) of insufficient capacity for the municipality to serve the uses in the Study Area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the Study Area.

Stormwater management infrastructure within the Study Area has been found to be of insufficient capacity to serve existing uses and proposed uses, antiquated, obsolete and lacking. Historical rain events have often resulted in extensive flooding within the Study Area. In Fall 2019 the Village contracted Christopher B. Burke Engineering, Ltd. (CBBEL) to complete a follow-up drainage study for the Executive Plaza area located in the center of the Study Area in response to recent flood events.

CBBEL found that the Executive Plaza area is... “located at the bottom of a depressional area or "bowl" where runoff from a large tributary area ponds for an extended period of time due to insufficient sewer capacity and lack of an overland flow outlet... where the only means of discharge is through two 15" outlet pipes which are significantly undersized to prevent surface flooding and multi-day draindown times.”

3. **Lagging/Declining Equalized Assessed Value (EAV):** This factor is present if the total equalized assessed value (EAV) of the Study Area has either: (i) declined for three of the last five calendar years prior to the year in which the RPA is to be designated; (ii) changed at an annual rate that is less than the annual rate of change (i.e. lagged) of the balance of the municipality’s EAV for three of the last five calendar years prior to the year in which the RPA is to be designated; or (iii) changed an annual rate that is less than the annual rate of change (i.e lagged) of the Consumer Price Index for All Urban Consumers (CPI-U) as published by the United States Department of Labor or successor agency for three of the last five calendar years prior to the year in which the RPA is to be designated.

The Study Area qualifies under the second measurement; that is, the rate of annual change of the total EAV of the Study Area lagged the balance of the Village’s EAV for three of the last five calendar years prior to the year in which the RPA is to be designated. Please see the below Table 3 for detail.

Table 3. Annual Rates of Change for Tax Years 2020 to 2015 for Study Area EAV and CPI-U

	Tax Year					
	2020	2019	2018	2017	2016	2015
Study Area EAV	40,455,840	39,167,390	38,413,240	36,439,860	34,466,090	32,484,740
Study Area EAV Change	3.29%	1.96%	5.42%	5.73%	4.92%	-
Village EAV ¹	461,335,430	441,515,604	422,225,667	403,117,863	385,546,221	360,189,951
Village EAV Change ¹	4.49%	4.57%	4.74%	4.56%	7.04%	-
Years Lagged Village	X	X	-	-	X	-

(1) Calculated as the total or the rate of change of the total of Village EAV less Study Area EAV

4. **Deterioration:** The Act describes deterioration in the context of secondary building components and surface improvements. For secondary building components (e.g. doors, windows, porches, gutters and downspouts and fascia) deterioration may be evidenced by the presence of major defects. For surface improvements (e.g. roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas), deterioration may be evidenced by surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Deterioration was observed and noted in surface improvements throughout the Study Area. Evidence of deterioration included cracking and crumbling surfaces, potholes and depressions causing water retention.

The observable deterioration contributes to an adverse aesthetic impact of the area. Deterioration signals an area in decline rather than an investment opportunity.

V. SUMMARY

Relevant qualification findings as related to the designation of the Study Area as a conservation area are as follows:

1. The Study Area is contiguous and is greater than 1 ½ acres in size;
2. The Study Area qualifies as a conservation area as; i) 50% or more of the existing structures are 35 years in age or older; and, ii) at least three eligibility factors are present to a meaningful extent and are distributed throughout the area;
3. All property in the Study Area would substantially benefit by the proposed redevelopment project improvements;
4. The growth of EAV for all taxing districts overlaying the area, including the Village, has been impaired by the factors found present in the Study Area; and,
5. The Study Area would not be subject to redevelopment without the investment of public funds, including property tax increment.

In the judgement of KMA, these findings provide the Village with sufficient justification to consider designation of the Study Area as a TIF district.

APPENDIX A: Tax Parcels within Study Area

PIN LIST

09-25-103-009
09-25-103-013
09-25-103-014
09-25-300-003
09-25-300-012
09-26-201-003
09-26-201-004
09-26-201-005
09-26-201-008
09-26-201-009
09-26-201-010
09-26-201-011
09-26-201-012
09-26-201-013
09-26-201-014
09-26-201-015
09-26-201-016
09-26-201-017
09-26-202-002
09-26-202-004
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09-26-208-006
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09-35-200-010
09-35-200-012
09-35-200-013
09-35-200-014
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09-35-201-003
09-35-201-004
09-35-202-001

APPENDIX B: Boundary Map of Study Area

