

ORDINANCE NO. 20-36

**AN ORDINANCE OF THE VILLAGE OF EAST DUNDEE, COOK
AND KANE COUNTIES, ILLINOIS APPROVING THE SOUTH IL ROUTE 72 TAX
INCREMENT FINANCING DISTRICT REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT**

WHEREAS, the Village of East Dundee (“Village”) is a home rule unit of local government pursuant to Section 6 of Article VII of the Constitution of the State of Illinois, and has the authority to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform and function pertaining to its government and affairs for the protection of the public health, safety, morals and welfare; and

WHEREAS, the Village President and Board of Trustees of 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.* (“TIF Act”) for the Village’s South IL Route 72 Tax Increment Financing District (“TIF District”) redevelopment plan and project (“TIF Plan”), and designate the tax increment redevelopment project area (“Redevelopment Project Area”) relative to the TIF District; and

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

WHEREAS, on June 15, 2020, the Village announced the availability of the TIF Plan, with said TIF Plan containing an eligibility report for the TIF District addressing the tax increment financing eligibility of the Redevelopment Project Area (“Eligibility Report”); and

WHEREAS, a public hearing regarding the TIF Plan was held on September 14, 2020; and

WHEREAS, the Village President 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 TIF District, in that the Village has taken the following actions:

	<u>ACTION</u>	<u>DATE TAKEN</u>
1.	Approved, by Motion, the preparation of the Eligibility Report and TIF Plan	June 1, 2020
2.	Published the TIF Interested Parties Registry notice in the newspaper	June 14, 2020
3.	Announced the availability of the Eligibility Report and the TIF Plan, at a Village Board meeting	June 15, 2020
4.	Approved Ordinance 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	July 6, 2020
5.	Mailed a copy of the Eligibility Report and the TIF Plan, a notice of the Joint Review Board meeting and the Public Hearing, and the Ordinance setting the date 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)	July 8, 2020
6.	Mailed notices relative to the availability of the Eligibility Report and TIF Plan to all residential addresses within 750 feet of the boundaries of the Redevelopment Project Area, to all parties who were registered on the Village's TIF Interested Parties Registry (by First Class U.S. Mail)	July 8, 2020
7.	Held the Joint Review Board meeting	July 29, 2020
8.	Published notice of the Public Hearing in the newspaper twice	August 19 and 26, 2020
9.	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)	August 19, 2020
10.	Held a Public Hearing	September 14, 2020
11.	Approved Ordinance making minor technical changes to the TIF Plan	September 14, 2020
12.	Mailed notices relative to the Ordinance making minor technical changes to the TIF Plan and published notice of the same in the newspaper	September 21, 2020

; and

WHEREAS, on July 29, 2020, the Joint Review Board, relative to the 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 an "industrial park conservation

area,” and the Village President 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 an “industrial park 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 Village President and Board of Trustees of the Village 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 Village President and Board of Trustees of the Village 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 (except as provided in 65 ILCS 5/11-74.4-4(q), as incorporated into the TIF Plan budget of estimated redevelopment project costs); and

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

WHEREAS, the Village President and Board of Trustees of the Village 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 VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF EAST DUNDEE, COOK AND KANE COUNTIES, ILLINOIS, AS FOLLOWS:

SECTION 1: Incorporation. That the recitals above shall be and are hereby incorporated in this Section 1 as if restated herein.

SECTION 2: Findings. That the Village President and Board of Trustees of the Village 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. The Village is a “labor surplus municipality,” as such term is defined in Section 5/11-74.4-3 of the TIF Act (65 ILCS 5/11-74.4-3), and that the implementation of the TIF Plan will reduce unemployment, create new jobs and by the provision of new facilities enhance the tax base of the taxing districts that extend into the Redevelopment Project Area;

C. There exist conditions which cause the area proposed to be designated as the Redevelopment Project Area to be classified as an “industrial park 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);

D. 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;

E. 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 (except as provided in 65 ILCS 5/11-74.4-4(q), as incorporated into the TIF Plan budget of estimated redevelopment project costs);

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

G. 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;

H. The estimated date for final completion of the TIF Plan is December 31st of the year in which the payment to the Village Treasurer is made with respect to *ad valorem* taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted, which, as to the TIF District, is December 31, 2044; and

I. The estimated date for retirement of obligations incurred to finance TIF Plan costs is not later than December 31st of the year in which the payment to the Village Treasurer is made with respect to *ad valorem* taxes levied in the twenty-third (23rd) calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted, which, as to the TIF District, is December 31, 2044.

SECTION 3: TIF Plan Approval. That the TIF Plan is hereby adopted and approved. A copy of said TIF Plan is attached hereto as **EXHIBIT B** and made a part hereof.

SECTION 4: Severability. That if any Section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such Section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 5: Repeal. That all ordinances, resolutions, motions or parts thereof in conflict with this Ordinance shall be and the same are hereby repealed.

SECTION 6: Effect. That this Ordinance shall be in full force and effect upon its adoption, approval and publication in pamphlet form as provided by law.

ADOPTED this 28th day of September, 2020 pursuant to a roll call vote as follows:

AYES: Trustees Lynam, Selep, Wood, Mahony, Andresen and Kunze

NAYES: None

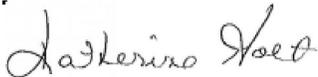
ABSENT: None

APPROVED by me this 28th day of September, 2020.



Lael Miller, Village President

ATTEST:



Katherine Holt, Village Clerk

Published in pamphlet form this 28th day of September, 2020 under the authority of the Village President and Board of Trustees.

Recorded in the Village records on September 28, 2020.

EXHIBIT A-1

REDEVELOPMENT PROJECT AREA DESCRIPTION

THAT PART OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST LINE OF GATEWAY SUBDIVISION, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED MAY 8, 1989 AS DOCUMENT NO. 1972329 WITH THE SOUTHWESTERLY LINE OF PARCEL 0002 ACQUIRED BY THE ILLINOIS DEPARTMENT OF TRANSPORTATION IN CONDEMNATION CASE ED 92 0015 BY ORDER DATED APRIL 22, 1993 AND AS SHOWN ON DOCUMENT 96K009367 AS ILLINOIS ROUTE 72, HIGGINS ROAD; THENCE SOUTH 61 DEGREES 53 MINUTES 27 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE, 491.05 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 654.45 FEET ALONG SAID SOUTHWESTERLY LINE, BEING A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 22,706.63 FEET AND WHOSE CHORD BEARS OF SOUTH 61 DEGREES 03 MINUTES 54 SECONDS EAST 654.43 FEET TO A BEND POINT IN SAID SOUTHWESTERLY LINE; THENCE SOUTH 37 DEGREES 44 MINUTES 46 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF SAID ILLINOIS ROUTE 72 A DISTANCE OF 160.60 FEET TO A BEND POINT IN SAID SOUTHWESTERLY LINE; THENCE NORTH 23 DEGREES 44 MINUTES 02 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE 61.34 FEET TO A POINT ON A CURVE; THENCE SOUTHEASTERLY 280.08 FEET ALONG SAID SOUTHWESTERLY LINE, NON TANGENT TO THE LAST DESCRIBED COURSE, BEING A CURVE TO THE RIGHT, HAVING A RADIUS OF 22,706.63 FEET AND WHOSE CHORD BEARS OF SOUTH 59 DEGREES 31 MINUTES 40 SECONDS EAST 280.08 FEET TO A BEND POINT; THENCE SOUTH 59 DEGREES 09 MINUTES 16 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE, NON TANGENT TO THE LAST DESCRIBED CURVE, 490.70 FEET; THENCE SOUTH 30 DEGREES 50 MINUTES 06 SECONDS WEST, DEPARTING FROM SAID SOUTHWESTERLY LINE 223.12 FEET; THENCE SOUTH 24 DEGREES 01 MINUTES 52 SECONDS WEST 311.97 FEET; THENCE NORTH 59 DEGREES 09 MINUTES 53 SECONDS WEST 822.05 FEET; THENCE NORTH 61 DEGREES 03 MINUTES 20 SECONDS WEST 122.51 FEET; THENCE SOUTH 08 DEGREES 53 MINUTES 49 SECONDS WEST 565.95 FEET; THENCE NORTH 81 DEGREES 06 MINUTES 11 SECONDS WEST 874.66 FEET TO A POINT ON SAID EAST LINE OF SAID GATEWAY SUBDIVISION; THENCE NORTH 08 DEGREES 31 MINUTES 15 SECONDS EAST ALONG THE LAST DESCRIBED LINE 1448.17 FEET TO THE POINT OF BEGINNING, TOGETHER WITH ALL THAT PART OF ILLINOIS ROUTE 72 (HIGGINS ROAD) LYING NORTH OF AND ADJACENT TO ABOVE DESCRIBED PROPERTIES, NOT PREVIOUSLY ANNEXED TO THE VILLAGE OF EAST DUNDEE, ALL IN KANE COUNTY, ILLINOIS.

Street Addresses: 1030 and 1040 East Main Street, East Dundee, Illinois 60118

General Location: Approximately forty-two (42) acres of property on the south side of Illinois Route 72 in the vicinity of Christina Drive, in the Village of East Dundee, Kane County, Illinois

Property Identification Numbers ("PINs"): 03-25-300-020, 03-25-300-021 and 03-25-300-022

EXHIBIT A-2

STREET LOCATION MAP

(attached)

Proposed South IL Route 72 TIF (TIF #9)



1,000

Feet

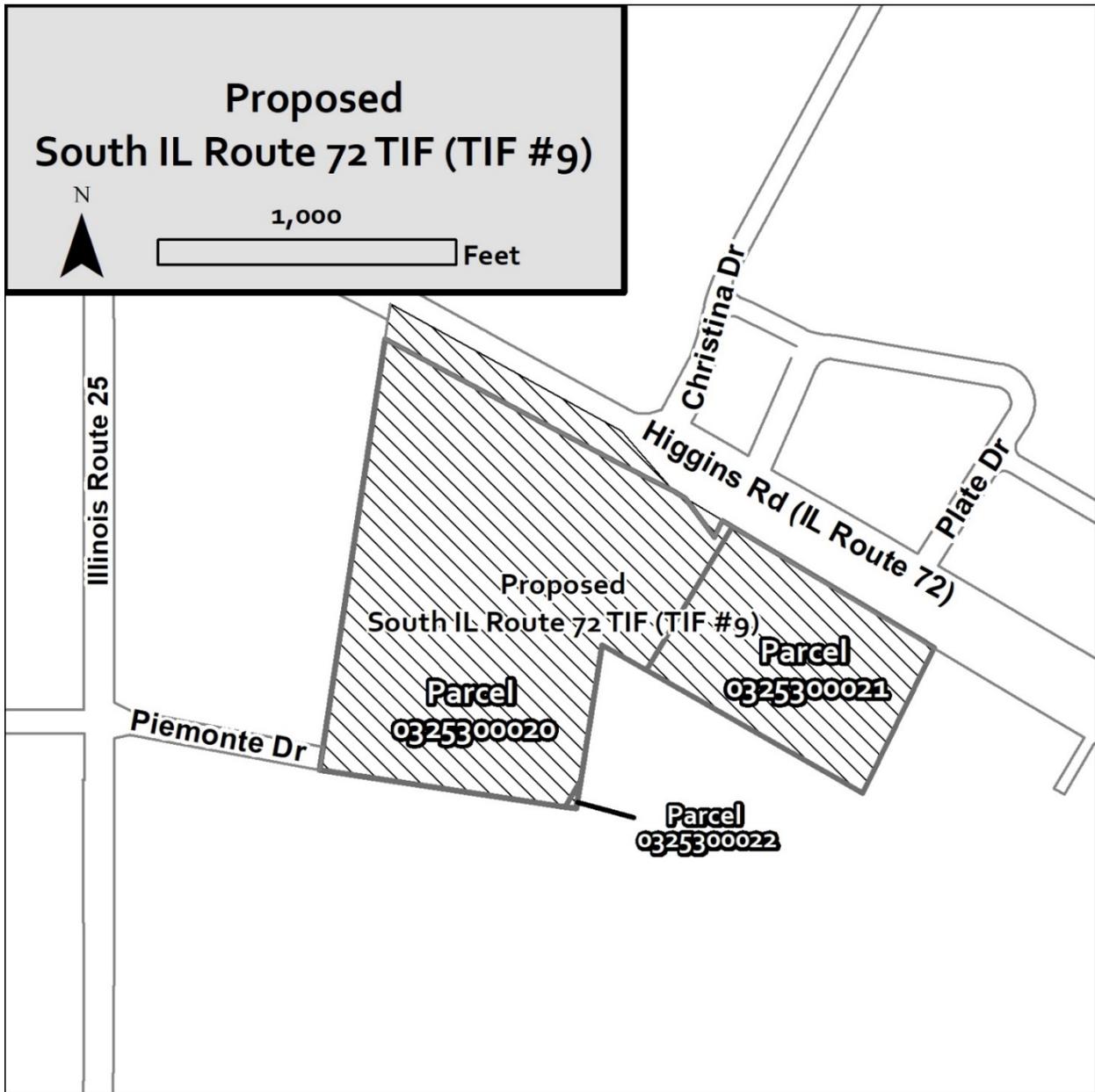


EXHIBIT B

**EAST DUNDEE SOUTH IL ROUTE 72 TAX INCREMENT FINANCING DISTRICT
TIF PLAN**

(attached)

REDEVELOPMENT PROJECT AND PLAN & ELIGIBILITY REPORT FOR:
SOUTH IL ROUTE 72 REDEVELOPMENT PROJECT AREA (TIF #9)



September 9, 2020



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EXECUTIVE SUMMARY

The purpose of the Redevelopment Project and Plan (the “Plan”) discussed in Part I of this document is to provide a comprehensive program for the Village of East Dundee (the “Village”) to promote sound growth and development in an area established as a Redevelopment Project Area (“RPA”) as defined by the Tax Increment Allocation Redevelopment Act (the “Act”) (65 ILCS 5/11-74.4-1, et seq.).

The Act has been established to assist Illinois municipalities “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)).

The Eligibility Report for the South IL Route 72 RPA included in Part II of this document can be used to support the establishment of a 42-acre RPA as an Industrial Park Conservation Area. The Act states that an Industrial Park Conservation Area, “means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 1/2 miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.” (65 ILCS 5/11-74.4-3(d))

The Act further defines a Labor Surplus Municipality as, “a municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection, if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal county in which the municipality is located.” (65 ILCS 5/11-74.4-3(e))

Unemployment rate statistics are not available for the Village of East Dundee, so those for Kane County have been used. As detailed in the Eligibility Report in Part II of this document, in three of the six months preceding adoption of this RPA and creation of an industrial park conservation district, the Kane County unemployment rate was both higher than 6% and exceeded the national rate.

The Eligibility Report and the Redevelopment Project and Plan (the “Designation Reports”) were prepared in conjunction with each other and will outline the following:

- The proposed RPA meets the requirements set forth in the Act to be designated as an Industrial Park Conservation Area. (65 ILCS 5/11-74.4-1, et seq.).
 - With regard to area unemployment, in three of the six months prior to the designation of this RPA the unemployment rate for Kane County exceeded both 6% and the national employment rate, thus qualifying East Dundee as a Labor Surplus Municipality.
 - Prior to the adoption of the designation of this Redevelopment Project Area, all of the property within the RPA was zoned industrial.
 - The RPA includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.
- The area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being for the Village.
- The decline of areas in need of redevelopment “impairs the value of private investment and threatens the sound growth and the tax base of the taxing districts in such areas”. (65 ILCS 5/11-74.4-2(a)).
- The area is not likely to be appropriately redeveloped without public assistance.

As defined in the Act “no redevelopment plan shall be adopted unless a municipality complies with all of the following requirements: (65 ILCS 5/11-74.4-3(n)(J))

1. “The municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan”. (65 ILCS 5/11-74.4-3(n)(J)(1)
2. “The municipality finds that the redevelopment plan and project conform to the comprehensive plan for the development of the municipality as a whole . . .” (65 ILCS 5/11-74.4-3(n)(J)(2)
3. “The redevelopment plan establishes the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs. Those dates shall not be later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of this Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted if the ordinance was adopted on or after January 15, 1981...”. (65 ILCS 5/11-74.4-3(n)(J)(3))

In addition to outlining the criteria needed to implement the Plan as defined by the Act, (65 ILCS 5/11-74.4-3(n)(J) et seq.) the Plan also includes the following:

- Provisions for amending the Plan
- Scheduling of the Plan

The following resources are included in the Appendices of this report:

Appendix I: Legal Description of RPA

Appendix II: RPA Parcel Listing and EAVs

Appendix III: Proposed RPA Boundary and Parcel Identification Map

Appendix IV: Current Land Use Map

Appendix V: Proposed Land Use: Comprehensive Plan Land Use Plan

Appendix VI: Annexation Agreement

PART I: REDEVELOPMENT PROJECT AND PLAN

A. Project Background

The Plan as defined, “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”. (65 ILCS 5/11-74.4-3(n) et seq.) *(Note: This report focuses on the establishment of an RPA as defined only for an Industrial Park Conservation Area)*

The South IL Route 72 Redevelopment Project Area is approximately 42 acres of land located in an area generally along the south side of Route 72 approximately 980 feet east of the Route 25 intersection and extending to the eastern boundary of the Village. Land uses in the area consist solely of commercial agriculture, vacant land and Route 72 right-of-way.

Although the property has direct access to and excellent visibility from Route 72 (27,300 Average Daily Traffic in 2017 according to IDOT), the lack of infrastructure in the area and other issues pose unique challenges for potential developers. For reasons hereinafter described, the Village Board concluded that appropriate development of the area would not occur without the creation of a Tax Increment Financing (TIF) district. Accordingly, the Village Board has proposed the creation of the Redevelopment Project Area (RPA).

The public assistance necessary to bring about redevelopment of the proposed RPA could include any form of assistance authorized by the TIF Statute including, without limitation, the assembly and sale of developable parcels, demolition and clearance of improvements, installation and repair of streets, and the installation and repair of utilities.

The proposed RPA is intended to provide a mechanism to finance needed public improvements that will help spur redevelopment and private investment in the redevelopment project area and to create a physical and economic relationship between the redeveloped South IL Route 72 RPA and the rest of the Village and region. The Village intends to use this “Redevelopment Project and Plan and Eligibility Report for the South IL Route 72 Redevelopment Project Area” to demonstrate that future private investments would not occur but for the creation of this proposed RPA and the associated public benefits it can provide.

The Eligibility Report documents the conditions that qualify the TIF for designation as a redevelopment project area within the meaning of the TIF Statute and the Redevelopment and Project Plan will serve as a guide to eliminate the conditions that qualify the area for such designation.

1. Redevelopment Project Objectives

The objectives for implementing the Plan include:

- Preparing the South IL Route 72 Area for redevelopment through preparation activities including, but not limited to, site assembly and preparation, extension of public utilities and infrastructure, and enhancement of public infrastructure;
- Encouraging redevelopment of existing vacant parcels throughout the district;
- Promoting and protecting the health, safety, morals, and welfare of the public by establishing sustainable land uses;
- Establishing economic growth and development in the Village by working within the guidelines of the business attraction and retention strategies as developed by the Village;
- Restoring and enhancing the Village’s tax base;

- Enhancing the value of the proposed RPA;
- Improving the environmental quality of the proposed RPA;
- Establishing a physical and economic relationship between the redeveloped RPA and the surrounding area;
- Retaining and attracting employment opportunities within the proposed RPA.

2. Redevelopment Project Activities

To achieve the objectives of the Plan, the Village proposes to assist with redevelopment of the proposed RPA by pledging future annual property tax increments to pay for eligible redevelopment project costs.

Several actions are needed to implement activities of the Plan:

- Approval of the Plan and determination of qualifications as outlined in the Eligibility Report;
- Designation of a proposed RPA and use of incremental property tax revenues to provide reimbursement of eligible costs associated with private investment;
- Issuance of obligations to provide up-front funding of eligible costs; and
- Use of excess revenues exceeding debt service requirements to pay for additional eligible costs.

As defined in the Act (65 ILCS 5/11-74.4-3(n)(A)-(J)) “each redevelopment plan shall set forth in writing the program to be undertaken to accomplish the objectives and shall include but not be limited to:”

- A. An itemized list of estimated redevelopment project costs;
- B. Evidence indicating that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise;
- C. An assessment of any financial impact of the redevelopment project area on or any increased demand for services from any taxing district affected by the plan and any program to address such financial impact or increased demand;
- D. The sources of funds to pay costs;
- E. The nature and term of the obligations to be issued;
- F. The most recent equalized assessed valuation of the redevelopment project area;
- G. An estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the redevelopment project area;
- H. A commitment to fair employment practices and an affirmative action plan;
- I. If it concerns an industrial park conservation area, the plan shall also include a general description of any proposed developer, user and tenant of any property, a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new employees to be employed in the operation of the facilities to be developed; and
- J. If property is to be annexed to the municipality, the plan shall include the terms of the annexation agreement.

B. Itemized List of Estimated Redevelopment Project Costs

To stimulate public and private investment in the proposed RPA, the Village may reimburse for eligible redevelopment project costs (“Project Costs”).

Project Costs may include:

Description of Activity	Estimated Cost
A. Construction of public works projects or improvements including but not limited to streets, sidewalks, paths, trails, streetscaping, utilities, and public space	\$4,600,000
B. Site preparation, acquisition, and relocation including but not limited to land and buildings or interests therein, clearing, grading, demolition, and site preparation	\$5,110,000
C. Project administration, planning, engineering, and marketing	\$330,000
D. Interest and finance charges	\$500,000
Total Estimated Redevelopment Project Costs**	\$10,540,000
<p>**This is only an estimate of the eligible redevelopment project costs associated with the proposed investment. The Village may reallocate the estimated line item costs above among various line items without amendment to the Plan, to the extent permitted by law. This budget of eligible costs does not obligate the Village to fund specific improvements.</p>	
<p>Notes:</p> <ol style="list-style-type: none"> 1. All costs are in 2020 dollars. Amounts can be adjusted annually to reflect the general rate of inflation as measured by the United States Department of Labor. 2. Certain costs may include fees of consulting engineers, architects, planning consultants, attorneys, and other professionals. 3. Estimated costs may be shifted among line items to reflect actual experience in the implementation of the Plan. 4. Cost estimate includes proceeds of bonded indebtedness and other indebtedness incurred to finance the payment of eligible redevelopment project costs. 5. Cost of acquired property includes unrecovered cost of property acquired by the Village and subsequently sold for less than the cost of acquisition. 6. Certain costs may represent estimated local match requirements for projects whose full costs may be defrayed, in part, by other sources of funding including, but not limited to, grants through the state and federal government. As a consequence, actual project costs may be higher. 7. Incremental revenues generated from this proposed RPA may also be spent on eligible redevelopment project costs in adjacent RPAs. 	

C. Eligible Project Costs

“Redevelopment project costs” mean and include “the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs include, without limitation, the following:” (65 ILCS 5/11-74.4-3(q) et seq)

- (1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, 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. In addition, “redevelopment project costs” shall not include lobbying expenses. 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.

- (1.5) After July 1, 1999, 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.
- (1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors.
- (2) Property assembly 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) 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) 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) 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, 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.
- (7) 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.
- (7.5) 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 this 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 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 this 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 this 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 this 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 this 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 this 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 this 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 this 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 this Act. (C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5): (i) no increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity; (ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and (iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement. Any school district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects.

(7.7) 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 January 1, 2005 (the

effective date of Public Act 93-961), a public library 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 this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph (7.7) applies only if (i) the library district is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum. The amount paid to a library district under this paragraph (7.7) shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that 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 this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph (7.7) shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Tax Allocation Fund. A library district is not eligible for any payment under this paragraph (7.7) unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area. Any library district seeking payment under this paragraph (7.7) shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.7). By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects.

- (8) 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.
- (9) Payment in lieu of taxes.
- (10) 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.

- (11) 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 this 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 pursuant to this paragraph (11) 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 this 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 this Act; and (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) of paragraph (11). (F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this 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 this 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) of paragraph (11) 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) of paragraph (11). 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.
- (11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and

municipal, county, or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

- (12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- (13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection 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. For purposes of this paragraph, 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. If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act.

D. Lack of Growth and Development through Private Enterprise

As defined by the Act “the municipality finds that the redevelopment project area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the redevelopment plan”. (65 ILCS 5/11-74.4-3(n)(j)(1)

Without implementation of the Plan and the establishment of a RPA, it is expected that the properties identified in the proposed RPA will not receive the required private investment to redevelop the properties within the boundaries of the proposed RPA and eradicate the factors that support the findings of an Industrial Park Conservation Area.

The lack of private investment is evidenced by the lack of any development in the RPA despite its access to and visibility from Route 72, which carries 27,300 cars per day – the second highest traffic count area in the Village. The entire RPA suffers from a lack of street and utility infrastructure that has impeded economic growth and development. This is further confirmed in an Annexation Agreement (see Appendix VII) wherein the primary developer of the RPA has affirmed that but for the economic assistance being made available through the TIF district and/or other programs their project would not forward in this location.

In summary, it anticipated that through implementation of the Plan and establishment of an RPA the Village will encourage public and private investment and development in the proposed RPA; however, without the implementation of the Plan, the area is not expected to attract necessary future developments and private investment.

E. Financial Impact of the Redevelopment Project on the Taxing Districts

The activities contained in the Plan are not anticipated to impose a substantial impact on the taxing districts. However, not implementing the Plan may result in a deterioration of the existing tax base. In addition, failure to proceed with the Plan would result in the continuation of these conditions and adversely affect the health, safety, and morals of the Village. Therefore, it is essential that the Village implement the Plan to promote public and private investment and the health, safety, and welfare of the Village while ensuring the long-term value of the proposed RPA.

The adoption of the proposed RPA could indirectly affect the taxing districts because of additional public and private investment. However, this impact is anticipated to be minimal.

F. Demand on Taxing District Services

The Village has several taxing districts that currently levy taxes against parcels in the proposed RPA. Implementation of the Plan and establishing an RPA is not anticipated to increase the Village or County population given the entire area is zoned industrial and between one and six businesses are expected to locate within it without any residential units. Therefore, a minimal incremental demand on the taxing districts is anticipated even with a substantial amount of additional public and private investment.

Based on this assumption the estimated impact on the taxing districts are as follows:

Village of East Dundee: It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Village services.

East Dundee and Countryside Fire District: It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Fire District services. The Village intends to work with the Fire District to address this increased demand.

Dundee Township: It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Township services.

Dundee Township Road District: It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Township Road District services.

Dundee Township Park District: It is anticipated, as of the finalized date of this report, that there should be minimal additional demand for Park District services.

Fox River Valley Public Library District: It is anticipated, as of the finalized date of this report, that there should be minimal additional demand for Library services.

Kane County: It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Kane County services.

Forest Preserve District of Kane County: It is anticipated, as of the finalized date of this report, that there should be minimal additional demand for Kane County Forest District services.

Community Unit School District 300: It is anticipated, as of the finalized date of this report, that there should be no increased demand on School District 300 services.

Elgin Community College District 509: Since implementation of the Plan is not anticipated to result in increased or decreased enrollment, it is expected that demand for school services provided by Elgin Community College should not change.

G. Program to Address Financial and Service Impacts

No program is provided in this report to address service impacts because it is anticipated that there should be minimal incremental demand resulting from the implementation of the Plan.

The long-term financial impact to the taxing districts is expected to be positive and result in the creation of new jobs and enhancement to the tax base of the Village.

It also is anticipated that a significant increase in the EAV should be generated by the reassessment of existing properties within the proposed RPA (which currently are assessed primarily for agricultural purposes) and future public and private investments made in the proposed RPA during the life of the proposed RPA.

H. Source of Funds to Pay Costs

It is anticipated that the Village can use incremental property taxes from the proposed RPA to fund eligible Project Costs. RPA revenues from the Village's special tax allocation fund that are not required for payment and security of the obligations can be used for additional RPA eligible costs as determined by the Village.

I. RPA Funding Alternatives

In addition to using incremental property taxes to fund Project Costs, the Village may also utilize a variety of available sources of revenue to fund the implementation of this Plan including, but not limited to, the following:

1. General revenue of the Village to the extent such revenue is not necessary to fund other operations of the Village;
2. The revenue available as a result of development agreements, purchase agreements, and leases entered into between the Village and other individuals and entities;
3. Incremental real estate tax revenue;
4. State and federal grants;
5. Future sales tax revenue generated within the RPA;
6. Bonds issued under authority of the TIF Statute;
7. Revenue from contiguous RPA's;
8. Special assessments;
9. Business Development District funds;
10. Development fees;
11. Special Service Area fees and/or taxes; and/or
12. Any state or federal economic stimulus program that becomes available during the life of the TIF District.

Project Costs funded by the above sources will depend upon the availability of funds from those sources. The Village can attempt wherever possible to utilize grants, incremental tax revenue, and other sources of revenue, which the Village may not be required to repay. To the extent that such sources of revenue are not available or that such sources of revenue are insufficient, the Village may utilize borrowed funds.

The Village may incur any and all categories of expenses necessary to bring about the completion of this plan and project that fall within the definition of the term "redevelopment project costs" as defined in the TIF Statute as it currently exists or may from time to time in the future be amended. Deviations from the above increment expenditure policy must be approved by the Village Board.

J. Issuance of Obligations – Nature and Term

RPA funding shall be the annual incremental property tax deposits into the Special Tax Allocation Fund. The reimbursement of eligible costs shall be funded from future annual incremental property taxes associated with investment of new real property in the RPA.

Incremental property taxes will be determined by the increased EAV of real property in the RPA. Funds deposited into the Special Tax Increment Allocation Fund may be used to reimburse public and private Project Costs.

As defined in the Act "the municipality may in addition to obligations secured by the special tax allocation fund pledge for a period not greater than the term of the obligations towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge. Such obligations may be issued in one or more series bearing interest at such rate or rates as the corporate authorities of the municipality shall determine by

ordinance. Such obligations shall bear such date or dates, mature at such time or times not exceeding 20 years from their respective dates, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms and conditions, and be subject to redemption as such ordinance shall provide”. (65 ILCS 11-74.4-7 et seq).

One or more series of obligations may be issued to implement the Plan for the proposed RPA. Subsequent obligations, if any, may be issued as junior lien obligations or as parity obligations. The Village may also choose to refinance, refund, or retire in advance of the maturity date certain obligations, in accordance with applicable laws and regulations.

K. Equalized Assessed Value of Redevelopment Project Area

The equalized assessed valuation (“EAV”) for the proposed RPA is based on the most recent EAV available, which is 2019. The RPA consists of three properties with a total EAV of \$8,314. The very low value is due to the fact that the parcels have been used for agricultural purposes. Appendix II provides the 2019 tax year EAV for the PINs.

Assessment Year: 2019	
Estimated Equalized Assessed Value:	\$8,314

Source: Kane County

It is anticipated the estimated Base EAV for establishment of the proposed RPA is the 2019 EAV.

L. Equalized Assessed Value after Redevelopment and General Land Uses

Based upon implementation of the Plan, growth and development of the proposed RPA should occur. The establishment of this proposed RPA is to promote future public and private investment.

For the future projection of the proposed RPA EAV, it is assumed that \$10,000,000 of real property from public and private investments may occur during the 23-year life of the proposed RPA.

Based on these assumptions, the future EAV is anticipated for the proposed RPA to increase by approximately \$10,000,000 by the end of the life of the proposed RPA.

The estimated redevelopment valuation assumes the following:

- Implementation of the Plan may stimulate public and private investment of approximately \$30,000,000 in real property improvements in the proposed RPA. If the amount of real property improvements increases, it is anticipated the EAV should also increase.
- The Township Assessor fully assesses and reassesses real property in accordance with State laws.

M. Generalized Land Use Plan

The Generalized Land Use Plan for the proposed RPA will be in effect upon adoption of the Plan. This Land Use Plan is a generalized plan that outlines land use categories. The Plan is used to promote new public and private investment and development in the proposed RPA.

At the time this Plan was prepared, the proposed RPA was zoned industrial. See Current Zoning Map in Appendix V of this document.

The proposed redevelopment project area is legally described in Appendix I and shown on the map in Appendix III. As documented in the following Eligibility Report prepared concurrently with this Plan, all of the properties within the proposed RPA are vacant and lack street infrastructure and utilities.

N. Environmental Considerations

There are no known historic uses of property within the RPA that may have resulted in environmental contamination. In the event that such past uses, or other evidence of potential contamination are discovered, the property may be subject to environmental assessment and remediation under the auspice of the U.S. Environmental Protection Agency (USEPA) and its equivalent state level agency, the Illinois Environmental Protection Agency (IEPA).

O. Potential Future Land Use

Proposed land uses and activities for the proposed RPA are commercial and industrial as highlighted on the map in Appendix VI. As such, the RPA is suitable for use by any manufacturing, industrial, research or transportation enterprise, with such facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities.

P. Fair Employment Practices and Affirmative Action Plan

The Village shall not, in connection with the implementation of this plan and project, discriminate against any person or organization on the basis of race, national origin, sex, age, or any other suspect classification identified in the Illinois Human Rights Act. The Village will welcome and encourage participation by all persons and organizations at all levels including planning, construction of improvements, and occupation of facilities within the RPA.

Q. Industrial Park Conservation Area

The RPA is proposed as an Industrial Park Conservation Area. At the time this draft Plan was prepared, the area consists of three parcels as shown on Appendix VII. Per the Annexation Agreement between the property owners and the Village (see Appendix VII), the area is proposed to be subdivided to include a 26-acre lot on the west side of the Christina Drive extension to be known as the “Altorfer Property” (owned by Altorfer, Inc.), and on the east side will be a 16-acre lot known as the “Remaining Property” (owned by multiple trusts held by the Chicago Title Land Trust Company). The Altorfer Property is proposed to be used for a construction and farm equipment dealership including heavy equipment sales, maintenance and related uses, as depicted and described in Exhibits E-1 and E-2, respectively of the Annexation Agreement. Approximately 43 jobs are expected to be created at the dealership, which may include approximately six salaried managerial and supervisory positions, four hourly administrative positions, and 33 hourly union parts and service positions.

There are currently no plans for development of the Remaining Property. As such, the owner and Village have agreed that any future plans for developing the Remaining Property shall be subject to all applicable codes, ordinances, rules and regulations of the Village as are in place at the time of the submittal of any development request, except to the extent otherwise provided for in the Annexation Agreement.

R. Annexation of Property by the Municipality

The parcels comprising the RPA were annexed by the Village on June 1, 2020, subsequently rezoned to industrial on June 15, 2020, and are subject to the terms of the Annexation Agreement contained in Appendix VII.

S. Redevelopment Project and a Strategy for its Implementation

The goal of the redevelopment plan is to provide a comprehensive program for the Village of East Dundee to promote sound growth and development in an area established as a Redevelopment Project Area. The Village is implementing a redevelopment plan in accordance with the Comprehensive Plan. Given that the South IL Route 72 RPA is contiguous to the Dundee Crossing RPA, revenues can be shared between these and other contiguous districts for eligible project costs within each district consistent with 65 ILCS 5/11-74.4-4.q.

1. Proposed Land Uses

Consistent with the M-1 Limited Manufacturing District zoning for the entire RPA, the area is suitable for any manufacturing, industrial, research or transportation enterprise, with such facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities. These land uses are consistent with the Comprehensive Plan Update Future Land Use Map, which designates the area as “General Business” as shown in Appendix VI. As noted previously, development is expected to begin with a full-service construction and farm equipment dealership located on the west side of the RPA. No specific development is proposed for the remainder of the RPA at this time, but any future development shall be subject to all applicable codes, ordinances, rules and regulations of the Village as are in place at the time of the submittal of any development request site.

2. Public Infrastructure

Required public improvements within the proposed RPA may include the following: street resurfacing, curb and gutters, sidewalk construction/reconstruction, sanitary sewers, water mains, landscaping, lighting, signage, and utility relocations. Several of these improvements can be concentrated in the major public rights-of-way within the proposed RPA, which include extensions of Christina Drive and Piedmont Drive and/or improvements to Route 72.

Streetscape and other improvements are needed to establish a strong visual identity for the area and encourage a connection between the proposed RPA and the adjacent areas. Other anticipated improvements may include burying of overhead utility lines and any necessary utility upgrades. The Village reserves the right to vary the composition and location of all public improvements based on future refinements to the overall redevelopment plan for the area.

The Village can construct, or facilitate the construction by others, such subsidiary streets, and appurtenant stormwater control facilities as are necessary to serve any parcels created by the subdivision of existing larger parcels or the assembly of existing smaller parcels within the proposed RPA. The Village can also reconstruct, or facilitate the reconstruction, of water mains, sanitary sewer mains, and appurtenances to such facilities to the extent necessary to serve existing parcels within the proposed RPA.

3. Acquisition and Relocation

The Village can acquire such property within the proposed RPA, as it deems necessary to facilitate the uses proposed in the Plan. The Village also reserves the right to relocate other uses and create such parcels as it deems necessary to serve the needs of those entities choosing to locate within the proposed RPA. The Village also reserves the right where necessary to acquire property through the power of eminent domain as authorized by the Act. Where applicable, relocation assistance can be provided in accordance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations promulgated under authority of that statute.

In lieu of acquiring title to property within the proposed RPA, the Village may also, to the extent that it deems appropriate, facilitate the assembly or subdivision of property by private persons or organizations.

4. Disposition of Property

The Village may utilize property, which it acquires for various municipal purposes including, without limitation, public buildings, and other facilities, street rights-of-way, and parking facilities. However, except for property to be devoted to such public uses, any property acquired by the Village can ultimately be sold to private individuals or organizations that commit to utilize the property in a manner consistent with this Plan. The Village can dispose of property in accordance with procedures prescribed by the Act. The Village may, in its sole discretion, accept less than the fair cash market value for any parcel which it chooses to convey as a means of encouraging appropriate development. The Village can incorporate the terms and conditions of any conveyance into a written disposition agreement which may, in the sole discretion of the Village, contain more specific design controls than those set forth in this Plan.

The Village can also promote redevelopment of the proposed RPA in an environmentally responsible fashion while not incurring unnecessary costs. The Village can utilize or encourage utilization by private property owners of a “tiered approach to corrective objectives” (“TACO”). Promulgated by IEPA, TACO contemplates the use of institutional controls such as deed restrictions, land use restrictions, and engineered barriers.

The Village may choose to assist in resolving any environmental issues that may arise. Such assistance may include payment of all or a portion of both the cost of a Phase II environmental audit and the cost of any remediation efforts, which may be indicated by the results of the Phase II audit.

5. Renovation of Commercial and Industrial Properties

The Village may use incremental tax revenues to renovate, relocate, or enhance the value of existing commercial and industrial properties within the proposed RPA to leverage private investment.

6. Displacement of Inhabited Residential Units

The Act requires that a housing impact study be performed if the life of the redevelopment plan would result in the displacement of residents from ten or more inhabited residential units. The South IL Route 72 Redevelopment Project Area does not contain any inhabited units, and no units are expected to be constructed during the life of the TIF district.

T. Conformity to the Comprehensive Plan

The M-1 Limited Manufacturing zoning and proposed equipment dealership are consistent with the 2010 Comprehensive Plan Addendum, which designates the entire RPA for General Business and encourages large format development that takes advantage of the visibility to the high traffic volumes on Route 72.

U. Provisions for Amending this Plan

The Plan may be amended in accordance with the Act, following discussion of the proposed changes with the Joint Review Board.

V. Scheduling of the Redevelopment Project and Plan

The Village can implement the Plan for the proposed RPA to ensure public and private investments and development are encouraged. To achieve this goal, the Village can implement the Plan with appropriate timeliness to maximize private sector investments in the proposed RPA. It is anticipated that the Plan can be fully implemented along with the establishment of the proposed RPA by 23 years from the date of its adoption by the Village Board.

PART II: ELIGIBILITY REPORT

A. Basis for Redevelopment

The Tax Increment Allocation Redevelopment Act (the “Act”) (65 ILCS 5/11-74.4-1, et seq.) provides Illinois municipalities the means to designate areas within the boundaries of a municipality as Redevelopment Project Areas (RPA), otherwise known as Tax Increment Financing (TIF) districts. Municipally designated RPAs can be redeveloped through incremental real property tax assistance. The incremental property taxes associated with an increase in private investment can be used to reimburse eligible redevelopment project costs.

Incremental property taxes are derived from the increase in the current Equalized Assessed Value (EAV) of real property improvements within the RPA over and above the Certified Initial EAV (“Base EAV”) of real property within the same district. The Certified Initial EAV is established when the RPA is established by a municipality. In summary, investment in new real property in the redevelopment area increases the EAV of the property, thus creating incremental real property tax revenues.

RPAs generate incremental tax revenues by allowing the municipality’s Special Tax Allocation Fund to capture the incremental revenues produced by the enhanced valuation of properties resulting from private investment and the reassessment of properties within the RPA. The assets of the Special Tax Allocation Fund shall be used to pay for redevelopment project costs in the RPA.

By establishing a RPA, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the RPA. Additionally, taxing districts may receive distributions of excess incremental property taxes when annual property taxes are collected if the amount of taxes collected is greater than the amount of taxes pledged toward specific redevelopment project costs or obligations.

In addition to the potential of excess incremental tax distributions, the benefit of an RPA to taxing districts is the increase in their respective property tax bases after the RPA has expired and all costs and obligations have been paid.

The use of incremental property taxes from the RPA will benefit the Village, its residents, and taxing districts by generating the following benefits:

- Increased property tax base derived from investment in real property
- Increased sales tax base resulting from new development
- Increase in construction and other employment opportunities from the direct and indirect spin-off investment in the Project Area
- Improved public systems, including utilities, roadways, and other infrastructure items

Under recent legislative changes, municipalities must prepare and submit annual reports to the State of Illinois Comptrollers Office. These reports include, but are not limited to, the following:

- Date of Designation or Termination
- Audited Financials
- Mayor’s Certifications
- Opinions from Legal Counsel
- Analysis of Each Special Allocation Fund
- Description of Property
- Statement of Activities
- Documents Relating to Obligations Issued by the Municipality
- Analysis of Debt Service
- Certified Audit Report
- General Description

B. Redevelopment Project Area

The proposed RPA includes three Parcel Identification Numbers (“PINs”) recently annexed into the Village. A proposed RPA boundary map is provided in Appendix III, and the parcels proposed to be included in the RPA are also identified in Appendix III.

C. Project Area Description

A legal description of the Project Area boundaries is provided in Appendix I.

D. Eligibility of an Industrial Park Conservation Area

The South IL Route 72 RPA is proposed as an Industrial Park Conservation Area. The Act states that an Industrial Park Conservation Area, “means an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 1/2 miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.” (65 ILCS 5/11-74.4-3(d))

The Act further defines a Labor Surplus Municipality as, “a municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection, if unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal county in which the municipality is located.” (65 ILCS 5/11-74.4-3(e))

Unemployment rate statistics are not available for the Village of East Dundee, so those for Kane County have been used. As shown in the table below, in three of the six months preceding adoption of this RPA and creation of an industrial park conservation district, the Kane County unemployment rate was both higher than 6% and exceeded the national rate.

Qualification as a Labor Surplus Municipality

Unemp. Rate	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Illinois	4.0	3.5	4.2	16.8	14.7	14.6			
Kane Co.	4.7	4.1	3.7	16.8	15.0	13.3			
U.S.	3.6	3.5	4.4	14.7	13.3	11.2			
Exceeds U.S. Rate	✓	✓		✓	✓	✓			
Exceeds 6.0%				✓	✓	✓			
Qualifies as LSM*				✓	✓	✓			

* Per 65 ILCS 5/11-74.4-(e), a "Labor Surplus Municipality" is one in which the unemployment rate exceeds 6% and is equal to or greater than the U.S. rate at any time within 6 months prior to the adoption of an Industrial Park Conservation Area Tax Increment Finance District. If the unemployment rate for a municipality is not available, the rate of the principal county in which the municipality is located shall be used.

Source: Local Area Unemployment Statistics (LAUS), U.S. Bureau of Labor Statistics. Accessed August 2020 from Illinois Department of Employment Security (state and county rates) and BLS (national rates)

https://www2.illinois.gov/ides/lmi/Pages/Local_Area_Unemployment_Statistics.aspx
<https://www.bls.gov/news.release/laus.toc.htm>

The South IL Route 72 RPA is immediately adjacent to the Dundee Crossing RPA (TIF #2) on both its west and northern boundaries. TIF #2 was created in 2006 as a Blighted Redevelopment Project Area.

E. DETERMINATION OF RPA ELIGIBILITY

The proposed RPA meets the requirements of the Act for designation as an Industrial Park Conservation Area:

- The proposed RPA meets the requirements set forth in the Act to be designated as an Industrial Park Conservation Area. (65 ILCS 5/11-74.4-3(d))
 - With regard to area unemployment, in three of the six months prior to the designation of this RPA the unemployment rate for Kane County exceeded both 6% and the national employment rate, thus qualifying East Dundee as a Labor Surplus Municipality.
 - Prior to the adoption of the designation of this Redevelopment Project Area, all of the property within the RPA was zoned industrial.
 - The RPA includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.
- The area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being for the Village.
- The decline of areas in need of redevelopment “impairs the value of private investment and threatens the sound growth and the tax base of the taxing districts in such areas”. (65 ILCS 5/11-74.4-2(a)).
- The area is not likely to be appropriately redeveloped without public assistance.

APPENDICES

Appendix I: Legal Description of RPA

THAT PART OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST LINE OF GATEWAY SUBDIVISION, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 42 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED MAY 8, 1989 AS DOCUMENT NO. 1972329 WITH THE SOUTHWESTERLY LINE OF PARCEL 0002 ACQUIRED BY THE ILLINOIS DEPARTMENT OF TRANSPORTATION IN CONDEMNATION CASE ED 92 0015 BY ORDER DATED APRIL 22, 1993 AND AS SHOWN ON DOCUMENT 96K009367 AS ILLINOIS ROUTE 72, HIGGINS ROAD; THENCE SOUTH 61 DEGREES 53 MINUTES 27 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE, 491.05 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY 654.45 FEET ALONG SAID SOUTHWESTERLY LINE, BEING A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 22,706.63 FEET AND WHOSE CHORD BEARS OF SOUTH 61 DEGREES 03 MINUTES 54 SECONDS EAST 654.43 FEET TO A BEND POINT IN SAID SOUTHWESTERLY LINE; THENCE SOUTH 37 DEGREES 44 MINUTES 46 SECONDS EAST ALONG THE SOUTHWESTERLY LINE OF SAID ILLINOIS ROUTE 72 A DISTANCE OF 160.60 FEET TO A BEND POINT IN SAID SOUTHWESTERLY LINE; THENCE NORTH 23 DEGREES 44 MINUTES 02 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE 61.34 FEET TO A POINT ON A CURVE; THENCE SOUTHEASTERLY 280.08 FEET ALONG SAID SOUTHWESTERLY LINE, NON TANGENT TO THE LAST DESCRIBED COURSE, BEING A CURVE TO THE RIGHT, HAVING A RADIUS OF 22,706.63 FEET AND WHOSE CHORD BEARS OF SOUTH 59 DEGREES 31 MINUTES 40 SECONDS EAST 280.08 FEET TO A BEND POINT; THENCE SOUTH 59 DEGREES 09 MINUTES 16 SECONDS EAST ALONG SAID SOUTHWESTERLY LINE, NON TANGENT TO THE LAST DESCRIBED CURVE, 490.70 FEET; THENCE SOUTH 30 DEGREES 50 MINUTES 06 SECONDS WEST, DEPARTING FROM SAID SOUTHWESTERLY LINE 223.12 FEET; THENCE SOUTH 24 DEGREES 01 MINUTES 52 SECONDS WEST 311.97 FEET; THENCE NORTH 59 DEGREES 09 MINUTES 53 SECONDS WEST 822.05 FEET; THENCE NORTH 61 DEGREES 03 MINUTES 20 SECONDS WEST 122.51 FEET; THENCE SOUTH 08 DEGREES 53 MINUTES 49 SECONDS WEST 565.95 FEET; THENCE NORTH 81 DEGREES 06 MINUTES 11 SECONDS WEST 874.66 FEET TO A POINT ON SAID EAST LINE OF SAID GATEWAY SUBDIVISION; THENCE NORTH 08 DEGREES 31 MINUTES 15 SECONDS EAST ALONG THE LAST DESCRIBED LINE 1448.17 FEET TO THE POINT OF BEGINNING, TOGETHER WITH ALL THAT PART OF ILLINOIS ROUTE 72 (HIGGINS ROAD) LYING NORTH OF AND ADJACENT TO ABOVE DESCRIBED PROPERTIES, NOT PREVIOUSLY ANNEXED TO THE VILLAGE OF EAST DUNDEE, ALL IN KANE COUNTY, ILLINOIS.

Street Addresses: 1030 and 1040 East Main Street, East Dundee, IL 60118

General Location: Approximately forty-two (42) acres of property on the south side of Illinois Route 72 in the vicinity of Christina Drive, in the Village of East Dundee, Kane County, Illinois

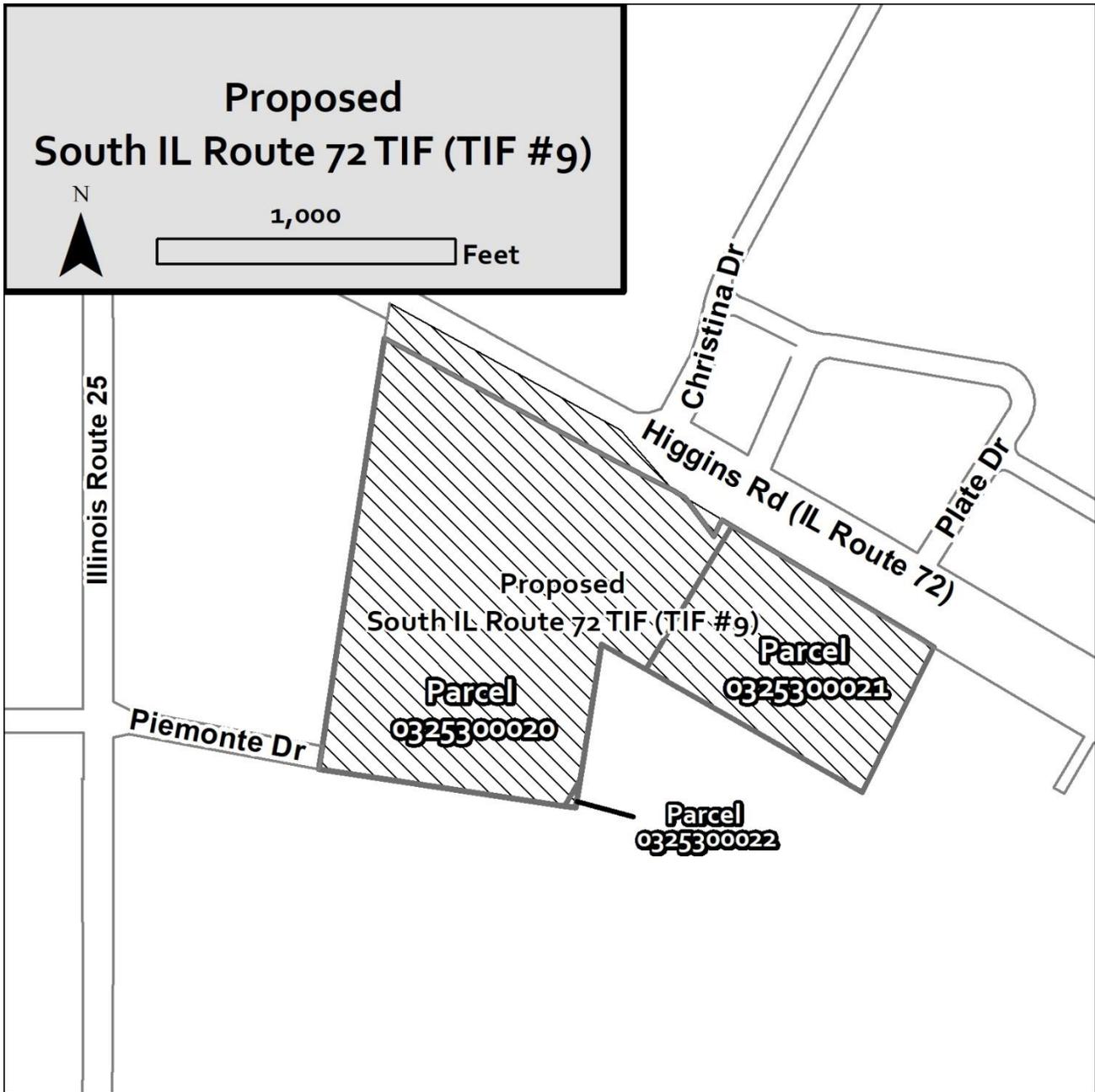
Property Identification Numbers ("PINs"): 03-25-300-020, 03-25-300-021 and 03-25-300-022

Appendix II: RPA Parcel Listing and EAVs

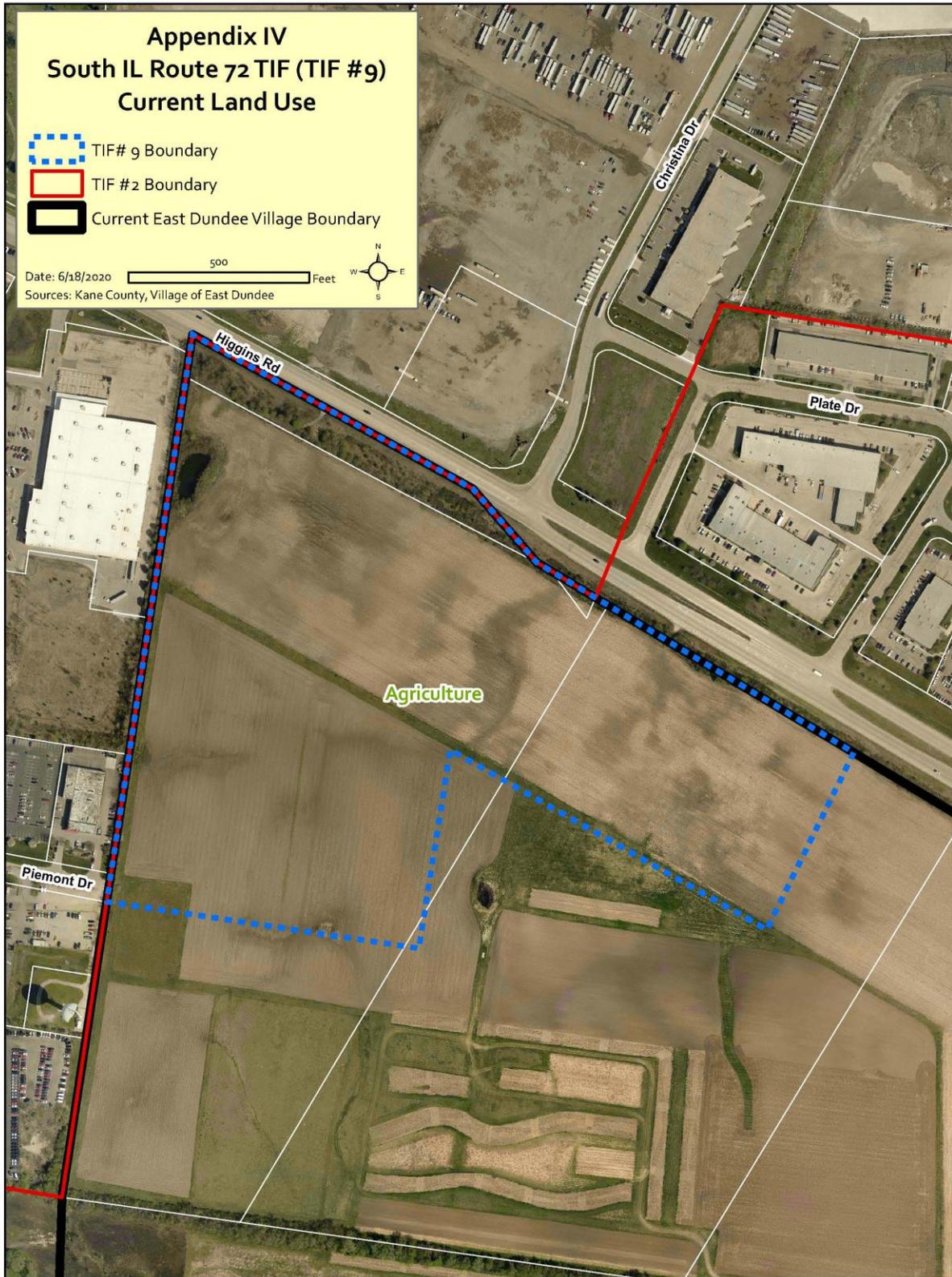
Parcel Listing and 2019 EAVs Provided by: Kane County

03-25-300-020	EAV of \$6,517
03-25-300-021	EAV of \$1,787
03-25-300-022	EAV of \$10

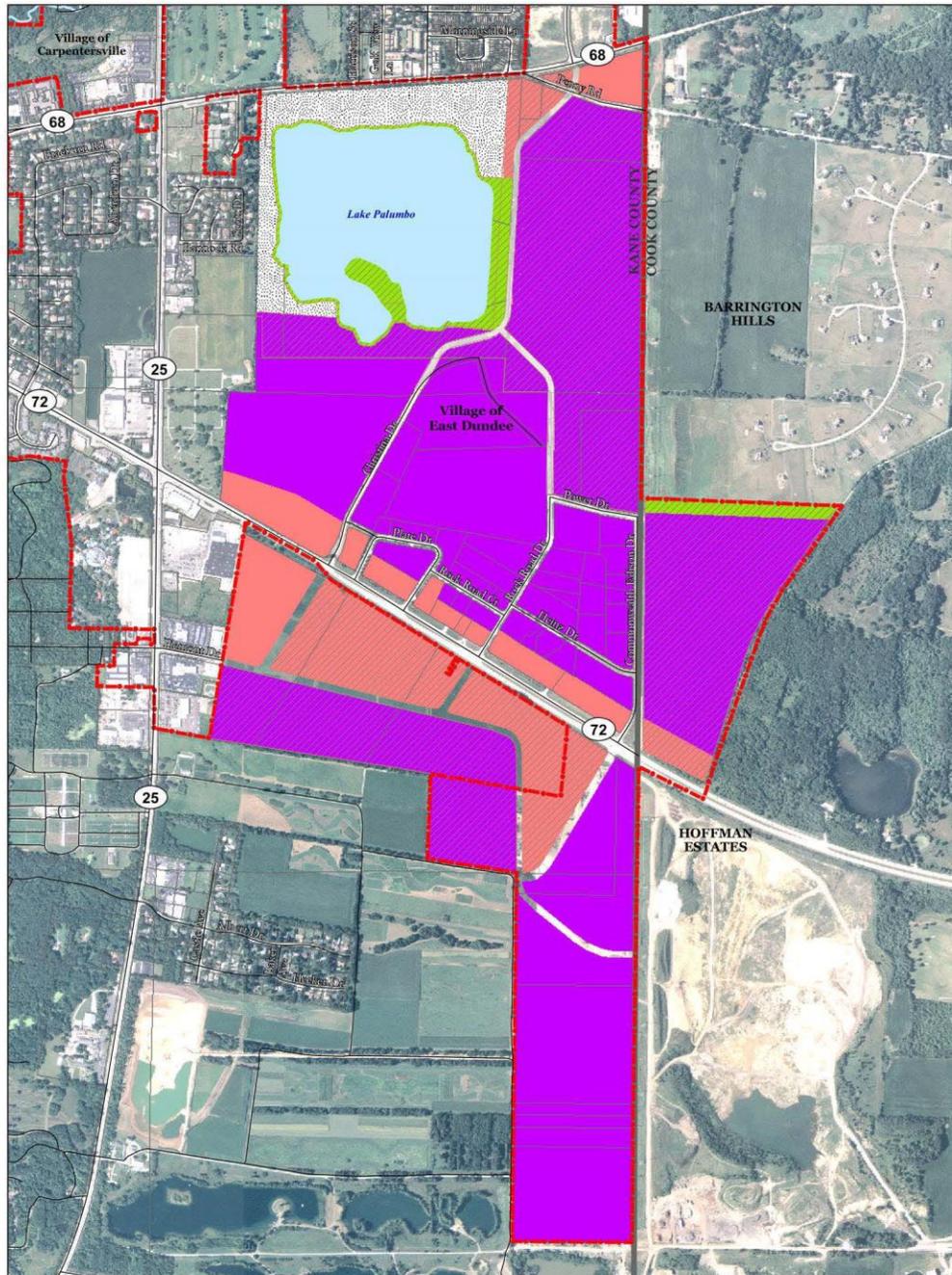
Appendix III: Proposed RPA Boundary Map and Parcel Identification Map



Appendix IV: Current Land Use Map



Appendix V: Proposed Land Use: Comprehensive Plan Land Use Plan



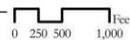
*Note: This map is not a stand alone document and must be used in conjunction with the text of the comprehensive plan and 2010 addendum

Legend

- | | | |
|---------------------------------|----------------------------|-----------------------------------|
| Village of East Dundee Boundary | Surface Water | Future Land Use Categories |
| County Boundary | Existing/Proposed Streets | |
| Kane County Parcels | Road Centerline | |
| | General Business | |
| | Industrial/Office Research | |
| | Conservation | Planned Development Residential |
| | | Proposed Revisions |

Source: Kane Co, V&A

2010 Future Land Use Plan Addendum
 Village of East Dundee Comprehensive Plan



Appendix VI: Annexation Agreement