

ORDINANCE NO. 5311

AN ORDINANCE AUTHORIZING A STUDY OF THE FEASIBILITY OF ESTABLISHING TAX INCREMENT ALLOCATION FINANCING TO IMPROVE DETERIORATING PHYSICAL CONDITIONS AND STIMULATE NEW ECONOMIC DEVELOPMENT WITHIN THE ST. CHARLES ROAD CORRIDOR, FROM GRACE STREET TO WESTMORE AVENUE (WESTMORE-MEYERS ROAD) [ST. CHARLES ROAD TIF DISTRICT II (EAST)]

WHEREAS, the Village of Lombard (the "Village") is a municipality organized under the laws of the State of Illinois; and

WHEREAS, the General Assembly of the State of Illinois has provided by law the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., (the "Act") to assist in the financing of certain improvements in areas which meet specified requirements; and

WHEREAS, the Village desires to investigate the feasibility of establishing tax increment allocation financing under the Act for a specific area in the Village, and to provide for a study therefor;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, as follows:

SECTION 1: Kane McKenna & Associates, Inc. ("KM&A") is hereby authorized to prepare a study of the feasibility of establishing tax increment allocation financing under Illinois law for the area designated in EXHIBIT A attached hereto and made a part hereof (the "Proposed Redevelopment Project Area"). The Village President and Clerk are hereby authorized to sign an agreement with KM&A for performance of the study as detailed in this Ordinance, which agreement is attached to this Ordinance as EXHIBIT B and made a part hereof.

SECTION 2: The purpose of establishing tax increment allocation financing in the Proposed Redevelopment Project Area is to improve deteriorating physical conditions in the area and thereby stimulate new economic development.

SECTION 3: The achievement of the purpose set out in SECTION 2 above is reasonably expected to result in the displacement of residents from ten (10) or more inhabited residential units, and, as such, the feasibility study authorized by SECTION 1 of this Resolution shall include the preparation of a housing impact study as set forth in the Act in Section 11-74.4-3(n)(5)(65 ILCS 5/11-74.4-3(n)(5)).

SECTION 4: A general description of tax increment allocation financing as permitted by Illinois law is attached hereto as EXHIBIT C and made a part hereof.

SECTION 5: All persons who wish to receive more information about the Proposed Redevelopment Project Area or who wish to comment on or make suggestions regarding the redevelopment of the area to be studied should contact William Heniff, Senior Planner, Village of Lombard, 255 East Wilson Avenue, Lombard, Illinois, 60148, telephone number (630) 620-3599.

SECTION 6: Immediately upon the adoption and approval of this Ordinance, a copy of this Ordinance shall be sent by certified mail, return receipt requested, to each taxing district that would be affected by the designation of the Proposed Redevelopment Project Area for tax increment allocation financing. A list of said taxing districts is attached to this Ordinance as EXHIBIT D and made a part hereof.

SECTION 7: This Ordinance shall be in full force and effect from and after its adoption and approval as provided by law.

Passed on first reading this _____ day of _____, 2003.

First reading waived by action of the Board of Trustees this 5th day of June, 2003.

Passed on second reading this 5th day of June, 2003.

AYES: Trustees DeStephano, Tross, Koenig, Seby, Soderstrom

NAYS: None

ABSENT: None

ABSTAIN: Trustee Florey

APPROVED by me this 5th day of June, 2003.

S/ William J. Mueller
Village President

ATTEST:

S/ Barbara A. Johnson
Deputy Village Clerk

Published by me in pamphlet form this 6th day of June, 2003.

S/ Barbara A. Johnson
Deputy Village Clerk

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EXHIBIT A

LOMBARD ST. CHARLES ROAD TIF DISTRICT II (EAST)

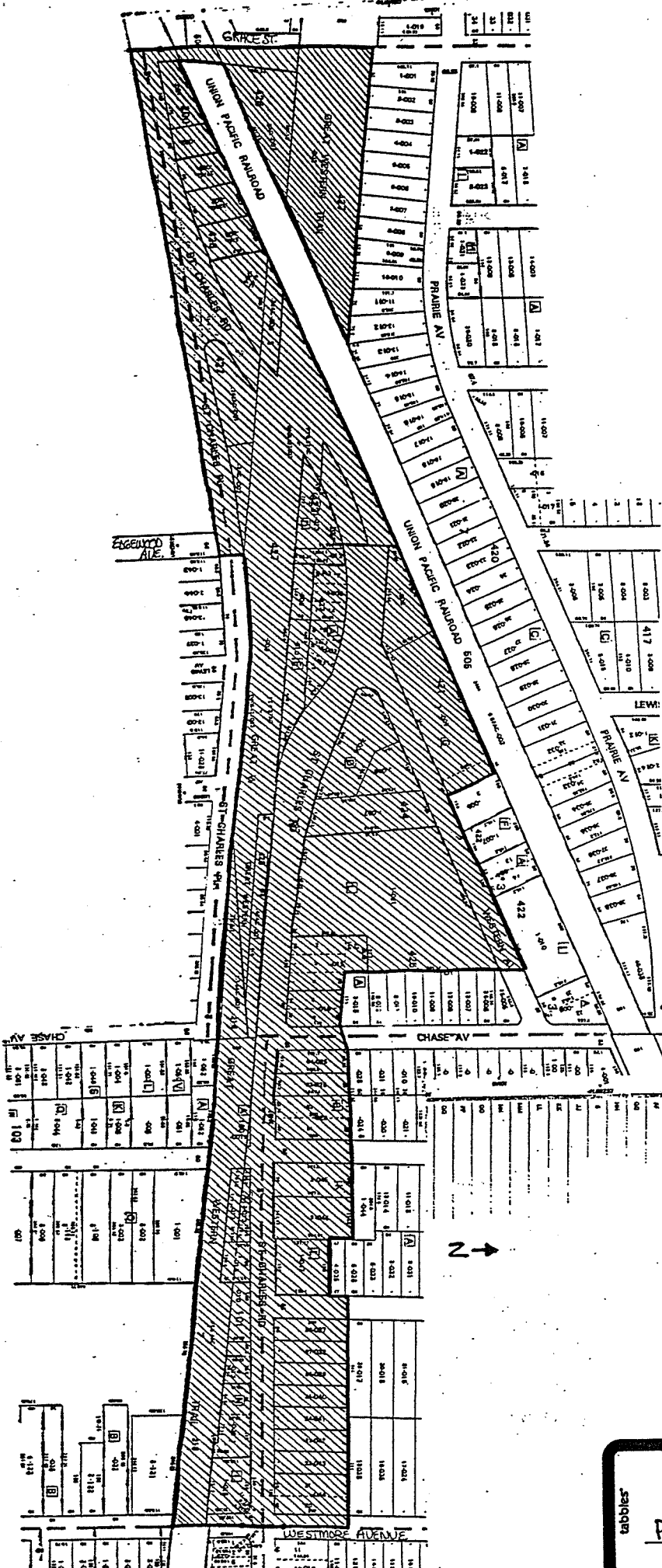
All that part of the Southeast 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian, the Northeast 1/4 of Section 8, Township 39 North, Range 11, East of the Third Principal Meridian, the West 1/2 of the Southwest 1/4 of Section 4, Township 39 North, Range 11, East of the Third Principal Meridian and the West 1/2 of the Northwest 1/4 of Section 9, Township 39 North, Range 11, East of the Third Principal Meridian, including all lots, blocks, tracts, parcels and rights-of-way, located within the following legally described boundaries:

Beginning at the intersection of the Northerly line of the Great Western Trail right-of-way and the centerline of Grace Street in the Southeast 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence Easterly along the Northerly line of the Great Western Trail right-of-way to its intersection with the Northerly line of the Union Pacific Railroad right-of-way; thence Southwesterly along the Northerly line of the Union Pacific Railroad right-of-way to the East right-of-way line of Grace Street; thence South along the East right-of-way line of Grace Street to its intersection with the Southerly line of the Union Pacific Railroad right-of-way; thence Northeasterly along the Southerly line of the Union Pacific Railroad right-of-way to a point on said Southerly line of the Union Pacific Railroad right-of-way which is 45 feet East (as measured along the Southerly line of the Union Pacific right-of-way) of the Northwest corner of Lot 3 in B.D. Kramer Resubdivision (Doc. No. R1973-052562) of part of the Southeast 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence Southeasterly along a line drawn parallel with and 45 feet East of the West line of Lot 3 in B.D. Kramer Resubdivision, aforesaid, to the intersection of said line with the Northerly right-of-way line of Wester Avenue; thence Northeasterly along the Northerly right-of-way line of Western Avenue to its intersection with the Northerly extension of the West line of Lot 15 in Block 5 in Sunnyside Addition to Lombard (Doc. No. 191820), a subdivision of part of the Southeast 1/4 of Section 5, Township 39 North, Range 11, East of the Third Principal Meridian; thence South along the Northerly extension of the West line of said Lot 15 in Block 5 in Sunny side Addition to Lombard, aforesaid, and the West lines of Lots 15, 14, 13, 12, 11, 10, 9, 8 and 7 in Block 5 in Sunnyside Addition to Lombard, aforesaid, to the Southwest corner of Lot 7 in Block 5 in Sunnyside Addition to Lombard, aforesaid; thence Easterly along the South line of Lot 7 in Block 5 in Sunnyside Addition to Lombard, aforesaid, to the Southeast corner of said Lot 7 in Block 5 in Sunnyside Addition to Lombard, aforesaid; thence Easterly, along a straight line, to the Northwest corner of Lot 84 in Robertson's St. Charles Road Addition to Westmore (Doc. No. 157522), a subdivision of part of the Southwest 1/4 of Section 4, Township 39 North, Range 11, East of the Third Principal Meridian; thence West along the North lines of Lots 84, 83, 82 and 81 in Robertson's St. Charles Road Addition to Westmore, aforesaid, to the Northeast corner of Lot 81 in Robertson's St. Charles Road Addition to Westmore, aforesaid; thence Easterly, along a straight line, to the Southwest corner of Lot 1 in Karban's Resubdivision (Doc. No. R1986-019922) of part of the Southwest 1/4 of Section 4, Township 39 North, Range 11, East of the Third Principal Meridian; thence East along the South line of Lot 1 in Karban's Resubdivision, aforesaid, to Southeast corner of said Lot 1 in Karban's Resubdivision, aforesaid,

(said Southeast corner of Lot 1 also being the Northeast corner of Lot 3 in Karban's Resubdivision, aforesaid); thence South along the East line of Lot 3 in Karban's Resubdivision, aforesaid, to its intersection with the North line of Lot 1 in Rose's Plat of Consolidation (Doc. No. R1987-135515) of part of the Southwest 1/4 of Section 4, Township 39 North, Range 11, East of the Third Principal Meridian; thence East along the North line of Lot 1 in Rose's Plat of Consolidation, aforesaid, to its intersection with the West right-of-way line of Ahrens Avenue; thence North along the West right-of-way line of Ahrens Avenue to its intersection with the Westerly extension of the South line of Lot 29 in Robertson's St. Charles Road Addition to Westmore, aforesaid; thence East along the Westerly extension of the South line of Lot 29, the South line of Lot 29, the South line of Lot 19 and the Easterly extension of the South line of Lot 19, all in Robertson's St. Charles Road Addition to Westmore, aforesaid, to the intersection of the Easterly extension of the South line of Lot 19 in Robertson's St. Charles Road Addition to Westmore, aforesaid, with the centerline of Westmore Avenue (Westmore/Meyers Road); thence South along the centerline of Westmore Avenue (Westmore/Meyers Road) to the intersection thereof with the Southerly line of the Great Western Trail right-of-way; thence Westerly along the Southerly line of the Great Western Trail right-of-way to the intersection of the Southerly line of the Great Western Trail right-of-way and the Northerly extension of the East right-of-way line of Edgewood Avenue; thence South along the Northerly extension of the East right-of-way line of Edgewood Avenue to its intersection with the South right-of-way line of St. Charles Place; thence West along the South right-of-way line of St. Charles Place and the South right-of-way line of St. Charles Road to the intersection of the South right-of-way line of St. Charles Road and the centerline of Grace Street; thence North along the centerline of Grace Street to its intersection with the North line of the Great Western Trail right-of-way, said point of intersection also being the point of beginning; all in DuPage County, Illinois;

P.I.N.'s: 06-05-427-001, -002 and -003; 06-05-426-001, -002, -003, -004, -006 and -007; 06-05-423-002, -006, -009, -010, -012 and -013; 06-05-421-002 and -007; 06-05-424-005, -006 and -007; 06-05-425-015, -016 and -021; 06-05-428-001; 06-04-309-025, -026 and -029; 06-04-310-045, -046 and -047; 06-04-311-037, -038, -039, -040, -041, -042, -043 and -044; 06-08-200-002 and -003; 06-09-100-001; Pt. 06-09-104-117; 06-09-101-009, -010, -012, -013, -015, -017 and -018; 06-08-218-001;

Commonly known as: 1 North Grace Street; 404, 430, 540, 555, 600, 601, 606, 609, 612, 626, 638, 640, 730, 736, 740 to 774, 806, 812, 819, 820, 825, 833, 901, 902, 906, 912, 916, 922, 925, 926, 932, 935 and 938 East St. Charles Road; 619 East Western Avenue; and 506, 524 and 550 East St. Charles Place; all in Lombard, Illinois.



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April 10, 2003

Mr. David Hulseberg
Director of Community Development
Village of Lombard
255 East Wilson Avenue
Lombard, Illinois 60148-3926

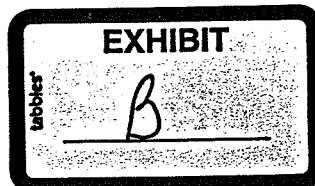
Dear Mr. Hulseberg:

Pursuant to our discussions, Kane, McKenna and Associates, Inc. ("KMA") is prepared to assist you (the "Client") in evaluating a certain area in the Village of Lombard (the "Village"), generally known as the east St. Charles Corridor, TIF #3 (the "Project"). The area is adjacent to the Village's proposed west St. Charles Corridor TIF.

Kane, McKenna and Associates, Inc., will provide the following services to Client as necessary and only for the area specifically identified by the Client.

PHASE I – TIF AND RELATED ECONOMIC DEVELOPMENT SERVICES

- 1) Assist Client in investigating the desirability and feasibility of utilizing Tax Increment Financing ("TIF") or other appropriate economic development incentives and funding for the Project.
- 2) Evaluate various methods of achieving Client's goals of reduced funding costs and achieving appropriate public participation in the financing of the Project including, but not limited to, the use of incremental property and other taxes (if applicable); Special Service Area (SSA) financing, Business District (BD) program and other state and federal economic development and infrastructure funding programs.
- 3) Identify the preliminary feasibility of adopting tax increment financing. The Consultant would also identify related economic development programs for the Project including meeting with Village staff and officials.
- 4) Prepare preliminary estimates of tax increment revenue and supportable public debt.





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- 5) Review the characteristics of the Project site in order to recommend the specific boundaries for a TIF District or related economic development programs, and to assess the potential qualification factors (strengths and weaknesses) of any identified area under Illinois law.
- 6) In the event that other local financing programs or economic development tools are complimentary to or alternatives TIF, the Consultant would identify programs and a strategy for implementing them and any conditions for their use by the Client.
- 7) Advise Client regarding the most economical public financing strategy for the Project.
- 8) For presentation to the Client, prepare the tax increment revenue projections and prepare financing alternatives. Identify TIF eligible public improvements and other activities as well as potential public financing options.
- 9) Perform a Housing Impact Study, if required.

Prepare a "TIF Eligibility Report" which recommends boundaries based upon the TIF law.

At a minimum, the Report will include the following:

- a. Review area for land use and conditions and summarize results.
- b. Establish preliminary Project boundaries.
- c. Determine area qualification as "Conservation Area" or "Blighted Area".
- d. Prepare survey analysis and identify necessary documentation to back up findings.



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It is understood that the Consultant is reliant upon the cooperation, data and information to be supplied by the Client in order to undertake the scope of services described above. The information must be provided in a form that is useful, and is accurate in relation to the requirements of the Consultant. The Consultant will be available to discuss the findings with the Client prior to initiating additional work.

PHASE II – COMPLETE REDEVELOPMENT PLAN AND PROJECT

Under Client required by the TIF law. Among other elements the redevelopment plan prepared for the Proposed TIF District will include:

- 1) A statement of redevelopment goals and objectives.
- 2) Examination of TIF qualification factors and presentation of rationale for basis under which the TIF District is to be justified under State law.
- 3) A statement of eligible redevelopment activities the Client may implement under the plan.
- 4) Presentation of estimated costs for the redevelopment projects contemplated for implementation under the plan.
- 5) A detailed discussion of impediments to the successful redevelopment of the Project area and the measures the Client could undertake to eliminate such barriers so to promote economic revitalization within the Project area.
- 6) Assist Client by participating in required public hearings, and Joint Review Board meetings, as well as helping to insure preparation and execution of proper notification as required for all meetings.
- 7) Assist the Client in participating meetings will all interested and affected parties, including property owners, and overlapping tax jurisdictions. Consultant will help Client to follow the procedures for such gatherings as required by State law.
- 8) Work with the Client's counsel to meet all the requirements of Illinois law so to insure proper establishment of the TIF District.



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- 9) Assist Client's counsel in preparation of the appropriate Ordinances required for adoption of the Redevelopment Plan and Project by the Client to legally put in place the TIF District.
- 10) Assist Client to establish and maintain complete documentation files to assure proper support of eligibility findings in order to support legal standing for establishment of the TIF District.

PHASE III – REDEVELOPMENT AGREEMENTS, PLAND AND PROJECT IMPLEMENTATION

The Consultant will assist the Client, as requested in the implementation of an economic development program to facilitate financing for projects undertaken within the TIF District. Services that will be provided include:

- 1) Arrange and attend meetings with the Client pertinent to the negotiation of any TIF redevelopment agreements or projects.
- 2) Provide assistance and information necessary for resolution of any redevelopment agreement related issues between the Client.
- 3) Work with the Client regarding the most feasible economic public financing strategy for any public improvements or other needs in the proposed Project. Work with Client regarding preparation of "But For" arguments related to potential TIF development proposals.
- 4) Assist the Client in drafting and/or redrafting any redevelopment agreements for presentation and negotiations with the client and otherwise perform all duties necessary to facilitate any required agreements on behalf of Client.
- 5) Project anticipated incremental revenues to be generated form potential development projects and judge whether such revenues are reasonable, feasible and are based on acceptable assumptions given each development Project's characteristics and potential.



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- 6) Provide the Client with recommendations regarding proposed revenue/costs projections and the potential funding advantages and disadvantages of various public financing strategies.

PHASE IV – FINANCIAL ADVISORY SERVICES

The Consultant (and its affiliate Kane, McKenna Capital, Inc.), will assist the Client, as requested, in the implementation of an economic development program financing relating to capital improvements and other TIF eligible activities undertaken within the TIF District.

COMPENSATION FOR SERVICES

The Client shall be billed monthly for services at the following rates per hour:

<u>Personnel</u>	<u>Hourly Rates</u>
President	\$150.00/Hour
Executive Vice President	\$135.00/Hour
Officers	\$120.00/Hour
Associates	\$ 75.00/Hour
Administrative	\$ 15.00/Hour

- 1) Client shall reimburse Consultant for any expenses for travel outside of the Chicago SMSA in connection with services rendered pursuant to this Agreement. It is understood and hereby agreed that Consultant shall receive Client's approval prior to incurring any expenses for such travel.
- 2) Consultant shall have the right to retain any subcontractors considered necessary to expedite the services described herein, provided that such subcontractors shall be paid solely from Consultant compensation as set forth above and Client shall have no responsibility for payment to subcontractors retained by Consultant.



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The effective date of this Agreement shall be April 10, 2003 regardless of its actual date of execution.

KMA estimates total fees for the work set forth herein at \$25,000 to \$30,000.

Please indicate Client's acceptance of this Agreement by executing the original and copy, and by returning the original to us. We look forward to working with you on this Project.

Sincerely,

Philip R. McKenna
President

AGREED TO:

Philip R. McKenna, President
Kane, McKenna and Associates, Inc.

Date

Mr. David Hulseberg, Director of Community Development
Village of Lombard, Illinois

Date

EXHIBIT C

A General Description of Tax Increment Allocation Financing as Permitted by Illinois Law

Tax Increment Allocation Financing (TIF) was enacted into law in 1977. As an economic development tool, it enables municipalities to target financial assistance to, among other things, eliminate or prevent blighted conditions in developed areas like established older downtowns and other commercial areas.

TIF is permitted under Chapter 65 of the Illinois Compiled Statutes, 65 ILCS 5/11-74.4-1 *et seq* (the "Act"). The Act authorizes municipalities to receive increments generated from increased property tax revenues in an area designated for TIF. The "increment" is the amount of growth in property taxes attributable to the increase in the value of the property in the TIF area after private redevelopment has taken place. The growth amount is set aside by the tax collector into a special municipal fund to pay redevelopment costs, including debt service. To identify the increment, at the adoption of TIF for an area, the assessment of each parcel in the area is frozen at its current amount. During the life of TIF in the designated area, the taxing districts will receive taxes attributable to the original, frozen assessment. As improvements are made in the TIF area, and assessments rise, tax revenue attributable to the increase in assessments goes to the municipality's special fund to pay redevelopment costs as permitted by the Act.

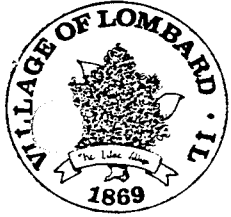
Once the improvements are completed and all projected costs paid, or at a time specified in the original municipal ordinances establishing TIF for the area, the TIF area is dissolved and future incremental tax revenue is paid directly to the local taxing bodies.

Source: Illinois Department of Revenue TIF Compliance Guide, with additions

EXHIBIT D
SERVICE LIST - TAXING DISTRICTS
ST. CHARLES ROAD TIF DISTRICT II (EAST)

1. County of DuPage
421 N. County Farm Road
Wheaton, IL 60187
2. DuPage Airport Authority
2700 International Drive
Suite 200
West Chicago, IL 60185
3. York Township
1502 S. Meyers Road
Lombard, IL 60148
4. York Township Highway Department
19 W. 475 Roosevelt Road
Lombard, IL 60148
5. Forest Preserve District of DuPage County
3 S. 580 Naperville Road
Wheaton, IL 60187

Forest Preseve District of DuPage County
P.O. Box 5000
Wheaton, Illinois 60189
6. DuPage Water Commission
600 E. Butterfield Road
Elmhurst, IL 60126
7. DuPage County Elementary School
District #45
255 W. Vermont Street
Villa Park, IL 60181
8. DuPage County High School District #88
101 W. Highridge Road
Villa Park, IL 60181
9. Helen M. Plum Memorial Library
110 W. Maple
Lombard, IL 60148
10. Lombard Park District
227 W. Parkside
Lombard, IL 60148
11. College of DuPage Community
College District 502
425 Fawell Boulevard
Glen Ellyn, IL 60137
12. Village of Lombard
255 East Wilson Avenue
Lombard, IL 60148
13. DuPage County Health Department
111 N. County Farm Road
Wheaton, IL 60187



I, Barbara A. Johnson, hereby certify that I am the duly qualified Deputy Village Clerk of the **Village of Lombard**, DuPage County, Illinois, as authorized by Statute and provided by local Ordinance, and as such Deputy Village Clerk, I maintain and am safekeeper of the records and files of the President and Board of Trustees of said Village.

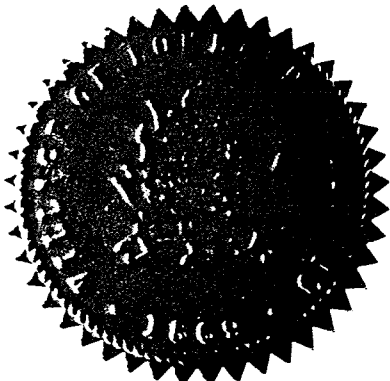
I further certify that attached hereto is a
copy of ORDINANCE 5311

AN ORDINANCE AUTHORIZING A STUDY OF THE
FEASIBILITY OF ESTABLISHING TAX INCREMENT
ALLOCATION FINANCING TO IMPROVE
DETERIORATING PHYSICAL CONDITIONS AND
STIMULATE ECONOMIC DEVELOPMENT WITHIN
THE ST. CHARLES ROAD CORRIDOR, FROM GRACE
STREET TO WESTMORE

(ST. CHARLES ROAD TIF DISTRICT II)(EAST)

of the said Village as it appears from the official records of said Village duly approved June 5, 2003.

In Witness Whereof, I have hereunto affixed my official signature and the Corporate Seal of said **Village of Lombard**, Du Page County, Illinois this 6th day of June, 2003.



Barbara A. Johnson

Barbara A. Johnson
Deputy Village Clerk
Village of Lombard
DuPage County, Illinois