
**VILLAGE OF MORTON GROVE
LINCOLN/LEHIGH TIF DISTRICT/REDEVELOPMENT PROJECT AREA
REDEVELOPMENT PLAN AND PROJECT**

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I. INTRODUCTION

The Village of Morton Grove (the “Village”) is located in Cook County, Illinois, and serves a population of approximately 25,300 residents (U.S. Census Bureau 2020 Census Population). It is an established community located approximately 15 miles northwest of downtown Chicago.

In this report, the Village of Morton Grove establishes a tax increment financing (“TIF”) redevelopment plan and project (the “Plan” or “TIF Redevelopment Plan”) to assist an area in overcoming a number of development barriers. Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village to conduct an analysis of the potential qualification and designation of the area as a redevelopment project area (“RPA” or “TIF District”), and to assist the Village in drafting this TIF Redevelopment Plan. In accordance with requirements set forth in the Act, the Village of Morton Grove also prepared a Housing Impact Study as part of this plan (refer to Exhibit F).

TIF Plan Requirements. The Village is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended (the “Act” or “TIF Act”). To establish a redevelopment project area, Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Project, and an Eligibility Report.

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

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

Community Background. The Village of Morton Grove is a western member of Chicago's “north shore” suburban communities. It is bordered by the Village of Niles on the south and west, the Villages of Glenview and Golf on the north, and the Village of Skokie on the east. Morton Grove formally incorporated on December 24, 1895.

While the Village is largely a single-family residential community, it also encompasses a significant industrial base, with mixed-use commercial areas located primarily along arterial street corridors, including Waukegan Road, Dempster Street, Lincoln Avenue, and Oakton Street. The

Village's industrial areas and commercial corridors feature a mix of small, family-owned businesses and national firms.

The Village's location as an inner-ring suburb provides it with valuable connections to regional, national, and international transportation networks. The Village is situated immediately west of the Edens Expressway (Interstate 94), is proximate to major arterials such as Interstates 90/94 and 294, and is approximately ten miles from Chicago O'Hare International Airport. The Village is also served by Metra rail service (Milwaukee North commuter line) and a Metra commuter rail station located within the Village, a forthcoming Pace Pulse rapid transit bus route, and Pace bus and paratransit connections to surrounding suburbs, the City of Chicago, and O'Hare Airport.

In addition to excellent transportation assets, the Village has many desirable quality of life amenities. Forest preserves owned and operated by the Forest Preserve District of Cook County (FPDCC) bisect the community and account for approximately 20 percent of the total land area within the Village. Morton Grove's connection to this regional open space network provides the community with direct access to over 400 acres of forest preserves. The Village is also bisected by the FPDCC's North Branch Trail System, which offers paved and unpaved trails along approximately 20 miles of the North Branch of the Chicago River.

The Village is an "established" community, with little remaining vacant land. Thus, given limited opportunities for new development, the Village is focusing attention on redevelopment that will maintain and increase the local tax base and non-residential revenues, including sales taxes, for the community. The proposed redevelopment project area includes vacant or underutilized property with the potential for commercial, residential, and mixed-use redevelopment. Future redevelopment will build upon surrounding uses and leverage existing transportation and quality of life assets. The Village plans to achieve its redevelopment goals and objectives for the project area, in part, through the use of tax increment financing. These redevelopment goals and objectives are outlined in Section III.

A. The Proposed TIF District

The area discussed in this TIF Redevelopment Plan is the proposed Lincoln/Lehigh TIF District or Redevelopment Project Area ("RPA"). The RPA consists of approximately twenty-eight (28) acres of land, contains forty-eight (48) tax parcels, and is improved with approximately seventeen (17) buildings, including the Metra commuter rail station. The majority of the parcels in the proposed RPA are situated between Lehigh Avenue to east and Nagle Avenue to the west, and between Chestnut Street to the north and the approximate continuation of Madison Court to the south. A boundary map of the RPA is attached as Exhibit A. The RPA is legally described in Section II herein.

The proposed RPA is a strategically important area for the Village. The area is anchored by the Morton Grove Metra commuter rail station, includes property within one of Morton Grove's oldest mixed-use neighborhoods, and incorporates an industrial area facing increasing obsolescence, underuse, and vacancy. Despite the potential to leverage certain key advantages, including mass

transit service, direct access to Cook County Forest Preserves, and proximity to regional arterials, the RPA has not benefitted from broad-scale redevelopment.

An area abutting and overlapping the proposed RPA to the northeast has been a priority for Village redevelopment efforts since 1999, when the Village established the Lehigh/Ferris TIF District to promote the orderly redevelopment of property surrounding the Lehigh Avenue and Ferris Avenue corridors. Redevelopment activities within the Lehigh/Ferris TIF District have been guided by the Lehigh/Ferris Subarea Plan, which was adopted in 2002 and revised as a Framework Plan in 2009. While many of the objectives and recommendations established in the Framework Plan remain relevant to the area, shifting market conditions and Village priorities have caused portions of the Plan to require reevaluation.

While redevelopment within the Lehigh/Ferris TIF District has included multi-family residential and commercial uses, redevelopment and private investment have not extended to the proposed RPA, where property continues to suffer from various redevelopment impediments. The existence of certain building and site improvement conditions within the RPA, along with changing commercial and industrial market conditions, have contributed to the emergence of certain qualification factors as defined by the Tax Increment Allocation Redevelopment Act, such as deterioration, obsolescence, deleterious layout, inadequate utilities, and lack of community planning. These impediments to economic development, as defined under the TIF Act, are documented and discussed in the TIF Qualification Report, attached as Exhibit C.

On balance, the combination of these factors may not only limit potential for private reinvestment within and around the RPA but may also serve to advance economic decline of the area as a whole. This is because these conditions negatively impact coordinated and substantial private sector reinvestment in the overall RPA. Without the use of Village planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible. These factors potentially weaken the likelihood for redevelopment opportunities, limiting employment and contributing to a lack of future investment in the area.

If there is coordination of redevelopment efforts by the Village using the TIF Act, the RPA will become far better positioned for redevelopment opportunities that meet new market conditions and trends. Accordingly, under this Redevelopment Plan and Project, and as part of its comprehensive economic development planning, the Village intends to attract and encourage retail, commercial, and multi-family residential developers and tenants to locate, upgrade, expand, and modernize facilities within the Village. Through the establishment of the RPA, the Village will implement a program to redevelop properties within the RPA. In so doing, it intends to stabilize the area, extend benefits to the entire community, and assist affected taxing districts over the long term.

B. Rationale for the Redevelopment Plan

The Village recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA, as well as to stimulate and enhance new commercial, retail, residential, and mixed-use redevelopment. The ability to respond to marketplace demands is a key component of the Village's strategy to promote private redevelopment within strategically critical

areas of the Village. The requisite private investment will likely only be stimulated in the RPA if tax increment financing (TIF) is adopted pursuant to the TIF Act, since incremental property tax revenue generated by the redevelopment will play a decisive role in encouraging private redevelopment. Existing conditions, such as those associated with properties and site improvements located within the RPA, that may have precluded intensive private reinvestment in the past, will be eradicated. Ultimately, the implementation of the Redevelopment Plan and Project detailed herein will benefit the Village and all the associated taxing districts, in the form of a stabilized and significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the Village to address deficiencies within the RPA by taking the following steps:

- Establishing a pattern of up-to-date residential, mixed-use, and retail/commercial land uses that will increase property valuations and address evolving market trends, especially as such uses are responsive to market conditions and complement adjacent uses;
- Providing roadway, traffic, and other site improvements within the area;
- Entering into redevelopment agreements in order to facilitate and guide the redevelopment and adaptive re-use of underutilized and obsolete properties;
- Improving area appearance through removal, reconstruction, and renovation of obsolete structures and distressed conditions, and undertaking modern landscape, streetscape, and signage programs;
- Coordinating land assembly in order to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

The area, on the whole, would not reasonably be anticipated to be redeveloped in a coordinated manner without the adoption of this Redevelopment Plan and Project. The Village has prepared the Redevelopment Plan and Project to utilize tax increment financing in order to address area needs and to meet the Village's redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the RPA. By means of public investment, the Village will strengthen the RPA, thus setting the stage for attracting private capital for redevelopment. This, in turn, will lead to the retention, expansion, and attraction of commercial, retail, residential, and mixed-use development into the Village in general, and the RPA in particular.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements, thereon, substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the Village will serve as the central force for marshaling the assets and energies of the private sector for a unified, deliberate, and cooperative public-private redevelopment effort. Ultimately, implementation of the Redevelopment Plan and Project will benefit the taxing districts serving the RPA, the property owners, residents, and businesses located within and surrounding the RPA, and the Village as a whole.

C. Village Findings

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

- That the RPA, as a whole, has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of the RPA must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private reinvestment and stabilize and enhance the tax base in the RPA for the benefit of the taxing districts through redevelopment of the RPA;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That the Redevelopment Plan and Project conforms to the Village's Comprehensive Plan Update (including any amendments thereto);
- That without the development focus and resources provided for under the Act, and as set forth in this Plan, redevelopment and growth is not reasonably expected to be achieved; and
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found that, as of April 29, 2021, twenty-two (22) inhabited residential units were present within the RPA. While displacement of inhabited residential units is not anticipated or proposed by the Village or the Redevelopment Plan, over the 23-year life of the RPA, the Village cannot certify that displacement of ten (10) or more inhabited residential units will not occur.

Therefore, in accordance with requirements set forth in the Act, a housing impact study is a required element of this Redevelopment Plan, and is presented in Exhibit F.

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

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit B.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The Village has established certain economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the proposed TIF District. These efforts would conform to and promote the achievement of land use objectives in the Village's Comprehensive Plan. The Village's primary planning document is the Comprehensive Plan, which describes the overall vision for the Village and is the foundation for Village incentives, such as the proposed TIF District. This overarching planning document influences all other Village planning efforts, such as the TIF planning process.

Comprehensive Plan Land Use Goals and Objectives

The Village currently utilizes its 1999 Comprehensive Plan Update ("Comprehensive Plan Update"), which establishes a general framework for improvement and development within Morton Grove, consistent with the Plan's community-wide vision statement, goals, and objectives. The Comprehensive Plan Update also provides recommendations for improvements and development for key target areas within the Village through specific Target Area Plans.

The Comprehensive Plan Update states that "there will continue to be demand for new residential, commercial, and industrial development within the community in the future. New development will most likely entail replacement of older existing uses and/or the redevelopment of marginal and deteriorated properties." Among its goals, the Comprehensive Plan Update includes: "A housing stock and living environment which supports the local population, attracts new families, and enhances the overall quality and character of the community." Pursuant to this vision, a principal objective is to "encourage the development of high-quality new housing, including compatible and appropriately located townhouses, condominiums, and apartments."

The Comprehensive Plan Update identifies policies for improving existing commercial areas and promoting new commercial and mixed-used development. The Plan identifies "special development areas" that "should eventually be redeveloped for attractive mixed uses, possibly including residential, commercial, and public uses."

One of the special commercial development areas identified in the Comprehensive Plan Update and included as one of the Target Area Plans is the Lehigh/Ferris Target Area. The Lehigh/Ferris Target Area is divided into the Ferris Avenue Subarea, which is east of the rail tracks, and the Lehigh Avenue Subarea, which is west of the rail tracks. The Ferris Avenue Subarea has already experienced some redevelopment around the Metra commuter rail station as part of the Village's efforts toward transit-oriented development.

The Lehigh Avenue Subarea located west of the rail tracks includes a mix of commercial, residential, and industrial uses, some of which are characterized by deterioration and underutilization, and which, because of the age and condition of many properties, could be subject to redevelopment. The development recommendations for the Lehigh Avenue Subarea reflect that "the Village should promote redevelopment of the small industrial properties in the Lehigh Avenue Subarea with planned and coordinated new residential development. The proximity of the

commuter station and the Forest Preserve, coupled with the removal of existing industrial uses, could create an attractive new residential environment.” Additionally, “it is recommended that the marginal industrial properties north of Main Street and west of the railroad be acquired, cleared and made available for more appropriate “transit-oriented development,” possibly including a mix of residential and commercial uses.”

The following objectives are presented for the RPA in accordance with the Village’s Comprehensive Plan Update (including any amendments thereto), which is considered the Village’s comprehensive planning process, and other relevant planning efforts (any amendments thereto). These objectives are consistent with the Comprehensive Plan Update and support the realization of the Plan’s long-term goals and vision.

A. Redevelopment Objectives of the Village

- 1) Undertake promotional activities which depict the Village as a highly accessible and viable location for commercial property investment and development.
- 2) Increase the number and diversity of retail and commercial service businesses within the Village.
- 3) Define more specific functional roles for each of the commercial areas within the Village.
- 4) Revitalize and rejuvenate existing commercial areas.
- 5) Implement plans for the Lehigh/Ferris Avenue Target Area.
- 6) Upgrade and redevelop Lehigh Avenue as a mixed-use commercial corridor.
- 7) Initiate programs to improve the condition of older existing commercial buildings and areas.
- 8) Promote the redevelopment of marginal, obsolete, and vacant properties.
- 9) Promote creative site and building design and development solutions that can help offset the small site sizes and other constraints present within the commercial areas.
- 10) Promote convenient access to, and adequate parking in, all commercial areas.
- 11) Consider the introduction of new housing, entertainment, institutional activities, and other complementary land uses into selected commercial areas.
- 12) Provide market-oriented redevelopment opportunities for marginally utilized sites.

B. Specific Objectives for the RPA

- 1) Promote improvement and enhancement of viable existing commercial buildings, including facades, signage, and structural repairs.
- 2) Promote redevelopment of marginal, deteriorated, and obsolete buildings to new retail/commercial, residential, and mixed uses.
- 3) Improve roadway characteristics in the corridor in order to improve traffic capacity.
- 4) Improve the commuter train station facilities, including the supply and distribution of parking where possible.
- 5) Improve the image and appearance of the corridor where space permits via streetscape, sidewalk improvements, signage, and gateway features.

C. Redevelopment Objectives for the RPA

The RPA designation will allow the Village to:

- 1) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal and to conform to recent Village planning efforts;
- 2) Reduce or eliminate the negative factors present within the area;
- 3) Accomplish redevelopment over a reasonable time period;
- 4) Provide for high quality public improvement projects within the RPA; and
- 5) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Plan and Project will serve to improve the overall quality of properties within the RPA and contribute to the economic health of the Village as a whole.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth Within the RPA

As documented in Exhibit C of this Plan, the RPA would qualify as a “conservation area” under the TIF Act. Properties within the RPA would not likely experience coordinated redevelopment without the designation of the RPA.

The proposed RPA exhibits various conditions which, if not addressed by the Village, would eventually worsen. For example, structures and site improvements within the RPA reflect excessive vacancies, obsolescence, deterioration, code violations, inadequate utilities, and lack of community planning. These various conditions discourage private sector investment in business enterprises or in redevelopment sites.

B. Assessment of Fiscal Impact on Affected Taxing Districts

The action taken by the Village to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project is expected to have a positive financial impact on the affected taxing districts by arresting and avoiding potential declines in assessed valuations.

Given that there is potential for new retail, commercial, and mixed-use redevelopment, the Village has made allowances in this Redevelopment Plan and Project to provide for distributions to school taxing districts and will follow the guidelines provided by the Act to compensate the school taxing districts at levels dictated by the actual increase in students caused by the redevelopment, as provided by the Act.

To the extent any surplus exists, any resulting surplus Special Tax Allocation Funds will be proportionately shared with the various taxing districts, including the Village, based on their respective tax rates for a given year, after all TIF eligible costs either expended or incurred as an obligation by the Village have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village, as provided by the Act. The exception to this provision will be the extent to which the Village utilizes TIF funding to assist in the redevelopment of residential units with the impact described above to the School Districts. In such cases, the Village will provide funds to offset the costs incurred, as prescribed by the Act.

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

A. Findings

The proposed RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF District under Illinois law based upon conservation area factors. Refer to the TIF Qualification Report, attached as Exhibit C.

B. Eligibility Survey

Representatives of KMA and Village staff evaluated the proposed RPA from August 2020 through the date of this Redevelopment Plan and Project. Analysis was aided by certain reports from the Village, interviews with Village staff, photographs, on-site due diligence, and other sources. In KMA's evaluation, recorded information is limited to that which would help make a determination as to the eligibility of the proposed area as a TIF District.

VI. HOUSING IMPACT STUDY FINDINGS IN THE REDEVELOPMENT PROJECT AREA

Amendments to the Act that became effective November 1, 1999, require the preparation of a housing impact study if implementation of a redevelopment plan would result in the displacement of ten or more inhabited residential units or if the redevelopment project area contains seventy-five (75) or more inhabited residential units and the municipality does not certify in the redevelopment plan that the plan will not result in the displacement of ten (10) or more inhabited residential units.

As of April 29, 2021, twenty-two (22) inhabited residential units were present within the RPA. While displacement of inhabited residential units is not anticipated or proposed by the Village or the Redevelopment Plan, over the 23-year life of the RPA, the Village cannot certify that displacement of ten (10) or more inhabited residential units will not occur. Therefore, a housing impact study is a required element of this Redevelopment Plan, and is presented in Exhibit F.

VII. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The Village proposes to realize its goals and objectives of encouraging the redevelopment of the RPA and encouraging private investment through public finance techniques including, but not limited to, tax increment financing:

- 1) By implementing a plan that provides for the retention and expansion of existing businesses and bolsters the attraction of users to redevelop existing or new structures, as well as vacant or underutilized parcels that are, or may become available, within the RPA.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction, widening of current streets, and multi-use pedestrian and bicycle paths);
 - ii. Utility improvements (including, but not limited to, water, storm water management, flood control and sanitary sewer projects consisting of construction and rehabilitation);
 - iii. Signalization, traffic control, and lighting;
 - iv. Parking improvements (structured and/or grade);
 - v. Landscaping, streetscape, and beautification; and
 - vi. Improve public facilities and institutional uses.
- 3) By entering into redevelopment agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) By providing for land assembly, site preparation, environmental remediation (if necessary), clearance, and demolition, including grading and excavation.
- 5) By redeveloping certain buildings or sites through necessary rehabilitation and improvement of structures.
- 6) By exploring and reviewing job training programs in coordination with any Village, federal, state, and county programs.
- 7) By entering into agreements with other public bodies for the development or construction of public facilities and infrastructure.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the Village will implement a coordinated program of actions, including, but not limited to, site preparation, clearance, acquisition, demolition, construction of public infrastructure and related public improvements, and rehabilitation of existing structures and improvements, if necessary.

Site Preparation, Clearance, and Demolition

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

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired or purchased by private entities. These properties may be assembled and reconfigured into appropriate redevelopment sites. The Village may facilitate private acquisition through reimbursement of acquisition and related costs through the write-down of acquisition costs. Relocation activities may also be undertaken by the Village.

Public Improvements

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

- Improvements and/or construction of public utilities including the improvement of water mains as well as flood control and sanitary and storm sewer systems;
- Beautification, identification markers, landscaping, lighting, and signage of public rights-of-way; and
- Construction of new (or rehabilitation of existing) public facilities to allow for the redevelopment of the existing sites for new mixed use or retail/commercial uses, including parking facilities.

Rehabilitation

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

Interest Rate Write-Down

The Village may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

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

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

School District Tuition Costs

The Village will provide for the payment of eligible tuition costs as provided for in the TIF Act relating to residential development assisted through TIF funding.

C. General Land Use Plan

Existing land uses generally consist of commercial/retail and institutional uses. Future land uses reflect the objectives of this Redevelopment Plan, which are to enhance the improvement of the RPA as a thriving commercial and mixed-use area, with institutional uses included. Future land uses would include mixed-uses consisting of residential, retail, commercial uses and, and institutional uses. Existing and future land uses are shown in Exhibit D and Exhibit E, attached hereto and made a part of this Plan.

D. Additional Design and Control Standards for Development in the Village

The appropriate design controls, as set forth in the Village's Comprehensive Plan Update, Unified Development Code (including any amendments thereto) or other relevant codes, shall apply to the RPA.

E. Eligible Redevelopment Project Costs

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the Act, and any such costs incidental to the Redevelopment Plan and Project. Private investments, which supplement redevelopment project costs, are expected to substantially exceed the redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

Professional Service Costs - Costs of studies and 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, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except 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 three (3) years. Professional Service Costs may include the cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors. Annual administrative costs may 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 area or approved a redevelopment plan. Redevelopment Project Costs may not include lobbying expenses.

2. *Property Assembly Costs* - Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land.

3. *Improvements to Public or Private Buildings* - Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs 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; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification.
4. *Public Works* - Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that 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 the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan.
5. *Job Training* - Costs of job training and retraining projects including the costs of “welfare to work” programs implemented by businesses located within the redevelopment project area.
6. *Financing Costs* - Costs including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act 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. *Capital Costs* - To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;

8. *School-Related Costs* - An elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually.¹

1

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

9. *Relocation Costs* - To the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
10. *Payment in Lieu of Taxes*;
11. *Other Job Training* - Costs of job training, 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 the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village 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 agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
12. *Developer Interest Costs* - Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer 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 then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;

- e) the cost limits set forth in subparagraphs (b) and (d) 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 and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

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) 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;

13. Unless explicitly stated herein, the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
14. None of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects 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, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
15. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

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 incremental revenues derived from the tax imposed pursuant to 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 the TIF Act.

Projected Redevelopment Project Costs. Estimated eligible costs of this Redevelopment Plan are shown on the next page. The total eligible costs constitute the upper limit of expenditures that are to be funded from tax increment revenues, exclusive of capitalized interest, issuance costs, interest and other financing costs. Adjustments to these line item cost items may be made without amendment to the Redevelopment Plan and Project.

**VILLAGE OF MORTON GROVE
LINCOLN/LEHIGH REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs</u>
1. Land Acquisition, Assembly, Relocation Costs	\$ 9,000,000
2. Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$ 4,000,000
3. Infrastructure Improvements	\$ 16,000,000
4. Public facilities and improvements, including taxing district capital costs	\$ 3,000,000
5. Rehabilitation Costs	\$ 2,000,000
6. Interest Costs Pursuant to the Act	\$ 3,000,000
7. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 2,000,000
8. Job Training	\$ 1,000,000
9. Statutory School District Payments, as provided for by the TIF Act	\$ 6,000,000
TOTAL ESTIMATED PROJECT COSTS	\$ 46,000,000

NOTES:

- (A) All project cost estimates are in year 2021 dollars.
- (B) In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for annual interest costs, capitalized interest and reasonably required reserves.
- (C) Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The line item amounts set forth above are not intended to place a not to exceed limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the amount of payments for the Total Estimated Project Costs shall not exceed the combined overall budget amount shown above. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.
- (D) Pursuant to the Act, the Village may utilize net incremental property tax revenues received from other existing or future contiguous redevelopment project areas to pay eligible redevelopment project costs or obligations issued to pay such costs in the proposed RPA, and vice versa.

F. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

Redevelopment project costs specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the Village's corporate authorities, only to leverage and commit private redevelopment activity.

The tax increment revenues, which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs, shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2019 tax year for the RPA. In the event that the 2020 tax year values are certified by Cook County, then 2020 values shall be utilized as the initial equalized value for the RPA.

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

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

The Village may also direct incremental revenues from the Redevelopment Project Area to any existing or future contiguous redevelopment project areas for redevelopment activities, in conformance with the provisions of the Act, and it may also receive incremental revenues from any existing or future contiguous redevelopment project areas in order to further the redevelopment activities described in this Plan.

G. Nature and Term of Obligations to be Issued

The Village may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Plan and Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its home rule powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years after the year of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

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

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the Village may determine.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) for tax year 2020 of the property within the RPA is approximately \$5,745,013.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the RPA will be within a range of approximately to \$45,000,000 to \$50,000,000.

VIII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing and other necessary approvals for appropriate projects. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain structures and grading of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The Village may assist in the rehabilitation of private or public facilities, buildings or site improvements located within the RPA.

Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain public and private utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention ponds may also be undertaken by the Village. Public and private utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Public Infrastructure/Facility Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Public facilities including parking and taxing district capital costs may be constructed that would be available to the general public.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation, or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as permitted by the Act.

Professional Services: The Village may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The Village may reimburse itself from annual tax increment revenue if available.

Tuition Payments to School Districts: The Village may fund payments to the school district pursuant to the provisions of the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the Village and any private developers, both will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

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

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

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

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

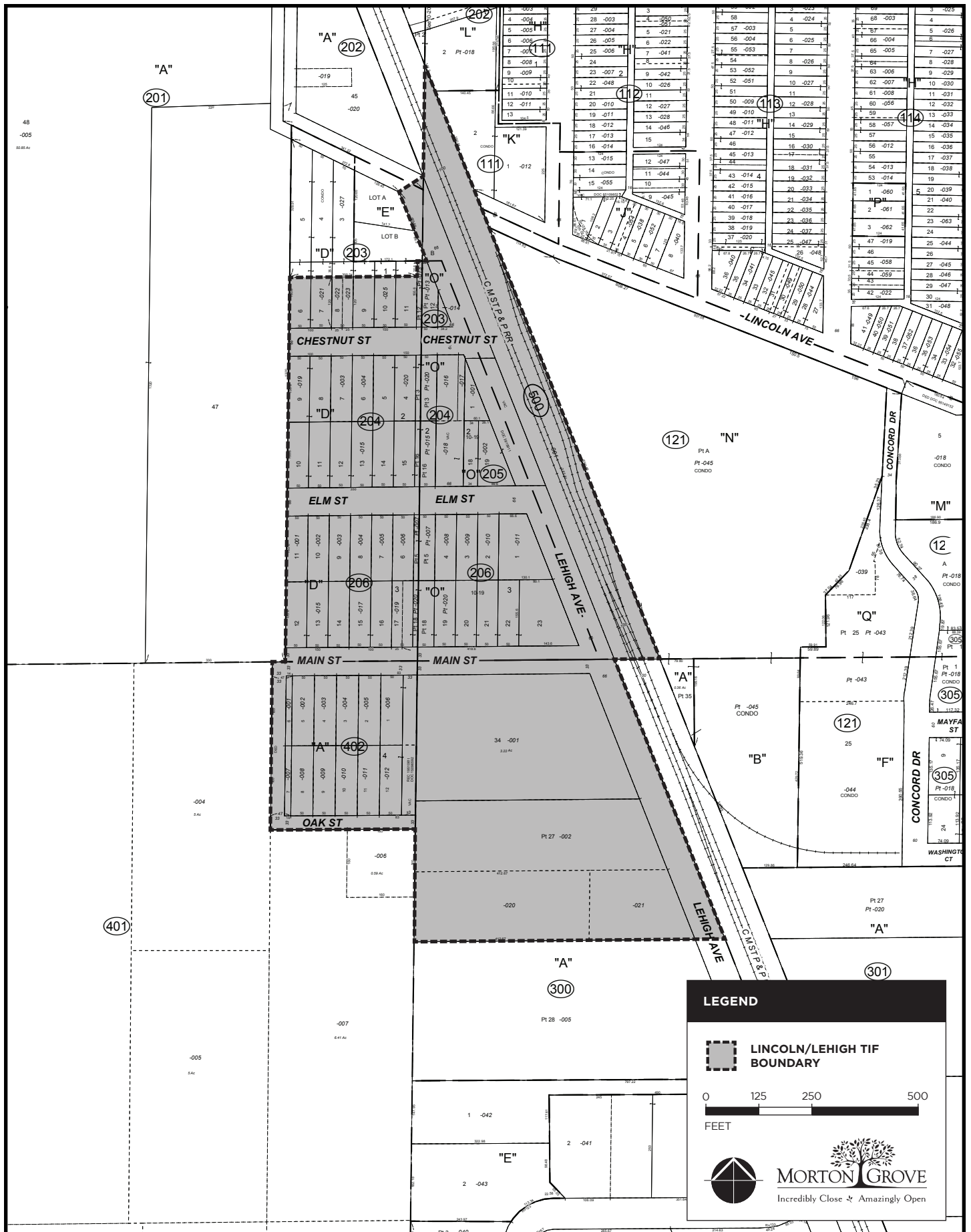
C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

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

**IX. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT
PLAN AND PROJECT**

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

EXHIBIT A
BOUNDARY MAP



LINCOLN/LEHIGH TIF

EXHIBIT B
LEGAL DESCRIPTION

**LEGAL DESCRIPTION
OF THE LINCOLN/LEHIGH REDEVELOPMENT PROJECT AREA IN THE
VILLAGE OF MORTON GROVE, ILLINOIS**

THAT PART OF THE EAST HALF OF SECTION 19 AND THE WEST HALF OF SECTION 20 IN TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE EASTERLY RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD AND THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 20; THENCE WEST ALONG SAID SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 20 TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF LEHIGH AVENUE; THENCE SOUTHEASTERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF LEHIGH AVENUE TO A POINT OF INTERSECTION WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 27 IN COUNTY CLERK'S DIVISION OF SAID SECTION 20 AND THE EAST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE WEST ALONG SAID EASTERLY EXTENSION AND THE SOUTH LINE OF LOT 27 IN COUNTY CLERK'S DIVISION TO A POINT ON THE WEST LINE OF SAID SECTION 20; THENCE NORTH ALONG SAID WEST LINE OF SECTION 20 TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF OAK STREET, SAID SOUTH RIGHT OF WAY LINE OF OAK STREET ALSO BEING THE SOUTH LINE OF MORTON GROVE SUBDIVISION, AS RECORDED AUGUST 16, 1895; THENCE WEST ALONG SAID SOUTH RIGHT OF WAY LINE OF OAK STREET TO A POINT ON THE WEST LINE OF SAID MORTON GROVE SUBDIVISION IN THE SOUTHEAST QUARTER OF SAID SECTION 19, SAID WEST LINE ALSO BEING THE WEST LINE OF THE EAST 10 ACRES OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 19; THENCE NORTH ALONG SAID WEST LINE OF THE EAST 10 ACRES TO A POINT ON THE SOUTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 19, SAID SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 19 ALSO BEING THE CENTERLINE OF WALNUT STREET; THENCE EAST ALONG SAID SOUTH LINE OF THE NORTHEAST QUARTER OF SECTION 19 TO A POINT ON THE WEST LINE OF SAID MORTON GROVE SUBDIVISION IN THE NORTHEAST QUARTER OF SAID SECTION 19; THENCE NORTH ALONG SAID WEST LINE OF MORTON GROVE SUBDIVISION TO A POINT ON THE NORTH LINE OF THE SOUTH 120 FEET OF LOTS 6, 7, 8, 9, 10 AND 11 IN BLOCK 1 IN SAID MORTON GROVE SUBDIVISION; THENCE EAST ALONG THE SAID NORTH LINE OF THE SOUTH 120 FEET TO A POINT ON THE WEST LINE OF LOT 12 IN SAID MORTON GROVE SUBDIVISION; THENCE NORTH ALONG SAID WEST LINE OF LOT 12 TO A POINT ON THE NORTH LINE OF SAID LOT 12; THENCE EAST ALONG SAID NORTH LINE OF LOT 12 TO A POINT ON THE WESTERLY RIGHT OF WAY OF LEHIGH AVENUE; THENCE NORTHWESTERLY ALONG SAID WESTERLY RIGHT OF WAY LINE OF LEHIGH AVENUE TO A POINT ON THE

SOUTHERLY RIGHT OF WAY LINE OF LINCOLN AVENUE; THENCE NORTHEASTERLY ALONG A LINE TO A POINT OF INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF SAID LINCOLN AVENUE AND THE EAST LINE OF SAID SECTION 19; THENCE NORTH ALONG SAID EAST LINE OF SECTION 19 TO A POINT OF INTERSECTION WITH SAID EASTERLY RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD; THENCE SOUTHEASTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE OF THE CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD TO THE POINT OF BEGINNING.

EXHIBIT C
TIF QUALIFICATION REPORT

**VILLAGE OF MORTON GROVE
LINCOLN/LEHIGH
TIF DISTRICT/REDEVELOPMENT PROJECT AREA
QUALIFICATION REPORT**

A study to determine whether all or a portion of an area located in the Village of Morton Grove qualifies as a conservation area as set forth in the definition in the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-3, et seq. of the Illinois Compiled Statutes, as amended.

Prepared For: Village of Morton Grove, Illinois

Prepared By: Kane, McKenna and Associates, Inc., and The Village of Morton Grove

September, 2021

**VILLAGE OF MORTON GROVE
LINCOLN/LEHIGH
TIF DISTRICT/REDEVELOPMENT PROJECT AREA
QUALIFICATION REPORT**

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LIST OF EXHIBITS

Exhibit 1 - TIF Boundary Map

I. INTRODUCTION AND BACKGROUND

In the context of planning for the designation of the Lincoln/Lehigh TIF District, the Village of Morton Grove (the “Village”) has authorized the study of the area with the boundaries described in the map attached hereto as Exhibit 1 and to be known as the Lincoln/Lehigh Redevelopment Project Area (the “RPA” or “TIF District”) to determine whether it qualifies for consideration as a Tax Increment Financing (TIF) District under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1, et seq., as amended (the “TIF Act” or “Act”). Kane, McKenna and Associates, Inc. (“KMA”), has agreed to undertake the study of the proposed RPA, the findings of which are contained in this Lincoln/Lehigh TIF District/Redevelopment Project Area Qualification Report (the “Report”).

The proposed RPA of the TIF Redevelopment Plan and Project is generally bounded by between Lehigh Avenue to the east, the Cook County Forest Preserve and Nagle Avenue to the west, Chestnut Street to the north, and the approximate continuation of Madison Court to the south. The RPA comprises residential, commercial, light industrial, warehouse, and public use properties. A portion of the RPA is currently located in the Village’s Lehigh/Ferris TIF District, which was designated in 2000. The Lehigh/Ferris TIF District will be amended to remove the proposed RPA and designate the proposed Lincoln/Lehigh Redevelopment Project Area (the “TIF District”).

As a whole, the proposed RPA has been negatively impacted by a lack of sustained investment and development. The RPA, in aggregate, exhibits signs of deterioration, lack of community planning, deleterious layout, inadequate utilities, and obsolescence which has resulted in piecemeal development. Many structures are functionally obsolete due to age and current market conditions. Vacant lots and vacant buildings are present as well. Site preparation and land assembly may also be necessary in order to reconfigure and prepare parcels for redevelopment so that they may accommodate new commercial/retail, residential, and mixed uses. The qualification factors discussed within the Report qualify the major portion of the RPA as a “conservation area,” as that term is hereinafter defined pursuant to 65 ILCS 5/11-74.4-3 et seq., as amended.

Several of the properties included in the proposed RPA have evidenced deterioration of structures and site improvements. The area’s inventory of vacant improved property and proximity of incompatible land uses exacerbates an already poor situation. The area’s current conditions yield minimal redevelopment opportunity. It is important for the Village to support redevelopment in the RPA in order to preserve the tax base and provide supportive amenities that contribute to the vibrancy of this area as a Village center.

The majority of the site improvements within the proposed RPA were found to have varying degrees of deterioration. Deterioration was also noted in surface lots, driveways, and rights-of-way.

The Village is confident that property within the TIF District can be redeveloped if the obstacles discussed in the Report are mitigated. Further, the Village believes that the use of TIF can mitigate the negative obstacles currently impeding redevelopment and contribute to the overall rejuvenation of the Lincoln/Lehigh area.

OBJECTIVES

The Village's overarching objective is to enhance commercial, retail, and mixed-use opportunities in the Lincoln/Lehigh Redevelopment Project Area, which overlaps considerably with the "Lehigh/Ferris Target Area" (the "Target Area"), as identified in the Village's 1999 Comprehensive Plan Update (the "Plan"). The Plan establishes certain development objectives for the Target Area in order to address specific issues and concerns identified within the area, which are listed below:

Issues and Concerns:

- The need to develop a "Village Center" in this area
- The need for commercial establishments near the train station
- The need to reduce or eliminate existing industrial uses
- The need to upgrade street lighting
- The need for better sidewalk placement
- The need to improve pedestrian access and crossings in the area
- The need for safer pedestrian crossings
- The need to minimize the "eyesore" and noise generation for certain industries along Chestnut

In general, the improvement and development alternatives described in the Plan and included below are focused on addressing the issues and concerns identified within the Target Area.

Specific recommendations include:

- Promote area-wide redevelopment of the area for a mix of residential, retail, and public uses
- Remove marginal and deteriorated commercial and industrial uses to allow for compatible new development
- Improve pedestrian and convenience throughout the area
- Upgrade and maintain the appearance of the area
- Undertake roadway improvements along Lehigh Avenue and Lincoln Avenue as called for in the Plan

- Encourage improvement and enhancement of the Metra commuter rail station

Given the redevelopment objectives established through the Village's comprehensive planning process and the conditions summarized above, the Village has made a determination that the promotion of redevelopment within the proposed Lincoln/Lehigh TIF District will benefit the immediate area and the Village as a whole. The ongoing deterioration and visibility of the vacant or partially vacant structures within the proposed RPA are among the concerns that the Village wants to address.

Located at the confluence of two commercial corridors and anchored by the Metra commuter rail station, the proposed RPA is a critical area of the Village. The proposed Lincoln/Lehigh TIF District would serve to help reverse the decline of distressed properties, support revitalization and redevelopment, and encourage new retail/commercial, residential, and mixed uses within the RPA.

Given the decline of certain properties and the need for certain public improvements in the area, the Village is favorably disposed toward supporting redevelopment efforts; however, the Village is determined that redevelopment takes place through the benefit and guidance of comprehensive economic planning by the Village. Through such a deliberate and coordinated effort, the area is expected to improve. Development barriers which are inherent with current market conditions and impede economic growth are expected to be eliminated in the proposed RPA.

The Village has determined that redevelopment currently planned for the Lincoln/Lehigh TIF District may only be feasible with public finance assistance. The Village's creation and utilization of a redevelopment plan pursuant to the Act is intended to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the area.

The use of TIF relies upon induced private redevelopment in the RPA creating higher real estate value, which would otherwise decline or stagnate without such investment. In turn, the higher real estate value generates increased property taxes by comparison with the previous land use, or lack thereof. In this way, the existing tax base for all tax districts is protected and a portion of future increased taxes are pledged to attract the needed private investment.

II. QUALIFICATION CRITERIA USED

With the assistance of Village staff, Kane, McKenna and Associates, Inc., examined the proposed Lincoln/Lehigh TIF District from August 2020 to the date of this report, and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Act. The relevant sections of the Act are found below.

The Act sets out specific procedures, which must be adhered to in designating a redevelopment project area. By definition, a “Redevelopment Project Area,” or “RPA,” is defined as follows:

An RPA is “an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted area and conservation area.”

Conservation Area

The Act defines a “Conservation Area” as follows:

“‘Conservation area’ means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is not yet a blighted area but because of a combination of three (3) or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:”

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

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

(C) Deterioration. With respect to buildings, defects include but are not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to property, but not including housing and property maintenance codes.

(E) Illegal Use of Individual Structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

(F) Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

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

(H) Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, and obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout. The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

(K) Environmental Clean-Up. The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

(M) "Lagging or Declining" EAV. The total equalized assessed value (EAV) of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last 5 years for which information is available.

III. THE STUDY AREA

The area of study consists of residential, commercial, light industrial/warehouse, and public use properties within the proposed RPA (the “Study Area”). The Study Area includes all parcels in the area generally bounded between Lehigh Avenue to east, the Cook County Forest Preserve and Nagle Avenue to the west, Chestnut Street to the north, and the approximate continuation of Madison Court to the south. The Study Area includes approximately 47 tax parcels. Refer to a map of the Study Area provided as Exhibit 1.

IV. METHODOLOGY OF EVALUATION

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

- 1) Site surveys of the properties were undertaken by representatives from KMA. Site surveys were completed for each tract of land (based upon Sidwell blocks) within the area.
- 2) Exterior evaluations of structures noting deterioration, dilapidation, and vacancies or other conditions were completed.
- 3) The area was studied in relation to review of available planning and building reports, photography, Sidwell maps, local history (discussions with Village staff), and an evaluation of area-wide factors that have affected the area's development where possible (e.g., lack of community planning, uncoordinated development, etc.) KMA reviewed the area in its entirety. Village redevelopment goals and objectives for the area were also reviewed.
- 4) Individual structures were initially surveyed only in the context of checking, to the best and reasonable extent available, criteria factors of specific structures on particular parcels. Underutilized portions of the RPA were examined within a similar context.
- 5) The RPA was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured with evaluated against the relevant factors.
- 6) Improved land within the RPA was examined to determine the applicability of the age factor and the thirteen (13) different conservation area factors for qualification of designation as a redevelopment project area pursuant to the Act.

V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY

In evaluating the improved properties within the proposed RPA, KMA completed its analysis based on the “Conservation Area” criteria cited in 65 ILCS 5/11-74.4-3 (the “Conservation Area Definition”). The Conservation Area Definition states that at least fifty percent (50%) or more of the area’s structures must be over thirty-five (35) years in age, and there must be three (3) of the thirteen (13) qualification factors contained in the TIF Act present for a finding of a conservation area. KMA, with the assistance of Village staff, has identified five (5) qualification factors that are distributed throughout the area. Please refer to the table below, entitled “Summary of Conservation Area Findings,” for more detail.

SUMMARY OF CONSERVATION AREA FINDINGS	
Minimum Age of Structures per Statute	Age of Structures in Study Area
Minimum of 50% of structures must be over 35 years in age	94% of structures are 35 years in age or greater
Minimum Number of Conservation Area Factors Needed to Qualify per Statute	Qualifying Conservation Area Factors Present in Study Area
3 Factors of 13 Factors	5 Factors: 1. Deterioration of Site Improvements and Structures 2. Obsolescence 3. Deleterious Layout 4. Lack of Community Planning 5. Inadequate Utilities

The RPA is found to qualify as a Conservation Area under the statutory criteria set forth in the Act. As a result of KMA’s evaluation and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the Study Area as a “Conservation Area.”

A. THRESHOLD FACTOR – AGE OF STRUCTURES

In the Conservation Area, sixteen (16) of seventeen (17) structures, or 94%, are 35 years in age or greater.

B. CONSERVATION AREA FACTORS

In the Conservation Area, five (5) of thirteen (13) possible qualifying factors were found to be present within the study area. In order to qualify as a Conservation Area, a minimum of three (3) conservation area factors, as set forth in the Act, must be present. The five (5) qualifying factors found to be present within the Study Area are as follows:

1. Deterioration of Site Improvements and Structures

Pursuant to the Act, deterioration can be evidenced in major or secondary building defects. For example, such defects include, but are not limited to, deterioration of building components such as windows, porches, fascia, and gutters and doors. In addition, deterioration can also be evidenced with respect to surface improvements in defects that include, but are not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and protrusion of weeds through the paved surfaces of roadways, alleys, curbs, sidewalks, off-street parking, and surface storage areas.

Several of the properties in the proposed TIF District exhibit deteriorated conditions in both site improvements and building components. These site conditions are characterized by, among other things, the following:

- Extensively cracked and crumbling asphalt pavement, along with potholes in parking lot areas and driveways, requiring re-surfacing
- Weed and vegetation growth in cracked pavement and/or loose pavement material
- Faded and cracked parking space striping and curb caution paint, requiring re-painting
- Crumbling curb and gutter throughout parking areas and approaches, requiring removal and replacement

Deteriorated building conditions include:

- At certain residential structures, peeling or faded paint on siding and trim, loose or damaged fascia or gutters, exposed raw wood at rail systems, deteriorated exterior window and door trim, deteriorated limestone windowsills, and dilapidated detached garages
- At certain industrial buildings, exterior masonry is in need of tuckpointing, limestone sills are badly worn and discolored, windows and doors or window and door trim is deteriorated, trim paint is peeling or faded, and other building exterior components are in need of repair
- The industrial building at 8350 Lehigh Avenue shows severe deterioration, including masonry in need of tuckpointing, broken windows and doors, deteriorated window and door trim, rusted and damaged overhead and service doors, and dilapidated bollards

The 1999 Village's Comprehensive Plan Update specifically identifies the industrial properties north of Main Street and west of the railroad as "marginal" and recommends that these properties be acquired, cleared, and made available for more appropriate transit-oriented development. The Comprehensive Plan Update also identifies the single- and multi-family structures on the south side of Elm Street as "characterized by condition problems."

2. Obsolescence

Obsolescence is defined as the condition or process of falling into disuse. This factor can also be defined as a structure or structures that have become ill-suited for their original use.

Functional obsolescence is present for residential, commercial, and industrial uses due to challenges related to age, physical condition, existing building inventory, vacancies, poor layout, and poor traffic circulation, all of which impact existing or proposed uses within the Study Area. Because of these factors, the area's overall usefulness and desirability for redevelopment is significantly limited for marketplace redevelopment.

Sixteen (16) of the seventeen (17) buildings in the Study Area, or 94%, are over 35 years old, and thirteen (13) of the seventeen (17) buildings, or 76%, are over fifty years old. Seven (7) of the seventeen (17) buildings, or 41%, are more than 75 years old, and five (5), or 29%, are over one-hundred years old. The advanced ages of almost all of the structures within the Study Area, and their associated deterioration, make them obsolete in comparison to contemporary construction and development standards.

The Village's Lehigh /Ferris Subarea Plan, which was adopted in 2002 and revised as a Framework Plan in 2009, calls for land uses within the Study Area that consist of high-density multi-family residential, mixed-use, and retail uses. The Plan recognizes that most of the properties within the Study Area are ill-suited for their original use.

Fourteen (14) of the forty-seven (47) tax parcels in the RPA, or almost thirty percent (30%), are vacant and associated with a former industrial/warehouse building and surrounding property located 8350 Lehigh Avenue. This 95,000-square-foot structure was built in the mid-1950s, is severely deteriorated, and has been vacant since 2016. The property has been on the market for over three years, but due to its low ceiling heights and functional obsolescence for modern industrial uses, the property has not attracted any industrial businesses or investors. Proposals for industrial reuse of this property have been limited, adding to the property's obsolescence.

In addition, another two (2) of the forty-seven (47) parcels consist of another industrial property, which is 58 years old and is located at 8300 Lehigh, adjacent to the vacant improved 8350 Lehigh properties. This deteriorated property has been vacant since 2012. It was acquired by the Village in 2013 but has remained unoccupied, with the exception of incidental municipal storage uses.

Eleven other parcels in the Study Area comprise a single, dead-end block of eleven (11) residential lots along the south side of Elm Street, across from commuter parking spaces and backing up to industrial properties. Most of the structures on these parcels are deteriorated single-family or duplex residences, ranging in age from 94 to 134 years old, except for a nine-unit, three-story, condominium building

in the middle of the block, which is 23 years old. Two of the properties on this block are occupied as mixed-use.

In addition, certain properties are marginally utilized within the Study Area. For example, six parcels at 6400 to 6420 Chestnut Street are currently improved with a paved parking area. The properties were formerly occupied by office and warehouse buildings constructed between the 1940s and 1960s. The Village purchased the vacant properties in 2008 in order to facilitate high-density multi-family residential development on the site, in accordance with the Lehigh/Ferris Subarea Plan. The Village demolished the structures and, as an interim use, converted the vacant land to an ancillary commuter parking lot for the Metra train station, which is located across the street. Despite efforts to market the properties for redevelopment, they remain marginally underutilized.

3. Deleterious Layout

A municipality can make a finding of deleterious layout or land use when there exists either (a) incompatible land-use relationships, (b) buildings occupied by inappropriate mixed-uses or uses considered to be noxious, or (c) uses offensive or unsuitable for the surrounding area.

The Study Area consists, primarily, of industrial property with some residential, commercial, and public land uses, all in close proximity to one another. In general, this area is relatively narrow, confined between the diagonal direction of the commuter railroad right-of-way and Lehigh Avenue to the east and the Forest Preserve on the west. This configuration serves to limit future redevelopment options, which must take into account the multiple dead-end streets west of Lehigh Avenue and the resulting awkward intersections along Lehigh Avenue.

As described previously, the only residential uses in the Study Area are located within a single block of eleven (11) residential parcels. These properties directly abut industrial use property to the south without adequate buffering, and face commuter parking spaces at their fronts. Abutting industrial uses include a concrete drilling and sawing company, a plumbing supplier, and a warehousing use with ancillary exterior material storage and commercial vehicle parking. In addition, a three-story, nine-unit, condominium building sits in the middle of this block surrounded on each side by single-family residences, some of which have been converted to two-unit and three-unit structures. Two former single-family residential structures are currently being used for both residential and commercial business purposes. The Village's Comprehensive Plan Update describes these residential properties as being "physically isolated and are not part of a larger neighborhood environment." The Plan also states: "Since industrial uses are located very close to residential development, industrial noise and other impacts are of concern to nearby residents."

A portion of the Study Area consists of property operated as natural area by the Forest Preserve District of Cook County (FPDCC). This property protrudes into the

Study Area from the west, as a peninsula, surrounded by commercial uses to the north and east, and residential uses to the south. Village officials have proposed a land swap with the FPDCC to address this awkward land use configuration.

The network of roadways and travel paths currently providing connectivity in the Study Area is disorganized. Among the planning alternatives laid out in the Village's Lehigh/Ferris Subarea Plan is a vacation of Chestnut Street, which is intended to address issues associated with its configuration as a one-block, dead-end street. In this area, Chestnut Street intersects with Lehigh Avenue, a high-traffic urban collector street, just south of where the roadway intersects with Lincoln Avenue.

Just north of Chestnut Street, the intersection of Lincoln and Lehigh Avenues is wide and not well defined to the motorist or pedestrian. The location of the Metra commuter rail station causes significant pedestrian traffic and can result in significant back-ups of trucks and vehicles travelling through the area. The pedestrian network around this intersection and throughout the Study Area is disconnected and deficient.

Some of the parking facilities for the Metra commuter rail station are located across the street from the station on the west side of Lehigh Avenue. Commuter parking spaces are located within the municipal parking lot along the north side of Chestnut Street and on-street along the north side of Elm Street. The locations of these parking facilities require commuters to cross Lehigh Avenue, a busy collector street, without traffic signalization or adequate pedestrian accommodations.

4, Lack of Community Planning

According to the Act, an area suffers from a lack of community planning if the area was developed prior to, or without the benefit, of a community plan.

Thirteen (13) of the seventeen buildings in the Study Area were developed at least fifty (50) years ago, prior to the adoption of the Village's first comprehensive plan forty-two (42) years ago in 1978. Inconsistent building setbacks, the lack of buffering between incompatible uses, the absence of a coordinated storm water management system, internal circulation issues between sites, and the lack of consistent street lighting and pedestrian infrastructure all reinforce the fact that the area was developed without benefit of modern, comprehensive community planning.

Also lacking, until recent years, has been effective and sustained economic development plans and strategies intended to address the coordinated redevelopment of the Study Area. Evidence of a lack of community planning in the Study Area can be found in some of the recommendations of the Village's 1999 Comprehensive Plan Update to address the issues associated with a lack of community planning. For example, the Plan recognizes the need for redevelopment of the older, marginal industrial buildings along the railroad between Main and

Dempster Streets, some of which are located in the Study Area. The Plan also seeks to ensure that all new industrial development is located in areas of similar or compatible uses, and to minimize the negative impact of industrial activities on neighboring land uses. The recommendations are intended to mitigate issues of incompatibility such as those found within the Study Area.

Landscaping and screening are needed to provide a visual barrier to certain uses. Deficiencies in landscaping buffering remain and have not been corrected on an area-wide basis. In response to this, the Village's Comprehensive Plan Update recommends improved screening and buffering throughout the Lehigh Avenue portion of the Lehigh/Ferris Target Area.

Internal traffic circulation is a primary challenge to coordinating future land uses and promoting redevelopment. The configuration of Chestnut Street as a one-block, dead-end street, which intersects with Lehigh Avenue near the train station, makes this intersection confusing and disorganized to motorists and pedestrians. Elm Street and Main Street also dead-end just west of Lehigh, resulting in limited options for internal site design and roadway access.

A lack of planning and coordination between public infrastructure and land uses within and surrounding the Study Area has resulted in ongoing issues and complaints relating to illegal truck movements on restricted roadways and the use of public right-of-way for truck maneuvering. According to a 2007 report prepared by SB Friedman & Co. outlining recommendations for pedestrian and roadway improvements within the Lehigh/Ferris Target Area, truck route planning is recommended as a near-term improvement for the Study Area to better align routing with land uses and make the area more pedestrian-friendly. Where truck routing has been adjusted, additional measures such as signage and physical barriers may be needed to mitigate illegal movements.

As previously indicated, this area is restricted by the commuter railroad right-of-way and Lehigh Avenue to the east, and the Forest Preserve on the west. Future redevelopment options are limited as they will have to overcome the multiple dead-end streets west of Lehigh Avenue and the troublesome intersections along Lehigh Avenue.

5. Inadequate Utilities

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

According to the "Lehigh/Ferris TIF District Utility Study" prepared in 2008 by McDonough Associates, Inc., (the "Study"), the storm sewers in a substantial portion of the Study Area are combined with sanitary sewer facilities, and are not tied to the relief storm sewer that serves the rest of the area. Accordingly, the Study recommends separation of storm and sanitary sewers in this area to accommodate

future redevelopment in the Study Area. It also recommends sizing the separated storm sewer piping to handle storm frequency and intensity. The Study also recommends construction of a new sanitary sewer along Lehigh Avenue, as well as enhancing of all other sanitary sewers in the Lehigh/Ferris TIF District.

Certain water distribution improvements are also required, according to the Study, to accommodate redevelopment scenarios proposed for the Study Area. Fire flow tests demonstrated that while the existing system showed good static pressure for existing land uses, flows are inadequate for providing sufficient fire flows to most future development scenarios. According to the Study, existing water mains in select areas would have to be upsized in order to achieve the required pressure. Recommended water infrastructure improvements in the Study Area are critical to supporting not only future development, but existing uses within in the Study Area.

The Study also notes that the Village should plan a corridor within rights-of-way in which existing and new private utilities can be relocated underground.

There are no traffic signals in the Study Area. Curbs and gutters exist at some locations, and sidewalks are provided only intermittently throughout the Study Area. The Comprehensive Plan Update identifies certain infrastructure issues in the Study Area, including the need for upgraded street lighting, the need for better sidewalk placement, and the need for improved pedestrian access and crossings.

According to a 2018 street assessment by the Village's Department of Public Works, pavement conditions in the Study Area were found to range from fair to failed. Using a ten-point grading scale with "10" representing best conditions and "1" representing worst conditions, Chestnut Street west of Lehigh Avenue was rated 1, or failed. Lehigh Avenue was rated 5 north of Elm Street and 6 south of Elm Street. West of Lehigh Avenue, Elm Street was rated 6 and Main Street was rated 4. Roadway conditions have further deteriorated since the 2018 street assessment, especially along Chestnut Street, where failed pavement conditions have impacted vehicular use.

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to potential designation of the Study Area by the Village as a TIF District.

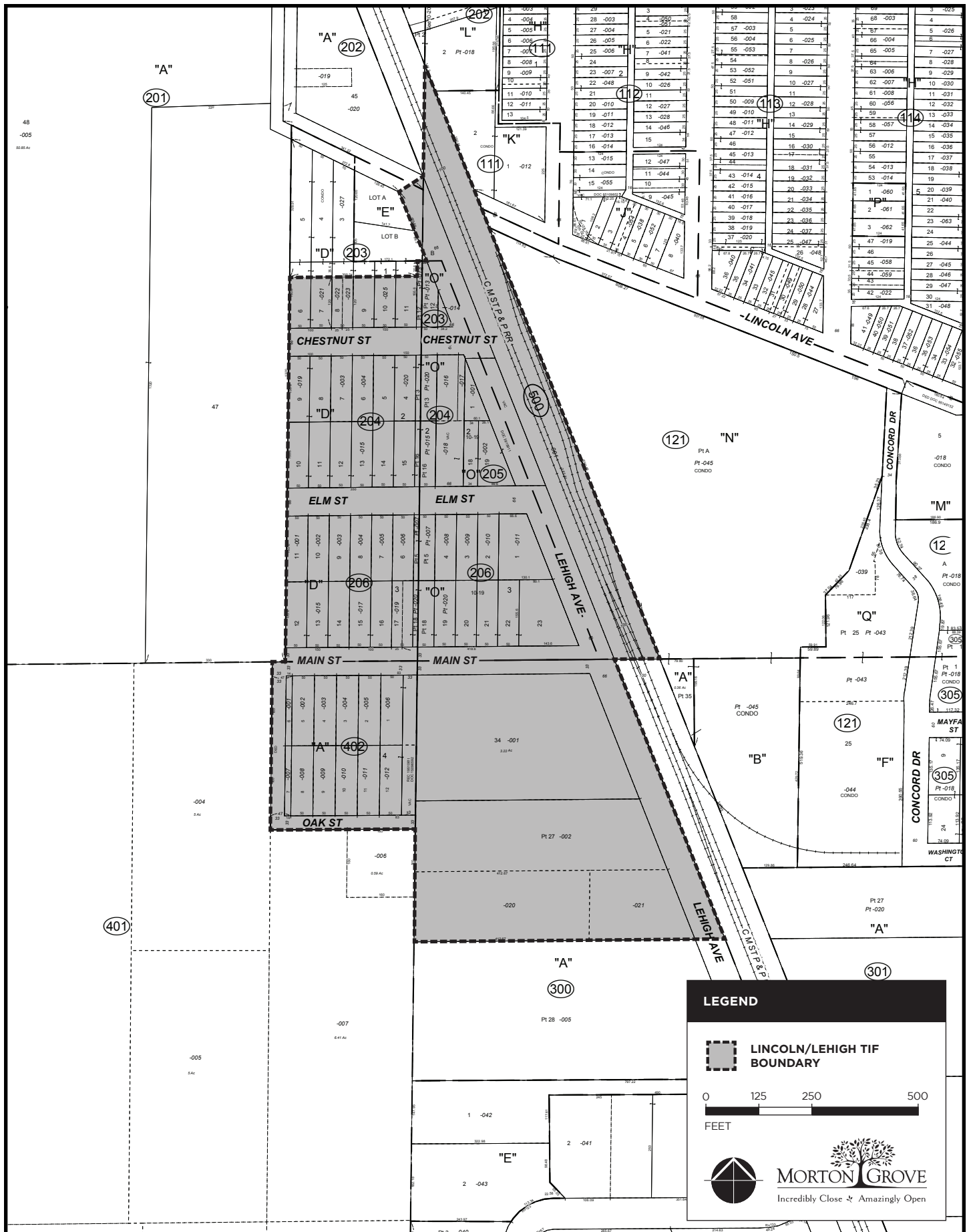
1. The area is contiguous and is greater than 1½ acres in size.
2. The area qualifies as a “conservation area” as defined in the Act. A more detailed analysis of the qualification findings is outlined in this report.
3. All property in the area would substantially benefit by the proposed redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

These findings, in the judgment of KMA, provide the Village with sufficient justification to consider designation of the TIF District.

The area has not benefited from updated and current planning efforts by either the public or private sectors in relation to current market conditions. There is a need to focus redevelopment efforts relating to business attraction and mixed use development in order to improve and preserve the existing tax base and contribute to the vibrancy of a Village center in this area.

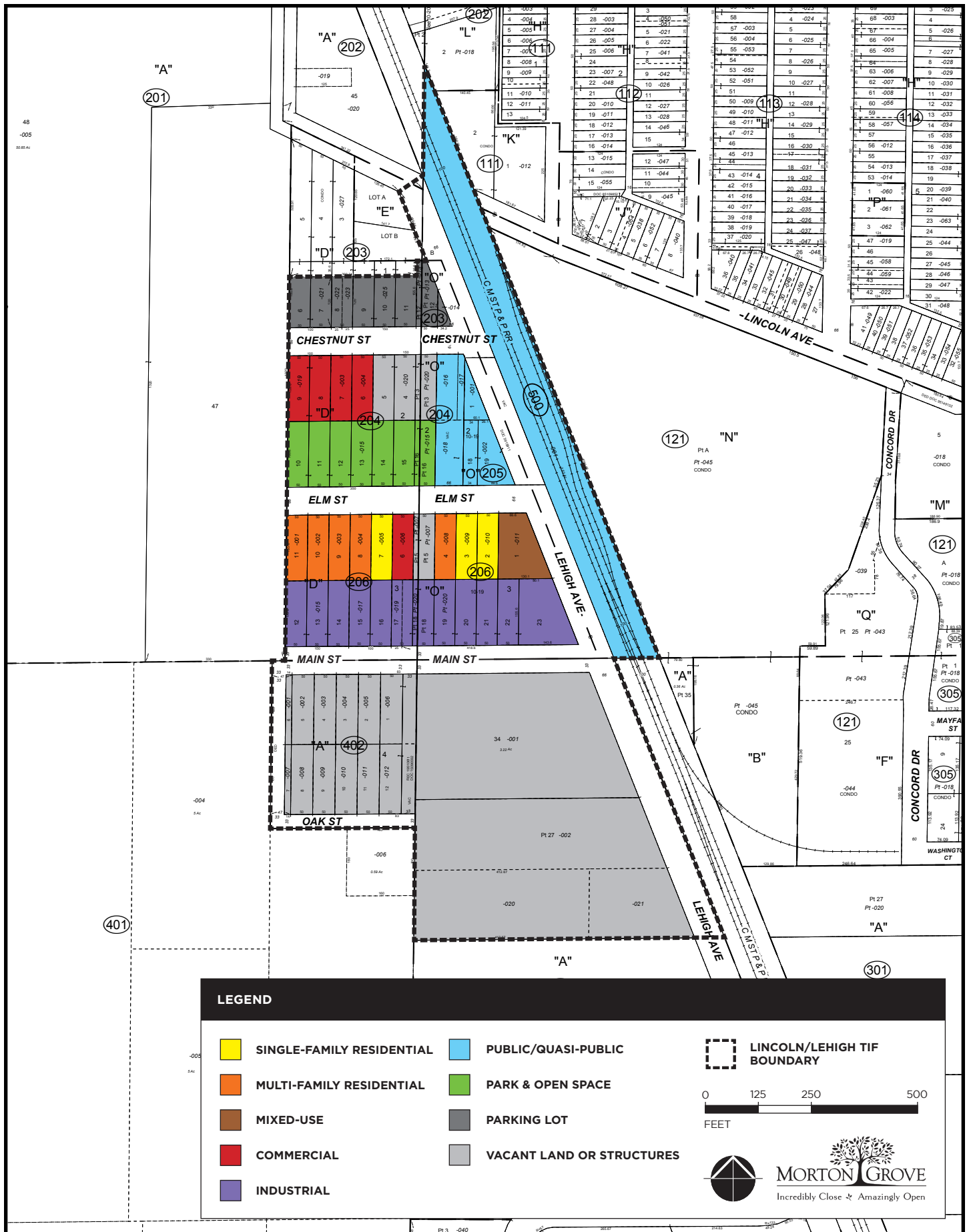
EXHIBIT 1

TIF BOUNDARY MAP



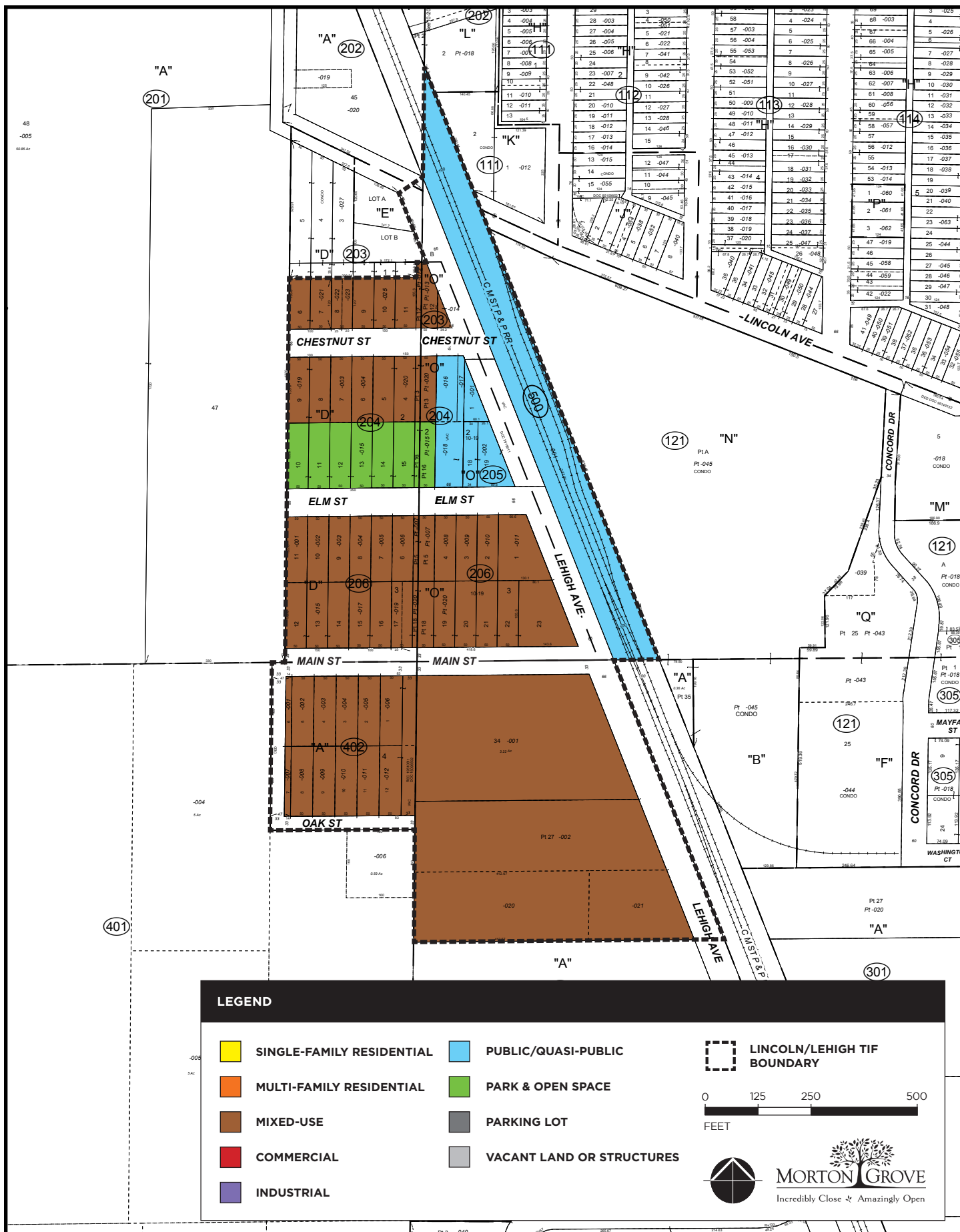
LINCOLN/LEHIGH TIF

EXHIBIT D
EXISTING LAND USE MAP



LINCOLN/LEHIGH TIF - CURRENT LAND USES

EXHIBIT E
FUTURE LAND USE MAP



LINCOLN/LEHIGH TIF - PROPOSED LAND USES

EXHIBIT F
HOUSING IMPACT STUDY

**VILLAGE OF MORTON GROVE
LINCOLN/LEHIGH
TIF DISTRICT/REDEVELOPMENT PROJECT AREA
HOUSING IMPACT STUDY**

A study undertaken by the Village of Morton Grove to determine the potential housing impact of the Lincoln/Lehigh TIF District/Redevelopment Project Area pursuant to the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-3, et seq. of the Illinois Compiled Statutes, as amended.

Prepared For: Village of Morton Grove, Illinois

Prepared By: The Village of Morton Grove and Kane, McKenna and Associates, Inc.

July, 2021

**VILLAGE OF MORTON GROVE
LINCOLN/LEHIGH
TIF DISTRICT/REDEVELOPMENT PROJECT AREA
HOUSING IMPACT STUDY**

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LIST OF EXHIBITS

Exhibit 1 - TIF Boundary Map

I. INTRODUCTION AND BACKGROUND

The Village of Morton Grove (the “Village”) is exploring the possibility of creating the Lincoln/Lehigh Tax Increment Financing District (“TIF District”), initiating a Redevelopment Project Area (“RPA”). The initial study area for the RPA is described in the map attached hereto as Exhibit 1 and to be known as the Lincoln/Lehigh Redevelopment Project Area (the “RPA” or “TIF District”)

Pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4.1, et seq., as amended (the “TIF Act” or “Act”), if a redevelopment plan for a redevelopment project area would result in the displacement of residents from ten (10) or more inhabited residential units, or if the redevelopment project area contains seventy-five (75) or more inhabited residential units, and no certification stating that displacement will not occur is made by the municipality, then the municipality must prepare a housing impact study as described in Section 11-74.4-3(n) and incorporate the housing impact study into the redevelopment plan for the redevelopment project area.

While the Village does not anticipate or propose to displace residents from inhabited units within the proposed RPA, the Village cannot certify that displacement of ten (10) or more inhabited residential units will not occur over the term of the RPA. Therefore, in accordance with the Act, a housing impact study is a required element of the Lincoln/Lehigh TIF District/Redevelopment Project Area Redevelopment Plan and Project (the “Plan” or “TIF Redevelopment Plan”). The Village has jointly prepared this Housing Impact Study with Kane, McKenna and Associates, Inc. (“KMA”) in order to conform to the provisions of the Act.

The Village proposes to redevelop underutilized property in the RPA to support a mix of new uses, including commercial, retail, and residential uses. The redevelopment activity is intended to stabilize and enhance the tax base while providing high quality amenities, housing options, and public infrastructure for neighborhood residents.

The Village acknowledges that redevelopment within the RPA may result in the relocation of some residential housing units, but implementation of the Redevelopment Plan is intended to produce a net increase in housing units and types within the RPA. **The Village does not propose, and the Redevelopment Plan does not include, any plans for any residential dislocation or relocation activities within the RPA.** This Study is not a plan for the dislocation or relocation of residential units within the RPA. Rather, the purpose of this Study is to comply with the requirements of the TIF Act in the event that any housing dislocation occurs as a result of future private development within the RPA. The Study will outline the current mix of housing stock, the racial and ethnic makeup of the residents, and any potential plans for relocation and the relocation assistance to be made available.

This Housing Impact Study is organized into two parts. Part I describes the housing survey conducted within the RPA to determine existing housing characteristics. Part II describes the potential impact of the Redevelopment Plan. Specific elements of the Housing Impact Study include:

Part I. Housing Survey

- i. Type of residential unit, either single-family or multi-family.
- ii. The number and type of rooms within the units, if that information is available.
- iii. Whether the units are inhabited or uninhabited, as determined not less than 45 days before the date that the ordinance or resolution required by subsection (a) of Section 11-74.4-5 of the Act is passed.
- iv. Data as to the racial and ethnic composition of the residents in the inhabited residential units, which shall be deemed to be fully satisfied if based on data from the most recent federal census.

Part II. Potential Housing Impact

- i. The number and location of those units that will be or may be removed.
- ii. The municipality's plans for relocation assistance for those residents in the proposed redevelopment project area whose residencies are to be removed.
- iii. The availability of replacement housing for those residents whose residences are to be removed, and the identification of the type, location, and cost of the replacement housing.
- iv. The type and extent of relocation assistance to be provided

Data Source

The Housing Impact Study will first examine the types of units in the RPA. The data used for this analysis was provided by the Village and the U.S. Census Bureau. The Study has used the most accurate and recent data available as of April 2021. Village staff made multiple site visits to the RPA to examine the structure types and vacancy conditions. Data from the U.S. Census Bureau was used to determine the residential unit characteristics and the racial and ethnic composition of the RPA. The Village also examined housing and rental listings data from the Multiple Listing Service (“MLS”) of Northern Illinois and a real estate listing website to obtain information on the available inventory of replacement rental and for-sale housing in the area surrounding the RPA.

Low Income Residential and Replacement Housing

Any residents who are deemed to be low-income or very low-income will be given the necessary support as dictated by the TIF Act and the Federal Uniform Relocation Act. Village staff supplied a list of potential replacement housing for sale and rent generated by a Multiple Listing Service search by a real estate professional following strict parameters to replicate then price, type and location of housing in the RPA. Every effort was made to identify replacement housing as most similar to the original housing in location, structure, type, and price.

PART I. HOUSING SURVEY

The TIF Act requires that data regarding the nature of the housing, whether single-unit or multi-unit, be examined and a finding be placed in the Housing Impact Study. Part I of this study provides the number, type, and size of residential units within the RPA; the number of inhabited units; and the racial and ethnic composition of the residents in the inhabited residential units.

Number and Type of Residential Units

The number and type of residential units within the RPA were identified during a survey conducted by Village staff on April 29, 2021. This survey revealed that the RPA contains nine (9) residential or mixed-use residential buildings containing a total of twenty-two (22) residential units. The location of the inhabited residential units is shown in *Figure 1: Location of Inhabited Residential Units*, provided on the following page. The number of residential units by building type is outlined in *Table 1: Number and Type of Residential Units*, provided below.

Table 1: Number and Type of Residential Units¹

Building Type	Total Buildings	Residential Units	
		Total	Inhabited
Single-Family	3	3	3
Multi-Family	4	16	16
Accessory Dwelling Unit	1	1	1
Mixed-Use	1	2	2
Total	9	22	22

¹ As identified April 29, 2021, by Village staff

Number and Type of Rooms in Residential Units

The TIF Act requires that the Village provide a breakdown of the number of rooms and types of rooms in the residential units in the RPA, if available. The distribution of the twenty-two (22) residential units within the RPA by number of rooms and by number of bedrooms is identified in tables within this section. The methodology to determine this information is described below.

In order to describe the distribution of residential units by number and type of rooms within the RPA, the Village analyzed 2019 United States Census Bureau American Community Survey (ACS) five-year estimates for Block Group 1, Census Tract 8083.01, in Cook County, Illinois. All housing units located within the RPA are located fully within this block group. The distribution of housing unit sizes and bedroom types within this block group was then applied to the total number of units in the RPA identified by the survey. While the makeup of housing types in the RPA relative to the larger block group may introduce a slightly different mix of room and bedroom counts, this methodology should produce a reasonable approximation of the unit mix and other characteristics of housing units within the RPA. The estimated distribution of units by number of rooms and number of bedrooms is summarized in *Table 2: Estimated Housing Units by Number of Rooms* and *Table 3: Estimated Housing Units by Number of Bedrooms*.

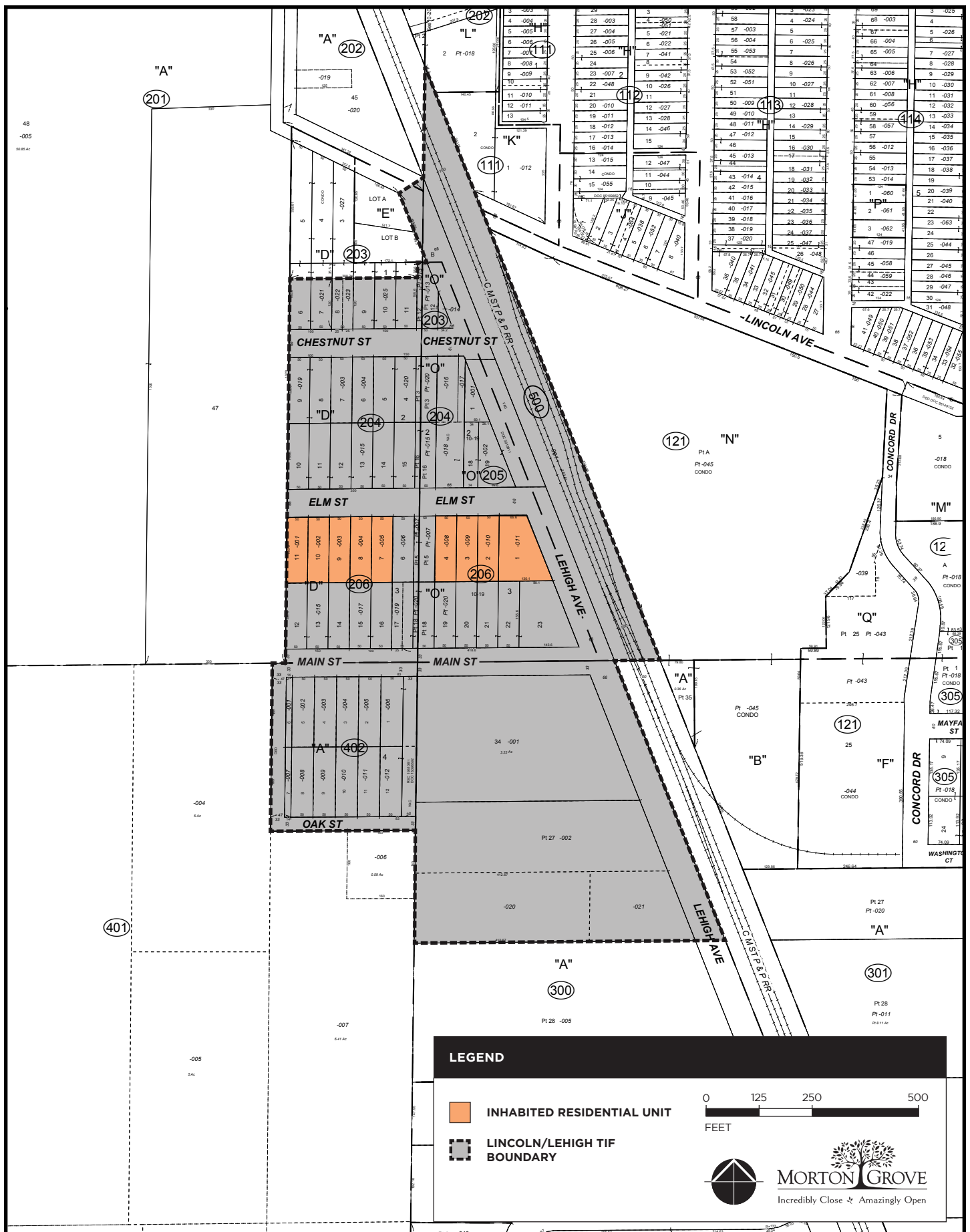


FIGURE 1: LOCATION OF INHABITED RESIDENTIAL UNITS

Table 2: Estimated Housing Units by Number of Rooms¹

Number of Rooms	Distribution by Percent for Block Group 1, Census Tract 8083.01	Estimated Units by Number of Rooms²
1	4.4%	1
2	7.0%	2
3	32.8%	7
4	38.1%	8
5	8.6%	2
6	4.0%	1
7	5.1%	1
8	0.0%	0
9 or more	0.0%	0
Total	100.0%	22

Source: U.S. Census Bureau American Community Survey (ACS), 5-Year Estimates, 2019

¹ As defined by the Census Bureau, for each unit, rooms include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use, and lodger's rooms. Excluded are strip or Pullman kitchens, bathrooms, open porches, balconies, halls or foyers, half-rooms, utility rooms, unfinished attics or basements, or other unfinished space used for storage. A partially divided room is a separate room only if there is a partition from floor to ceiling, but not if the partition consists solely of shelves or cabinets.

² Figures were determined based on the distribution of housing units by number of rooms for the block group within which the subject housing units are located, as provided in the 2019 American Community Survey (ACS) 5-year estimates. The reader must be aware of the margins of error accompanying the ACS estimates [see Table B25017] and the margins of error associated with the interpolation of these estimates. Applying such estimates to a relatively small sample of housing units may produce results that are not accurate. However, this method of interpolation was deemed the most appropriate method available to produce actionable results and information that is meaningful to the reader.

Table 3: Estimated Housing Units by Number of Bedrooms³

Number of Bedrooms	Distribution by Percent for Block Group 1, Census Tract 8083.01	Estimated Units by Number of Bedrooms⁴
Studio	4.4%	1
1 Bedroom	27.2%	6
2 Bedrooms	54.7%	12
3 Bedrooms	13.7%	3
4 Bedrooms	0.0%	0
5 or more bedrooms	0.0%	0
Total	100.0%	22

Source: U.S. Census Bureau American Community Survey (ACS), 5-Year Estimates, 2019

³ As defined by the Census Bureau, number of bedrooms includes all rooms intended for use as bedrooms even if they are currently used for some other purpose. A housing unit consisting of only one room, such as a one-room efficiency apartment, is classified, by definition, as having no bedroom.

⁴ Figures were determined based on the distribution of housing units by number of bedrooms for the block group within which the subject housing units are located, as provided in the 2019 American Community Survey (ACS) 5-year estimates. The reader must be aware of the margins of error accompanying the ACS estimates [see Table B25041] and the margins of error associated with the interpolation of these estimates. Applying such estimates to a relatively small sample of housing units may produce results that are not accurate. However, this method of interpolation was deemed the most appropriate method available to produce actionable results and information that is meaningful to the reader.

Number of Inhabited Units

A survey of inhabited dwelling units within the RPA was conducted by Village staff and completed on April 29, 2021. Based on this survey and Village records, Village staff identified twenty-two (22) residential units, of which none were identified as vacant. Therefore, there are twenty-two (22) inhabited units within the RPA. As required by the Act, this information was ascertained as of April 29, 2021, which is a date not less than 45 days prior to the date that the resolution required by subsection (a) of Section 11-74.4-5 of the Act is or will be passed (the resolution setting the public hearing and Joint Review Board meeting dates).

Race and Ethnicity of Residents

As required by the Act, the racial and ethnic composition of the residents in the inhabited residential units located within the RPA was determined. The methodology is described in this section.

According to the 2019 American Community Survey (ACS) five-year estimates, there were an estimated 810 residents in Block Group 1, Census Tract 8083.01. The block group is the lowest level geography for which race and ethnicity characteristics are provided by the U.S. Census Bureau and is therefore the best available information regarding the residents of the RPA. The total population of the RPA was estimated by multiplying the number of households (inhabited units) within the RPA (22) by the average household size (1.59) of the applicable block group, based on 2019 ACS estimates. Based on the estimated total population, a proportional projection

was made of the race and ethnicity characteristics of the residents. According to these projections, there are an estimated thirty-five (35) residents living within the RPA. The race and ethnic composition of these residents is described in *Table 4: Race and Ethnicity Characteristics*.

Table 4: Race and Ethnicity Characteristics

Race	Distribution by Percent for Block Group 1, Census Tract 8083.01	Estimated Residents⁵
White Alone	66.4%	23
Black or African American Alone	0.6%	0
American Indian and Alaska Native Alone	0.0%	0
Asian Alone	30.9%	11
Native Hawaiian and Other Pacific Islander Alone	0.0%	0
Some Other Race Alone	2.1%	1
Two or More Races	0.0%	0
Total	100.0%	35

Ethnicity	Distribution by Percent for Block Group 1, Census Tract 8083.01	Estimated Residents⁵
Not Hispanic or Latino	94.2%	23
Hispanic or Latino	5.8%	2
Total	100.0%	35

Source: U.S. Census Bureau American Community Survey (ACS), 5-Year Estimates, 2019

⁵ Figures were determined based on the racial and ethnic composition of the block group within which the subject housing units are located, as provided in the 2019 American Community Survey (ACS) 5-year estimates. The reader must be aware of the margins of error accompanying the ACS estimates [see Tables B02001 and B03003] and the margins of error associated with the interpolation of these estimates. Applying such estimates to a relatively small sample of housing units may produce results that are not accurate. However, this method of interpolation was deemed the most appropriate method available to produce actionable results and information that is meaningful to the reader.

PART II. POTENTIAL HOUSING IMPACT

Number and Location of Units That May Be Removed

The TIF Act requires that the Housing Impact Study identify those inhabited units, by location and number, that may be removed, either through a voluntary sale or through eminent domain, as a result of the redevelopment plan. In the RPA, there are potentially twenty-two (22) impacted units in nine (9) different structures. Refer to *Table 5: Inhabited Residential Units*.

While the Village does not expect to displace any residents and the Redevelopment Plan does not specifically propose the redevelopment of current residential use properties, it is conceivable that over the 23-year life of the RPA, some displacement of residential units may occur in the process of private redevelopment of obsolete buildings that contain a residential component. In order to meet the statutory requirement of defining the number and location of inhabited residential units that may be removed, the remainder of Part II of the Study has been conducted with the assumption that all current residential units could be displaced.

Table 5: Inhabited Residential Units

PIN(s)	Address	Unit #	# of Units	# of Buildings	Resident Type
10-19-206-001-0000	6427 Elm St.	1, 2, 3	3	1	Apartments
10-19-206-002-0000	6423 Elm St.	1, 2	2	1	Apartments
10-19-206-003-0000 10-19-206-004-0000	6415 Elm St.	2A, 2B, 2C, 3A, 3B, 3C, 4A, 4B, 4C	9	1	Apartments
10-19-206-005-0000	6411 Elm St.		1	1	Single-Family
10-19-206-008-0000	6347 Elm St.	1, 2, 3	3	2	Apartments, Coach House
10-19-206-009-0000	6341 Elm St.		1	1	Single-Family
10-19-206-010-0000	6337 Elm St.		1	1	Single-Family
10-19-206-011-0000	8420 Lehigh Ave.	2, 3	2	1	Commercial/ Residential
Total			22	9	

Relocation Plan

The TIF Act requires that the Village establish a plan for relocation assistance for those residential units that may be removed as a result of redevelopment projects within the RPA. The Village's plan for relocation assistance for those residents in the RPA whose residences are removed will be consistent with the requirements set forth in the TIF Act and other Federal requirements. Until such a redevelopment project is approved, there is no certainty that any removal of residents will actually occur.

The Village will provide relocation assistance pursuant to regulations promulgated under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA") and as specified in the TIF Act. Said laws shall serve as the basis for the Village's relocation plan for any residents who would be displaced as a result of TIF-related redevelopment

efforts. In addition to such guidelines, the Village may undertake assistance based on the needs of the residents or the redevelopment projects.

Relocation Assistance

While the removal or displacement of housing units within the RPA is not a goal of the Redevelopment Plan or the Village, it is possible that some inhabited units may be removed over the 23-year term of the RPA in the course of private redevelopment.

In the event that the implementation of the Redevelopment Plan results in the removal of residential housing units in the RPA occupied by low-income households or very low-income households, or the displacement of low-income households or very low-income households from such residential housing units, such households shall be provided affordable housing and relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance ("URA") and Real Property Acquisition Policies Act of 1970 and the regulations thereunder, including the eligibility criteria. Affordable housing may be either existing or newly constructed housing. The Village shall make a good faith effort to ensure that this affordable housing is located in or near the RPA.

As used in the above paragraph, "low-income households," "very low-income households" and "affordable housing" have the meanings set forth in Section 3 of the Illinois Affordable Housing Act, 310 ILCS 65/3 et seq., as amended. As of the date of this study, these statutory terms are defined as follows:

- **"Low-income household"** means a single person, family or unrelated persons living together whose adjusted income is more than 50%, but less than 80%, of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.
- **"Very low-income household"** means a single person, family or unrelated persons living together whose adjusted income is not more than 50% of the median income of the area of residence, adjusted for family size, as such adjusted income and median income for the area are determined from time to time by the United States Department of Housing and Urban Development for purposes of Section 8 of the United States Housing Act of 1937.
- **"Affordable housing"** means residential housing that, so long as the same is occupied by low-income households or very low-income households, requires payment of monthly housing costs, including utilities other than telephone, of no more than 30% of the maximum allowable income as stated for such households as defined in this Section.

If residents within the RPA are displaced, the Village will need to determine if those residents fall into the low-income or very low-income categories. The Village will then take appropriate action and make a good faith effort to relocate low-income and very low-income households whose

residences are removed to affordable housing located in or near the RPA, and will provide relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Policies Act of 1970. The Village intends to work with local housing agencies and organizations to ensure that any relocated residents find comparable housing.

Replacement Housing

In accordance with Subsection 11-74.4-3(N)(7) of the TIF Act, the Village must make a good faith effort to ensure that affordable replacement housing located in or near the RPA is available for any qualified displaced residents. In order to determine the availability of replacement housing for those residents who may potentially be displaced by redevelopment activity, the Village examined several data sources, including vacancy data from the American Community Survey, and active housing and rental listings data from the Multiple Listing Service (“MLS”) of Northern Illinois and a real estate listing website.

For the purpose of determining the available inventory of replacement rental and for-sale housing in the area surrounding the RPA, the geography used to obtain vacancy data was widened to the census tract (Census Tract 8083.01, in Cook County, Illinois), which includes four (4) block groups and generally aligns with the Village’s municipal boundary. According to the 2019 American Community Survey (ACS) five-year estimates for the RPA census tract, the census tract contained 2,641 housing units, of which 299 (11.3%) were vacant. This suggests there is an available inventory of housing in the area surrounding the RPA.

The TIF Act states that the Village shall identify the availability of replacement housing for those residents whose residences are to be removed and shall identify the type, location, and costs of the housing. For the purpose of collecting replacement housing information, the replacement housing market area was determined to be the area within a three-mile radius of the RPA. A three-mile radius from the RPA was determined to provide the most appropriate selection of replacement housing stock for the following reasons:

- Replacement housing will be within an approximate ten-minute drive time from the RPA.
- Replacement housing will offer similar accessibility to Interstates 94 and 294.
- The RPA is located within the District 219 Niles Township West High School area of service. A three-mile radius overlaps significantly with this area of service, providing ample replacement housing opportunities that will allow for secondary education students within the RPA to relocate without changing high schools.
- A three-mile radius is commonly used in residential comparative market analysis (CMA).

The area within a three-mile radius of the RPA is shown in *Figure 2: Replacement Housing Market Area*. The replacement housing market area includes the Village of Morton Grove and contains significant areas within Niles, Skokie, Glenview, Golf, Lincolnwood, Park Ridge, and Chicago.

Village staff identified replacement housing alternatives within the replacement housing market area with the assistance of a real estate professional and were prioritized based on proximity to the

RPA, type, and price. Housing alternatives were identified for both renters and for potential home buyers. Refer to *Table 6: Replacement Housing for Rent* and *Table 7: Replacement Housing for Sale*.

The information contained in this section is not meant to be exhaustive, but serves as an example of alternative housing available in price ranges similar to the existing housing within the RPA.

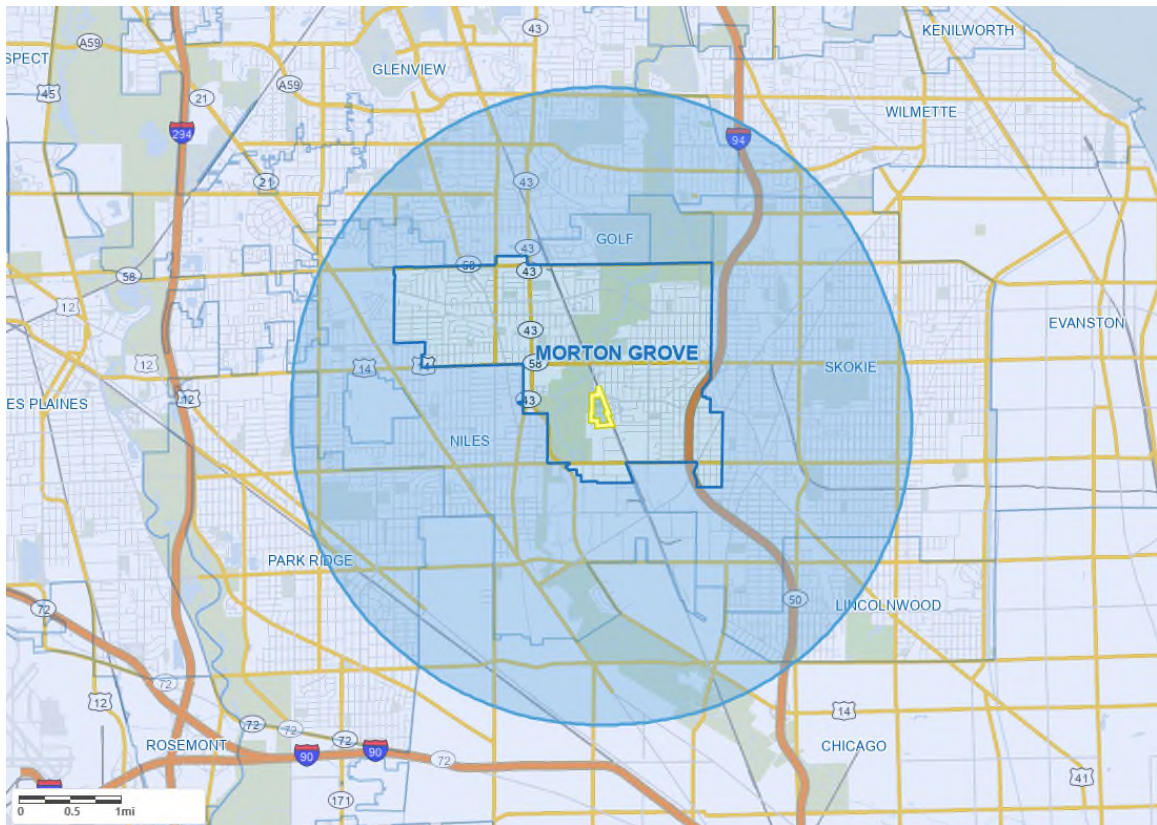


Figure 2: Replacement Housing Market Area

Table 6: Replacement Housing for Rent⁶

Address	City	List Rent (USD)	Type	Rooms
6449 Newark Ave. Unit 1R	Chicago	925	Apartment	3
7900 Caldwell Ave. #16	Niles	995	Apartment	3
7900 Caldwell Ave. #20	Niles	995	Apartment	3
7910 Caldwell Ave. #6	Niles	995	Apartment	3
6461 Newark Ave.	Chicago	975	Single-Family	3
8560 Niles Center Rd. Unit 22	Skokie	1,095	Apartment	3
8504 Waukegan Rd. #10	Morton Grove	1,100	Apartment	2
4858 Lee St. #1C	Skokie	1,100	Apartment	3
4833 Kirk St. Unit 1-W	Skokie	1,100	Apartment	4
8500 Waukegan Rd. Apt. 1	Morton Grove	1,100	Apartment	2
5240 Galitz St. #405	Skokie	1,125	Apartment	3
4842 Greenleaf St. #2E	Skokie	1,150	Apartment	4
10111 Old Orchard Ct. #201	Skokie	1,175	Apartment	3

8280 Dempster St. #5	Niles	1,200	Apartment	4
6706 Oxford Ave. #2S	Chicago	1,200	Apartment	3
8312 Kilpatrick Ave. #2B	Skokie	1,225	Apartment	4
4741 Washington St.	Skokie	1,250	Apartment	3
9019 Lamon Ave. #2S	Skokie	1,250	Apartment	4
8557 Niles Center Rd. #3	Skokie	1,250	Apartment	4
5026 Carol St. #1F	Skokie	1,250	Apartment	3
8549 Milwaukee Ave. #1W	Niles	1,275	Apartment	4
6756 Sauganash Ave. #2A	Chicago	1,295	Apartment	4
7342 Carol St. #G	Niles	1,300	Apartment	4
8251 Kilpatrick Ave. #1B	Skokie	1,300	Apartment	4
8037 Oriole Ave. Floor 2	Niles	1,300	Apartment	4
4901 Crain St. Unit 1	Skokie	1,325	Apartment	4
7538 Waukegan Rd. #1-W	Niles	1,350	Apartment	4
8949 Skokie Blvd. Unit G	Skokie	1,350	Apartment	3
7538 Waukegan Rd. #2-E	Niles	1,350	Apartment	4
5215 Galitz St. Unit 4C	Skokie	1,375	Apartment	2
1343 Woodview Ln. #2W	Glenview	1,375	Apartment	4
8858 Wisner St. #2N	Niles	1,380	Apartment	4
9018 Skokie Blvd. Unit B	Skokie	1,400	Apartment	4
8651 Ferris Ave. Unit 2	Morton Grove	1,495	Apartment	4
8423 Oak Ave. #2	Niles	1,500	Apartment	5
1719 Grove St. Unit 1	Glenview	1,500	Apartment	4
6765 Olmsted Ave. Unit 2A	Chicago	1,500	Apartment	4
928 Harlem Ave. Unit 928	Glenview	1,500	Apartment	4
5120 Sherwin Ave.	Skokie	1,750	Single-Family	4
6340 Capulina Ave. Unit 2B	Morton Grove	1,750	Apartment	4
205 Touhy Ave. Unit 133	Park Ridge	1,935	Apartment	2
5924 Carol Ave.	Morton Grove	1,999	Single-Family	5
8242 New England Ave.	Niles	2,100	Single-Family	5
7035 Kedzie St.	Niles	2,195	Single-Family	5
8719 Callie Ave.	Morton Grove	2,200	Single-Family	4
9226 Lorel Ave.	Skokie	2,350	Single-Family	5
8819 Osceola Ave.	Morton Grove	2,800	Single-Family	5
7340 Coyle Ave.	Chicago	3,200	Single-Family	9
2315 Robincrest Ln.	Glenview	3,500	Single-Family	6
9441 Sayre Ave.	Morton Grove	5,700	Single-Family	9

Source: Multiple Listing Service (MLS) of Northern Illinois, Zillow.com

⁶ All replacement housing units for rent were listed as available at the time of this study and are located within the replacement housing market area for the RPA, which is defined as the area within a three-mile radius of the RPA. This list is only intended to provide an example of available housing alternatives for rent, with alternatives prioritized based on proximity to the RPA, type, and price.

Table 7: Replacement Housing for Sale⁷

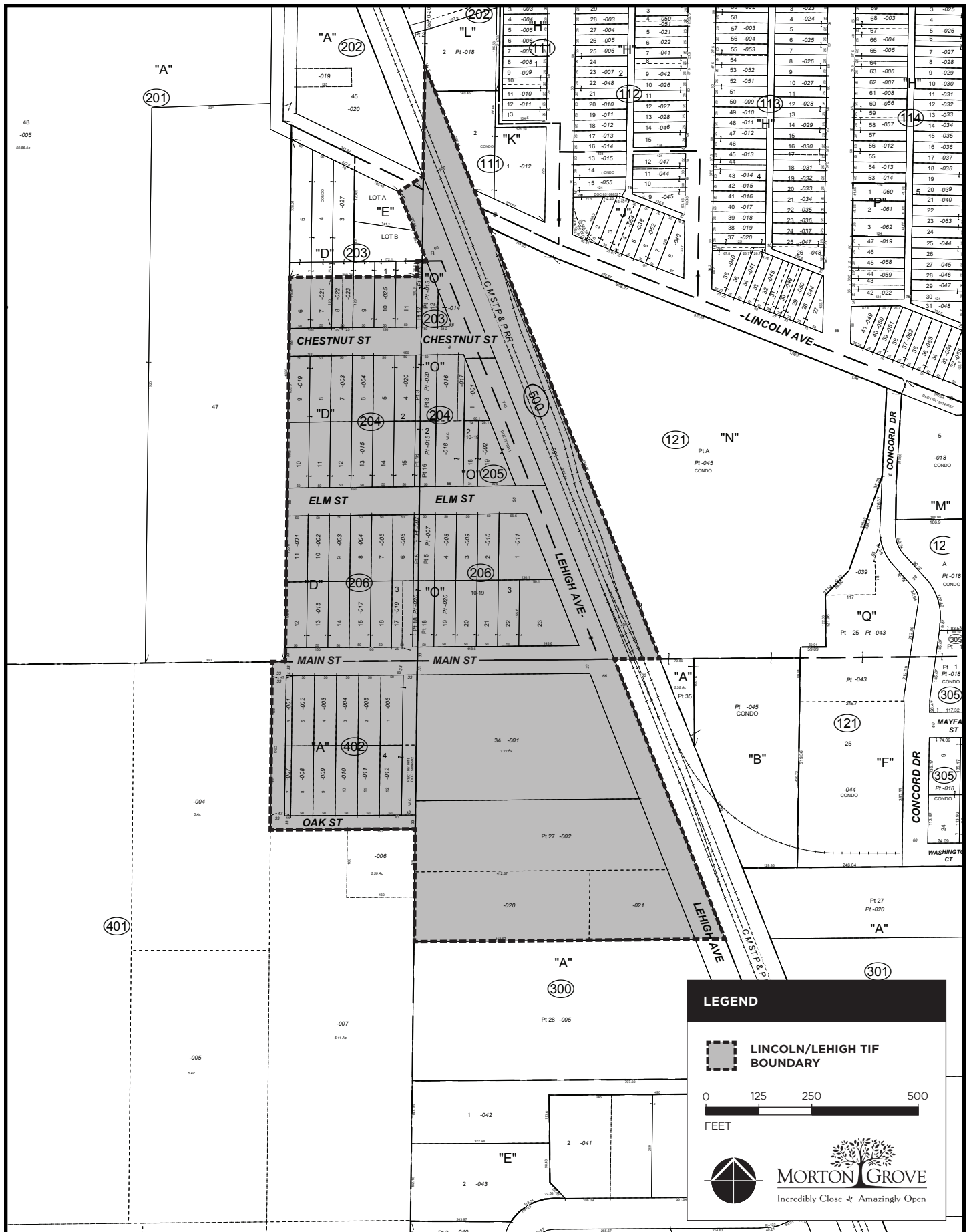
Address	City	List Price (USD)	Type	Rooms
5056 Lincoln Ave. #A417	Morton Grove	99,900	Condominium	2
5500 Lincoln Ave. Unit 312-E	Morton Grove	123,500	Condominium	3
5500 Lincoln Ave. Unit 405-W	Morton Grove	129,000	Condominium	3
5506 Lincoln Ave. Unit 423	Morton Grove	167,000	Condominium	4
5506 Lincoln Ave. #A316	Morton Grove	169,999	Condominium	4
7100 Wilson Terr.	Morton Grove	219,900	Single-Family	5
8319 Ballard Rd.	Niles	225,000	Single-Family	3
8340 Callie Ave. Unit 408	Morton Grove	225,000	Condominium	4
8400 Callie Ave. Unit 505	Morton Grove	230,000	Condominium	3
8231 Menard Ave.	Morton Grove	245,000	Single-Family	3
6660 Wood River Dr. Unit 207	Niles	247,000	Condominium	4
8231 Menard Ave.	Morton Grove	250,000	Single-Family	3

6211 Lincoln Ave. Unit 506	Morton Grove	259,900	Condominium	4
7747 Nordica Ave. Unit F	Niles	259,900	Townhome	5
8300 Concord Dr. Unit 503	Morton Grove	279,900	Condominium	4
8840 Mason Ave.	Morton Grove	285,000	Single-Family	5
8440 Callie Ave. #C-303	Morton Grove	292,000	Condominium	4
5924 Carol Ave.	Morton Grove	299,000	Single-Family	5
8400 Callie Ave. Unit 214	Morton Grove	300,000	Condominium	4
7532 Lake St.	Morton Grove	305,000	Single-Family	5
6305 Lincoln Ave. #13-5	Morton Grove	310,000	Townhome	4
8908 Harlem Ave.	Morton Grove	325,000	Single-Family	5
8733 Major Ave.	Morton Grove	329,000	Single-Family	6
5315 Oakton St.	Skokie	329,000	Single-Family	6
5919 Church St.	Morton Grove	329,000	Single-Family	5
8655 Fernald Ave.	Morton Grove	330,000	Single-Family	5
7832 Luna Ave.	Morton Grove	349,000	Single-Family	6
314 Narragansett Ct.	Morton Grove	339,000	Townhome	5
5447 Reba St.	Morton Grove	359,900	Single-Family	6
6143 Lincoln Ave. Unit A	Morton Grove	388,000	Townhome	7
8610 School St.	Morton Grove	395,000	Single-Family	8
5916 Madison St.	Morton Grove	399,000	Single-Family	7
8340 Callie Ave.	Morton Grove	399,900	Condominium	4
8212 New England Ave.	Niles	399,000	Single-Family	5
5815 Monroe St.	Morton Grove	409,900	Single-Family	6
8532 Oketo Ave.	Niles	419,000	Single-Family	5
9144 Mason Ave.	Morton Grove	419,900	Single-Family	5
6353 Capulina Ave.	Morton Grove	429,900	Townhome	4
6347 Hennings Ct.	Morton Grove	435,000	Townhome	4
8156 Knox Ave.	Skokie	489,000	Multi-Family	8
6055-57 Crain St.	Morton Grove	499,000	Multi-Family	6
4815 Greenleaf St.	Skokie	499,000	Multi-Family	10
8211 Kilpatrick Ave.	Skokie	499,000	Multi-Family	9
4207 Main St.	Skokie	500,000	Mixed Use	5
4608 Howard St.	Skokie	513,000	Multi-Family	10
8709 Callie Ave.	Morton Grove	529,000	Multi-Family	10
5032 Crain St.	Skokie	529,900	Multi-Family	12
9125 Lawler Ave.	Skokie	585,000	Multi-Family	12
8201 Knox Ave.	Skokie	649,000	Multi-Family	12
9114 Lacrosse Ave.	Skokie	659,900	Multi-Family	11

Source: Multiple Listing Service (MLS) of Northern Illinois, Zillow.com

⁷ All replacement housing units for sale were listed as available at the time of this study and are located within the replacement housing market area for the RPA, which is defined as the area within a three-mile radius of the RPA. This list is only intended to provide an example of available housing alternatives for sale, with alternatives prioritized based on proximity to the RPA, type, and price.

EXHIBIT 1
TIF BOUNDARY MAP



LEGEND

 LINCOLN/LEHIGH TIF BOUNDARY

0 125 250 500
FEET



MORTON GROVE
Incredibly Close • Amazingly Open

LINCOLN/LEHIGH TIF