

ORDINANCE NO. F-1010

AN ORDINANCE OF THE CITY OF WHEATON, DU PAGE COUNTY, ILLINOIS,
APPROVING A TAX INCREMENT REDEVELOPMENT PLAN AND
REDEVELOPMENT PROJECT FOR THE CITY OF WHEATON
COURTHOUSE REDEVELOPMENT PROJECT AREA

WHEREAS, the City Council (the "*Corporate Authorities*") of the City of Wheaton, DuPage County, Illinois (the "*City*"), has heretofore determined that the stable economic and physical development of the City is endangered by the presence of blighting and other adverse factors, with a resulting decline of the City which impairs the value of private investments and threatens the sound growth and the tax base of the City and the taxing districts having the power to tax real property in the City (the "*Taxing Districts*") and threatens the health, safety, morals and welfare of the public; and

WHEREAS, the Corporate Authorities have heretofore determined that in order to promote and protect the health, safety, morals and welfare of the public that blighting and other adverse conditions in the City need to be eradicated and that redevelopment of the City be undertaken and that to remove and alleviate blighting and adverse conditions in the City it is necessary to encourage private investment and restore and enhance the tax base of the City and the Taxing Districts by such redevelopment; and

WHEREAS, the City has heretofore caused to be conducted and made available for public inspection an eligibility study to determine whether the proposed Courthouse Redevelopment Project Area (the "*Area*") qualifies as a "redevelopment project area" pursuant to the TIF Act, which study was conducted by Teska Associates, Inc. ("*Teska*"); and

WHEREAS, the City has heretofore evaluated various lawfully available programs to provide such assistance and has determined that the use of tax increment allocation financing is necessary to achieve the redevelopment goals of the City for the proposed Area; and

WHEREAS, Teska is a planning and financial services firm having a national reputation for expertise in tax increment allocation and redevelopment financing in the State of Illinois; and

WHEREAS, Teska has heretofore concluded and has advised the City that the proposed Area qualifies as a "redevelopment project area" under Section 11-74.4-3 of the TIF Act; and

WHEREAS, the City has further caused the preparation of and made available for public inspection a proposed redevelopment plan and project for the proposed Area (the "*Plan*" and "*Project*"); and

WHEREAS, the proposed Plan does not include the development of vacant land (i) with a golf course and related clubhouse and other facilities or (ii) designated by federal, state, county, municipal government as public land for outdoor camping and hunting activities or for nature preserves and used for that purpose within 5 years prior to the adoption of this ordinance; and

WHEREAS, the Corporate Authorities have heretofore, and it hereby is, expressly determined that the proposed Plan will not result in displacement of residents from 10 or more inhabited units, and accordingly a housing impact study need not be performed; and

WHEREAS, none of the redevelopment project costs enumerated in the proposed Plan and Project would provide direct financial support to a retail entity initiating operations in the proposed Area while terminating operations at another Illinois location within 10 miles of the proposed Area but outside the boundaries of the City; and

WHEREAS, the proposed Plan and Project sets forth in writing the program to be undertaken to accomplish the objectives of the City and includes an itemized list of estimated redevelopment project costs proposed for the proposed Area, evidence indicating that the proposed Area on the whole has not been subject to growth and development through investment by private enterprise, an assessment of the financial impact of the Area on or any increased demand for services from any taxing district affected by the Plan and any program to address such financial impact or increased demand, the sources of funds to pay costs, the nature and term of the obligations to be issued, the most recent equalized assessed valuation of the Area, an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the Area, a commitment to fair employment practices and an affirmative action plan, and a certification that the Plan will not result in displacement of residents from 10 or more inhabited units, and the Plan and Project accordingly complies in all respects with the requirements of the TIF Act; and

WHEREAS, the City has heretofore convened a joint review board consisting of a representative selected by each community college district, local elementary school district and high school district or each local community unit school district, park district, library district, township, fire protection district and county that will have the authority to directly levy taxes on the property within the proposed Area at the time the proposed Area is designated, a representative selected by the City, and a public member (the "JRB"), as required by and in all respects in compliance with the provisions of the TIF Act; and

WHEREAS, the JRB has met at the times and as required by the TIF Act and has reviewed the public record, planning documents and a form of proposed ordinance approving the proposed Plan and Project; and

WHEREAS, no recommendation from the JRB has been submitted to the City within thirty (30) days after convening of the JRB, and, therefore, the JRB is deemed to have approved the Plan and Project; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Corporate Authorities heretofore called a public hearing (the "*Hearing*") relative to the Plan and Project and the designation of the proposed Area as a redevelopment project area under the TIF Act and fixed the time and place for such Hearing, being the 10th day of January, 2005, at 7:00 P.M., at the City Hall, 303 West Wesley Street, Illinois; and

F-1010

WHEREAS, due notice in respect to such Hearing was given pursuant to Section 11-74.4-6 of the TIF Act, said notice, together with a copy of the Plan, and the name of a person to contact for further information, being given to taxing districts and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on November 19, 2004, by publication on December 17, 2004, and December 24, 2004, and by certified mail to taxpayers within the proposed Area on December 28, 2004; and

WHEREAS, notice of the availability of the Report and the Plan, including how to obtain this information, was provided by mail on the 19th day of November, 2004, to all residential addresses that, after a good faith effort, the City determined are located outside the boundaries of the proposed Area which are within 750 feet of the boundaries of the proposed Area; and

WHEREAS, the City held the Hearing on January 10, 2005, at the City Hall, 303 West Wesley Street, Illinois; and

WHEREAS, at the Hearing any interested person or affected taxing district was permitted to file with the Municipal Clerk written objections and was heard orally in respect to any issues embodied in the notice of said Hearing, and the City heard and determined all protests and objections at the Hearing; and

WHEREAS, the Hearing was adjourned on the 10th day of January, 2005; and

WHEREAS, no changes have been made in the proposed Plan or in the parcels of property to be included in the proposed Area since the adjournment of the Hearing; and

WHEREAS, the Plan and Project set forth the factors which cause the proposed Area to be a conservation area, and the Corporate Authorities have reviewed the information concerning such factors presented at the Hearing and have reviewed other studies and are generally informed of the conditions in the Proposed Area which could cause the area to be a "conservation area" as defined in the TIF Act; and

WHEREAS, the Corporate Authorities have reviewed evidence indicating that the proposed Area on the whole has not been subject to growth and development through investment by private enterprise and have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, the Corporate Authorities have made an assessment of any financial impact of the proposed Area on or any increased demand for services from any taxing district affected by the Plan and Project and any program to address such financial impact or increased demand; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conform to such comprehensive plan of the City:

NOW, THEREFORE, Be It Ordained by the City Council of the City of Wheaton, DuPage County, Illinois, in the exercise of its home rule powers, as follows:

Section 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The proposed Area is described in *Exhibit A* attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the proposed Area is described in *Exhibit B* attached hereto and incorporated herein as if set out in full by this reference. The map of the proposed Area is depicted on *Exhibit C* attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the proposed Area to be subject to designation as a redevelopment project area under the TIF Act and to be classified as a "conservation area" as defined in Section 11-74.4-3 of the TIF Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is not later than December 31, 2029 and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is not later than December 31, 2029, being the year in which payment to the Municipal Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year in which this ordinance is adopted.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

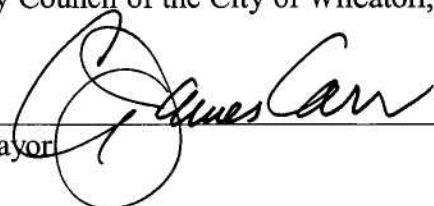
Section 2. Approval of Plan and Project. The proposed Plan and Project which were the subject matter of the public hearing held on the 10th day of January, 2005, are hereby adopted and approved. A copy of the Plan and Project is set forth in *Exhibit D* attached hereto and incorporated herein as if set out in full by this reference.

Section 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

Section 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Section 5. Transmittal to County Clerk. The Municipal Clerk is hereby expressly directed to transmit forthwith to the County Clerk of The County of DuPage, Illinois, a certified copy of this ordinance.

PASSED AND APPROVED by the City Council of the City of Wheaton, Illinois, this 21st day of March, 2005.



Mayor

ATTEST:



City Clerk

Ayes:

Roll Call Vote:

Councilman Mork
Councilman Bolds
Councilwoman Corry
Councilman Johnson
Mayor Carr
Councilwoman Johnson

Nays:

None

Absent:

Councilman Mouhelis

Motion Carried Unanimously

Passed: March 21, 2005

Published: March 22, 2005

EXHIBIT A – LEGAL DESCRIPTION

1593

LEGAL DESCRIPTION

Parcel 1: All that property described as the courthouse block in Warren L. Wheaton's 2nd addition to Wheaton in section 16, township 39 north, range 10 east of the third principal meridian, according to the plat thereof recorded April 28, 1869 as document no. 11488, in DuPage County, Illinois.

Parcel 2: Lot 1 (except that part described as follows: beginning at the northwest corner of lot 1; thence south along the west line of lot 1, 50 feet; thence east and parallel to the south line of lot 1, 100 feet; thence north at right angles to last described line 75.29 feet, more or less, to the northerly line of lot 1; thence southwesterly along the northerly line of lot 1, 105.27 feet, more or less, to the northwest corner of lot 1 and the point of beginning) in Burckal's assessment plat or part of block 1 in Warren L. Wheaton's second addition to Wheaton, being a subdivision in the west ½ of the southeast ¼ and the east ½ of the southwest ¼ of section 16, township 39 north, range 10, east of the third principal meridian, according to the plat of said Burckal's assessment plat recorded March 4, 1933 as document 334382, in DuPage County, Illinois.

Parcel 3: All that part of block 2 lying east of a straight line drawn across said block at a right angle with the south line thereof through a point on said south line, that is 77.2 feet west, measured on said south line, of the southeast corner of said block 2 and lying southerly of the premises conveyed to the Aurora, Elgin and Chicago railway company by deed recorded April 20, 1901 as document 73859, in Warren L. Wheaton's second addition to Wheaton, a subdivision of part of the southeast ¼ and part of the east ½ of the southwest ¼ of section 16, township 39 north, range 10, east of the third principal meridian, according to the plat thereof recorded April 28, 1869 as document 11488, in DuPage County, Illinois.

P.I.N. 05-16-318-001, 05-16-319-002, 05-16-312-002

And

Lots 1, 2, 3, 4, and 5 and Lots 9, 10, 11, 12, 13 and 14, except for the south 15 feet of lot 9 in Egger's Resubdivision, being a subdivision in the south half of Section 16, Township 39 North, Range 10 East of the Third Principal Meridian, according to the plat thereof recorded in DuPage County, Illinois.

P.I.N's 05-16-320-001 thru 007 and 05-16-320-009 thru 011 and 05-16-320-013 and 014 and

05-16-320-018 thru 025

And

All of Blocks 2 and Lots 1 through 5 in Block #3 in Warren L. Wheaton's Second Addition to Wheaton, being a Subdivision in the Southwest Quarter of Section 16, Township 39 North, Range 10 East of the Third Principal Meridian, According to the plat thereof, recorded in DuPage County, Illinois on april 28, 1869 as document no. 11488.

05-16-312-001, 002

05-16-317-001, 002

EXHIBIT B — STREET LOCATION

The Area contains approximately 10.8 acres. The street location of the Area is generally: Union Pacific Railroad right-of-way on the north, Washington Street on the east, Willow Avenue on the south and Cross Street on the west.

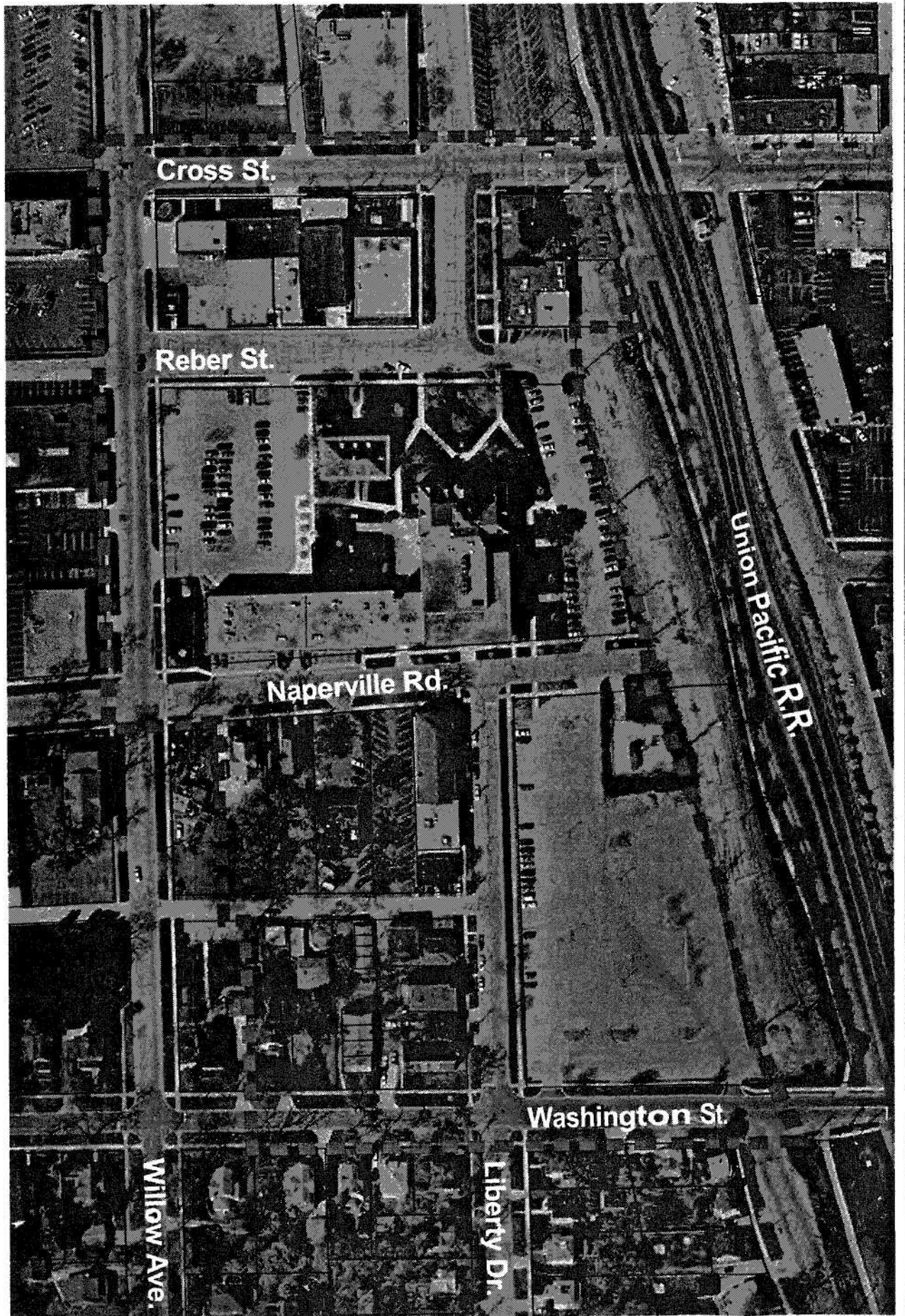


EXHIBIT D — PLAN AND PROJECT

COURTHOUSE REDEVELOPMENT PROJECT AREA PLAN AND PROGRAM

City of Wheaton, Illinois

March 2005

TABLE OF CONTENTS

INTRODUCTION.....	1
REDEVELOPMENT PROJECT AREA DESCRIPTION	2
Legal Description	3
REDEVELOPMENT GOALS AND OBJECTIVES	6
REDEVELOPMENT PLAN	9
Purpose of the Redevelopment Plan	10
Redevelopment Project Activities	10
Redevelopment Project Evaluation.....	12
Eligible Project Costs	14
Acquisition and Clearance.....	15
Land Disposition	15
Housing and Relocation Assistance	15
Public Improvements.....	15
Phasing of Project.....	16
Estimated Project Costs.....	16
Sources of Funds	17
Nature and Term of Obligations to be Issued	18
Equalized Assessed Valuation.....	19
Affirmative Action	19
Payment in Lieu of Taxes.....	19
Provision for Amending the Redevelopment Plan Objectives and Project.....	19
FINDINGS OF NEED FOR TAX INCREMENT FINANCING	20
Project Area Not Subject to Growth.....	20
Conformance with Comprehensive Plan	20
Date of Completion.....	20
FINANCIAL IMPACT OF REDEVELOPMENT	21
APPENDIX I - ELIGIBILITY FINDINGS REPORT	A-1

INTRODUCTION

In 1993, the City of Wheaton established the first Tax Increment Financing (TIF) district in downtown Wheaton. Intended to arrest conditions of decline in the historic heart of the City, the TIF district spurred redevelopment on two primary redevelopment sites. As a result of these mixed-use developments, an urban village is emerging in conjunction with the Metra commuter train station.

In 1999, the City capitalized on the success of the first TIF district by establishing the Main Street Redevelopment Project Area and corresponding TIF District (TIF #2) along Main Street south of the existing downtown TIF. The original Redevelopment Plan and subsequent amendments has utilized tax increment financing to make the redevelopment of downtown Wheaton more practical by eliminating those conditions that inhibit private investment.

Directly adjacent to TIF #2 are several blocks that exhibit the development characteristics of the downtown. Some buildings, most notably the historic courthouse, display a certain age and character that makes the area physically attractive while others are hindered by characteristics that accentuate an obsolescence which challenges redevelopment efforts. Given the ability of tax increment financing to alleviate conditions that deter redevelopment, a new TIF district is being established.

In accordance with Wheaton's economic development goals, upgrading public improvements and offering other incentives will be required to encourage private investment and allow the City to continue its redevelopment efforts within the downtown area. Tax increment financing is a mechanism by which public improvements and incentives can be funded to achieve the desired planning objectives.

On March 21, 2005, the City of Wheaton, by Ordinance No. F-1010, approved a tax increment redevelopment plan and project, and by Ordinance No. F-1011, established the City of Wheaton Courthouse Redevelopment Project Area (the "Project Area"). The following plan approved by Ordinance No. F-1010 contains the goals and objectives, redevelopment program and all related documentation in accordance with the Tax Increment Allocation Redevelopment Act 65 ILCS 5/11-74.4-1, et. seq. (the "Act"). This plan shall be referred to herein as the "Redevelopment Plan" or "Plan".

REDEVELOPMENT PROJECT AREA DESCRIPTION

The Project Area consists of a portion of the downtown area south of the railroad tracks and east of the Main Street Redevelopment Project Area (see Exhibit 1). Bounded roughly by the Union Pacific Railroad right-of-way on the north, Washington Street on the east, Willow Avenue on the south, and Cross Street on the west, the Project Area contains 28 parcels on 5 blocks. The total area is approximately 10.8 acres.

Properties in the district are predominately non-residential in nature (see Exhibit 2). Professional offices are prevalent throughout in the form of small office buildings or single family homes converted to office use. The dominant land use in the district is the former National Louis University campus. At the center of campus is the historic DuPage County courthouse which has been converted for University office and classroom use.

As detailed in the Appendix to this report, the Project Area is eligible for designation as a conservation area, due to the predominance and extent of the following blighting factors: age, obsolescence, deleterious land use and layout, and the decline of the equalized assessed values for the properties.

The legal description of the Project Area boundary is as follows:

LEGAL DESCRIPTION

Parcel 1: All that property described as the courthouse block in Warren L. Wheaton's 2nd addition to Wheaton in Section 16, Township 39 North, Range 10 East of the Third Principal Meridian, according to the plat thereof recorded April 28, 1869 as document no. 11488, in DuPage County, Illinois.

Parcel 2: Lot 1 (except that part described as follows: beginning at the northwest corner of lot 1; thence south along the west line of lot 1, 50 feet; thence east and parallel to the south line of lot 1, 100 feet; thence north at right angles to last described line 75.29 feet, more or less, to the northerly line of lot 1; thence southwesterly along the northerly line of lot 1, 105.27 feet, more or less, to the northwest corner of lot 1 and the point of beginning) in Burckal's assessment plat or part of block 1 in Warren L. Wheaton's second addition to Wheaton, being a subdivision in the west ½ of the southeast ¼ and the east ½ of the southwest ¼ of Section 16, Township 39 North, Range 10, East of the Third Principal Meridian, according to the plat of said Burckal's assessment plat recorded March 4, 1933 as document 334382, in DuPage County, Illinois.

Parcel 3: All that part of block 2 lying east of a straight line drawn across said block at a right angle with the south line thereof through a point on said south line, that is 77.2 feet west, measured on said south line, of the southeast corner of said block 2 and lying southerly of the premises conveyed to the Aurora, Elgin and Chicago railway company by deed recorded April 20, 1901 as document 73859, in Warren L. Wheaton's second addition to Wheaton, a subdivision of part of the southeast ¼ and part of the east ½ of the southwest ¼ of Section 16, Township 39 North, Range 10, East of the Third Principal Meridian, according to the plat thereof recorded April 28, 1869 as document 11488, in DuPage County, Illinois.

P.I.N. 05-16-318-001, 05-16-319-002, 05-16-312-002

And

Lots 1, 2, 3, 4, and 5 and Lots 9, 10, 11, 12, 13 and 14, except for the south 15 feet of lot 9 in Egger's Resubdivision, being a subdivision in the south half of Section 16, Township 39 North, Range 10 East of the Third Principal Meridian, according to the plat thereof recorded in DuPage County, Illinois.

P.I.N's 05-16-320-001 thru 007 and 05-16-320-009 thru 011 and 05-16-320-013 and 014 and

05-16-320-018 thru 025

And

All of Blocks 2 and Lots 1 through 5 in Block #3 in Warren L. Wheaton's Second Addition to Wheaton, being a Subdivision in the Southwest Quarter of Section 16, Township 39 North, Range 10 East of the Third Principal Meridian, according to the plat thereof, recorded in DuPage County, Illinois on April 28, 1869 as document no. 11488.

05-16-312-001, 002

05-16-317-001, 002

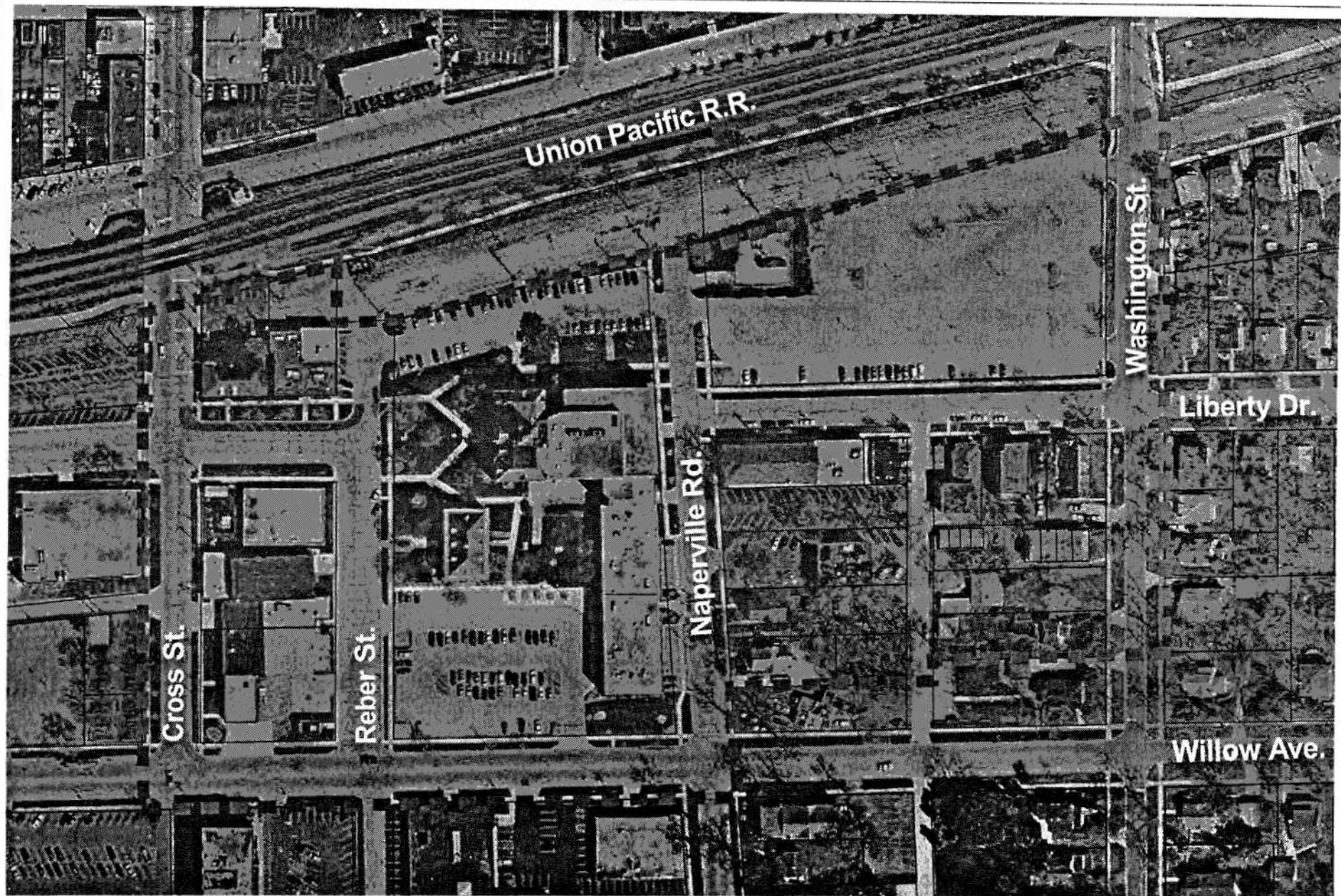


Exhibit 1 - Project Area Boundaries

Courthouse Redevelopment Project Area Plan
 City of Peaton, Illinois

0 Ft. 150 Ft.
 75 Ft.



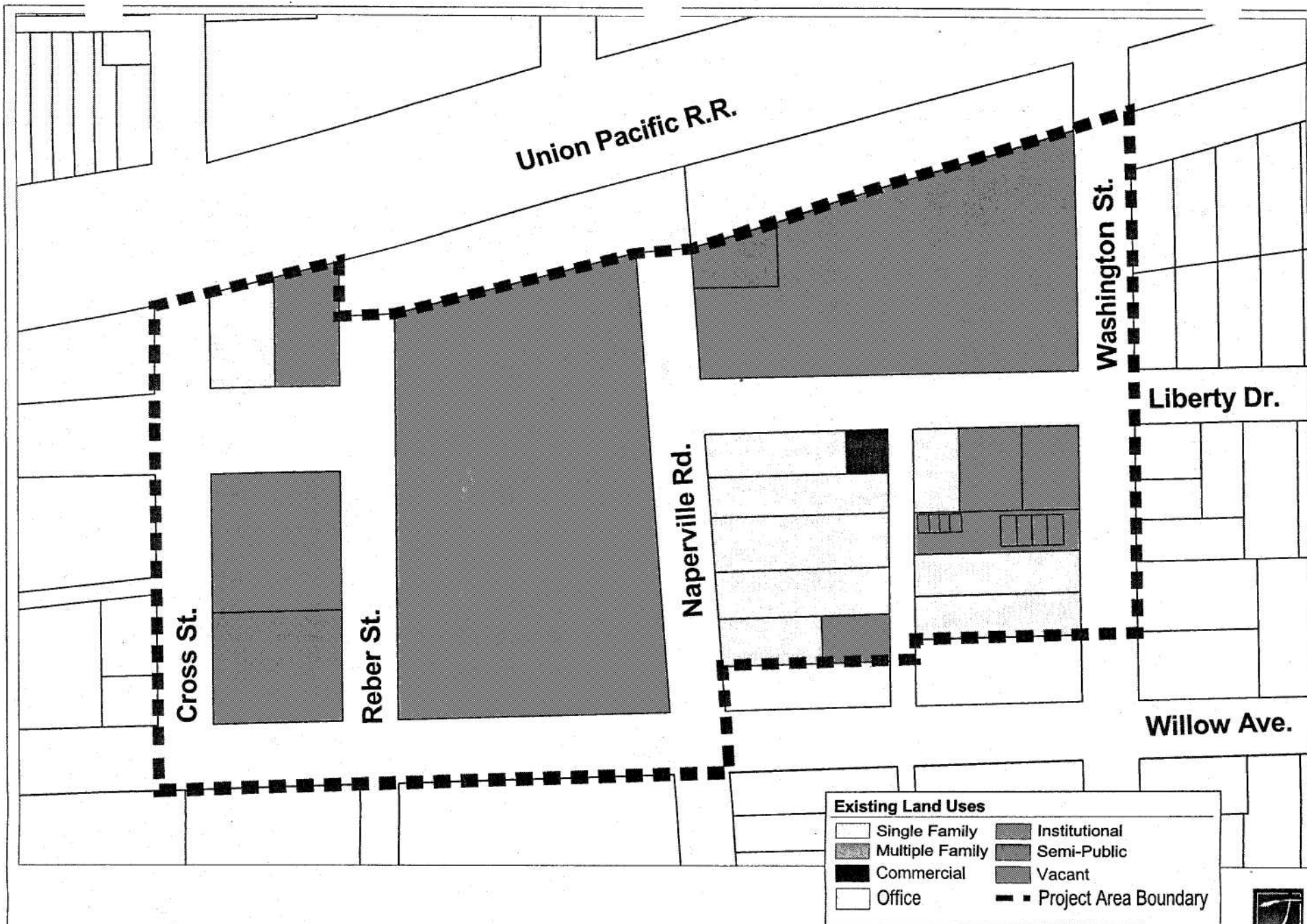


Exhibit 2 - Existing Land Use

*Courthouse Redevelopment Project Area Plan
City of Wheaton, Illinois*

0 Ft. 150 Ft.
75 Ft.



509

REDEVELOPMENT GOALS AND OBJECTIVES

These overall goals and objectives are intended to guide redevelopment decisions within the Redevelopment Project Area. These goals and objectives have been adapted from those established in the 1999 Comprehensive Plan Update that are applicable to the Redevelopment Project Area.

Neighborhood Character

Goal: To ensure that existing and new developments reflect the high quality character of the City.

Objectives:

1. Establish standards to minimize land use conflicts between different land use types.
2. Enhance the character of commercial areas.
3. Prepare commercial corridor improvement plans that establish streetscape and facade design elements that can unify the image of public and private properties.
4. Identify responsibilities for making corridor improvements and funding sources.
5. Ensure that the design of all new development minimizes disturbance to natural drainage patterns, soil stability and the natural landscape; prevents obstructions which impede the flow of flood waters or causes an increase in predicted flood elevations; and, reduces the ability of the land to absorb rainfall.
6. Identify historic structures worthy of special designation and protection.

Housing

Goal: Maintain and expand the range of quality housing available to all residents of Wheaton.

Objectives:

1. Maintain Wheaton's housing stock at an acceptable level of repair and upkeep.
2. Enforce uniform building and property maintenance codes.
3. Include all housing in a code compliance program in order to protect the quality of the housing stock and guard against deterioration due to age of housing and deferred maintenance.
4. Explore modification of building codes to reduce housing costs.
5. Create a climate to encourage development of new quality housing for all income levels of residents and workers in Wheaton.

- 1605
6. Sustain the diversity of the housing supply as to types and cost of dwellings.
 7. Explore participation in state and federal housing programs which provide rehabilitation services and rental for low and moderate income families.
 8. Explore housing options for senior citizens, "empty nesters," and young families for all income levels.
 9. Evaluate barriers that may exist which limit the market from responding to housing needs in Wheaton.
 10. Maximize use of existing resources to promote affordable housing.
 11. Guide the natural growth, change and renewal of residential neighborhoods.
 12. Preserve the quality and integrity of residential areas through devices such as zoning, code enforcement and landmark designation.
 13. Consider how to ensure that the density and intensity of infill and small subdivisions complement adjacent developments.
 14. Consider new land use regulations to control the extent and impact of "tear-downs" of existing homes in established neighborhoods.

Economy

Goal: Maintain and diversify the existing economic base of the community.

Objectives:

1. Use and develop incentive programs to stimulate private development as necessary.
2. Target resources to those activities which have the highest potential for leveraging funds.
3. Support public/private partnerships to promote economic development in Wheaton.
4. Develop programs to respond to technological and market changes in business and the workplace.
5. Plan for new office development in or near the Wheaton Central Planning Area.
6. Strengthen and preserve the central business district as an important focal point for a wide variety of compatible uses uniquely suited to a "central place" location, and which benefit from an interchange of people, ideas, and business.
7. Additional multiple family development should be encouraged within the Wheaton Central Planning Area.

8. Retail, restaurant and entertainment activities should be strengthened throughout the downtown/central business district, especially north of the railroad.
9. Provide more accessible and useable open spaces, such as "pocket parks" and public plazas that serve as activity places and focal points in the central business district.
10. Continue and expand programs to retain and improve existing businesses.
11. Extend and enhance downtown character improvements, and identify appropriate forums for public art.
12. Incorporate business retention programs into City, Downtown Wheaton Association (DWA) and Chamber of Commerce planning and economic development activities.
13. Encourage development through the availability of financial incentive programs, when appropriate.
14. Identify redevelopment options.
15. Develop a program to improve existing properties and businesses in the central business district area.
16. Identify program elements, funding options and explore joint efforts with the DWA
17. Work with the DWA and Chamber of Commerce to offer training programs, marketing and operational assistance to central business district business owners.

Transportation

Goal: An efficient and safe transportation network.

Objectives:

1. Maintain areas and improve the system of arterial, collector, and minor streets to serve existing businesses and neighborhoods.
2. Evaluate the potential of directional improvements to enhance 'way finding' in the central business district area.
3. Provide a complete system of pedestrian facilities to encourage walking and enhance safety in neighborhood areas, and between neighborhoods and neighborhood commercial areas.

Community Facilities and Resources

Goal: A high-quality and dependable system of public improvements to support development and protect the investment of residents and businesses.

1. Improve water quality through the use of natural stormwater drainage/storage facilities that will reduce sediment discharge to natural watercourses.

2. Continue to evaluate implementation options for the flood control study of the North Main Street commercial area to determine the best approach to resolving flooding conditions.

Community Institutions

Goal: Weave Wheaton's institutions into the fabric of the community.

Objectives:

1. Establish an ongoing dialogue and working relationship between the City and Wheaton's institutions.
2. Anticipate the possible discontinuation of existing institutional uses and develop alternatives for their reuse.

REDEVELOPMENT PLAN

Purpose of the Redevelopment Plan

Pursuant to the Act, the purpose of a Redevelopment Plan for a Project Area is to promote the health, safety, morals, and welfare of the general public by:

1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing public utilities within the area; and
4. Enhancing the overall quality of the City of Wheaton.

Redevelopment Project Activities

The focus of the Project Activities is the redevelopment of the Project Area which effectively reuses existing historic resources while providing a gradual transition from the mixed-use activity of Wheaton's Central Area to the single-family residential neighborhood to the east. Of primary importance will be the successful redevelopment of the National Louis University campus in a time frame that minimizes any negative impacts a prolonged vacancy would have on the adjacent residential neighborhood. To achieve the goals and objectives of the Redevelopment Plan, the City of Wheaton will encourage and facilitate private investment through the adoption of tax increment financing. The various public improvements and project activities required to implement the Redevelopment Plan are discussed later in the plan.

This section of the redevelopment plan describes the preferred redevelopment opportunities for the blocks located in the Project Area. These redevelopment opportunities include projects that may require assemblage of property, the demolition of existing buildings, rehabilitation of existing structures and/or the construction of new buildings. Other rehabilitation and project area enhancements not targeted to specific sites may accompany these site specific project activities. The redevelopment plan identifies examples of certain sites or structures that may benefit from direct assistance for facade improvements, interior remodeling or building rehabilitations as a guide for identifying additional opportunities within the Project Area.

Block 312

The block farthest west within the Project Area, this block is also in closest proximity to the mixed-use downtown. Currently occupied by two 1960-era professional office buildings, they cater to an auto-oriented office user while attempting to blend in with the pedestrian-oriented uses of the downtown.

Modernization of the interiors may extend the buildings ability to service professional office users given the current office environment in the area. However, a slight downturn in the market may

require the redevelopment of the block with multi-story mixed use buildings that provide office or retail floor area on the ground floor with residential above. The rate of success for other blocks in the Project Area will indicate the direction Block 312 should take. A quick build-out rate of new development may create enough interest in the private sector to facilitate the redevelopment of the block. A slower than expected build-out rate may require additional utilization of funds to mitigate any adverse conditions and encourage redevelopment.

Block 317

Block 317 is entirely occupied by the City of Wheaton Water Treatment Plant. Over the years as additions have been constructed to meet the needs of the community the building and its additions have been modified in an attempt to create a unified style. Rehabilitation efforts should be undertaken to restore the façade of the building and create a more attractive architectural style that is more compatible with adjacent structures, most notably the historic courthouse and state's attorney buildings east of the block.

Block 318

The classrooms and office space of the National Louis University and an associated parking lot occupy Block 318. The historic DuPage County courthouse is located on this block in addition to another historic structure, the States Attorney Building. Two 1960-era university buildings were constructed on the block and are connected to the DuPage County courthouse.

Following the vacation of the campus by National Louis, reuse of the structures for education would involve extensive investment in modernization and result in no net increase in the taxable amount of property within the City. The proximity of the Metra commuter rail station coupled with the success of residential development within the downtown TIF district are two encouraging existing conditions which support the redevelopment of the block for multi-family residential land use. The rehabilitation of the historic DuPage County courthouse and States Attorney building for residential use would create distinctive residences while promoting the preservation of two historically valuable structures. The removal of the existing 20th century structures would allow for the construction of additional multi-family residences to assist in the economic viability of redevelopment.

Block 319

Block 319 served as the primary parking lot for National Louis University. A small electrical sub-station also occupies the block.

Proximity to the Metra commuter rail station is a favorable characteristic for the development of multi-family residential units. The block should also serve as a transition area between the mixed-use buildings of downtown on the north and west and the residential neighborhood to the east. Development of multi-family residential units to complement the redevelopment of block 318 and transition into the residential neighborhood to the east is the preferred alternative for block 319.

Block 320

Predominately occupied by professional offices, these offices occupy a mix of structures, converted single-family residences and two-story buildings. The majority of the block is characterized by

users attempting to meet modern parking and screening requirements for non-residential uses on a block platted for single-family residences. Two four-unit residential buildings, a 1980s-era attached townhome condominium, and two single-family residences also occupy the block.

Directly east of the block is a strong single-family residential neighborhood. The block should be redeveloped to adequately function for a transition from the mixed-use and multi-family nature of the blocks on the west to the residences on the east. Rehabilitation of the smaller scale four-unit buildings and redevelopment of the other residential uses should help facilitate a transition on the east block face. Redevelopment of the office users will be necessary to facilitate an effective transition. New office buildings that reduce the amount of coverage and floor-to-area ratio on the north and west block face could be compatible. Alternatively, multi-family residences similar in mass and scale to the existing 4-unit structures would allow for a transition from the higher density multi-family structures on blocks 318 and 319. A mix of new office and multi-family residential structures along the west block face would address issues of obsolescence, compatibility and transition.

Redevelopment Project Evaluation

Based on the recommendations of the Wheaton Chamber of Commerce and the Downtown Wheaton Association, the City will seek to evaluate proposed TIF projects on the basis of the following objectives:

1. Enhancement of the economic viability of the business community. Activities should be based on market analysis or demonstrated financial success. Projects should be considered based upon their ability to contribute to the overall "synergy" of downtown.
2. Assistance to viable businesses displaced by project activities. All efforts should be made to relocate businesses within their existing market area, and particularly, at an acceptable location within downtown Wheaton.
3. Encouragement of remodeling or adaptive reuse of buildings. Wheaton's distinctive turn-of-the-century commercial brick architecture should be strongly encouraged in redevelopment plans to ensure compatibility of character with existing structures.
4. Positive aesthetic contribution. The character and design quality of both public and private development should make a positive visual/aesthetic impact.
5. Creation of an attractive pedestrian system. Pedestrian links throughout the downtown and surrounding neighborhoods should utilize distinctive paving, public art, landscaping and signage.
6. Promotion of uses that have a positive functional relationship with existing public use areas. Efforts should be focused on attracting shops for the ease and convenience of the everyday shopper/commuter, adjacent to such entities as the commuter station, parks, public events, library, museum, City Hall, etc.
7. Minimization of pedestrian obstructions. Redesign curb cuts, parking lots and dumpster access which interrupt pedestrian movement within the retail core.

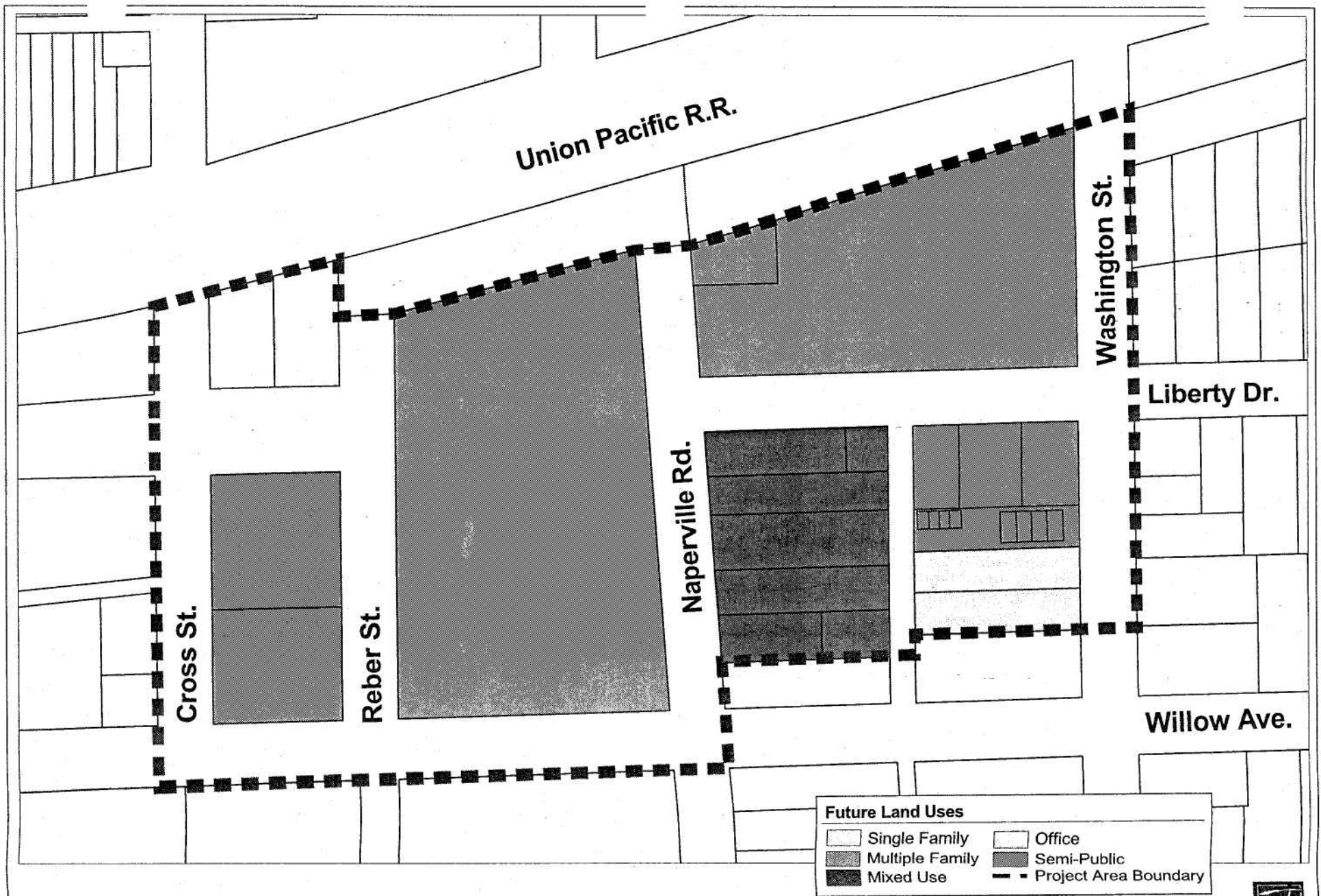


Exhibit 3 - Future Land Use

Courthouse Redevelopment Project Area Plan
 City of Wheaton, Illinois

0 Ft. 150 Ft.
 75 Ft.



1611

Eligible Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services;
2. Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures;
4. Costs of the construction of public works or improvements;
5. Costs of job training and retraining projects;
6. Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder 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. All or a portion of the taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent that the City by written agreement, accepts and approves such costs;
8. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
9. Payment in lieu of taxes;
10. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical field leading directly to employment, incurred by one or more taxing districts, as provided by the Act; and
11. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act.

Acquisition and Clearance

To meet redevelopment objectives, it may be necessary for the City of Wheaton to acquire properties in the Project Area. Ideally, redevelopment or rehabilitation can be encouraged to be undertaken by the private market. In addition, the City may elect to acquire property through a direct market transaction. However, under exceptional circumstances, the City Council may choose to exercise its power of eminent domain, including appropriate compensation for property acquisition. It is not the intent of the City to acquire properties unless, on a site-by-site basis, the City Council determines acquisition to be necessary to implement this Redevelopment Plan. Such determination may be made without further amendment to this Plan.

The redevelopment project activities identified in this plan have emphasized the rehabilitation of existing residential structures where appropriate and redevelopment when necessary. However, it is the intent of the City that less than ten (10) residential units are removed as a result of this redevelopment plan. If, over the lifetime of this plan, up to nine (9) residential units are removed as a result of redevelopment activity, the City certifies that no additional redevelopment activity will occur within the redevelopment project area that results in the removal of any additional units.

Land Disposition

Property, which may be acquired by the City, may be assembled into appropriate redevelopment or rehabilitation sites. These properties may be sold or leased by the City to other public bodies or to private developers, in whole or in part. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land.

No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the City. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without providing reasonable opportunity for the submission of alternative proposals or bids.

Housing and Relocation Assistance

With respect to inhabited housing units that are to be removed for households of low-income and very low-income persons, affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria, shall be provided. For purposes of this paragraph, "low-income households", "very low-income households", and "affordable housing" have the meanings set forth in the Illinois Affordable Housing Act. The City shall make a good faith effort to ensure that this affordable housing is located in or near the Project Area.

Public Improvements

The City of Wheaton will provide public improvements in the Project Area to facilitate redevelopment and support the Redevelopment Plan, and to serve the needs of Wheaton residents. Appropriate public improvements may include, but are not limited to, the following:

1. Street extension, right-of-way vacation, removal, resurfacing, widening, reconstruction, and other improvements to roads, alleys, pedestrian bridges, pedestrian ways, and pathways;
2. development of or improvements to public open space;
3. relocation expenses;
4. improvement of public utilities such as sewer and water lines, sidewalks, curbs and gutters, storm water detention facilities;
5. beautification, lighting, signage, and landscaping of public properties; and
6. demolition of obsolete structures.

Recommended public improvements anticipated to be undertaken might include streetscape and infrastructure improvements as well as assistance to property owners for facade improvements and building rehabilitation. The costs associated with these improvements may be shared by the City of Wheaton and individual developers, pursuant to an agreement between the parties. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list that are consistent with the objectives of this Redevelopment Plan.

Phasing of Project

The Redevelopment Projects anticipated in this plan may commence immediately. The major projects may be completed within six years. Facade improvements, building rehabilitations, and other activities on individual properties may occur throughout the life of the Tax Increment Financing District. The City may undertake additional public improvements as necessary throughout the life of the project.

Estimated Project Costs

Table 1 outlines the estimated costs of the Redevelopment Project:

Estimated Redevelopment Project Costs	
Property assembly	\$5,300,000
Environmental and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$200,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures through loans, grants, interest subsidy or other financial assistance	\$4,000,000
Construction or improvement of public improvements	\$1,500,000
Total Estimated Project Costs	\$11,000,000

Financing costs during construction (not to exceed 36 months) may also be included. Over the lifetime of the plan, redevelopment project costs may fluctuate and necessitate a modest change to

the individual line items, however such changes will not result in an increase of the total estimated project costs. Such modifications may be made without further amendment to this Plan so long as there is not an overall increase in the total estimated project costs.

Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way. The amount of revenue from the Project Area made available to support such contiguous project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in the Redevelopment Plan.

Sources of Funds

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

1. Real property tax increment revenues from the Project Area;
2. Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
3. Interest earned on temporary investments;
4. Gifts, grants, and contributions;
5. Bond proceeds;
6. Sale or lease of land proceeds; and
7. User fees.

The principal source of funds will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the project area over the initial equalized assessed value of each such lot, block, tract or parcel.

There may be other eligible local sources of revenue that the City determines are appropriate to allocate to the payment of redevelopment project costs.

The Project Area may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project

Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

Nature and Term of Obligations to Be Issued

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan, and whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the City from undertaking initiatives designed to stimulate appropriate private investment in the Project Area.

Certain redevelopment projects may be of such a scale or on such a time-table as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed December 31st of the year after the 23rd year. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as now or hereafter amended, in accordance with law.

The City may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

1. net revenues of all or part of the Redevelopment Project;
2. taxes levied and collected on any or all property in the municipality;
3. the full faith and credit of the municipality;
4. a mortgage on part or all of the Redevelopment Project;
5. any other taxes or anticipated receipts that the municipality may lawfully pledge.

Equalized Assessed Valuation

Table 2 lists the most recent (2003) equalized assessed valuation of properties in the Project Area by block. The total 2003 equalized assessed valuation of the Project Area is \$1,308,115.

Block	2003 Equalized Assessed Value
312	\$ 161,240
317	\$ 0
318	\$ 0
319	\$ 41,400
320	\$ 1,105,475
Total	\$ 1,308,115

Upon the completion of the Redevelopment Project it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of \$43 million in 2004 dollars. This figure is based upon estimates of value for the rehabilitation and redevelopment projects that are anticipated.

Affirmative Action

The City of Wheaton will require each private developer entering into an agreement with the City, in connection with the Redevelopment Project Area, to utilize fair employment practices, including an affirmative action program.

Payment in Lieu of Taxes

No payments in lieu of taxes are anticipated for this project.

Provision for Amending the Redevelopment Plan Objectives and Project

The Redevelopment Plan objectives and project may be amended pursuant to provisions of the Act.

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

On the basis of the Wheaton Courthouse Redevelopment Project Area Eligibility Findings and this Redevelopment Plan, the Mayor and the City Council of Wheaton, Illinois, can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

Project Area Not Subject to Growth

The Project Area on the whole has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed consistent with City policies without adoption of this Redevelopment Plan. Over the period from 1999 to 2003, the Equalized Assessed Value of the City of Wheaton as a whole grew by 34.6%. By contrast, the Equalized Assessed Value of those properties in the Project Area decreased by 13.3% during the same time period. Thus the level of investment and property appreciation within the Project is substantially lower than the City as a whole.

Conformance with Comprehensive Plan

This Redevelopment Plan conforms to the Comprehensive Plan of the City of Wheaton. The 1999 Comprehensive Plan Update identified a need for detailed study of four Special Focus Areas, one of which was the Central Business District (CBD). This CBD Special Focus Area plan identified sub-areas and opportunity sites, which served as a starting point for the planning of redevelopment projects and public improvements contemplated in this Redevelopment Plan. Sub-Area E of the CBD Special Focus Area discussed the National Louis University campus relationship to the remainder of the downtown and the need to enhance the links between the sub-districts. TIF districts were also recommended as an implementation tool for the revitalization objectives identified in the 1999 Update.

Date of Completion

The estimated year of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs under no circumstances shall extend beyond December 31, 2029 (The year after the 23rd year from the date of adoption of the ordinance approving the Project Area).

FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors may develop and spread to the adjacent residential neighborhood, and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Project is expected to have significant short and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in equalized assessed valuation caused by the Redevelopment Project.

Specifically, the following taxing districts cover the proposed redevelopment project area:

1. County of DuPage
2. County Health Department
3. Forest Preserve District
4. DuPage Airport Authority
5. DuPage Water Commission
6. Milton Township
7. Milton Township Road
8. City of Wheaton
9. Wheaton Special Service Area 2
10. Wheaton Special Service Area 5
11. Wheaton Park District
12. Wheaton Sanitary
13. Wheaton Mosquito
14. Unit School District 200
15. College of DuPage 502

Impact on County of DuPage

Redevelopment Plan proposes new residential development on blocks 318 and 319, the National Louis University campus. If this is realized, approximately 480 new residents may live in the Project Area at full build out. While it is likely that many of these residents will come from within the County, some residents will be from outside DuPage County. Although some of these residents may take advantage of programs offered by the County, the nature and type of the development will not create a demand on County services any higher than a conventional private sector development. In addition, the growth resulting from this development will not significantly increase the demand on services that the overall County growth rate is currently creating for the department. Any new residents would not represent a significant increase in the total population of

the County. Therefore, there will be minimal increased demand for services from or financial impact upon DuPage County, and no program is set forth in the Redevelopment Plan.

Impact on County Health Department

Approximately 480 new residents may live in the Project Area if residential development occurs. Some of these residents may seek health services from the County Health Department. The increase in demand for department services will be incidental, as it is likely that most of these residents already reside in the service area. Further, this increase in population would not significantly alter the overall increase demand for services the department may already be seeing as a result of growth within the County. In addition, the nature and type of residential development proposed would not create a demand on services any higher than a conventional development. Therefore, no program is set forth in the Redevelopment Plan.

Impact on Forest Preserve District

Approximately 480 new residents may live in the Project Area if residential development occurs. Some of these residents may seek recreational opportunities in Forest Preserve facilities. The impact on the Forest Preserve will be incidental, as it is likely that most of these residents already reside in the Forest Preserve District and this increase in population is only a small percentage of the total population served by the District. Further, this increase in population would not significantly alter the overall increase demand for services the department may already be seeing as a result of growth within the County. In addition, the nature and type of residential development proposed would not create a demand on services any higher than a conventional development. No program is set forth in the Redevelopment Plan.

Impact on DuPage Airport Authority

New residential development is anticipated in the Project Area. However, the anticipated demand for airport services is not expected to increase by any appreciable amount. No program is set forth in the Redevelopment Plan.

Impact on DuPage Water Commission

New construction may occur under some redevelopment projects. However, the increase in demand for Water Commission services above demand by existing businesses is projected to be minimal in relation to the total operations of the Commission. Therefore no program is set forth in this Redevelopment Plan.

Impact on Milton Township and Milton Township Road

Milton Township offers some social services, and the associated Road district maintains and repairs Township roads. The increase in demand for department services will be incidental, since this increase in population would not significantly alter the overall demand for services the township may already be seeing as a result of growth within the township. In addition, the nature and type of residential development proposed would not create a demand on services any higher than a conventional development. No new roads are contemplated in the Redevelopment Plan. Therefore, no program is set forth in the Redevelopment Plan.

Impact on City of Wheaton

New residential development is anticipated in the Project Area. Such new development may increase demand for services provided by the City of Wheaton, specifically by the Police and Fire Departments. However, the City currently provides services to those blocks within the Project Area, which can offset some of the increase in demand for services. The nature and type of residential development proposed would not create an extremely high increase in the demand on services and therefore the overall increased demand for service should be minimal. No program is set forth in the Redevelopment Plan.

Impact on Special Service Areas

Any new construction which occurs in the Project Area may take place within one or more special service areas, and may increase the demand for services provided. However, public improvements contemplated by the Redevelopment Plan may in fact undertake some improvements which the Special Service Areas might otherwise have done. Therefore, no program is set forth in the Redevelopment Plan.

Impact on Wheaton Park District

Approximately 480 new residents may live in the Project Area if residential development occurs. Some of these residents may seek recreational opportunities in Park District facilities. The impact on the Park District will be incidental, given the number of park facilities within close proximity to the Project Area. In addition, the nature and type of residential development proposed would not create a demand on services any higher than a conventional development. No program is set forth in the Redevelopment Plan.

Impact on Wheaton Sanitary

New residential development is anticipated within the Project Area. However, the increase in demand for Sanitary services above demand by existing businesses and residences are projected to be minimal in relation to the total operations. Therefore no program is set forth in this Redevelopment Plan.

Impact on Wheaton Mosquito

Potential new development in the Project Area will not increase the mosquito population which requires abatement. Therefore no program is set forth in this Redevelopment Plan.

Impact on Unit School District #200

Approximately 70 new school-aged children may live in the Project Area if residential development occurs. Given the potential build-out rate for residential development over several years, the number of school age children introduced into the school district is not anticipated to have a significant impact. If the school district provides reasonable evidence to support a claim for reimbursement as required under Section 11-74.4-3.q.(7.5) the appropriate level of reimbursement will be provided from the collected tax increment as required by the Act. No specific program is set forth in the Redevelopment Plan.

Impact on DuPage College District #502

Approximately 420 new adult residents may live in the Project Area if residential development occurs. Given the nature and type of residential development proposed, the impact on College District #502 will be incidental, as it is likely that the vast majority of these residents already have obtained the skills they require for their foreseeable future. No program is set forth in the Redevelopment Plan.

APPENDIX I
ELIGIBILITY FINDINGS REPORT

INTRODUCTION

In 1993, the City of Wheaton established the first Tax Increment Financing (TIF) district in downtown Wheaton. Intended to arrest conditions of decline in the historic heart of the City, the TIF district spurred redevelopment on two primary redevelopment sites. As a result of these mixed-use developments, an urban village is emerging in conjunction with the Metra commuter train station.

In 1999, the City capitalized on the success of the first TIF district by establishing the Main Street Redevelopment Project Area and corresponding TIF District (TIF #2) along Main Street south of the existing downtown TIF. The original Redevelopment Plan and subsequent amendments have utilized tax increment financing to make the redevelopment of downtown Wheaton more practical by eliminating those conditions that inhibit private investment.

Directly adjacent to TIF #2 are several blocks that exhibit the similar opportunities and constraints to development. Some buildings, most notably the historic courthouse, display a certain age and character that makes the area physically attractive while others are hindered by characteristics that accentuate an obsolescence which challenges redevelopment efforts. Given the ability of tax increment financing to alleviate conditions that deter redevelopment, a new TIF district is being established.

TAX INCREMENT FINANCING

Over time, a combination of economic conditions, market trends, physical use of structures, and private interest can result in some areas of a community becoming less desirable to work, live or invest in. Municipalities have various tools to help them remove and alleviate these adverse conditions and to encourage private re-investment in these undesirable areas. Tax increment financing (TIF) has been found to be a most effective method of encouraging redevelopment in such unappealing areas. The use of incremental tax revenues derived from the tax rates of various taxing districts in a specified redevelopment area for the payment of redevelopment costs can help jump start greater private investment.

The Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4) (herein after referred to as the "Act") permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of such public improvements can be repaid with revenues generated by increased equalized assessed values of real estate within the designated project area. The key to this financing is that funding does not rely on the taxing power of the municipality alone. The property taxing power of all taxing districts with jurisdiction over the land within the project area can be employed to pay for certain redevelopment costs and retire the necessary financial obligations, if required. This taxing power is only applied to the increase in equalized assessed valuation within the designated TIF redevelopment project area.

The Act stipulates specific procedures that must be adhered to in creating a TIF Redevelopment Project Area. This report addresses the first step of the process, identifying a redevelopment project area and determining its eligibility. Section 11-74.4-3(p) of the Act defines a Redevelopment Project Area as:

"...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 an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas."

Section 11-74.4-3(b) defines a conservation area as:

"...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; cost incurred for environmental remediation have impeded redevelopment; decline in three of the last 5 calendar years of equalized assessed value; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

This eligibility report will describe the Courthouse Redevelopment Project Area within the City of Wheaton and review all factors defined in the Act to determine its eligibility for tax increment financing.

REDEVELOPMENT PROJECT AREA DESCRIPTION

The Courthouse Redevelopment Project Area consists of a portion of downtown Wheaton south of the Union Pacific Railroad right-of-way (see Map 1). Bounded roughly by Cross Street on the west, Willow Avenue on the south, Washington Street on the east, and roughly the Union Pacific railroad right-of-way on the north. The Redevelopment Project Area contains 28 parcels on 5 blocks and is approximately 10.8 acres in area.

Located at Reber Street and Liberty Drive is the historic DuPage County Courthouse building. When the building was no longer capable of adequately serving the County the structure was vacated. National Louis University has since used the courthouse building to establish a campus, making several additions to the structure over time. Now, National Louis University no longer finds the facilities capable of functioning efficiently and will vacate the site by the end of 2004. To the east of the campus is a mix of office, commercial and residential uses. The structures and lot layouts have been modified in an attempt to create a functional business environment but have resulted in less than ideal configurations that challenge the viability of the businesses while adversely impacting adjacent residences. The eligibility section elaborates further on the specific conditions that contribute to this decline.

STATEMENT OF ELIGIBILITY

Determination of eligibility of the Courthouse Redevelopment Project Area for tax increment financing is based on a comparison of data gathered through field observation, document and archival research, and information provided by the City of Wheaton against the eligibility criteria set forth in the Act.

The Courthouse Redevelopment Project Area (the "Project Area") is eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, obsolescence, deleterious land use and layout, and an rate of increase in the total equalized assessed value that is less than the balance of the City.** Each of these factors contributes significantly towards the decline of the Project Area as a whole.

ELIGIBILITY FINDINGS

Teska Associates, Inc. conducted a field survey of every property in the Project Area. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred in August 2004.

Age of Structures. In order to be designated as a conservation area, at least 50% of the structures must be 35 years or more in age. The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on field observations and information gathered from the County Supervisor of Assessments Office, 17 out of the 20 buildings (85%) in the Project Area are 35 years old or older.

In addition to the advanced age of the structures, a combination of at least three of the other factors outlined in the Act must be present to a meaningful extent and reasonably distributed throughout the Project Area.

1) Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that, one, major repair is required or, two, the defects are so serious and so extensive that the buildings must be removed.

Currently, no structures in the Project Area display this extreme physical state. This factor does not contribute to the status of the Project Area as a conservation area.

2) Obsolescence

According to the Act, an obsolete building or improvement is one in which is in the condition or process of falling into disuse. The structures and/or site conditions have become ill suited for the original use. Obsolescence, as a factor, should be based upon the documented presence

and reasonable distribution of buildings and other site improvements exhibiting conditions of falling into disuse. The following identify more specific sub-categories of obsolescence.

Functional Obsolescence. Structures are typically built for certain uses or purposes with design, location, height and space arrangement each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies that limit the re-use and marketability of such buildings for their original intended purpose. These characteristics may include an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, inability to accommodate contemporary amenities or facilities, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Within the Project Area 6 of 20 buildings in the Project Area (30%), display characteristics of functional obsolescence. The most frequent examples of functional obsolescence are single-family homes that have been converted to other uses. Conversions to offices and businesses indicate obsolescence. Adaptive re-use of these structures is a more desirable condition than vacant structures but the change in use has resulted in compatibility issues which have begun to adversely impact adjacent residential land uses. The fact remains that the structures are no longer marketable or appropriate for the originally intended use – single-family residence – and therefore the buildings are functionally obsolete. The courthouse structure and subsequent additions have resulted in a two-fold situation of obsolescence. When the original structure was no longer capable of functioning as a county courthouse, it was vacated. While the additions to the original structure allowed for a time of re-use, the structure has become incapable of functioning adequately for its user and is now obsolete.

Obsolescence of Site Improvements. Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also exhibit signs of obsolescence in terms of their relationship to contemporary development standards for such improvements.

Within the Project Area 7 of 16 land uses (44%) are attempting to function with obsolete site improvements. Seven uses are commercial in nature and in an attempt to accommodate required improvements on site have created less than desirable conditions when compared to contemporary development standards. Parking lot layouts, trash enclosures, lighting requirements and lot coverage are the primary current commercial requirements that the sites cannot meet.

Obsolete Platting. Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities should also be considered obsolete. Obsolete platting is found on 3 parcels in the Project Area.

Overall, improved parcels in the Project Area show a significant degree and distribution of obsolescence, including functional obsolescence and obsolete site improvements. Ten of 28 parcels (36%) show some type of obsolescence. These instances of obsolescence are both prevalent and visible. Therefore, obsolescence makes a major contribution towards the need for designation as a conservation area.

3) Deterioration

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

Deterioration of Buildings. Buildings in a state of deterioration exhibit defects that are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively. Significant deterioration is not exhibited on any structure within the Project Area.

Deterioration of Surface Improvements. The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface. Three properties (11%) show signs of deteriorated surface improvements.

Depreciation of Physical Maintenance. This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; and loose or missing shingles; and damaged building areas still in disrepair. Three buildings within the Project Area exhibited signs of depreciation of physical maintenance.

Given the lack of this characteristic throughout the Project Area, this factor does not contribute to the status of the Project Area as a conservation area.

4) Presence of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures that do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

The exterior field survey conducted by Teska Associates, Inc. did not identify any buildings below code. Further review with the City identified two properties with property maintenance violations outstanding. Given the lack of this characteristic throughout the Project Area, this factor does not contribute to the status of the Project Area as a conservation area.

5) *Illegal Use of Individual Structures*

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

The exterior field survey did not identify any building being characterized by an illegal use. This factor does not significantly contribute to the status of the Project Area as a conservation area.

6) *Excessive Vacancies*

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Two buildings are presently vacant within the Project Area. National Louis University has indicated that its current facility within the Project Area is no longer feasible for their use and will vacate the property by the end of 2004. At that time over 32% of the acreage within the Project Area will be vacant. Eventually, the extent and visibility of these vacancies is a drain upon the vitality of the area and makes a minor contribution towards the designation of the Project Area.

7) *Lack of Ventilation, Light, or Sanitary Facilities*

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the

Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios;
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens; and
- Adequate ingress and egress to and from all rooms and units.

No structures were found to display this characteristic, and therefore this factor does not significantly contribute to the status of the Project Area as a conservation area.

8) Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electric service that may be shown to be inadequate. Inadequate utilities would include those which are (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas, (ii) deteriorated, antiquated, obsolete, or are in disrepair or are lacking.

The field survey conducted by Teska Associates, Inc. found no visible cases of inadequate utilities. This factor does not significantly contribute to the status of the Project Area as a conservation area.

9) Excessive Land Coverage and Overcrowding of Structures and Community Facilities

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. For there to be a finding of excessive coverage, the Act states the parcels must exhibit one or more of the following conditions: insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate

provision for loading and service. Based on the requirements of the Act, no parcels within the Project Area exhibit excessive land coverage resulting in the conditions outlined above.

Overcrowding of structures refers to the over utilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. No structures in the Project Area exhibit visible overcrowding. This factor does not significantly contribute to the status of the Project Area as a conservation area.

10) Deleterious Land Use or Layout

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by an inappropriate mix of uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Five of the 16 (31%) land uses within the Project Area display deleterious land uses or layouts. The most common examples are a conflict between non-residential and residential land uses. These uses are attempting to function as contemporary commercial uses by servicing a large area that requires customers to drive to their business. As a result, they have attempted to meet the parking requirements for commercial uses and have adversely impacted the adjacent land uses. The lack of screening, poor parking lot layouts and traffic patterns contribute to a poor land use relationship between the residential and non-residential uses. Given the prevalence of this factor throughout the Project Area this factor does significantly contribute to the status of the Project Area as a conservation area.

11) Lack of Community Planning

Lack of community planning may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development. This, of course, may be documented by establishing the date of adoption of the City's master plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards. Lack of planning does occur on 2 parcels in the Project Area, but is not a significant contributor to the present condition of the entire Project Area and to its designation as a conservation area.

12) Environmental Remediation Cost Impeding Development

This factor may be documented by determining if any requirements by the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, or any study conducted by a recognized independent expert consultant has resulted in the need to

incur remediation costs for a site that have resulted in impeding further site redevelopment. Based on field survey and research of required environmental clean-ups, there do not appear to be any environmental remediation projects required within the Project Area. Therefore there could be no costs associated with a remediation project that could impede the redevelopment of a site. This factor does not significantly contribute to the status of the Project Area as a conservation area.

13) Decline or Minimal Marginal Increase in the Equalized Assessed Value

This factor can be cited if the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years in which information is available; or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available; 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 3 of the last 5 calendar years for which information is available.

CITY OF WHEATON EAV DATA: YEARS 1998 - 2003						
Year	2003	2002	2001	2000	1999	1998
Total Equalized Assessed Value of the Project Area	\$1,308,115	\$1,508,210	\$1,403,040	\$1,386,300	\$1,275,870	\$1,256,040
Percent Change in Project Area EAV from Prior Year	-13.3%	7.5%	1.2%	8.7%	1.6%	-
Equalized Assessed Value of the City of Wheaton (excluding Project Area)	\$1,540,917,687	\$1,431,318,604	\$1,318,150,594	\$1,246,594,940	\$1,199,501,139	\$1,144,584,500
Percent Change in City EAV from Prior Year	7.7%	8.6%	5.7%	3.9%	4.8%	-
Growth Less than City?	Yes	Yes	Yes	No	Yes	-

Based on information provided from the City regarding the growth rate of equalized assessed value for the whole City over the last 5 years, the percent change in the EAV for the Project Area was less than the percent change for the City of Wheaton in the years 1999, 2001, 2002, and 2003. Relative to the immediate surroundings, the Project Area has not experienced appropriate growth to the tax base or shown evidence of private investment, which increases the value of properties. Based on this evidence, lag in growth of EAV is a contributing factor to the status of the Project Area as a conservation area.

CONCLUSION

The Project Area as a whole qualifies as a conservation area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Obsolescence
3. Deleterious land use or layout
4. Decline of the equalized assessed value

Each of these factors contributes significantly to the eligibility of the Project Area as a conservation area. Eleven of the 28 parcels (39%) and 9 of the 16 land uses (56%) in the Project Area contain at least one factor as defined by the criteria established for conservation areas within the Act. All of these factors point to the need for designation of the Courthouse Redevelopment Project Area as a conservation area.