

**Notice: Meeting Modification Due to COVID-19**

Pursuant to the Governor's Executive Orders, the Governor has made a disaster declaration in response to COVID-19. In accordance with 5 ILCS 120/7(e), it has been determined that an in-person meeting of all the individual Joint Review Board members is not practical or prudent. The City's representative, Joe Wade, will attend in person at City Hall, 8 N. Elmhurst Road, Prospect Heights, IL 60070. The Joint Review Board and members of the public may continue to attend the meeting virtually via Zoom, as attendance in the Council room is not feasible. **Zoom meeting participation instructions are available at the end of this agenda.** Public comment may be emailed to Deputy Clerk Karen Schultheis [kschultheis@prospect-heights.org](mailto:kschultheis@prospect-heights.org) at least two hours prior to the scheduled meeting. Said email will be read by a representative of the Joint Review Board at said meeting or otherwise placed in the record.

The meeting will be recorded and available on the City's website. See below for meeting participation instructions.

**Agenda**

**Joint Review Board**

**Proposed Prospect Pointe/Muir Park Tax Increment Financing District**

**January 7, 2021, 2pm**

**Prospect Heights City Hall, 8 N. Elmhurst, Prospect Heights, IL**

1. Call to Order and Roll Call
2. Appoint Recording Secretary
3. Nominate and Appoint Public Member - William Kearns
4. Nominate and Appoint Chairperson of the Joint Review Board
5. Approve Agenda
6. Approve Rules for Public Comment
7. Presentation to the Joint Review Board by City of Prospect Heights Community and Economic Development Director, Dan Peterson, and Others of the Public Record, Proposed TIF Area, Eligibility Report and Planning Documents, Proposed Ordinances Adopting the Redevelopment Plan, Designating the Redevelopment Project Area and Adopting Tax Increment Financing
8. Presentation of Planned Public Improvements-Storm Water Management, Public Sidewalks, Rehabilitation of Muir Park, to be Paid for by TIF Proceeds, by City Administrator Wade
9. Public Comment
10. Deliberations
11. Scheduling, Additional Meetings
  - a. If additional meetings are not necessary a motion to direct staff to prepare a report approving or disapproving the redevelopment plan or any amendment

thereto based upon the eligibility criteria defined in Section 65 ILCS 5/11-74.4-3 and the overall objectives of the TIF Act; OR continue meeting to future date for the submission of the staff report recommending approval or disapproval of the proposed plan and district.

- b. In the event the City approves the subject TIF District, the Joint Review Board is to meet annually 180 days after the close of the municipal fiscal year or as soon as the redevelopment project audit for that fiscal year becomes available to review the effectiveness and status of the redevelopment project area up to that date. 65 ILCS 5/11-74.4-5(e).

12. Other Business

13. Adjourn

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#### MEETING PARTICIPATION INSTRUCTIONS:

#### FOR VIDEO PARTICIPATION

Join by Cell Phone, Tablet, or Computer: <https://us02web.zoom.us/j/82812382125>

Meeting ID: **828 1238 2125**

How to Use Video Feature for ZOOM

#### Testing your video before a meeting

1. Sign in to the Zoom
2. Click on your profile picture, then click **Settings**
3. Click the **Video** tab
4. You will see a preview video from the camera that is currently selected; you can choose a different camera if another one is available.

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1. Click the arrow next to **Start Video / Stop Video in bottom left corner of screen.**
2. Select **Video Settings** - Zoom will display your camera's video and [settings](#).
3. If you don't see your camera's video, click the drop-down menu and select another camera.

#### [How to rotate your camera if needed](#)

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#### FOR AUDIO ONLY PARTICIPATION

Join by Phone: 1-312-626-6799

Meeting ID: **828 1238 2125**

Join by One tap mobile: +13126266799,,82812382125#

## **RULES FOR PUBLIC COMMENT**

The following rules shall apply to public participation at meetings of the Joint Review Board (JRB):

1. Public participation at the JRB meetings is encouraged. A period of time at each meeting of the JRB shall be made available for public comments and shall be designated on each agenda as "PUBLIC COMMENT".
2. A person shall be permitted to speak upon being recognized by the JRB Chair. The person shall stand (if possible), state his/her name prior to making comments, and limit speaking to no more than five (5) minutes, unless additional time is granted by the JRB Chair. Each person will be permitted to speak only once. A speaker cannot give his or her allotted minutes to another speaker to increase that person's allotted time.
3. If a group of persons share a particular concern, the group will be encouraged, but not required, to appoint one or more spokesperson to speak on behalf of the group.
4. All speakers shall address their comments to the JRB. The Chair may request that the appropriate member of the JRB or others respond to the comment.
5. The Chair shall preserve order and decorum. The Chair shall decide all questions of order.
6. When addressing the JRB, administrative officers and other persons permitted to speak shall try to confine their remarks to the matter at hand and avoid personal remarks, the impugning of motives, and merely contentious statements. If any person indulges in such remarks or otherwise engages in conduct injurious to the harmony of the Board and the meeting, the Chair may immediately terminate the opportunity to speak. This decision is at the discretion of the Chair or upon the affirmative vote of two-thirds (2/3) of the JRB members present. Any person, except a member of the Board, who engages in disorderly conduct during a meeting may be ejected from the meeting upon motion passed by a majority of the JRB present.

To: Members of the Joint Review Board, Proposed Prospect Pointe/Muir Park Tax Increment Financing District

From: Joe Wade, City Administrator

Subject: City Nomination of Public Member for Joint Review Board

Date: December 31, 2020

With this memo is the resume of Mr. William Kearns, the City's nominee for the public member position of the Prospect Pointe/Muir Park Joint Review Board.

Mr. Kearns' nomination for this position was approved by the Prospect Heights City Council, December 12, 2020. He was primarily selected for this nomination because of combined financial, governmental and civic experience.

**WILLIAM J. KEARNS**

306 East Willow  
Prospect Heights, IL 60070

E-mail: [REDACTED]

**EDUCATION:**

- 1990 Masters of Business Administration – finance  
DePaul University, Chicago, IL
- 1987 Bachelor of Science – commerce  
DePaul University, Chicago, IL

**CERTIFICATIONS:**

- Certified Financial Planner CFP -1995
- Chartered Life Underwriter CLU – 1999

**BUSINESS EXPERIENCE:**

- 2016 – Present Owner, Kearns Enterprises LLC
- 1990 – 2016 Partner/Private Wealth Advisor, Moser, Kearns & Associates  
Ameriprise Financial. Barrington, IL
- 1986 – 1990 Program Director and Financial Advisor, Drexel Burnam Lambert  
Chicago, IL

**COMMUNITY SERVICE:**

- St. Paul Lutheran Church, Mt. Prospect, IL - Chairman of the congregation
- St. Paul Lutheran Church, Mt. Prospect, IL – Co- Leader Gathering to Grow  
Capital Campaign – 2004
- St. Paul Lutheran Church, Mt. Prospect, IL – chairman of youth board 2017
- City of Prospect Heights, IL – City Clerk – 2003-2011
- Old Town Sanitary District - President until 2016
- Chicago Executive Airport – Director - 2011- present
- Scholarship Assistance Fund (formally Dollars for Scholars) – Treasurer
- City of Prospect Heights, IL – Police Pension Board – Trustee 2017 -present

**NOTABLE ACCOMPLISHMENTS:**

- American Express Financial Advisors Inc – President’s Recognition Award
- Prospect Heights Citizen of the Year 2015

**PERSONAL INFORMATION:**

- Married to Debra, two children, Megan and Ryan
- Resident of Prospect Heights since 1991

**ORDINANCE No. O-21-03**

**AN ORDINANCE APPROVING A REDEVELOPMENT PLAN FOR THE PROSPECT  
POINTE/MUIR PARK REDEVELOPMENT AREA PLAN AND PROJECT WITHIN  
THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS**

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**WHEREAS**, the City of Prospect Heights, Cook County (the "City") is an Illinois Municipal Corporation pursuant to the Illinois Constitution of 1970 and the Statutes of the State of Illinois; and

**WHEREAS**, it is desirable and in the best interest of the citizens of the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et. seq.*, as amended (the "Act"), for a proposed redevelopment project area to be known as the Prospect Pointe/Muir Park Redevelopment Project Area (the "Area") described in Section 2 of this Ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project attached hereto as Exhibit A (the "Plan"); and

**WHEREAS**, by authority of the City Council and pursuant to Section 5/11-74.4-5(a) of the Act, the City established an Interested Parties Registry and, on December 18, 2020, published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

**WHEREAS**, the Plan was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act December 4, 2020, being a date not less than 10 days before the public meeting of the City Council, at which meeting the City Council adopted Resolution R-20-35 on December 14, 2020 fixing the time and place for a public hearing ("Hearing"), via Zoom conference; and

**WHEREAS**, pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto) was sent by mail on December 28, 2020, which is within a reasonable time after the adoption by the City Council of Resolution R-20-35 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within 750 feet of the boundaries of the Area; and (b) organizations and residents that were registered interested parties for such Area; and

**WHEREAS**, due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on December 16, 2020, by publication in the Daily Herald on [REDACTED], 2021, and by certified mail to taxpayers within the Area on [REDACTED], 2021; and

**WHEREAS**, a meeting of the Joint Review Board (the "JRB") established pursuant to Section 5/11-74.4-5(b) of the Act was convened upon the provision of due notice on January 7, 2021 at 2:00 p.m., to review the matters properly coming before the JRB and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

**WHEREAS**, the JRB did not issue a recommendation / has forwarded to the City Council a copy of its recommendation attached hereto as Exhibit B, recommending to the City Council approval of the Plan, among other related matters; and

**WHEREAS**, pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the City Council held the Hearing concerning approval and adoption of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on February 10, 2021; and

**WHEREAS**, the City Council has reviewed the Plan (including the related eligibility report attached thereto), testimony from the Public Hearing, the recommendation of the JRB, if any, and such other matters or studies as the City Council have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS:**

**SECTION ONE.** The City Council hereby finds and determines that the facts and statements set forth in the above recitals are true and correct and are to be incorporated herein and made a part hereof.

**SECTION TWO.** The Area is legally described in Exhibit C attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit D attached hereto and incorporated herein. A map of the Area boundary is depicted in Exhibit E attached hereto and incorporated herein.

**SECTION THREE.** The City Council hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

- a) An itemized list of estimated redevelopment project costs as outlined within Exhibit A;
- b) The Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be expected to be developed without the adoption of the Plan;
- c) An assessment of any financial impact of the redevelopment project area on or any increased demand for services from any taxing district affected by the plan and any program to address such financial impact or increased demand;
- d) The sources of funds to pay costs;

- e) The nature and term of the obligations to be issued;
- f) The most recent equalized assessed valuation of the redevelopment project area;
- g) An estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the redevelopment project area;
- h) A commitment to fair employment practices and an affirmative action plan;
- i) The Plan conforms to the comprehensive plan for the development of the City as a whole;
- j) The Plan meets all the requirements of a redevelopment plan as defined in the Act and, as set forth in the Plan, the estimated date of completion of the projects described therein and retirement of all obligations issued to finance redevelopment project costs is not later than December 31 of the year in which the payment to the municipal treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the redevelopment project area is adopted, and, as required pursuant to Section 5/11-74.4-7 of the Act, no such obligation shall have a maturity date greater than 20 years;
- k) The Plan will not result in displacement of residents from inhabited units;
- l) The proposed Area would not reasonably be developed or redeveloped without the use of tax incremental revenues;
- m) The tax incremental revenues will be exclusively utilized for the development of the Area and otherwise to the extent allowed by the Act;
- n) All other findings and certifications set forth in the Plan are hereby adopted as the findings and certifications of the City Council as if fully set forth in this Ordinance.

**SECTION FOUR.** The City hereby approves the Plan pursuant to Section 5/11-74.4-4 of the Act.

**SECTION FIVE.** That if any part or parts of this Ordinance shall be held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity of the remaining parts of this Ordinance. The City Council hereby declare that they would have passed the remaining parts of this Ordinance if they had known that such part of parts thereof would be declared invalid or unenforceable.

**SECTION SIX.** All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

**SECTION SEVEN.** The City Clerk of the City of Prospect Heights is directed hereby to publish this Ordinance in pamphlet form.

**SECTION EIGHT.** That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

List of Attachments

- Exhibit A: The Plan and Eligibility Report
- Exhibit B: Joint Review Board's recommendation to City Council to approve a redevelopment plan, designation of a development project area and adoption of a tax increment allocation financing
- Exhibit C: Legal description of the Area
- Exhibit D: Common boundary/street location of the Area
- Exhibit E: Map of the Area

**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
Nicholas J. Helmer, Mayor

ATTEST:

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City Clerk

**AYES:**

**NAYS:**

**ABSENT:**

Published in pamphlet form: \_\_\_\_\_, 2021

**DRAFT**

**EXHIBIT A**

**PLAN / ELIGIBILITY REPORT**

**DRAFT**

EXHIBIT B

INSERT JRB RECOMMENDATION

DRAFT

EXHIBIT C

Please ensure this legal description complies with the description in the most recent Plan on file with the Clerk

THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER AND WEST HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 15, TOWNSHIP 42, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

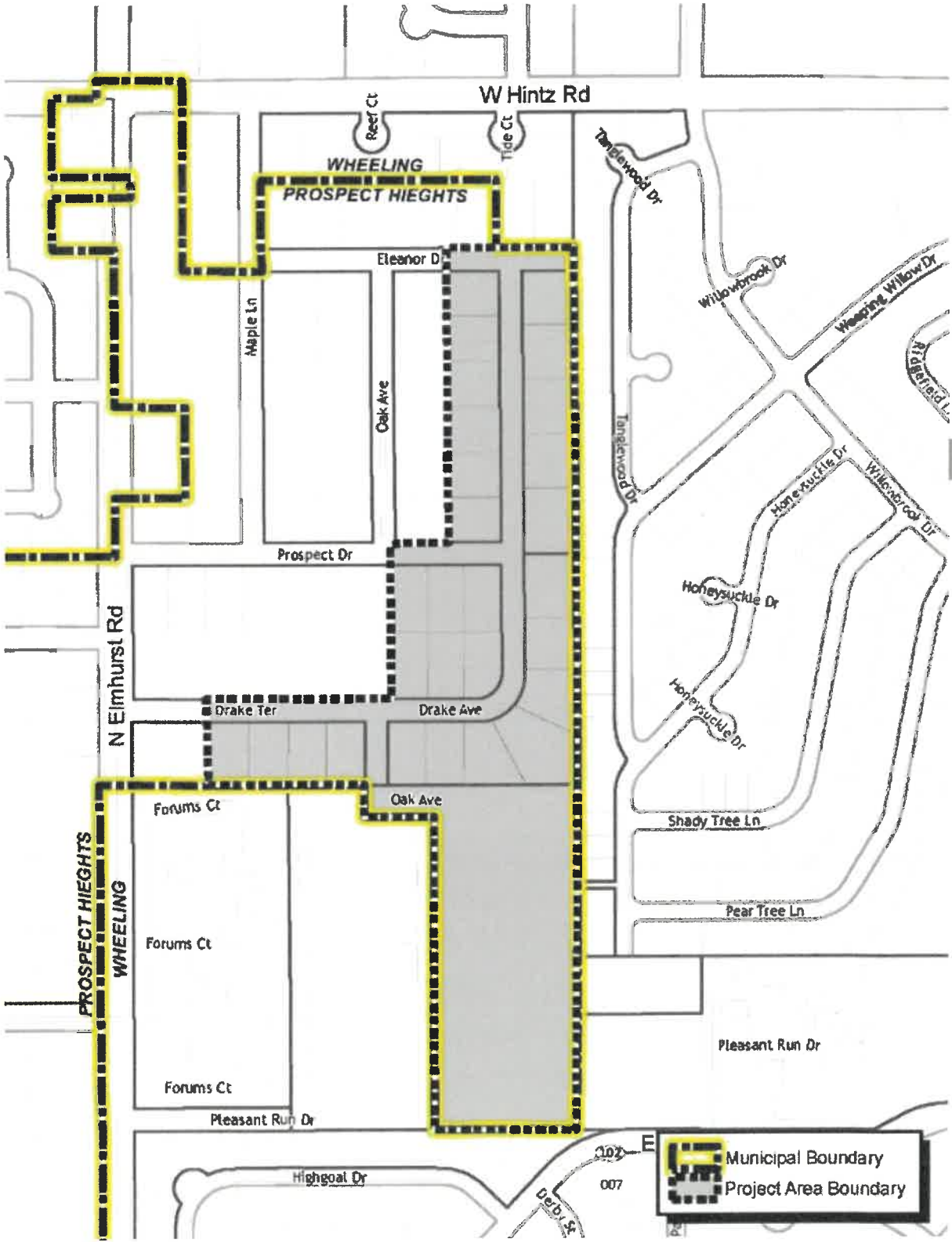
BEGINNING AT THE INTERSECTION OF THE WEST LINE OF OAK AVENUE AND THE SOUTH LINE OF DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS, BEING A SUBDIVISION PER DOCUMENT 16245157; THENCE WEST ALONG SAID SOUTH LINE TO THE WEST LINE OF LOT 3 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE AND NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF DRAKE TERRACE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINE AND EXTENSIONS THEREOF OF LOT 16 AND LOT 31 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF PROSPECT DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINES AND EXTENSIONS THEREOF OF LOTS 47 THRU 52 IN GLENDRAKE, BEING A SUBDIVISION PER DOCUMENT 16632601; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF ELEANOR DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE EAST LINE OF SAID WEST HALF OF NORTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF SAID WEST HALF OF THE SOUTHEAST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF SAID WEST HALF OF SAID SOUTHEAST QUARTER TO THE NORTH LINE OF POLO RUN UNIT TWO, BEING A SUBDIVISION PER DOCUMENT 86110531; THENCE WEST ALONG SAID NORTH LINE TO THE EAST LINE OF PLEASANT RUN SUBDIVISION, BEING A SUBDIVISION PER DOCUMENT 21809018; THENCE NORTHERLY AND WESTERLY ALONG SAID EAST LINE TO THE SOUTH LINE OF AFORESAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS AND POINT OF BEGINNING, ALL IN COOK COUNTY ILLINOIS.

## EXHIBIT D

**COMMON BOUNDARY DESCRIPTION:** The Prospect Pointe/Muir Park Area is generally bounded by Eleanor Drive on the north, 100 feet east of Drake Terrace on the east, Oak Avenue and 210 feet east of Illinois Route 83/Elmhurst Road on the west, and the southern boundary of Muir Park on the south in Prospect Heights, Illinois.

DRAFT

EXHIBIT E



**EXHIBIT A**

**PROSPECT POINTE/MUIR PARK  
TAX INCREMENT FINANCING  
REDEVELOPMENT AREA PLAN AND PROJECT**

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City of Prospect Heights, Illinois

December 4, 2020

City of Prospect Heights  
Nicholas J. Helmer, Mayor

Prepared by:

Johnson Research Group Inc.  
332 South Michigan Avenue, 9<sup>th</sup> Floor  
Chicago, Illinois 60604

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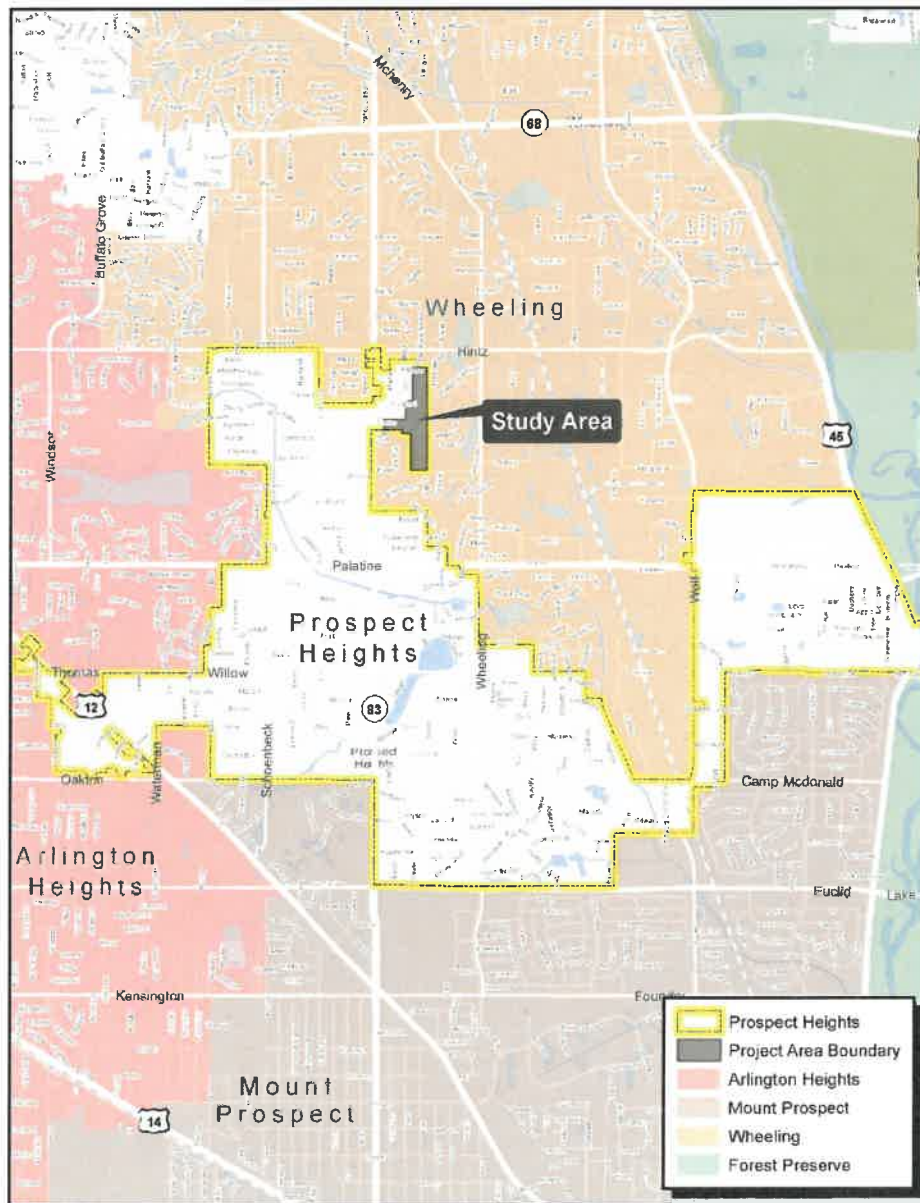
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**EXHIBITS**

EXHIBIT I: 2019 EAV by PIN  
EXHIBIT II: Prospect Pointe/Muir Park Tax Increment Financing Eligibility Report

## I. INTRODUCTION

This document is to serve as the redevelopment plan (the “**Redevelopment Plan**”) for an area located in the northern part of the City of Prospect Heights (the “**City**”) approximately 2.0 miles north of the Prospect Heights City Hall. The area is generally bounded by Eleanor Drive on the north, , 100 feet east of Drake Terrace on the east Oak Avenue and 210 feet east of Illinois Route 83/Elmhurst Road on the west, and the southern boundary of Muir Park on the south. This area is referred to in this document as the Prospect Pointe/Muir Park Tax Increment Financing Redevelopment Project Area (the “**Project Area**”). For a map depicting the location of the Project Area within the City of Prospect Heights, see **Figure 1. Community Context Map**.



**Figure 1. Community Context Map**

In conjunction with the City's strategy to encourage managed growth and stimulate private investment within the Project Area, Johnson Research Group, Inc. ("JRG" or the "Consultant") was engaged to study whether the Project Area of approximately 28.5 acres qualifies as a "conservation area," a "blighted area," or a combination of both blighted areas and conservation areas under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as amended (the "Act"). The Project Area, described in more detail below as well as in the accompanying Prospect Pointe/Muir Park Tax Increment Financing Eligibility Report (the "Eligibility Report"), on the whole has not been subject to growth and development through investment by private enterprise and is not reasonably expected to be developed without public intervention and leadership by the City.

The Redevelopment Plan summarizes the analyses and findings of the Consultant's work, which, unless otherwise noted, is the responsibility of JRG. The City is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a redevelopment project area under the Act. The Consultant has prepared this Redevelopment Plan and the related Eligibility Report with the understanding that the City would rely: 1) on the findings and conclusions of the Redevelopment Plan and the related Eligibility Report in proceeding with the designation of the Redevelopment Project Area and the adoption and implementation of the Redevelopment Plan, and 2) on the fact that the Consultant has obtained the necessary information so that the Redevelopment Plan and the related Eligibility Report will comply with the Act.

#### **A. Prospect Pointe/Muir Park Tax Increment Financing Redevelopment Project Area**

The Prospect Pointe/Muir Park Project Area is situated at the northern edge of the city, adjacent on three sides to the Village of Wheeling. The southern end of the Project Area contains Muir Park, a public park with a single baseball diamond, open space and a band of trees separating Muir Park from Pleasant Run Park in Wheeling. Immediately north of the park is a one-story building, approximately 19,000 square feet in size and built in the 1960s as Muir School. The building operated most recently as the Jolly Fun House pre-school and day care (the "Former School Site"). This building on the Former School Site has been vacant for four years. The area to the north includes 28 detached single-family homes within a residential subdivision built in the late 1950s and early 1960s. The area is currently zoned R-1. The Project Area is approximately 28.5 acres in size, comprised of 24.05 acres of improved land (including improved park land) and 4.45 acres of public rights-of-way. The Project Area includes 29 tax parcels within six tax blocks.

For a map depicting the Project Area boundaries, see **Figure 2. Project Area Boundary**. A legal description of the Project Area is included in **Section II, Legal Description and Project Area Boundary**.

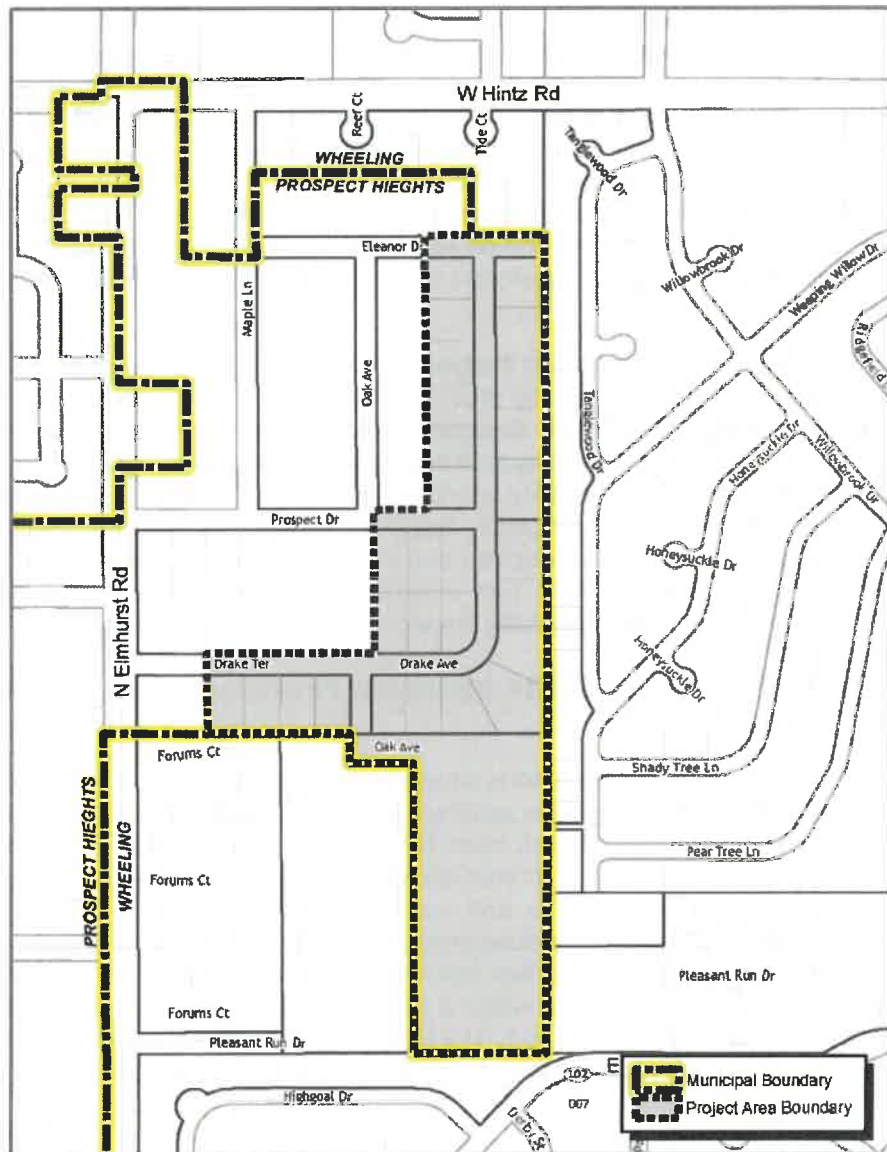


Figure 2. Project Area Boundary

### Historical Context

In 1935, a development of six two story bungalows along Elmhurst Road in what was unincorporated Cook County became the first residential subdivision within the area that would become Prospect Heights. A small group of homeowners formed the Prospect Heights Improvement Association (PHIA) to provide social and governmental needs. Within 20 years, there were 600 homes. The vast majority of residential development occurred in the decades between 1950 and 1990. The area remained unincorporated while the neighboring communities of Arlington Heights, Wheeling, and Mount Prospect had formed formal governments, incorporating as municipalities in 1887, 1894, and 1917, respectively. Over the years, multiple proposals for incorporation failed until the 1970s, when decades of continued growth became too much for the PHIA to manage. Under increasing threat of annexation by neighboring towns, the area finally incorporated as a city in 1976. As of the most recent estimates from the U.S. Bureau of the Census the 2018 population of Prospect Heights had reached 16,014 with more than 6,000 housing units.

The southern portion of the area was originally developed for public use as John Muir elementary school and park. Built in 1967, the school was built in three hexagonal pods. As demographic and school needs changed, the elementary school building was closed in 1981 and later sold to a day care facility. The building has been vacant and on the market for sale since 2016. The building is economically and functionally obsolete as an educational facility and its redevelopment potential is hindered by underlying lack of utilities, including a potable water system and a functioning stormwater drainage system.

The northern portion of Project Area encompasses a residential subdivision characterized by the presence of single-family detached homes, generally one- or two-stories in height with masonry construction. Platted for subdivision in 1956, the homes are all approximately 60 to 65 years old. Due to insufficient grading, detention, and stormwater management, this portion of the Project Area experiences chronic stormwater drainage problems, evidenced by regular flooding and protracted periods of standing water on private property and in the public way. The subdivision was developed without sufficient regard for accessibility to the larger community causing traffic conflicts and congestion at Oak Avenue. Annexation of properties immediately east, south and west of Muir Park to Wheeling and their subsequent development left Muir Park and the school facility without proper ingress and egress.

Evidence indicating that the Project Area as a whole has not been subject to growth and development through investment by private enterprise is detailed in **Section VI** and summarized below.

- The Project Area exhibits the presence of three eligibility factors: inadequate utilities, lack of community planning, and lagging equalized assessed values (EAV).
- The presence of a long-vacant and obsolete Former School Site that was most recently used as a day care facility until 2016.
- Inadequate street layout evidenced by a narrow easement through the Former School Site in order to access Muir Park, which otherwise would not be directly accessible.
- The absence of a sufficient water supply system to serve existing or future development.
- An inadequate storm sewer system causes chronic flooding in several locations in the Project Area that result in standing water for weeks at a time each year.
- Ad hoc attempts to ameliorate the storm drainage problems have been insufficient to solve the issue and a more comprehensive approach is needed.
- The jigsaw puzzle pattern of the municipal boundaries in this portion of the city of Prospect Heights is further evidence of the lack of coordinated planning as the city initially grew in the 1940s through the 1970s, long after most north suburban communities had incorporated and adopted comprehensive plans and development guidelines.
- The growth in property values as represented by equalized assessed values, has lagged behind the growth in the consumer price index (inflation) in three of the last five years.

Although the Project Area benefits from good schools, stable housing stock, and reasonable proximity to major roads, highways and commuter rail, without intervention the conditions that qualify the area as a conservation area will worsen and property values may decline. Without the intervention of the City and the adoption of Tax Increment Financing and this Redevelopment Plan, the Project Area overall would not reasonably be expected to be redeveloped.

## **B. Tax Increment Financing**

In January 1977, Tax Increment Financing (“TIF”) was authorized by the Illinois General Assembly through passage of the Act. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible “**redevelopment project costs**” with incremental property tax revenues. “**Incremental Property Tax**” or “**Incremental Property Taxes**” are derived by applying the tax rate to the increase in the current Equalized Assessed Valuation (“EAV”) of real property within the redevelopment project area over and above the “**Certified Initial EAV**” of such real property. Incremental Property Taxes are reinvested in the area through rehabilitation, developer incentives, public improvements and other eligible redevelopment activities.

All taxing districts continue to receive property taxes levied on the Certified Initial EAV of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs have been paid. Taxing districts also benefit from the increased property tax base after the expiration or termination of the redevelopment project area.

## **C. The Redevelopment Plan for the Prospect Pointe/Muir Park Tax Increment Financing Redevelopment Project Area**

The City’s overall goals include a desire to expand the diversity of housing stock while ensuring that new developments complement the existing neighborhood character and to address long term constraints on growth and sustainability caused by the lack of sufficient water, sewer, and sanitary systems. This Redevelopment Plan promotes these goals. The Former School Site in the southern portion of the Project Area has been vacant and unused for several years. Redevelopment of the Former School Site is hindered by the absence of a sufficient water supply system and significant stormwater management issues. The site’s redevelopment will require demolition costs, removal of soils, improvements to the roadway easement on the west side of the site, installation of multiple utility systems including a water supply system, sanitary and stormwater systems, including an oversized retention area that will accommodate drainage from neighboring areas. Despite the site’s location in a stable community, next to a public park, no buyer of the Former School Site had emerged for several years. Overall, it is not reasonable to expect that redevelopment and improvements will occur on a comprehensive and coordinated basis without the use of TIF.

This Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area to stimulate economic growth and private investment in the Project Area in a manner that is consistent with the goals of the City. The goal of the City, through implementation of this Redevelopment Plan, is to redevelop the Former School Site with access to a water supply system and to improve the entire Project Area’s storm drainage system on a comprehensive and planned basis to ensure that private investment occurs:

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that conservation area factors are eliminated; and
3. Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the City.

Redevelopment of the Project Area will constitute a complex endeavor that will depend to a large extent on the cooperation between the private sector and agencies of local government. Adoption of this Redevelopment Plan will enable the implementation of a comprehensive public infrastructure program that will attract coordinated private investment. Without public investment in public infrastructure, the comprehensive redevelopment and coordinated improvements to the storm sewer system and the private water supply system in the Project Area would not be expected to be realized by the private sector alone.

This Redevelopment Plan sets forth the overall “**Redevelopment Project**” to be undertaken to accomplish the City’s above-stated goals. During implementation of the Redevelopment Project, the City may, from time to time: (i) undertake or cause to be undertaken public improvements and other redevelopment project activities authorized under the Act; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate or restore private or public improvements and undertake other redevelopment project activities authorized under the Act on one or several parcels (items (i) and (ii) are collectively referred to as “**Redevelopment Projects**”).

This Redevelopment Plan specifically describes the Project Area and summarizes the criteria that qualify the Project Area as a “**conservation area**” as defined in the Act.

The use of Incremental Property Taxes will permit the City to direct, implement and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. These anticipated benefits include:

- Elimination of the conservation area conditions in the Project Area;
- A stable and predictable environment that promotes economic growth;
- Installation of a robust water supply system that can support new development.
- Integration of improvements to the storm sewer system in the overall Project Area with any new projects that are developed on the Former School Site in the southern portion of the Project Area;
- Reconfiguration of Muir Park to mitigate flooding, improve roadway access, and upgrade park amenities including multi-functional ball fields, pedestrian paths and parking facilities; and

## II. LEGAL DESCRIPTION AND PROJECT BOUNDARY

The boundaries of the Project Area have been drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Project to be undertaken as part of this Redevelopment Plan. The boundaries of the Project Area are shown in **Figure 2. Project Area Boundary**, and legally described below:

THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER AND WEST HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 15, TOWNSHIP 42, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF OAK AVENUE AND THE SOUTH LINE OF DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS, BEING A SUBDIVISION PER DOCUMENT 16245157; THENCE WEST ALONG SAID SOUTH LINE TO THE WEST LINE OF LOT 3 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE AND NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF DRAKE TERRACE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINE AND EXTENSIONS THEREOF OF LOT 16 AND LOT 31 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF PROSPECT DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINES AND EXTENSIONS THEREOF OF LOTS 47 THRU 52 IN GLENDRAKE, BEING A SUBDIVISION PER DOCUMENT 16632601; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF ELEANOR DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE EAST LINE OF SAID WEST HALF OF NORTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF SAID WEST HALF OF THE SOUTHEAST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF SAID WEST HALF OF SAID SOUTHEAST QUARTER TO THE NORTH LINE OF POLO RUN UNIT TWO, BEING A SUBDIVISION PER DOCUMENT 86110531; THENCE WEST ALONG SAID NORTH LINE TO THE EAST LINE OF PLEASANT RUN SUBDIVISION, BEING A SUBDIVISION PER DOCUMENT 21809018; THENCE NORTHERLY AND WESTERLY ALONG SAID EAST LINE TO THE SOUTH LINE OF AFORESAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS AND POINT OF BEGINNING, ALL IN COOK COUNTY ILLINOIS.

### **III. ELIGIBILITY CONDITIONS**

The results summarized in this section are more fully described in a separate report that presents the definition, application and extent of the conservation area factors in the Project Area. The report, prepared by JRG is entitled “**Prospect Pointe/Muir Park Tax Increment Financing Eligibility Report,**” (the “**Eligibility Report**”) and is attached as **EXHIBIT II** to this Redevelopment Plan.

#### **A. Summary of Project Area Eligibility**

Based upon surveys, inspections and analyses of the Project Area, the Project Area qualifies under the applicable criteria as an improved conservation area within the requirements of the Act.

##### **Conservation Area:**

A conservation area is defined in the Act as an improved area in which at least 50 percent of the structures are 35 years of age or older and at least three of thirteen factors set forth in the Act are found to be present to a meaningful extent and reasonably distributed throughout the Project Area. The analysis of the Project Area found that 100 percent of the structures are over 35 years of age, and the meaningful presence and a reasonable distribution of three (3) factors throughout the Project Area, including:

1. Inadequate Utilities
2. Declining or Lagging EAV
3. Lack of Community Planning

The Project Area as a whole includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

#### **B. Surveys and Analyses Conducted**

The conditions documented in the Project Area are based upon surveys and analyses conducted by JRG. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of all buildings and sites;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
4. Comparison of current land use to current zoning ordinance and the current zoning map;
5. Analysis of original platting and current parcel size and layout;
6. Analysis of vacant parcels and buildings;
7. Analysis of building floor area and site coverage, as well as off-street parking and loading and service areas;
8. Review and analysis of available Federal Emergency Management Agency maps of flood zones;
9. Analysis of storm, sanitary sewer lines and water supply lines within the Project Area via existing infrastructure maps;

10. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 2013 through 2019;
11. Review of Cook County Treasurer property tax payment records for collection years 2016, 2017 and 2018; and
12. Review of previously prepared plans, studies and data.

## **IV. REDEVELOPMENT GOALS AND OBJECTIVES**

Comprehensive and coordinated investment in new public and private improvements and facilities is essential for the successful redevelopment and public improvement of the Project Area. Redevelopment of the Project Area will benefit the City through improvements in public infrastructure, new residential development, and an increased tax base.

This section identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. **Section V** presents more specific objectives for development and design within the Project Area and the redevelopment activities that the City plans to undertake to achieve the goals and objectives presented in this section.

### **A. General Goals**

Listed below are the general goals adopted by the City for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

1. Maintain the Project Area as an attractive residential area within the City of Prospect Heights.
2. Provide a water supply system to support new residential development
3. Improve storm water retention and drainage system for the benefit of the Project Area.
4. Provide better access to and recreational facilities within Muir Park.
5. Conserve and enhance the quality and stability of the Project Area's existing residential by attracting new residential developments.

### **B. Redevelopment Objectives**

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

1. Upgrade public infrastructure and streets, including the storm water drainage system and provide access to a sufficiently sized water supply system.
2. Improve transportation routes and signage to sufficiently accommodate circulation within the Project Area.
3. Improve safety and ease of access to/from Muir Park and minimize conflicts with vehicular traffic.
4. Reconfigure the parking lot for Muir Park and improve the park's recreational amenities to include both active and passive park uses as well as pedestrian paths.
5. Support redevelopment of the Former School Site with low to medium density development that provide high-quality residential options.

## V. REDEVELOPMENT PROJECT

This section presents the Redevelopment Project anticipated to be undertaken by the City and by other public and private entities on behalf of the City in furtherance of this Redevelopment Plan. The Redevelopment Project, as outlined in this section conforms to the plans and policies in place within the Project Area including: the City of Prospect Heights Zoning Code and the City of Prospect Heights Comprehensive Plan (updated most recently in 2014).

The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes: a) the land use plan; b) redevelopment goals and objectives; c) a description of redevelopment improvements and activities; d) estimated redevelopment project costs; e) a description of sources of funds to pay estimated redevelopment project costs; f) a description of obligations that may be issued; and g) identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

### A. Land Use Plan

The Land Use Plan is intended to direct Redevelopment Project Costs that support the redevelopment of the Former School Site and overall public improvements throughout the Project Area. The City's Comprehensive Plan and Zoning Ordinance form the primary basis for this land use plan and further define the guidelines for considering future development projects.

The Land Use Plan for the Project Area includes land uses that have been approved by the Prospect Heights City Council. The land uses are intended to reflect the long-term objectives of the Redevelopment Plan and support the redevelopment of the vacant and underutilized Former School Site and the critical infrastructure systems consistent with the needs of the overall Project Area.

A summary description of the future land uses to be considered within the Project Area are described below and illustrated in **Figure 3. Land Use Plan**.

#### ***New Residential Development***

The Project Area should accommodate a mix of residential single-family, multi-family, and open space/public park uses. The existing single-family land uses in the Project Area north of Oak Avenue should remain as single family uses, whereas the Former School Site, south of Oak Avenue and north of Muir Park, should allow multi-family uses, such as attached townhomes. New residential developments should ensure fluid connections to neighboring residential lots and the public park. Improvements and redevelopment activity should be designed with good vehicular and pedestrian accessibility, as well as open space to the extent possible. Shared and cooperative parking solutions for new development should be explored to enhance traffic management within and through the Project Area.

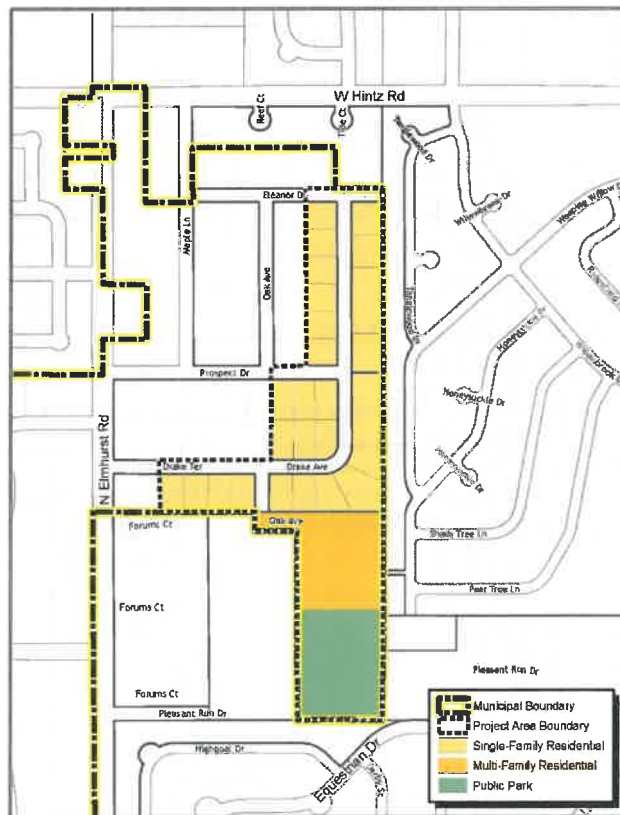


Figure 3. Land Use Plan

All development should comply with the Redevelopment Plan objectives set forth in **Section IV**, the City of Prospect Heights Zoning Code and the City of Prospect Heights Comprehensive Plan for the Project Area, and all other relevant City ordinances and development guidelines.

## **B. Redevelopment Goals and Objectives**

Listed below are the specific redevelopment goals and objectives which will assist the City in directing and coordinating public and private improvements and investment within the Project Area in order to achieve the general goals and objectives identified in **Section IV** of this Redevelopment Plan.

The Development and Design Objectives are intended to enhance and attract desirable uses such as new development coordinated with other nearby uses.

### **a) Land Use, Building and Site Development**

- Support new residential developments through the planned development process.
- Construction of new private roadways and streets should maintain or connect to the City's existing pattern of streets and conform to the construction standards of public streets.
- Encourage outdoor activation of sidewalks in pedestrian-oriented locations where possible.
- Strive to attain high standards of environmentally sustainable design in all buildings consistent with the City's sustainability policies.

### **b) Infrastructure and Circulation**

- Provide access to a water supply system sufficient to serve new developments.
- Improve the storm drainage system on a comprehensive basis.
- Improve access to public park facilities by enhanced roadways, reconfiguring parking areas and facilitating pedestrian access from the surrounding neighborhoods.
- Ensure that roadway signage simplifies wayfinding to and from the public park, with minimal traffic flow through the residential neighborhood.

### **c) Urban Design, Landscaping, and Open Space**

- Ensure that the architectural design of new developments is complementary to the existing residential profile and character of the Project Area.
- Ensure Muir Park access points and parking areas are highly visible and easily accessed.
- Provide new pedestrian-scale lighting where appropriate.
- Encourage streetscape features including parkway trees.
- Ensure that all landscaping and design materials comply with the City's ordinances and any applicable Planned Development requirements.

## **C. Redevelopment Improvements and Activities**

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques such as tax increment financing to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, renovate or restore improvements on one or several parcels. Redevelopment agreements may contain terms and provisions that are more specific than the general principles set forth in this Redevelopment Plan.

#### **1. Property Assembly and Site Preparation**

The City may facilitate property assembly in the Project Area, assist in the demolition of buildings and site improvements, and provide for site preparation costs.

#### **2. Provision of Public Works or Improvements**

The City, or an agent of the City, may provide public improvements and facilities that are necessary to service the Project Area in accordance with this Redevelopment Plan and the comprehensive plan for development of the City as a whole. Public improvements and facilities may include, but are not limited to, the following:

##### **a) Public Infrastructure and Utilities**

Infrastructure that will provide new residential developments with access to a modern, sufficiently sized water supply system.

Improvements to the Project Area's storm drainage system, via land grading, repair of existing drainage pipes, installation of new drainage pipes, and creation of retention ponds.

Improvements to the roadway access to Muir Park.

##### **b) Parks and Open Space**

Improvements to Muir Park including the recreational amenities, pedestrian paths and parking configuration.

#### **3. Taxing Districts Capital Costs**

The City may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

#### **4. Interest Subsidies**

Funds may be provided to developers for a portion of interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project, subject to the limitations outlined in the next section.

#### **5. Analysis, Administration, Studies, Surveys, Legal, etc.**

Under contracts that will run for three years or less (excluding contracts for architectural and engineering services which are not subject to such time limits) the City and/or private developers may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage this Redevelopment Plan.

### **D. Redevelopment Project Costs**

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Redevelopment Plan (the "**Redevelopment Project Costs**").

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council of Prospect Heights to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 1 or otherwise adjust the line items in Table 1 without amendments to this Redevelopment Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

### **1. Eligible Redevelopment Project Costs**

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the Project Area to prospective businesses, developers and investors;
- c) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
- e) Costs of the construction of public works or improvements including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects including the cost of "welfare to work" programs implemented by businesses located within the Project Area;
- g) 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 thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are

issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;

- h) To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- i) An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
- j) 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 or by Section 74.4-3(n)(7) of the Act (see Section V.C.2 above);
- k) Payment in lieu of taxes, as defined in the Act;
- l) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
- m) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act; and

5. The cost limits set forth in paragraphs 2 and 4 above shall be modified to permit payment of up to 75 percent of the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
- n) Instead of the eligible costs provided for in (m) 2, 4 and 5 above, the City may pay up to 50 percent of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for benefits under the Act;
  - o) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development;
  - p) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
  - q) If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et. seq. then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

## **2. Estimated Redevelopment Project Costs**

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in **Table 1. Estimated Redevelopment Project Costs**. All estimates are based on 2020 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan at the City's discretion.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures that may be incurred over the life of the TIF. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

**Table 1. Estimated Redevelopment Project Costs**

<b>TIF EXPENSE CATEGORY</b>	<b>ESTIMATED COST</b>
Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$500,000
Property Assembly including Acquisition, Site Prep and Demolition, Environmental Remediation	\$5,000,000
Public Works and Infrastructure Improvements, including streets, utilities, parks and open space <sup>[1]</sup>	\$5,000,000
Interest Costs	\$500,000
<b>TOTAL ESTIMATED COSTS</b>	<b>\$11,000,000 <sup>[2]</sup></b>

<sup>[1]</sup> This category may also include paying for or reimbursing: (i) an elementary, secondary or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

<sup>[2]</sup> All costs are in 2020 dollars and may be increased by five percent (5%) after adjusting for inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U.S. Department of Labor.

**E. Sources of Funds to Pay Redevelopment Project Costs**

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur redevelopment project costs, which are paid for from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

As of the date of this Redevelopment Plan, the Project Area is not contiguous to any other existing TIF districts. The Project Area may, in the future, be contiguous to or separated by only 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 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.

The Project Area may become contiguous to, or be separated only by a public right-of-way from, redevelopment project areas created under the Industrial Jobs Recovery Law (65 ILCS 5/11-74.6-1, et seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Project Area, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Redevelopment Plan that net revenues from the Project Area be made available to support any such redevelopment project areas, and vice versa. The City therefore proposes to utilize net incremental revenues received from the Project Area to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas and vice versa. Such revenues may be transferred or loaned between the Project Area and such areas. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in **Table 1. Estimated Redevelopment Project Costs.**

#### **F. Issuance of Obligations**

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., December 31, 2045, assuming City Council approval of the Project Area and Redevelopment Plan in 2021). Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

## **G. Valuation of the Project Area**

### **1. Most Recent EAV of Properties in the Project Area**

The purpose of identifying the most recent EAV of the Project Area is to provide an estimate of the initial EAV which the Cook County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The 2019 EAV of all taxable parcels in the Project Area is approximately \$2,340,169. This total EAV amount by PIN is summarized in **Exhibit I. 2019 EAV by PIN**. The EAV is subject to verification by the Cook County Clerk. After verification, the final figure shall be certified by the Cook County Clerk and shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by Cook County. The Plan has utilized the EAVs for the 2019 tax year. If the 2020 EAV shall become available prior to the date of the adoption of the Plan by the City Council, the City may update the Plan by replacing the 2019 EAV with the 2020 EAV.

### **2. Anticipated Equalized Assessed Valuation**

By the tax year 2044 (collection year 2045) and following the substantial completion of the Redevelopment Project, the anticipated EAV of the Project Area is estimated at approximately \$15.3 million. The estimate is based on several assumptions, including: 1) redevelopment of the Former School Site will occur within a few years and will be fully assessed in 2024; 2) approximately 60 to 70 town homes will be built on the Former School Site but no other new private developments are assumed to occur in the Project Area; 3) an estimated annual inflation rate in EAV of 2.5 percent through 2044, realized in triennial reassessment years only (7.69 percent per triennial reassessment period); and 5) the most recent state equalization factor of 2.9160 (2019 value) is used in all years to calculate estimated EAV.

## **VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE**

As described in Section III of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the meaningful presence of three conservation area factors, and these factors are reasonably distributed throughout the Project Area. The presence of conservation area factors within the Project Area impairs the value of private investments and threatens the sound growth and tax base of taxing districts. In order to promote a stable economic and physical development of the Project Area it is necessary to remove and eradicate adverse conditions before they lead to decline and deterioration of the area.

The lack of growth and private investment in the Project Area is evidenced by the following:

- An Improved Area that exhibits the presence of three eligibility factors: inadequate utilities, lagging equalized assessed values (EAV) and lack of community planning.
- The limited presence of one additional contributing factor, excessive vacancies that, while limited in its distribution, is evidence of a lack of investment.
- The absence of a sufficient water supply system in the Former School Site.
- The presence of multiple areas of chronic flooding that has not been remedied for many years.
- Inadequate infrastructure that includes a storm sewer system reliant on swales and drainage ditches that are insufficient to fully drain water during and after storm events.

The Project Area qualifies under the Act as a conservation area on the basis that:

- 1) One hundred percent (100%) of the structures in the Project Area are over 35 years of age; and
- 2) The Project Area exhibits the meaningful presence and reasonable distribution of three of the 13 criteria listed in the Act for a conservation area.

Therefore, the Project Area qualifies as eligible under the TIF Act as a redevelopment project area, with conservation area conditions that are detrimental to sound growth of the taxing districts.

The Project Area on the whole would not reasonably be anticipated to be redeveloped in a comprehensive manner that is consistent with the goals of the City without the adoption of this Redevelopment Plan.

## VII. FINANCIAL IMPACT

The Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan and the use of TIF. In the absence of City-sponsored redevelopment initiatives, there is a prospect that conservation area factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will languish or deteriorate, eventually becoming a blighted area. In the absence of City-sponsored redevelopment initiatives, 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.

**Section V** of this Redevelopment Plan describes the comprehensive, area-wide Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be a long-term endeavor over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in privately and publicly-funded new construction of residential developments, public infrastructure, and improvements to the public park, on a scale sufficient to eliminate problem conditions and maintain the area as a highly desirable residential neighborhood.

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 TIF, through the encouragement of new development and redevelopment, can be expected to enhance the assessed value of existing properties in and adjacent to the Project Area, thereby enhancing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts can be expected to benefit from the enhanced tax base that results from the increase in EAV caused by the Redevelopment Projects.

## VIII. FINANCIAL IMPACT ON TAXING DISTRICT SERVICES

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Redevelopment Plan and a description of any program to address such financial impacts or increased demand.

The following major taxing districts presently levy taxes against properties located within the Project Area. Public facilities are illustrated in **Figure 4. Community Facilities Map**.

City of Prospect Heights. The City is responsible for the provision of a range of municipal services, including: police protection; capital improvements and maintenance; sanitation service; building, housing and zoning codes, etc. The redevelopment of underutilized properties with new residential uses may cause a negligible increase in the demand for services and programs provided by the City. Current service levels are expected to be able to accommodate any increase.

Prospect Heights Fire Protection District. Primary services provided by the District include fire protection services, emergency rescue and medical services, and hazardous materials response. The District also provides mutual aid to neighboring communities by providing equipment and personnel for large incidents. The addition of approximately 69 new residential units may cause an increase in the demand for services provided by the fire protection district. Current service levels are expected to be able to accommodate any increase.

Prospect Heights School District 23 and Arlington Heights Township High School District 214. General responsibilities of the school districts include the provision, maintenance and operation of educational facilities and the provision of educational services for pre-school through twelfth grade. School facilities for both districts are outside the Project Area but located within less than two miles of the Project Area.

The construction of 69 new residential units may generate the additional enrollment of approximately 15 students, including 12 public pre-school through elementary school students and 3 public high school students. It is anticipated this increase in school age children is likely to impact existing facilities provided by Prospect Heights School District 23 and Arlington Heights High School Township 214.

The TIF Act requires that, if a residential project receives TIF assistance, a portion of TIF district incremental revenues must be allocated to the school districts based on a formula in the TIF Act and the actual number of school children enrolled in the local public school districts that live in the TIF-assisted residential units. This requirement is an annual requirement until the TIF district expires or is terminated. The City and the two school districts will monitor development in the Project Area to ensure that residents are adequately served and any increased demand for services and capital improvements provided by the Prospect Heights School District 23 and Arlington Heights Township High School District 214 are addressed.

Prospect Heights Park District. General responsibilities include the provision, maintenance and operation of park and recreational facilities throughout the City and for the provision of recreational programs, including for Muir Park, which is located within the Project Area. The Redevelopment Plan calls for the reconfiguration of existing open space and replacement of recreational amenities. Improved and reconfigured recreational facilities in Muir Park are not expected to increase the demand for services, programs and capital improvements provided by the Prospect Heights Park District.

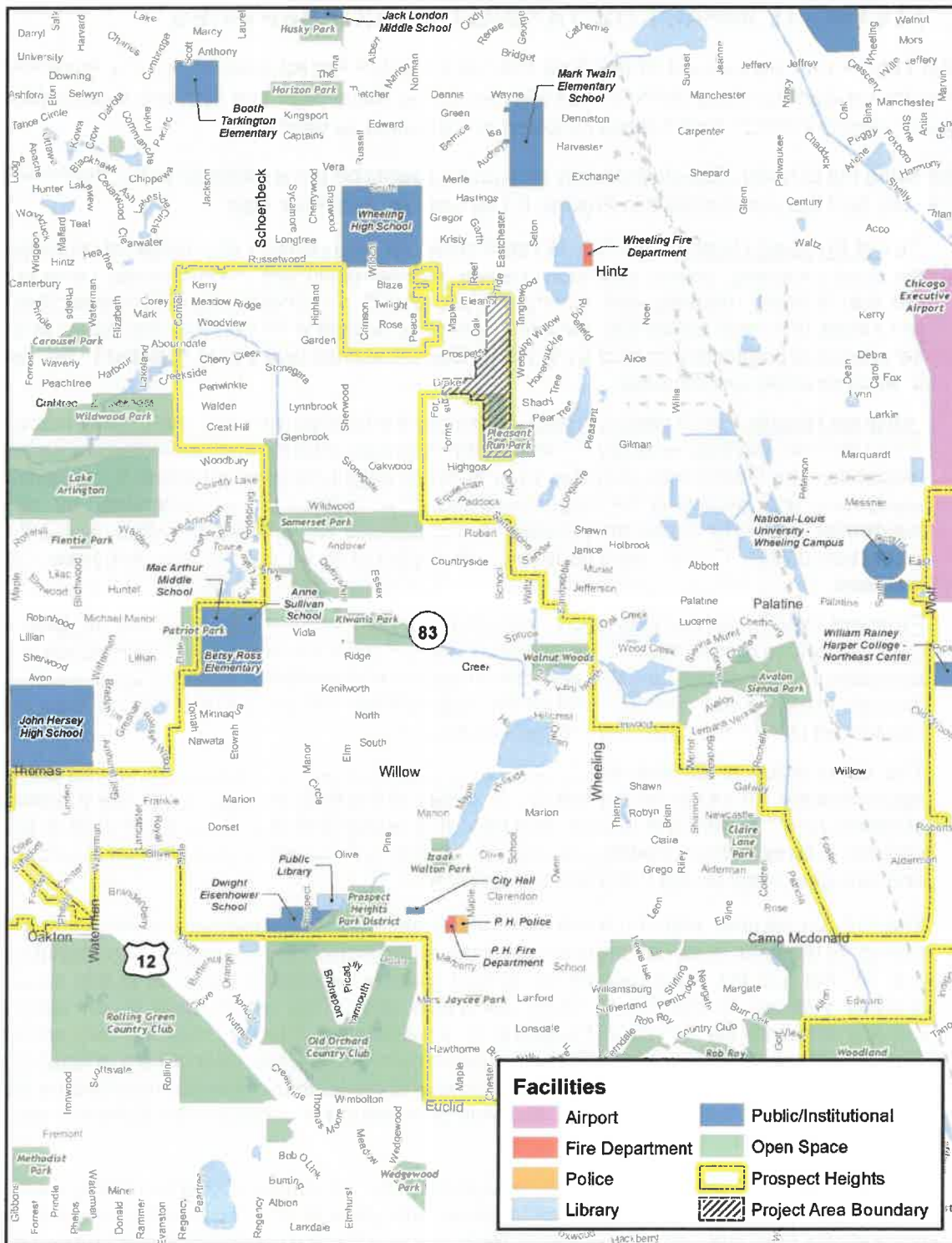


Figure 4. Community Facilities

Other Taxing Districts. It is expected that any increase in demand associated with redevelopment in the Project Area for services and programs provided by the Prospect Heights Public Library system, Harper Community College District 512, Cook County, Cook County Forest Preserve District and Metropolitan Water Reclamation District can be adequately served by existing services and programs maintained and operated by these taxing districts. Therefore, at this time, no special programs are proposed for these taxing districts.

The City intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The City's program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Project occurring as anticipated in this Redevelopment Plan, (ii) the Redevelopment Project resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs; and (iii) the generation of sufficient Incremental Property Taxes to pay for the Redevelopment Project Costs (identified in **Table 1. Estimated Redevelopment Project Costs**). In the event that no redevelopment projects materialize or involves a different scale of development than that currently anticipated, the City may revise its program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

## **IX. CONFORMITY OF THE REDEVELOPMENT PLAN FOR THE PROJECT AREA TO LAND USES APPROVED BY THE PLANNING COMMISSION OF THE CITY**

This Redevelopment Plan and the Redevelopment Project described herein include land uses that have been adopted by the Prospect Heights City Council, as set forth in the Prospect Heights Comprehensive Plan and the relevant Planned Developments.

## **X. PHASING AND SCHEDULING**

A phased implementation strategy may be utilized to achieve comprehensive and coordinated improvements in the Project Area, as well as to allow time for incremental revenues to accumulate.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., December 31, 2045, assuming City Council approval of the Project Area and Redevelopment Plan in 2021).

**XI. PROVISIONS FOR AMENDING THIS REDEVELOPMENT PLAN**

This Redevelopment Plan may be amended pursuant to the Act.

## **XII. COMMITMENT TO FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION PLAN**

The City is committed to and will affirmatively implement the following principles with respect to this Redevelopment Plan:

- A) The assurance of equal opportunity in all personnel and employment actions, with respect to the Redevelopment Project, including, but not limited to hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, or housing status.
- B) This commitment to affirmative action and nondiscrimination will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

### **XIII. HOUSING IMPACT**

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and the City is unable to certify that such displacement will not result from the Redevelopment Plan, the City must prepare a housing impact study and incorporate the study in the redevelopment plan and project.

The Project Area contains 28 residential units. The only redevelopment of new housing will occur on the Former School Site and will not displace any residents.

Based on these plans for the Project Area, the City certifies that no displacement of residents will occur as a result of the Redevelopment Plan. Therefore, a full housing impact study has not been undertaken as part of this Redevelopment Plan.

**EXHIBIT I: 2019 EAV by PIN**

**PROSPECT POINTE/MUIR PARK REDEVELOPMENT PROJECT AREA**

**Exhibit I: 2019 EAV by PIN**

<b>Count</b>	<b>PIN</b>	<b>2019 EAV</b>
1	03-15-200-006-0000	-
2	03-15-202-008-0000	67,340
3	03-15-202-009-0000	72,424
4	03-15-202-010-0000	68,422
5	03-15-202-018-0000	76,666
6	03-15-202-019-0000	53,483
7	03-15-202-020-0000	90,736
8	03-15-203-003-0000	78,422
9	03-15-203-004-0000	114,121
10	03-15-203-005-0000	77,200
11	03-15-203-006-0000	78,422
12	03-15-204-001-0000	68,156
13	03-15-204-002-0000	80,667
14	03-15-204-003-0000	107,460
15	03-15-204-004-0000	72,925
16	03-15-204-005-0000	112,770
17	03-15-204-006-0000	78,422
18	03-15-204-007-0000	78,979
19	03-15-208-007-0000	65,952
20	03-15-208-008-0000	80,903
21	03-15-208-009-0000	84,846
22	03-15-208-010-0000	113,803
23	03-15-208-011-0000	88,800
24	03-15-208-012-0000	96,892
25	03-15-209-001-0000	72,746
26	03-15-209-002-0000	83,398
27	03-15-209-003-0000	102,088
28	03-15-209-004-0000	102,730
29	03-15-209-005-0000	71,396
<b>Total</b>		<b>2,340,169</b>

**Exhibit II. Prospect Pointe/Muir Park Tax Increment Financing Eligibility Report**

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**PROSPECT POINTE/MUIR PARK  
TAX INCREMENT FINANCING  
ELIGIBILITY REPORT**

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City of Prospect Heights, Illinois

December 4, 2020

City of Prospect Heights  
Nicholas J. Helmer, Mayor

Prepared by:  
Johnson Research Group Inc.  
332 South Michigan Avenue, 9<sup>th</sup> Floor  
Chicago, Illinois 60604

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The findings and conclusions presented in this report are based on surveys, documentation, and analyses conducted by Johnson Research Group (“JRG” or the “Consultant”) for the Project Area. The Eligibility Report summarizes the analyses and findings of JRG’s work, which is the responsibility of JRG. The City of Prospect Heights is entitled to rely on the findings and conclusions of this Eligibility Report in designating the Project Area as a redevelopment project area under the Act. JRG has prepared this Eligibility Report and the related redevelopment plan and project with the understanding that the City would rely on (i) the findings and conclusions of this Eligibility Report and the related redevelopment plan, and (ii) the fact that JRG has obtained the necessary information so that the Eligibility Report and related redevelopment plan will comply with the Act. The determination of whether the Project Area qualifies for designation as redevelopment project area based on findings of the area as a conservation area, or a blighted area, or a combination of both, pursuant to the Act is made by the City of Prospect Heights after careful review and consideration of the conclusions contained in this Eligibility Report.

### ***The Project Area***

The Project Area is located approximately 2.0 miles north of the Prospect Heights City Hall building, south of Hintz Road and east of Elmhurst Road. The Project Area contains 29 parcels within six tax blocks, with total land area of approximately 28.5 acres. For purposes of the eligibility analysis, the Project Area has been evaluated on the basis of an improved area consisting of approximately 24.05 acres of improved parcels and 4.45 acres of rights-of-way. The Project Area consists of 29 buildings on 29 parcels. The remainder of the Project Area is dedicated to street rights-of-way.

The Project Area is comprised of residential, educational and public park uses. The largest site in the Project Area is located on the southern half of the Project Area and is occupied by a one story, building of 19,000 square feet. The building was last occupied by a pre-school/day-care facility but has been vacant for four years. South of the former school site is Muir Park which is owned by the Prospect Heights Park District, a portion of which is located within a 100 year flood plain.

North of the park and former school building is a residential subdivision of single-family homes built in the late 1950s and or early 1960s before the City of Prospect Heights was incorporated. Existing land uses in the Project Area are illustrated in **Figure 2, Existing Land Use**.

The southern portion of the Project Area is characterized by a long-vacant and obsolete former pre-school/day-care building. A narrow easement along the western edge of the former school site allows for vehicular access to and parking for Muir Park. The whole southern portion lacks a sufficient water system to serve existing or future uses. The southern area also suffers from the combination of an inadequate and non-functioning stormwater sewer system that relies on outflow to neighboring Wheeling.

Stormwater management issues extend throughout the Project Area. The area was developed before incorporation of the City of Prospect Heights, which occurred in 1976. The Project Area was part of a subdivision platted in 1956 and most of the homes were built in the ensuing years. The subdivision was developed with minimal public utility infrastructure, relying on well water for water supply and sanitary sewer lines at the rear of lots, contrary to modern practice of placing sanitary sewer lines in public rights of way. The area was platted simply for homes without contemporary stormwater requirements that would include detention, topographic grading and drainage plans, and sufficiently sized culverts.

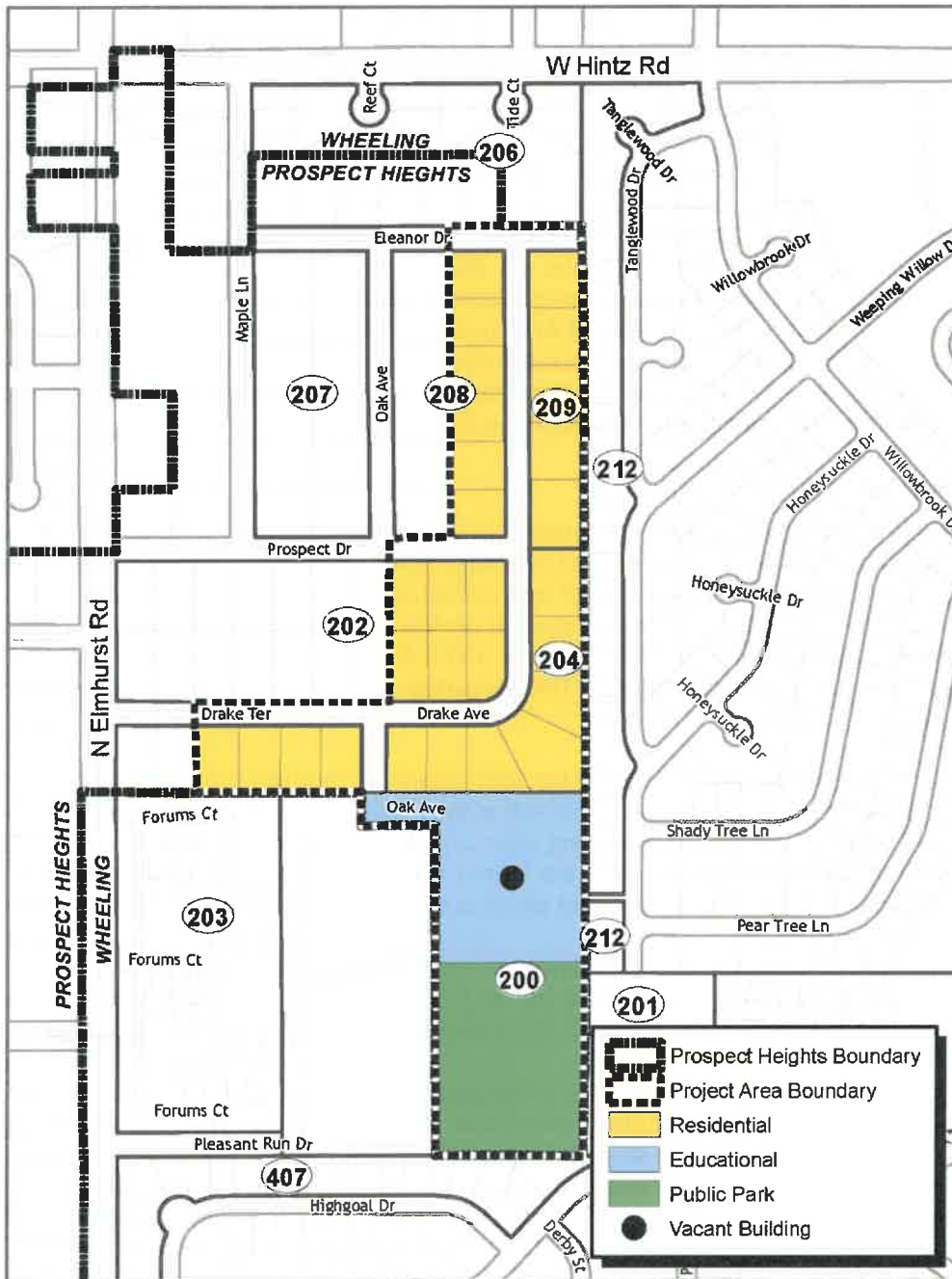


Figure 2. Existing Land Use

As a result, the Project Area overall suffers from chronic flooding and storm water drainage inadequacies prevent rain water from properly draining. The Stormwater management in the Project Area relies on ditches and drainage swales to channel the water away from homes, and then toward a single undersized drainage pipe that flows into the adjacent town of Wheeling. This system is insufficient for modest or larger storm events, and every year there are numerous periods when the water can't drain properly and standing water is consistently present in at least three areas of the Project Area for multiple days, weeks, or even months at a time.

### ***Summary of Project Area Eligibility***

For TIF designation, a redevelopment project area must qualify for classification as a conservation area, a blighted area, or a combination of both blighted and conservation areas as set forth in the Act. Surveys and analyses documented in this report indicate that the Project Area is eligible as an improved conservation area within the requirements of the Act.

The Project Area qualifies as a conservation area under the improved property criteria as set forth in the Act. Specifically, an improved area qualifies as a conservation area if at least 50 percent of the structures in the Project Area are over 35 years old and a combination of 3 or more of 13 conservation area factors listed in the Act are found meaningfully present and reasonably distributed throughout the Project Area.

All of the structures (100 percent) in the Project Area are over 35 years old, and the Project Area qualifies as a conservation area due to the meaningful presence and reasonable distribution throughout the Project Area of the following three factors:

1. Inadequate Utilities
2. Declining or Lagging EAV
3. Lack of Community Planning

One additional factor, Excessive Vacancies, is present to a meaningful extent and negatively impacts the Project Area, but is found in the southern portion of the Project Area so is not considered “reasonably” distributed throughout the Project Area.

Finally, the Project Area includes only real property and improvements that would be substantially benefited by the proposed redevelopment project improvements.

## I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made these key findings in adopting the Act:

1. That there exists in many municipalities within the state blighted and conservation areas;
2. That as a result of the existence of blighted areas and areas requiring conservation, there is an excessive and disproportionate expenditure of public funds, inadequate public and private investment, unmarketability of property, growth in delinquencies and crime, and housing and zoning law violations in such areas together with an abnormal exodus of families and businesses so that the decline of these areas impairs the value of private investments and threatens the sound growth and the tax base of taxing districts in such areas, and threatens the health, safety, morals, and welfare of the public; and
3. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that a prospective redevelopment project qualifies either as a blighted area or as a conservation area within the definitions for each set forth in the Act (Section 11-74.4-3).

Blighted areas are defined as: 1) any improved area in which buildings or improvements are detrimental to the public safety, health or welfare because of a combination of 5 or more of the thirteen (13) improved area eligibility factors set forth in the Act; and 2) any vacant area in which its sound growth is impaired by the presence of one or more of two sets of eligibility criteria set forth in the Act.

Conservation areas are defined in the Act as any improved area in which 50 percent or more the structures have an age of 35 years or more and the improved area exhibits the presence of a combination of 3 or more of the thirteen (13) improved area eligibility factors set forth in the Act. Such an area is not yet a blighted area but if left unchecked, the presence of 3 or more such factors which are detrimental to the public safety, health or welfare, such an area may become a blighted area.

The Prospect Pointe/Muir Park has been evaluated on the basis of an Improved Area under the Conservation Area criteria.

### ***Improved Area Eligibility Criteria***

Section 11-74.4.3 of the Act defines the thirteen (13) eligibility factors for improved areas. To support a designation as a blighted or conservation area each qualifying factor must be: (i) present to a meaningful extent and that presence documented so that the City may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the Project Area.

1. Dilapidation
2. Obsolescence
3. Deterioration
4. Illegal use of individual structures
5. Presence of structures below minimum code standards
6. Excessive vacancies

7. Lack of ventilation, light, or sanitary facilities
8. Inadequate utilities
9. Excessive land coverage and overcrowding of structures and community facilities
10. Deleterious land-use or layout
11. Lack of community planning
12. Environmental remediation costs have been incurred or are required
13. Declining or lagging rate of growth of total equalized assessed valuation

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property in the Project Area.

## II. ELIGIBILITY SURVEY AND ANALYSIS

An analysis was made of each of the factors listed in the Act for conservation areas and blighted areas to determine whether each or any factors are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by JRG included:

1. Exterior survey of the condition and use of all buildings and sites;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences, and general property maintenance;
3. Analysis of the existing uses within the Project Area and their relationships to the surroundings;
4. Review of current land use to current zoning ordinance and the current zoning map;
5. Analysis of platting and current parcel size and layout;
6. Analysis of vacant buildings;
7. Analysis of building floor area and site coverage;
8. Review of previously prepared plans, studies and data;
9. Review and analysis of available Federal Emergency Management Agency maps of flood zones;
10. Analysis of storm, sanitary sewer lines and water supply lines within the Project Area;
11. Analysis of Cook County Assessor records for assessed valuations and equalization factors for tax parcels in the Project Area for assessment years 2013 through 2019; and
12. Review of Cook County Treasurer property tax payment records for collection years 2016, 2017 and 2018.

A statement of findings is presented for each factor listed in the Act. The conditions that exist and the relative extent to which each factor is present are described below.

A factor noted as "**not present**" indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as present to a limited extent indicates that conditions exist that document that the factor is present, but that the distribution or impact of the condition is limited. Finally, a factor noted as present to a meaningful extent indicates that conditions exist which document that the factor is present throughout major portions of the block and that the presence of such conditions have a major adverse impact or influence on adjacent and nearby development.

The following is the summary evaluation of the eligibility factors for the Project Area, presented in the order in which they appear in the Act.

### III. IMPROVED AREA ELIGIBILITY FACTORS

The following is the summary evaluation of the eligibility factors for the Project Area presented in the order in which they appear in the Act.

#### A. Dilapidation

*Section 11-74.4-3 of the Act defines Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.*

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures. The process, standards and criteria were applied in accordance with the Building Conditions Survey Manual. The Building Conditions Survey Manual, with updates to current standards, was developed through decades of field surveys and analysis, providing a consistent method of evaluating buildings necessary for the background findings for the planning profession.

The building condition analysis is based on a thorough exterior inspection of the buildings and sites conducted in February 2020. Structural deficiencies in building components and related environmental deficiencies in the Project Area were noted during the inspections.

#### *Building Components Evaluated*

During the field survey, each component of the buildings in the Project Area was examined to determine whether it was in sound condition or had minor, major, or critical defects. Building components examined were of two types:

##### Primary Structural

These include the basic elements of any building: foundation walls, load-bearing walls and columns, floors, roof and roof structure.

##### Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including exterior and interior stairs, windows and window units, doors and door units, interior walls, porches and steps, chimneys, and gutters and downspouts.

##### Criteria for Classifying Defects for Building Components

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

#### *Building Component Classifications*

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below:

##### Sound

Building components that contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

#### Deficient - Requiring Minor Repair

Building components containing defects (loose or missing material or holes and cracks over a limited area) which often may be corrected through the course of normal maintenance. Minor defects have no real effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

#### Deficient - Requiring Major Repair

Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components by people skilled in the building trades.

#### Critical

Building components that contain major defects (bowing, sagging, or settling to any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the cost of repair would be excessive.

#### *Final Building Rating*

After completion of the exterior-interior building condition survey, each structure was placed in one of four categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below:

#### Sound

Sound buildings can be kept in a standard condition with normal maintenance. Buildings so classified have no minor defects.

#### Deficient

Deficient buildings contain defects that collectively are not easily correctable and cannot be accomplished in the course of normal maintenance. The classification of major or minor reflects the degree or extent of defects found during the survey of the building.

*Minor* -- one or more minor defect, but no major defect.

*Major* -- one or more major defects in one of the primary components or in the combined secondary components, but no critical defect.

#### Substandard

Structurally substandard buildings contain defects that are so serious and so extensive that the building must be removed or major components substantially repaired and/or replaced. Buildings classified as structurally substandard have two or more major defects. Dilapidation is evidenced by critical defects in building components including exterior walls, roof, foundations, windows, doors, porches and steps that are visible from the exterior.

"Minor deficient" and "major deficient" buildings are considered to be the same as "deteriorating" buildings as referenced in the Act; "substandard" buildings are the same as "dilapidated" buildings. The words "building" and "structure" are presumed to be interchangeable.

#### *Exterior Survey*

The conditions of the buildings within the Project Area were determined based on observable components. JRG conducted an exterior survey of each building within the Project Area to

determine its condition. There are no dilapidated buildings in the Project Area. Of the 25 buildings in the Project Area:

- 28 buildings (96%) were classified as structurally sound;
- 1 building (4%) was classified as minor deficient (deteriorating);
- 0 buildings (0%) were classified as major deficient (deteriorating); and
- 0 buildings (0%) were classified as structurally substandard (dilapidated).

*Conclusion: Dilapidation (structurally substandard buildings) as a factor is not present in the Project Area.*

## **B. Obsolescence**

*Section 11-74.4-3 of the Act defines Obsolescence: The condition or process of falling into disuse. Structures have become ill suited for the original use.*

In making findings with respect to buildings, it is important to distinguish between *functional obsolescence*, which relates to the physical utility of a structure, and *economic obsolescence*, which relates to a property's ability to compete in the market place.

### Functional Obsolescence

Historically, structures have been built for specific uses or purposes. The design, location, height, and space arrangement are intended for a specific occupant at a given time. Buildings become obsolete when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

### Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values.

If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

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 evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of obsolescence may include inadequate utility capacities, outdated building designs, etc.

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

### ***Obsolete Building Types***

Obsolete buildings contain characteristics or deficiencies that limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

The former school building was built for elementary school use in 1967 in an unconventional, three hexagonal pod design utilizing all electric mechanicals. After less than two decades, this unconventional design and construction became obsolete for its original use as an elementary

school and was sold for use as a pre-school/day-care facility. The building is costly to maintain and requires upkeep that outsize its productive use as a day care facility resulting in the permanent closure of the pre-school/day-care facility in 2016. The obsolescence of the building is evidenced by four years on the market without interest for purchase or lease in its current state.

Obsolescence is present in one (1) of the 29 structures and in the largest of the six improved tax blocks in the Project Area. This building is the largest structure and the only non-residential building in the area. This structure is characterized by conditions that limit its efficient or economic use according to contemporary standards.

*Conclusion: The analysis indicates that obsolescence is present to a meaningful extent but is not reasonably distributed throughout the Project Area and thus is not a supporting factor for Project Area eligibility.*

### **C. Deterioration**

*Section 11-74.4-3 of the Act defines Deterioration: With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.*

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

#### ***Deterioration of Buildings***

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." Only one of the 29 buildings within the Project Area is classified as deteriorating. This former school building suffers from cracked, loose or falling bricks, deteriorating doors, and deteriorating site improvements such as the long roundabout driveway. Although this is the largest building in the Project Area, its minor deterioration does not constitute a major impact on the Project Area overall.

*Conclusion: Deterioration is present to a limited extent in 1 of the 6 tax blocks and is not reasonably distributed throughout the Project Area. This factor is not a supporting factor for Project Area eligibility.*

### **D. Presence of Structures Below Minimum Code Standards**

*Section 11-74.4-3 of the Act defines the Presence of structures below minimum code standards: All structures that do not meet the standards of zoning, subdivision, building, fire, and other*

governmental codes applicable to property, but not including housing and property maintenance codes.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

*Conclusion: Structures below minimum code standards has not been documented in the Project Area. Therefore, the factor of structures below minimum code standards is not a supporting factor for Project Area eligibility.*

#### **E. Illegal Use of Individual Structures**

Section 11-74.4-3 of the Act defines illegal use of individual structures: *The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.*

*Conclusion: No condition pertaining to illegal uses of individual structures has been documented as part of the exterior surveys and analyses undertaken within the Project Area. This factor is not a supporting factor for Project Area eligibility.*

#### **F. Excessive Vacancies**

Section 11-74.4-3 of the Act defines excessive vacancies: *The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent, or duration of the vacancies.*

Vacancy is present in the former school building in the southern part of the Project Area. This building is 100 percent vacant and has not been occupied since at least 2016 (four years ago). The long-term vacant status of this building presents a negative influence on the Project Area overall, but as it is located in only one portion of the Project Area, it is not considered to be distributed throughout the Project Area.

*Conclusion: Excessive vacancies as a factor is present to a meaningful extent in 1 of the 6 tax blocks but is not reasonably distributed throughout the Project Area. This factor is not a supporting factor for Project Area eligibility.*

#### **G. Lack of Ventilation, Light, or Sanitary Facilities**

Section 11-74.4-3 of the Act defines lack of ventilation, light, or sanitary facilities: *The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*

*Conclusion: No condition pertaining to a lack of ventilation, light, or sanitary facilities has been documented as part of the exterior surveys and analyses undertaken within the Project Area. This factor is not a supporting factor for Project Area eligibility.*

## H. Inadequate Utilities

Section 11-74.4-3 of the Act defines inadequate utilities: *Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.*

There are two major deficiencies in the Project Area's existing utilities: an inadequate storm sewer system throughout the Project Area, and the lack of access to a sufficiently sized water supply system in the southern portion of the Project Area.

**Inadequate storm sewer system.** Investigations conducted by Haeger Engineering LLC, and reviewed and confirmed by the City's engineering consultant, Gewalt Hamilton Associates, Inc., revealed that the existing storm sewer system consists of a one primary sewer line crossing through Muir Park to an undersized pipe outflowing to Wheeling. Haeger Engineering found a very old clay drainage tile flowing northward with markers indicating a connection to Hintz Road but truncated within 10 feet. Furthermore, the clay tile is broken and no longer functions properly. Stormwater management consists mainly of ditches and swales to direct water drainage, with some localized efforts installed on an ad hoc basis over several decades. The localized additions only serve individual parcels and have not successfully mitigated the overall problem of chronic flooding in the Project Area. Every year the City staff receive numerous complaints of poor

drainage resulting in standing water in consistent locations in the Project Area. These persistent problem areas are indicated in **Figure 3. Inadequate Utilities**, and principally create a nuisance for property owners and unsightly condition at times of standing water, but have not yet resulted in damage to the residential structures.

**Lack of sufficient water supply system.** The former school site and Muir Park, in the southern portion of the Project Area, suffer from an outdated and insufficiently sized potable water supply system. Any redevelopment of the former school site would require providing access to a modern water supply system sufficiently sized to serve the new development, the cost of which is prohibitive. Consequently, this condition serves as a major impediment to redevelopment of the site. Additionally, any major improvements to Muir Park, such as provision of public drinking fountains, would not be possible without connection to a comprehensive water system.

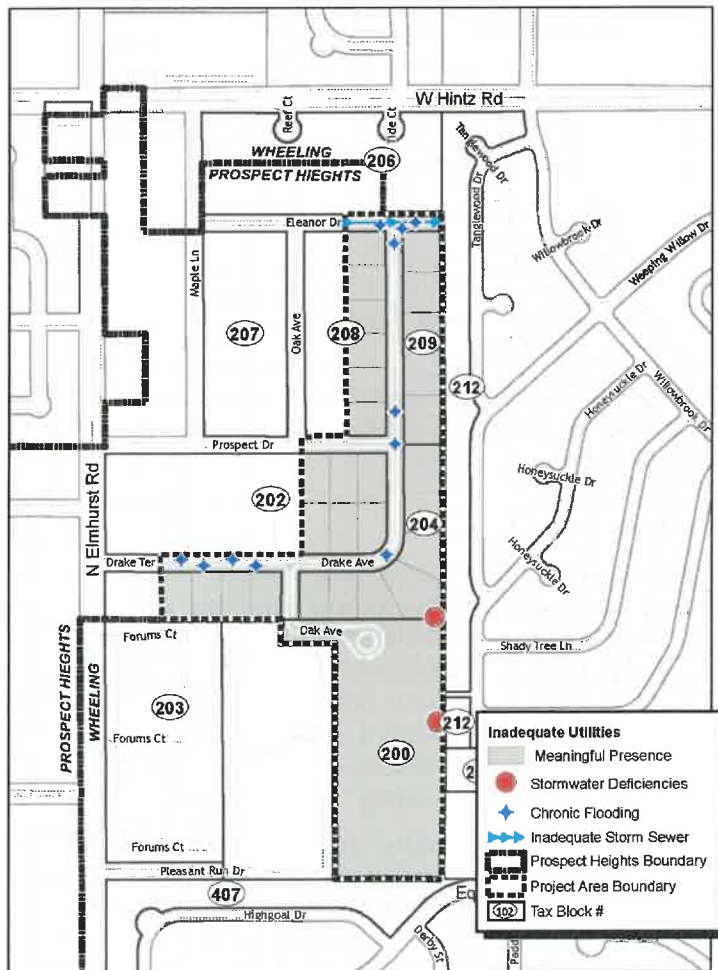


Figure 3. Inadequate Utilities

Overall, the Project Area suffers from i) an inadequate storm water drainage system that fails to properly drain water from storm events, and ii) lack of access to an adequate potable water supply system. The condition of inadequate utilities is present throughout all portions of the Project Area and presents a negative impact upon all properties in the Project Area, as well as adjacent properties.

*Conclusion: Inadequate Utilities, as a factor, is present to a meaningful extent in all 6 tax blocks in the Project Area and is present to a meaningful extent and reasonably distributed throughout the Project Area.*

#### **I. Excessive Land Coverage & Overcrowding of Structures and Community Facilities**

*Section 11-74.4-3 of the Act defines excessive land coverage and overcrowding of structures and community facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonable required off-street parking, or inadequate provision for loading and service.*

Excessive land coverage and overcrowding of structures and community facilities is not found to be present in the Project Area.

*Conclusion: Excessive land coverage and overcrowding of structures and community facilities is not present in the Project Area, and therefore is not a supporting factor for Project Area eligibility.*

#### **J. Deleterious Land Use or Layout**

*Section 11-74.4-3 of the Act defines deleterious land-use or layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*

The Project Area contains no buildings where incompatible land uses are present. Therefore, this factor is not present in the Project Area.

*Conclusion: Deleterious land-use or layout has not been documented as present in the Project Area. Consequently this factor is not a supporting factor for Project Area eligibility.*

#### **K. Lack of Community Planning**

*Section 11-74.4-3 of the Act defines lack of community planning: The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.*

In 1935, a development of six two story bungalows along Elmhurst Road in what was unincorporated Cook County became the first residential subdivision within the area that would

become Prospect Heights. A small group of homeowners formed the Prospect Heights Improvement Association (PHIA) to provide social and governmental needs. Within 20 years, there were 600 homes. The area remained unincorporated for many years after neighboring communities of Arlington Heights, Wheeling, and Mount Prospect had formed formal governments, incorporating as municipalities in 1887, 1894, and 1917, respectively. Previous proposals for incorporation failed until additional growth became too much for the PHIA to manage. Under increasing threat of annexation by neighboring towns, the area finally incorporated as a city in 1976.

The Project Area was platted for subdivision in 1956 in the midst of the post-World War II building boom while the area was still in unincorporated Cook County. The homes were built without the benefit of a comprehensive plan or development guidelines for the community as a whole. The residential subdivision was designed with limited systemwide infrastructure systems that did not include a comprehensive water supply system or adequate stormwater infrastructure. Potable water sources must be provided through individual wells on the north and are completely lacking on the south. Stormwater is addressed through ditches and culverts. Development regulations prior to Prospect Heights incorporation lacked oversight and localized controls for effective stormwater drainage, detention and grading. Sanitary sewer lines are the only utility connected to the municipal system and are located in the rear yards of private properties, creating inefficiencies and more difficulties for public maintenance. The absence of comprehensive infrastructure systems now result in inordinate costs and burdens on the public sector to address chronic flooding and has contributed to the unmarketability of the former school site.

In addition to insufficient planning for utilities, the street layout did not adequately plan for proper access to the school and Muir Park site on the south end of the Project Area. The park is not accessible from the public way without an easement across the adjacent private property immediately north. The late incorporation of Prospect Heights, particularly in relation to neighboring Wheeling, has prevented proper accessibility, as well as proper ingress and egress, to Muir Park.

*Conclusion: Lack of community planning has been documented as meaningfully present and reasonably distributed throughout the Project Area.*

#### **L. Environmental Remediation**

*Section 11-74.4-3 of the Act defines environmental remediation: The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.*

*Conclusion: No condition pertaining to a need for environmental remediation has been documented as part of the surveys and analyses undertaken within the Project Area. Therefore, this factor is not a supporting factor for Project Area eligibility.*

#### **M. Declining or Lagging Equalized Assessed Valuation**

*Section 11-74.4-3 of the Act defines declining or lagging equalized assessed valuation: The total equalized assessed value of the proposed redevelopment project area has declined 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 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.

Over the period from 2014 to 2019, the growth rate of the total equalized assessed valuation (EAV) of the Project Area has lagged behind that of the Consumer Price Index for all Urban Consumers published by the U.S. Department of Labor, in three of those years. These figures are shown below in **Table 1. Growth of Project Area vs. Consumer Price Index (CPI)**.

**Table 1. Growth of Project Area vs. Consumer Price Index**

Year	Total EAV – Project Area <sup>[1]</sup>	Percent Change <sup>[2]</sup>	U.S. Consumer Price Index <sup>[3]</sup>	Percent Change	Project Area growing at a rate less than the CPI?
2014	1,905,800		234.812		
2015	1,845,353	-3.17%	236.525	0.7%	YES
2016	2,243,075	21.55%	241.432	2.1%	NO
2017	2,224,510	-0.83%	246.524	2.1%	YES
2018	2,225,653	0.05%	251.233	1.9%	YES
2019	2,340,169	5.15%	256.974	2.3%	NO

[1] 2014 to 2019 is the most recent five-year period for which EAV data is available for the Project Area.

[2] Percent Change reflects the annual growth in EAV from the prior year (e.g. 5.15% change in Project Area EAV for Year 2019 represents the growth in EAV from 2018 to 2019).

[3] December value of US CPI for All Urban consumers (per the U.S. Department of Labor).

**Conclusion:** Declining or Lagging Equalized Assessed Valuation as a factor is present to a meaningful extent and reasonably distributed throughout the Project Area.

## N. Summary of Project Area Criteria

The Project Area exhibits the presence of 3 of the 13 factors listed in the Act for qualification as a conservation area. These factors include:

- Inadequate Utilities
- Declining or Lagging EAV
- Lack of Community Planning

Each of these factors is present to a meaningful extent and reasonably distributed throughout the Project Area.

#### **IV. DETERMINATION OF PROJECT AREA ELIGIBILITY**

The Project Area meets the requirements of the Act for designation as an improved conservation area.

***Conservation Area:***

At least 50 percent of the Project Area's structures must be 35 years old or more, and the meaningful presence and reasonable distribution of 3 of the 13 factors set forth in the Act are required for an improved area to qualify for designation as a conservation area. The analysis of the Project Area found that 100 percent of the structures are over 35 years old and a meaningful presence and a reasonable distribution of three (3) factors throughout the Project Area, including:

1. Inadequate Utilities
2. Declining or Lagging EAV
3. Lack of Community Planning

The eligibility findings presented in this report indicate that the Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. The Project Area contains properties and public land areas that are negatively impacted by the presence of the conservation area factors described above. The meaningful presence and distribution of these factors throughout the Project Area indicate that the Project Area as a whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without public action.

**ORDINANCE No. O-21-04**

**AN ORDINANCE OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS, DESIGNATING THE PROSPECT POINTE/MUIR PARK PROJECT AREA AS A REDEVELOPMENT PROJECT AREA PURSUANT TO THE TAX INCREMENT ALLOCATION REDEVELOPMENT ACT**

---

**WHEREAS**, the City of Prospect Heights, Cook County (the “City”) is an Illinois Municipal Corporation pursuant to the Illinois Constitution of 1970 and the Statutes of the State of Illinois; and

**WHEREAS**, it is desirable and in the best interest of the citizens of the City to implement tax increment allocation financing (“Tax Increment Allocation Financing”) pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et. seq.*, as amended (the "Act"), for a proposed redevelopment project area to be known as the Prospect Pointe/Muir Park Redevelopment Project Area (the "Area") described in Section 2 of this Ordinance, to be redeveloped pursuant to a proposed redevelopment plan and project (the "Plan"); and

**WHEREAS**, by authority of the City Council and pursuant to Section 5/11-74.4-5(a) of the Act, the City established an Interested Parties Registry and, on December 18, 2020, published in a newspaper of general circulation within the City a notice that interested persons may register in order to receive information on the proposed designation of the Area or the approval of the Plan; and

**WHEREAS**, the Plan (including the related eligibility report attached thereto) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act December 4, 2020, being a date not less than 10 days before the public meeting of the City Council, at which meeting the City Council adopted Resolution R-20-35 on December 14, 2020 fixing the time and place for a public hearing ("Hearing"), via Zoom conference; and

**WHEREAS**, pursuant to Section 5/11-74.4-5(a) of the Act, notice of the availability of the Plan (including the related eligibility report attached thereto) was sent by mail on December 28, 2020, which is within a reasonable time after the adoption by the City Council of Resolution R-20-35 to: (a) all residential addresses that, after a good faith effort, were determined to be (i) located within the Area and (ii) located within 750 feet of the boundaries of the Area; and (b) organizations and residents that were registered interested parties for such Area; and

**WHEREAS**, due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on December 16, 2020, by publication in the Daily Herald on [REDACTED], 2021, and by certified mail to taxpayers within the Area on [REDACTED], 2021; and

**WHEREAS**, a meeting of the Joint Review Board (the "JRB") established pursuant to Section 5/11-74.4-5(b) of the Act was convened upon the provision of due notice on January 7, 2021 at 2:00 p.m., to review the matters properly coming before the JRB and to allow it to provide its advisory recommendation regarding the approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area, and other matters, if any, properly before it; and

**WHEREAS**, the JRB did not issue a recommendation / has forwarded to the City Council a copy of its recommendation, recommending to the City Council approval of the Plan, among other related matters; and

**WHEREAS**, pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the City Council held the Hearing concerning approval of the Plan, designation of the Area as a redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on February 10, 2021; and

**WHEREAS**, the City Council has reviewed the Plan, testimony from the Public Hearing, the recommendation of the JRB, **if any**, and such other matters or studies as the City Council have deemed necessary or appropriate to make the findings set forth herein, and are generally informed of the conditions existing in the Area; and

**WHEREAS**, the City Council has heretofore approved the Plan, which was identified in **O-21-03** “AN ORDINANCE APPROVING A REDEVELOPMENT PLAN FOR THE PROSPECT POINTE/MUIR PARK REDEVELOPMENT AREA PLAN AND PROJECT WITHIN THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS”; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS:**

**SECTION ONE.** The City Council hereby finds and determines that the facts and statements set forth in the above recitals are true and correct and are to be incorporated herein and made a part hereof.

**SECTION TWO.** The Area is legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. A map of the Area boundary is depicted in Exhibit C attached hereto and incorporated herein.

**SECTION THREE.** The City Council hereby make the following findings as required pursuant to Section 5/11-74.4-3(n) of the Act:

- a. The Area includes only those contiguous parcels of real property and improvements thereon that are to be substantially benefitted by proposed Plan improvements, as required pursuant to Section 5/11-74.4-4(a) of the Act;
- b. As required pursuant to Section 5/11-74.4-3(p) of the Act:
  - (i) The Area is not less, in the aggregate, than one and one-half acres in size; and
  - (ii) Conditions exist in the Area that cause the Area to qualify for designation as a

redevelopment project area and a conservation area as defined in the Act;

c. The Area is qualified as a "conservation area," with the combination of the factors necessary to qualify the Area as a redevelopment project area on that basis is detrimental to the public health, safety, morals or welfare, and the Area may become a blighted area.

**SECTION FOUR.** The Area is hereby designated as a redevelopment project area pursuant to Section 5/11-74.4-4 of the Act.

**SECTION FIVE.** That if any part or parts of this Ordinance shall be held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity of the remaining parts of this Ordinance. The City Council hereby declare that they would have passed the remaining parts of this Ordinance if they had known that such part of parts thereof would be declared invalid or unenforceable.

**SECTION SIX.** All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

**SECTION SEVEN.** The City Clerk of the City of Prospect Heights is directed hereby to publish this Ordinance in pamphlet form.

**SECTION EIGHT.** That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

List of Attachments

- Exhibit A: Legal description of the Area
- Exhibit B: Common boundary/street location of the Area
- Exhibit C: Map of the Area

**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

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Nicholas J. Helmer, Mayor

ATTEST:

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City Clerk

**AYES:**

**NAYS:**

**ABSENT:**

Published in pamphlet form \_\_\_\_\_, 2021

DRAFT

EXHIBIT A

Please ensure this legal description complies with the description in the most recent Plan on file with the Clerk

THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER AND WEST HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 15, TOWNSHIP 42, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

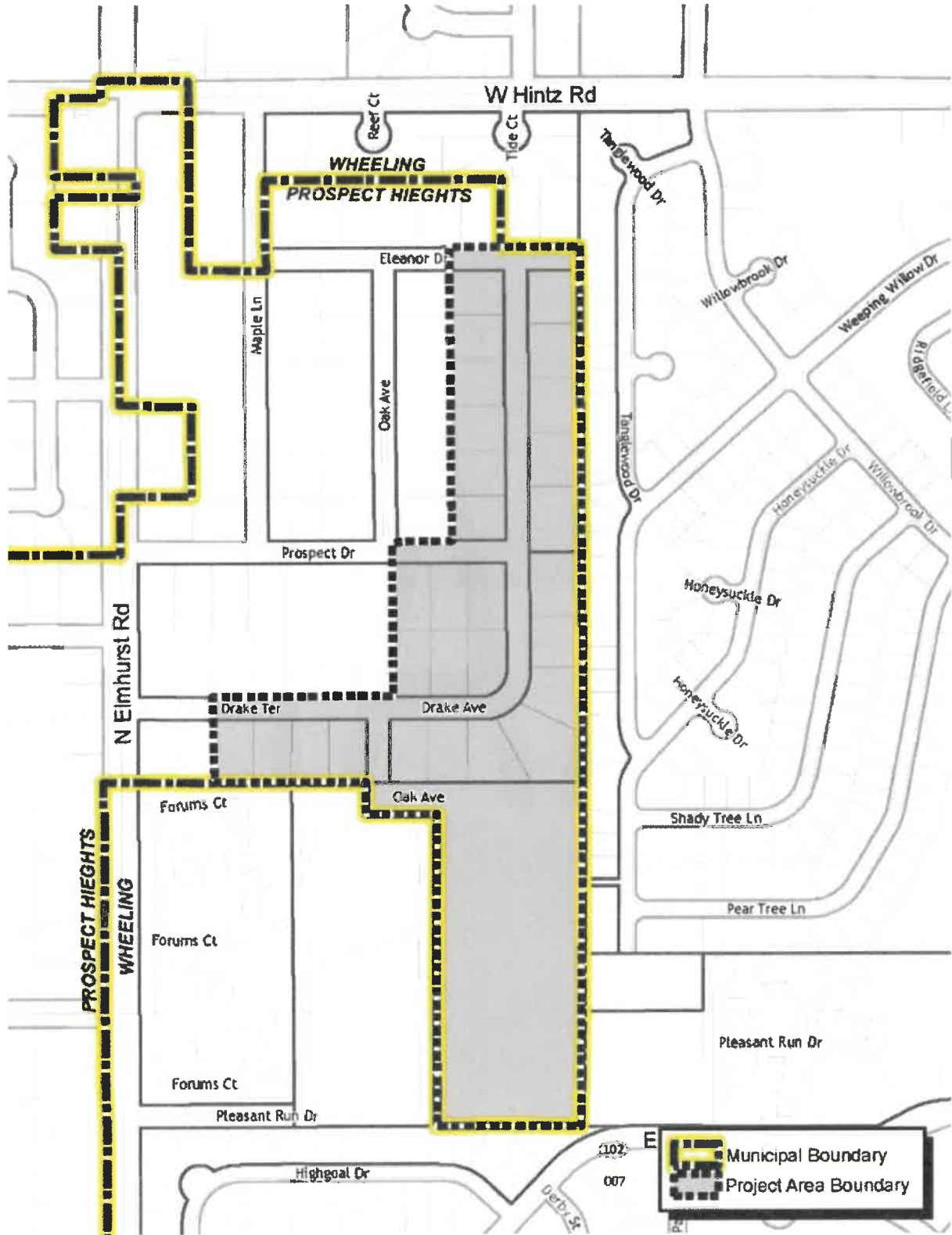
BEGINNING AT THE INTERSECTION OF THE WEST LINE OF OAK AVENUE AND THE SOUTH LINE OF DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS, BEING A SUBDIVISION PER DOCUMENT 16245157; THENCE WEST ALONG SAID SOUTH LINE TO THE WEST LINE OF LOT 3 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE AND NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF DRAKE TERRACE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINE AND EXTENSIONS THEREOF OF LOT 16 AND LOT 31 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF PROSPECT DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINES AND EXTENSIONS THEREOF OF LOTS 47 THRU 52 IN GLENDRAKE, BEING A SUBDIVISION PER DOCUMENT 16632601; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF ELEANOR DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE EAST LINE OF SAID WEST HALF OF NORTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF SAID WEST HALF OF THE SOUTHEAST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF SAID WEST HALF OF SAID SOUTHEAST QUARTER TO THE NORTH LINE OF POLO RUN UNIT TWO, BEING A SUBDIVISION PER DOCUMENT 86110531; THENCE WEST ALONG SAID NORTH LINE TO THE EAST LINE OF PLEASANT RUN SUBDIVISION, BEING A SUBDIVISION PER DOCUMENT 21809018; THENCE NORTHERLY AND WESTERLY ALONG SAID EAST LINE TO THE SOUTH LINE OF AFORESAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS AND POINT OF BEGINNING, ALL IN COOK COUNTY ILLINOIS.

## EXHIBIT B

**COMMON BOUNDARY DESCRIPTION:** The Prospect Pointe/Muir Park Area is generally bounded by Eleanor Drive on the north, 100 feet east of Drake Terrace on the east, Oak Avenue and 210 feet east of Illinois Route 83/Elmhurst Road on the west, and the southern boundary of Muir Park on the south in Prospect Heights, Illinois.

DRAFT

EXHIBIT C



**ORDINANCE No. O-21-05**

**AN ORDINANCE ADOPTING TAX INCREMENT ALLOCATION FINANCING FOR THE PROSPECT POINTE/MUIR PARK REDEVELOPMENT AREA WITHIN THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS**

---

**WHEREAS**, the City of Prospect Heights, Cook County (the "City") is an Illinois Municipal Corporation pursuant to the Illinois Constitution of 1970 and the Statutes of the State of Illinois; and

**WHEREAS**, it is desirable and in the best interest of the citizens of the City to implement tax increment allocation financing ("Tax Increment Allocation Financing") pursuant to the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et. seq.*, as amended (the "Act"), for a proposed redevelopment project area to be known as the Prospect Pointe/Muir Park Redevelopment Project Area (the "Area") described in Section 2 of this Ordinance, to be redeveloped pursuant to a proposed redevelopment plan and (the "Plan"); and

**WHEREAS**, the Plan (including the related eligibility report attached thereto) was made available for public inspection and review pursuant to Section 5/11-74.4-5(a) of the Act December 4, 2020, being a date not less than 10 days before the public meeting of the City Council, at which meeting the City Council adopted Resolution R-20-35 on December 14, 2020 fixing the time and place for a public hearing ("Hearing"), via Zoom conference; and

**WHEREAS**, due notice of the Hearing was given pursuant to Section 5/11-74.4-6 of the Act, said notice being given to all taxing districts having property within the Area and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on December 16, 2020, by publication in the Daily Herald on [REDACTED], 2021, and by certified mail to taxpayers within the Area on [REDACTED], 2021; and

**WHEREAS**, pursuant to Sections 5/11-74.4-4 and 5/11-74.4-5 of the Act, the City Council held the Hearing concerning approval of the Plan, designation of the Area as a

redevelopment project area pursuant to the Act and adoption of Tax Increment Allocation Financing within the Area pursuant to the Act on February 10, 2021; and

**WHEREAS**, as required by the Act, the City Council has heretofore approved the Plan, which was identified in **O-21-03** “AN ORDINANCE APPROVING A REDEVELOPMENT PLAN FOR THE PROSPECT POINTE/MUIR PARK REDEVELOPMENT AREA PLAN AND PROJECT WITHIN THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS,” and has heretofore designated the Area as a redevelopment project are by passage of **O-21-04** “AN ORDINANCE OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS, DESIGNATING THE PROSPECT POINTE/MUIR PARK PROJECT AREA AS A REDEVELOPMENT PROJECT AREA PURSUANT TO THE TAX INCREMENT ALLOCATION REDEVELOPMENT ACT” and has otherwise complied with all other conditions precedent required by the Act; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PROSPECT HEIGHTS, COOK COUNTY, ILLINOIS:**

**SECTION ONE.** The City Council hereby finds and determines that the facts and statements set forth in the above recitals are true and correct and are to be incorporated herein and made a part hereof.

**SECTION TWO.** Tax Increment Allocation Financing is hereby adopted pursuant to Section 5/11-74.4-8 of the Act to finance redevelopment project costs as defined in the Act and as set forth in the Plan within the Area legally described in Exhibit A attached hereto and incorporated herein. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein. The map of the Area is depicted in Exhibit C attached hereto and incorporated herein.

**SECTION THREE.** Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the

manner provided in Section 5/11-74.4-9(c) of the Act each year after the effective date of this ordinance until redevelopment project costs and all municipal obligations financing redevelopment project costs incurred under the Act have been paid, shall be divided as follows:

a. That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to, and when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of Tax Increment Allocation Financing; and

b. That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to, and when collected, shall be paid to the City Treasurer or their designee who shall deposit said taxes into a special fund, hereby created, and designated the "Prospect Pointe/Muir Park Tax Allocation Fund" *(please ensure this name corresponds to the name the City has given or will give to the fund)* of the City for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof.

**SECTION FOUR.** That the City shall obtain and utilize incremental taxes from the Redevelopment Project Area for the payment of redevelopment project costs and all City obligations financing redevelopment project costs in accordance with the provisions of the TIF Act and the Final TIF Plan.

**SECTION FIVE.** That if any part or parts of this Ordinance shall be held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity or unenforceability

shall not affect the validity of the remaining parts of this Ordinance. The City Council hereby declare that they would have passed the remaining parts of this Ordinance if they had known that such part of parts thereof would be declared invalid or unenforceable.

**SECTION FIVE.** All ordinances, resolutions, motions or orders in conflict with this Ordinance are hereby repealed to the extent of such conflict.

**SECTION SIX.** The City Clerk of the City of Prospect Heights is directed hereby to publish this Ordinance in pamphlet form.

**SECTION SEVEN.** That this Ordinance shall be in full force and effect from and after its passage and approval as provided by law.

List of Attachments

- Exhibit A: Legal description of the Area
- Exhibit B: Common boundary/street location of the Area
- Exhibit C: Map of the Area

**PASSED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

**APPROVED** this \_\_\_\_\_ day of \_\_\_\_\_, 2021

\_\_\_\_\_  
Nicholas J. Helmer, Mayor

ATTEST:

\_\_\_\_\_

City Clerk

**AYES:**

**NAYS:**

**ABSENT:**

Published in pamphlet form: \_\_\_\_\_, 2021

EXHIBIT A

Please ensure this legal description complies with the description in the most recent Plan on file with the Clerk

THAT PART OF THE WEST HALF OF THE NORTHEAST QUARTER AND WEST HALF OF THE SOUTHEAST QUARTER, ALL IN SECTION 15, TOWNSHIP 42, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF OAK AVENUE AND THE SOUTH LINE OF DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS, BEING A SUBDIVISION PER DOCUMENT 16245157; THENCE WEST ALONG SAID SOUTH LINE TO THE WEST LINE OF LOT 3 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE AND NORTHERLY EXTENSION THEREOF TO THE NORTH LINE OF DRAKE TERRACE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINE AND EXTENSIONS THEREOF OF LOT 16 AND LOT 31 IN SAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF PROSPECT DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE WEST LINES AND EXTENSIONS THEREOF OF LOTS 47 THRU 52 IN GLENDRAKE, BEING A SUBDIVISION PER DOCUMENT 16632601; THENCE NORTH ALONG SAID WEST LINE TO THE NORTH LINE OF ELEANOR DRIVE; THENCE EAST ALONG SAID NORTH LINE TO THE EAST LINE OF SAID WEST HALF OF NORTHEAST QUARTER; THENCE SOUTH ALONG SAID EAST LINE TO THE NORTH LINE OF SAID WEST HALF OF THE SOUTHEAST QUARTER; THENCE SOUTH ALONG THE EAST LINE OF SAID WEST HALF OF SAID SOUTHEAST QUARTER TO THE NORTH LINE OF POLO RUN UNIT TWO, BEING A SUBDIVISION PER DOCUMENT 86110531; THENCE WEST ALONG SAID NORTH LINE TO THE EAST LINE OF PLEASANT RUN SUBDIVISION, BEING A SUBDIVISION PER DOCUMENT 21809018; THENCE NORTHERLY AND WESTERLY ALONG SAID EAST LINE TO THE SOUTH LINE OF AFORESAID DRAKE'S FIRST ADDITION TO PROSPECT HEIGHTS AND POINT OF BEGINNING, ALL IN COOK COUNTY ILLINOIS.

## EXHIBIT B

**COMMON BOUNDARY DESCRIPTION:** The Prospect Pointe/Muir Park Area is generally bounded by Eleanor Drive on the north, 100 feet east of Drake Terrace on the east, Oak Avenue and 210 feet east of Illinois Route 83/Elmhurst Road on the west, and the southern boundary of Muir Park on the south in Prospect Heights, Illinois.

DRAFT

EXHIBIT C

