



***VILLAGE OF CRETE
AMENDED TIF REDEVELOPMENT PLAN
TO TIF DISTRICT NO. 2***

“Redevelopment plan” means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a “conservation area” and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended.

Prepared by the Village of Crete, Illinois

in conjunction with

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I. INTRODUCTION

In 1993, the Village of Crete (the “Village”) adopted the TIF District No. 2 Redevelopment Plan and Project (the “Original TIF Plan,” or “Original Redevelopment Project Area (RPA)”), attached as Exhibit 6. In 2016, the Original RPA was amended (TIF No. 2 Amendment #1) which granted a twelve (12) year term extension by the Illinois Legislature.

The purpose of this Plan and Project is to update and amend the Original TIF Plan primarily by adding several properties, of approximately thirty-four (34) tax parcels, to the TIF District. The sites are contiguous to the Original TIF District. A secondary goal is to update the Original TIF Plan to reflect the changes to the TIF District boundaries. A tertiary goal in to updating the Original TIF Plan is to reflect the current visions and goals of the Village in conformance with the Village of Crete Comprehensive Plan (2016). The Village is pursuing the proposed update as part of its strategy to promote the continued revitalization of certain key under-utilized properties located on Main Street and within the downtown business district. The termination of proposed amendment to TIF District No. 2 will be on track with the termination date of the Original TIF Plan and Amendment No. 1.

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village to assist the Village in drafting this update to the original Plan.

TIF Plan Requirements. The Village prepared this Plan as required by the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq., as amended (the “Act” or the “TIF Act”). To establish a TIF district an Illinois municipality must adopt several documents, including a TIF Redevelopment Plan and for the proposed TIF district and an Eligibility Report analyzing whether the area proposed for the TIF district qualifies as such. Kane, McKenna and Associates, Inc. (“KMA”) has been retained by the Village to complete the Eligibility Report, assessing whether TIF District No. 2 satisfies certain “Qualification Factors” (as defined in the TIF Act), which make it eligible to be a TIF district, and to assist the Village in drafting this TIF Redevelopment Plan for TIF District No. 2 (the “Plan”). The Qualification Report is attached as Exhibit 5 to this Plan.

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

By definition, a TIF “Redevelopment Plan” means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a “conservation area” and thereby to enhance the tax base of the taxing districts which extend into the RPA as set forth in the Act.

Objectives. The Village’s general economic development objectives are to enhance the commercial, retail and mixed-use opportunities within the downtown business district, including TIF District No. 2 RPA, as amended.

By the establishment and utilization of a TIF redevelopment plan, as amended, the Village intends to continue efforts to provide the assistance required to eliminate conditions detrimental to successful redevelopment of the TIF District.

The use of TIF relies upon induced public-private redevelopment in the TIF District to create desirable redevelopment that would otherwise not occur. The Village has a unique opportunity to encourage the success of the Original TIF RPA by amending the area. The inclusion of the proposed properties would allow the Village to create an area of commercial, retail and recreational facilities which could serve as an anchor for community and neighborhood.

Community Background. The Village of Crete (the “Village”) is located in Will County, Illinois, approximately forty (40) miles south of the City of Chicago. The Village generally lies adjacent to the municipalities of University Park, Steger, Sauk Village and Beecher. The Village was incorporated in 1836 and had grown to 8,220 people in the year 2014, according the U.S. Census Population Estimation.

The Village of Crete encourages controlled growth within the community through the use of the Village of Crete’s Comprehensive Plan (2016), which will establish a clear community vision and offer insights regarding land use and development, transportation and community identity. In terms of redevelopment, the Village intends to attract and encourage mixed use development for the area described below. The Village adopted the Village of Crete’s Comprehensive Plan (2016) which includes all the properties that are included within the amended RPA.

TIF District 2. The area discussed in this amended Plan (the “Redevelopment Project Area” or “RPA”) has irregular boundaries and is generally bounded by Richton Road to the north; frontage parcels along Main Street and Wood Street to the east; Division and Herman Street to the south; and Columbia Street, Holland Drive, Lumber Street and rail lines to the west. The proposed RPA is legally described in Exhibit 6. A boundary map of the proposed RPA is included as part of Exhibit 2.

The amended RPA currently contains commercial, industrial, residential, and institutional uses. The amended RPA contains approximately thirty-four (34) tax parcels (as of the 2015 Tax Levy Year).

Conditions of age, obsolete platting and lagging/declining equalized assessed value are evidenced throughout the area and have been documented pursuant to site visits and Village and County data. Many lots located within the amended redevelopment area evidence alligator cracking, potholes and depressions. Vacant, underutilized land in the area is located on main routes and provides opportunities for redevelopment.

To a lesser extent, the proposed RPA is adjacent to deteriorated structures. A vacant entertainment center and outdated mobile homes, located on Main Street, are adjacent to the amended area.

The project area can be generally described as being within the existing Central Business District zoning designation, extending from Herman Street to Richton Road along Main Street. Undeveloped areas, residential, business and industrial uses are also included.

The amended area has been divided into two sub-areas: Sub-Area #1 – Conservation Area and Sub-Area #2 – Vacant Area. In Sub-Area #1, it was determined that approximately 14 of the 20 structures (70%) are over 35 years old. Additionally, the area evidences obsolescence, deleterious land-use or layout, declining equalized assessed values (EAV), deterioration and more. Sub-Area #2 is faced with declining EAV, obsolete platting, diversity of ownership and is adjacent to deteriorating structures. Further details of these conditions are listed in the TIF Qualification Report –to TIF District No. 2, Exhibit 5.

The legal description for the amended Area to TIF District No. 2 is attached as Exhibit 1. TIF 2 suffers from a variety of economic development impediments as defined under the TIF Act. As documented in the *Qualification Report* (see Exhibit 5), TIF District No. 2 exhibits certain Qualification Factors (as defined in the Eligibility Report) such as:

- Lack of Community Planning
- Obsolescence
- Deleterious Layout
- Declining Equalized Assessed Value (“EAV”)
- Deterioration
- Inadequate Utilities

On balance, the combination of these factors limits the opportunities for private reinvestment within TIF 2.

TIF District No. 2 may be suitable for new development if there is coordination of redevelopment activities by the Village. Under this Plan and as part of its comprehensive economic development planning, the Village intends to attract and encourage commercial uses to locate, upgrade, expand and/or modernize their facilities within the Village and to reinvest in TIF District No. 2. Through the establishment of TIF District No. 2, the Village would implement a program to redevelop this key area within the Village; in so doing; it would stabilize TIF District No. 2, extend benefits to the community, and assist affected taxing districts over the long run.

It is found, and certified by the Village, in connection to the process required for the update of this Plan and Project pursuant to 65 ILCS Section 5/11-74.4.3(n)(5) of the Act, that this Plan and Project will not result in the displacement of 10 or more inhabited residential units. Therefore, this Plan and Project does not include a housing impact study. If at a later time the Village does decide to dislocate more than ten (10) inhabited residential units, this Plan would have to be amended and a housing impact study would be completed.

Rationale for Plan. The Village recognizes the need for a strategy to revitalize properties and promote development within the boundaries of TIF District No. 2. The needed private investment may only be possible if TIF District No. 2 is designated as a TIF pursuant to the terms of the Act. Incremental property tax revenue generated by the redevelopment of TIF District No. 2 will play a decisive role in encouraging private development. Site conditions and other Qualification Factors that may have precluded intensive private investment in the past will be addressed. Ultimately, the implementation of the Plan will benefit both the Village and surrounding taxing districts, by virtue of the expected expansion of the tax base.

The Village does not anticipate that the Original TIF District No. 2 or the Amended Project Area would be developed in a coordinated or timely manner without the adoption of the TIF District. The Village, with the assistance of KMA, has therefore drafted this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of TIF District No. 2 as amended. By means of public investment, TIF District No. 2 will become a more viable area that will attract private investment. The public investment will lay the foundation for the redevelopment of TIF District No. 2 with private capital.

The designation of TIF District No. 2 as amended as a TIF district will allow the Village to pursue the following beneficial strategies:

- Coordinating property assembly in order to provide for more modern redevelopment and acceptance within the marketplace;
- Enhancing area appearance through construction, improvements to parking facilities, site improvements, landscaping, streetscape and signage;
- Upgrading utilities that support and serve TIF District No. 2;
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within TIF District No. 2 ;
- Providing for the occupancy of underutilized and/or vacant properties; and
- Establishing a pattern of land-use activities that will increase efficiency and redevelopment activity.

Through this Plan, the Village will serve as the central influence for the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Additional benefits will accrue to TIF District No. 2 and the surrounding area: a stabilized and expanded tax base; entry of new businesses; new employment opportunities; and physical and aesthetic improvements related to the rehabilitation of existing structures and to new construction. Ultimately, the implementation of the Plan will (a) benefit the Village and the taxing districts serving TIF District No. 2 and (b) foster the redevelopment of TIF District No. 2.

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

- That TIF District No. 2 as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within TIF District No. 2 need to be addressed, and that redevelopment of such areas must be undertaken;
- That alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- TIF District No. 2 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 this Plan;
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in TIF District No. 2 for the payment of redevelopment project costs that are incurred in the redevelopment of TIF District No. 2 will incentivize such redevelopment and benefit such taxing districts in the long run, by alleviating the conditions identified in the Eligibility Report and increasing the assessment base;
- That such increased assessment base is not likely to be achieved without using such incentives to first alleviate such conditions; and
- That the Plan conforms to the Village Comprehensive Plan.

It is further found, and certified by the Village that the projected redevelopment of the RPA is not reasonably likely to result in the displacement of residents from 10 or more inhabited residential units. Therefore, this Plan does not include a Housing Impact Study or feasibility study, otherwise required by the Act.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout TIF District No. 2. Redevelopment of TIF District No. 2 area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, TIF District No. 2 and TIF No. 2 as amended includes only those contiguous parcels of real property and improvements thereon substantially benefited by the Plan. Also pursuant to the Act, the area of TIF District No. 2 in the aggregate is more than 1½ acres.

II. TIF DISTRICT NO. 2 LEGAL DESCRIPTION

The legal description of TIF District No. 2 is attached in Exhibit 1.

III. TIF DISTRICT NO. 2 GOALS AND OBJECTIVES

The Village has established a number of goals which would determine the kinds of activities to be undertaken within TIF District No. 2 as amended. These efforts would conform to and promote the achievement of land use objectives in the Village's *Comprehensive Plan* as illustrated in the Chart below.

Relationship of Land Use and Economic Development Plans



Economic Development Goals of the Village.

The Village's general economic development objective is to enhance quality development opportunities within the Village.

Certain properties within TIF District No. 2 along Union Avenue/Main Street and Exchange Street represent strategic locations for economic development opportunities that would help fulfill many of the Village's comprehensive plan goals. Commercial and industrial corridors within TIF District No. 2 on Union Avenue/Main Street, Exchange Street and Holland Drive provide services and amenities to Village residents as well as jobs and residential alternatives.

Establishment of TIF District No. 2 supports the goals identified in the Village of Crete Comprehensive Plan (2016) and would be expected to favorably impact future redevelopment activities.

Coordination and integration of infrastructure and traffic planning within TIF District No. 2 and the wider area are vital due to the presence of retail, industrial, institutional and other supporting uses. It is proposed that the area serve as a center for retail/commercial facilities and planned mixed use or residential redevelopment desiring (a) the visibility, proximity and connectivity to Downtown Crete or Routes 1 and 394, and, (b) encourage growth, development and physical improvements. Open space, public improvements (including infrastructure), parking, and public uses will support the planned centers for commercial/retail and mixed residential uses.

REDEVELOPMENT PLAN, GOALS AND OBJECTIVES

- A. Downtown Crete
- Review and establish a specific Downtown
 - Improve pedestrian mobility in the area
 - Incentivize development in the area to support objectives within the Village of Crete Comprehensive Plan (2016)
- B. Improvements and Projects within TIF District #2 include
- Improving pedestrian crosswalks and refuge medians in Downtown;
 - Providing gateway and wayfinding signage;
 - Installing streetscaping, pedestrian paths, trails extensions, and bike lanes;
 - Enhancing public art, sculptures, statues, and installations; and
 - Utilizing shared parking reconfigurations and wayfinding.
- Source: Village of Crete Comprehensive Plan (2016)

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS

Evidence of the Lack of Development and Growth within TIF District No. 2. As documented in Exhibit 5 of this Plan, TIF District No. 2 has suffered from a lack of development and qualifies as a “conservation area” as defined in the Act. In recent years, TIF District No. 2 has not benefited from sustained private investment and/or development, and has begun to experience physical and economic decline. Absent intervention by the Village, properties within TIF District No. 2 would be unlikely to gain in value.

TIF District No. 2 exhibits various conditions which, if not addressed, in part, by the Village, would eventually worsen. For example, the property reflects a declining EAV and the presence of obsolescence. These conditions would serve to discourage private sector investment in TIF District No. 2.

Assessment of Fiscal Impact on Affected Taxing Districts. It is anticipated that the implementation of this Plan will not have a negative financial impact on the affected taxing districts. Instead, action taken by the Village to stabilize and cause growth of their tax bases through the implementation of this Plan will have a *positive impact* on the affected taxing districts by incentivizing new mixed use/residential and retail/commercial development, and thus growing their tax bases.

Surplus tax increment in the Special Tax Allocation Fund that the Village is required to create pursuant to the Act will be shared in proportion to the various tax rates imposed by the taxing districts, including the Village. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the Village – have been duly accounted for through administration of the Special Tax Allocation Fund.

The Village will also pay certain funds to offset the costs incurred by eligible school districts and the library district from TIF-incentivized residential development, all as provided in the Act. (Refer to Section VI of this Report, which describes allowable TIF redevelopment project costs.)

V. TIF QUALIFICATION FACTORS PRESENT IN TIF DISTRICT NO. 2

Findings. TIF District No. 2 was studied to determine its qualifications to be a TIF District under the Act. The findings of that study are set forth in the Qualification Report attached as Exhibit 5. The Qualification Report determined that TIF District No. 2 qualifies as a TIF District under the Act.

Eligibility Report. Representatives of KMA and Village staff evaluated TIF District No. 2 from December 2015 to the present. Analysis was aided by certain data obtained from the Village staff, on-site due diligence, and other sources. In KMA's evaluation, only information which would help make a determination about the eligibility of TIF District No. 2 as a TIF District was utilized.

VI. PLAN AND PROJECT

Plan and Project Objectives. As indicated in Section III of this Plan, the Village has established a planning process which guides economic development and land use activities throughout the Village. Consistent with its planning process, the Village proposes to achieve economic development goals and objectives through the redevelopment of TIF District No. 2 and the promotion of private investment via public financing techniques (the “Project”).

The Project-specific objectives envisioned for TIF District No. 2 are as follows:

- 1) Attract users to redevelop underutilized properties within TIF District No. 2.
- 2) Land assembly and construction of public improvements, including parking structures and other public/institutional structures.
- 3) Site preparation and remediation, including grading and excavation.
- 4) Construction of utility improvements which may include (if necessary):
 - Utility improvements (including, but not limited to, roadway construction, construction or relocation of water, storm water, sanitary sewer, gas, telephone, electrical, and other utility services and facilities);
 - Signalization, traffic control and lighting improvements; and
 - Landscaping, restoration, and beautification.
- 5) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 6) Exploration and review of job training programs in coordination with any Village, federal, state, and county programs.

Redevelopment Activities. Pursuant to the Project objectives cited above, the Village will implement a coordinated program of actions. These include, but are not limited to, acquisition, site preparation, environmental remediation, provision of public infrastructure and related public improvements. The Village’s redevelopment activities may include any permissible redevelopment activities under the TIF Act.

Site Preparation, Clearance, and Demolition

Property within TIF District No. 2 may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly

Certain properties in TIF District No. 2 may be acquired, assembled and reconfigured into appropriate redevelopment sites. It is expected that the Village would facilitate private acquisition through reimbursement or write-down of related costs. Relocation may also be required and the Village could utilize TIF revenues as provided for in the TIF Act.

Public Improvements

The Village may, but is not required to, provide public improvements in TIF District No. 2 to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including water mains as well as sanitary and storm sewer systems and roadways;
- Parking facilities (on grade and parking structures); and
- Beautification, identification markers, landscaping, lighting, and signage of public rights-of-way.

Rehabilitation/Taxing District Capital Costs

The Village may provide for the rehabilitation of certain structures within TIF District No. 2 in order to provide for the redevelopment of the area. Improvements may include exterior and facade-related work as well as interior-related work. Certain taxing district capital costs may also be funded pursuant to the Act.

Interest Rate Write-Down

The Village may enter into agreements with owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid for out of the Special Tax Allocation fund of TIF District No. 2, in accordance with the Act.

Job Training

The Village may assist facilities and enterprises located within TIF District No. 2 in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

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

- School District and Library District Costs – The Village will provide for the payment of eligible school district and library district costs pursuant to the Act.

General Land Use Plan. As noted in Section I of this Plan, TIF District No. 2 currently contains retail, commercial, residential, industrial, and institutional uses.

Existing land uses are shown in Exhibit 3 attached hereto and made a part of this Plan. Exhibit 4 designates intended land uses in TIF District No. 2 – uses could include retail, commercial, institutional, office, and mixed uses. Future land uses will conform to the Zoning Ordinance as it may be amended from time to time.

Additional Design and Control Standards. Appropriate design standards as set forth in the Village’s Zoning Ordinance and any additional design standards imposed through a Planned Unit Development approval, shall apply to TIF District No. 2.

Eligible Redevelopment Project Costs. Under the TIF Act, “redevelopment project costs” mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan and Project. (Private investments are expected to substantially exceed redevelopment project costs that are reimbursed pursuant to the Act. “Redevelopment Project Costs” will be used to leverage private development.) The Village may reimburse any eligible redevelopment project costs permitted by the Act and pertaining to this Plan including, without limitation:

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, “redevelopment project costs” shall not include lobbying expenses;
 - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground

level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
7. 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 pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital (and additional student tuition) 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;

9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.

- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
- (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply.

Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects.

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

11. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. Payment in lieu of taxes;
13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
 - e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);

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

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Projected Redevelopment Project Costs. Estimated redevelopment project costs are shown in the table below. Adjustments to the line-items in such table, or additions to the table, are expected and may be made without amendment to this Plan. When requests for reimbursement of redevelopment project costs are made, those requests will be evaluated in light of the projected private development and resulting tax revenues.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of TIF District No. 2. Notwithstanding the adjustments and additions identified above, the *total amount* of payments for eligible redevelopment project costs shall not exceed the “Total Estimated TIF Budget” set forth in the following table, as adjusted pursuant to the Act.

Redevelopment Project Cost Estimates

Program Actions/Improvements	Estimated Costs
Site Acquisition	\$1,700,000
Demolition, Site Preparation, Environmental Cleanup and Related Costs	\$2,250,000
Public Improvements including but not limited to, water, storm, sanitary sewer service, parking facilities, and road/traffic related improvements	\$6,000,000
Rehabilitation/Taxing District Capital Costs	\$1,750,000
Interest Costs Pursuant to the Act	\$1,000,000
Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$500,000
Job Training	\$200,000
TOTAL ESTIMATED TIF BUDGET	\$13,400,000

Notes:

- (1) All redevelopment project cost estimates are in year 2016 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the costs identified in the exhibit above, any bonds, notes, or other obligations issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such obligations, and (c) capitalized interest and reasonably required reserves.

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

In addition, the Village may utilize incremental property tax revenues received from any other contiguous RPAs to pay eligible redevelopment project costs or obligations (conversely, incremental revenues from TIF District No. 2 may be allocated to any contiguous RPA).

The majority of development costs to redevelop TIF District No. 2 will be privately financed. TIF will be used to fund reimbursable redevelopment project costs, subject to approval by the Village Board, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs will be the property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in TIF District No. 2 – over and above the initial equalized assessed value of each such lot, block, tract or parcel in TIF District No. 2 in the 2015 tax year.

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

Nature and Term of Obligations to Be Issued. The Village may issue obligations secured by the Special Tax Allocation Fund established for TIF District No. 2 pursuant to the Act or such other funds as are available to the Village by virtue of its power pursuant to the Illinois State Constitution or other lawful authority.

Any and all obligations issued by the Village pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years after the date of adoption of the ordinance approving TIF District No. 2, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Certain revenues may be declared as surplus funds if not required for: principal and interest payments, required reserves, bond sinking funds, redevelopment project costs, early retirement of outstanding securities, or facilitating the economical issuance of additional bonds necessary to accomplish the Plan. Such surplus funds shall then become available for distribution annually to taxing districts overlapping TIF District No. 2 in the manner provided by the Act.

When the Village issues debt to re-pay eligible redevelopment project costs incurred with respect to a project, its general policy is to issue “pay as you go” developer notes, pursuant to which the Village will re-pay the note using only increment generated by that project. The Village expects this policy to generally continue with respect to TIF District No. 2. However, the Village reserves the right to issue other forms of debt, including general obligation or revenue bonds. Debt may be issued on either a taxable or tax-exempt basis and with either a fixed interest rate or a floating or variable interest rate. Further, the debt may be offered on such terms as the Village may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions.

Most Recent Equalized Assessed Valuation (EAV) for TIF District No. 2. The most recent equalized assessed valuation for entire TIF District No. 2 with amendments, is based on the tax year 2015 assessments, and is estimated to be approximately \$8,485,160 (the “Base EAV”).

Anticipated Equalized Assessed Valuation for TIF District No. 2. Upon completion of the anticipated private development of TIF District No. 2 over the remaining 12-year extension, it is estimated that the EAV of the property within TIF District No. 2 will be approximately **\$11,030,700 to \$12,000,000** depending on actual market conditions and the scope of the projects to be implemented.

VII. DESCRIPTION AND SCHEDULING OF PROJECT

Project. The Village will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that redevelopment would be undertaken in one or more phases.

The Project will begin as soon as the private entities have obtained financing approvals for appropriate individual projects and such uses conform to Village zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken:

Land Assembly and Relocation: Certain properties in TIF District No. 2 may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. The Village may facilitate acquisition through reimbursement or write-down of related costs, and may also acquire land if needed for the implementation of the Project.

Demolition and Site Preparation: The existing improvements located within TIF District No. 2 may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain structures may be necessary for future projects. Additionally, this Plan contemplates site preparation, or other requirements necessary to prepare sites for desired redevelopment projects, including environmental remediation activities.

Rehabilitation: The Village may assist in the rehabilitation of buildings located within TIF District No. 2.

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

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities including electrical may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities (electric, gas, telephone) may be undertaken. The Village may also undertake the construction or improvement of necessary detention service or retention ponds.

Roadway/Street/Parking Improvements: The Village may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to TIF District No. 2 and enhance its redevelopment may be constructed.

Public Facilities/Public Improvements: The Village may undertake the construction of public facilities or improvements that are part of mixed use redevelopment plans for TIF District No. 2 including parking, recreational and related improvements.

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

Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from TIF District No. 2 as allowed under the Act.

Professional Services: The Village may fund necessary planning, legal, engineering, administrative and financing costs during Project implementation. The Village may reimburse itself for eligible administration costs from annual tax increment revenue.

School Tuition and Library Costs: The Village will fund certain library costs and school tuition costs pursuant to the Act.

The above list does not preclude other costs that may be incurred as part of the projects that are executed pursuant to the Plan, and the Village reserves the right to authorize expenditures for any eligible cost.

Commitment to Fair Employment Practices and Affirmative Action. In any Redevelopment Agreement entered into by the Village and a private developer, the developer will agree to comply with fair employment practices mandated by applicable laws and to establish and implement an affirmative action plan approved by the Village.

In addition, in this Plan, the Village commits to comply with such fair employment practices and to establish and implement its own affirmative action plan with respect to development within TIF District No. 2.

Completion of Project and Retirement of Obligations to Finance Redevelopment Project Costs. The Project will be completed within the amended thirty-five (35) year TIF term. The actual last date for retirement of debt issued pursuant to the Act shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is made with respect to ad valorem taxes levied in the thirty-fifth calendar year after the original ordinance approving the original TIF District No. 2 was adopted.

VIII. PROVISIONS FOR AMENDING THE PLAN

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

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Redevelopment Plan rev 12.19.16.docx

Exhibit 1
Legal Description of TIF District No. 2

Exhibit 2
Boundary Map of TIF District No. 2

Exhibit 3
Existing Land Use Map of TIF District No. 2

Exhibit 4
Future Land Use Map of TIF District No. 2

Exhibit 5
TIF Qualification Report – First Amendment to TIF District No. 2

Exhibit 6
Redevelopment Plan and Project – TIF District No. 2 (1993)