



***VILLAGE OF CRETE, ILLINOIS
TIF QUALIFICATION REPORT
FIRST AMENDMENT TO TIF DISTRICT NO. 2***

A study to determine whether certain properties within the Village of Crete qualify in part as a conservation area and in part as a vacant area as defined in the Tax Increment Allocation Redevelopment Act of Chapter 65, 5/11-74.4-1, et. seq., as amended of the Illinois Compiled Statutes.

Prepared by the Village of Crete, Illinois

In conjunction with

Kane, McKenna and Associates, Inc.

December 2016

**VILLAGE OF CRETE
FIRST AMENDMENT TO TIF DISTRICT NO. 2
REDEVELOPMENT PROJECT AREA
TIF QUALIFICATION ASSESSMENT**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Crete, Illinois (the “Village”) to conduct an analysis of the potential qualification and designation of an area that would amend the Crete Tax Increment Finance District II (TIF #2). TIF #2 reached the maximum number of years for a TIF district in 2016 and received legislative approval to extend the term of TIF 2 through 2028. This amendment would adjust the boundary of TIF #2 by incorporating additional parcels into the TIF District. The Village is pursuing the proposed amendment as part of its strategy to promote the revitalization of key under-utilized properties located within the proposed “Amendment Area” (the additional parcels to be incorporated into TIF #2).

For purposes of this report, KMA has subdivided the proposed Amendment Area for potential inclusion in TIF #2 into two sub-areas:

- Sub-Area 1/Conservation Area (Improved) – This classification applies to certain improved non-commercial properties; the area consists of some single-family residential units, light industrial buildings as well as a large institutional property. The proposed improved areas exhibit a 70% age factor with many of the structures over 35 years old.
- Sub-Area 2/ Vacant – This classification is for the land within the TIF District that is primarily vacant of structures.

The findings of this Qualification Report are limited to the Amendment Area and do not pertain to parcels already in TIF #2.

Refer to Appendix I, which provides a map showing the location of the 2 sub-areas.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the potential qualification for the improved land and vacant land within the proposed Amendment Area:

1) *Certain improved parcels within the proposed Amendment Area would qualify as a “Conservation Area,” as the term is defined under the TIF Act* – Overall, the parcels within the proposed Amendment Area either have declined, or are in danger of declining, toward a blighted condition. This condition prevents, or threatens to prevent, the healthy economic and physical development of properties in a manner that the community deems essential to its overall economic health. Because the majority of structures are over 35 years of age, the proposed Amendment Area is especially vulnerable to potential physical decline and would meet statutory criteria as a Conservation Area TIF District.

2) *Vacant land within the proposed Amendment Area qualifies as a “vacant area” pursuant to the Act.* Currently, the vacant land lacks economic viability for development due to certain adverse conditions identified in Section IV of this report. As a result, it prevents or threatens to

prevent the healthy economic and physical development of properties the community deems essential to its overall economic health. In the opinion of KMA the subject vacant land meets the requirements for designation as a vacant area under the Act.

3) *Current conditions impede redevelopment* – The conditions found within the proposed Amendment Area present a barrier to the area’s successful redevelopment. Without the use of Village planning and economic development resources to mitigate such conditions, potential redevelopment activities are not likely to be economically feasible.

4) *Viable redevelopment sites could produce incremental revenue* – Within the proposed Amendment Area, there are parcels which potentially could be redeveloped or rehabilitated and thereby produce incremental property tax revenue. Such revenue, used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF District.

5) *Pursuit of TIF designation is recommended* – To mitigate the existing conditions (thereby promoting the improved physical condition of the proposed Amendment Area) and to leverage the Village’s investment and redevelopment efforts, KMA recommends that the Village pursue the formal TIF designation process for the entire area.

Because the Village will not consider the redevelopment of residential parcels that would dislocate 10 or more residential units within the TIF district, the Village will not conduct a housing impact study pursuant to the TIF Act.

The KMA analysis of the proposed Amendment Area in conjunction with statutory criteria is outlined on the following pages.

I. BACKGROUND

In the context of planning for the proposed amendment to the existing TIF #2, the Village of Crete (the “Village”) has initiated a study of the proposed Amendment Area to determine whether it would qualify for inclusion as part of TIF #2. This proposed TIF expansion would provide the Village with the opportunity to bring new development to an area that has long been underutilized. Accordingly, Kane, McKenna and Associates, Inc. (“KMA”) has agreed to undertake the study of the area on the Village’s behalf.

The Village of Crete is a dynamic, growing community situated approximately 30 miles south of downtown Chicago. The community has 13,646 residents as of the 2010 U.S. Census, up from 12,533 and 10,523 in 2000 and 1990 respectively.

Current Land Use. The proposed Amendment Area 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 area contains a mix of uses, including vacant/undeveloped, single family detached, light industrial and public/semi-public land uses.

General Redevelopment Objectives. The proposed Amendment Area would further the Village’s overarching land use objectives, which are contained in its *Comprehensive Plan*, zoning ordinance and other land use planning elements. In the *Comprehensive Plan*, the Village has articulated a number of public policy objectives which would be supported by the Village’s adoption of the proposed Amendment Area into TIF #2 (see exhibit below).

Given the gap between the Village’s goals for the area versus the current conditions described in this report, the Village is able to make a determination that the incorporation of the proposed Amendment Area would be highly beneficial to the community. With a redevelopment strategy in place, the economic base associated with the proposed Amendment Area would be stabilized and increased – thereby benefiting the community as a whole. Without such a redevelopment strategy, the adverse conditions identified in this report would likely worsen.

Exhibit 1

General Redevelopment Objectives in the Crete Comprehensive Plan

Objectives	
<ul style="list-style-type: none"> Foster attractive, livable, and vibrant residential areas that support a diverse range of residents with high quality housing 	<ul style="list-style-type: none"> Encourage greater housing diversity. Establish registry and development regulations to regulate single family housing conversion. Review, update, and enforce subdivision regulations to better address issues present within Crete neighborhoods Develop a strategy for reuse of the Crete Elementary School property should the school be closed and sold by the school district. Protect historic residences and properties within the community and its growth areas, coordinating with the Will County Historic Preservation Commission.
<ul style="list-style-type: none"> Guide commercial and industrial development to specific areas of the village to benefit the Crete community while reducing impacts on less intense uses. 	<ul style="list-style-type: none"> Expand local and regional retail options within the Village, expand employment opportunities for current and future residents, and broaden the Village’s tax base. Establish nodes of neighborhood commercial development in strategic locations throughout Crete. Use TIF district funds to support the identified pattern of land use and development in the Village’s three existing TIF districts. Highlight Downtown Crete as the Village’s focal point through streetscape improvements, mixed use development, removing auto-oriented uses, and supporting dining and entertainment options. Prepare for major projects planned in the area to mitigate potential impacts and capitalize on benefits to the village.
<ul style="list-style-type: none"> Improve accessibility and mobility in Crete through development of comprehensive transportation system with a well-connected network of roadways and bicycle pedestrian pathways and trails 	<ul style="list-style-type: none"> Establish a program of potential new roadway and extensions in preparation for new development in Crete’s growth areas Construct new roadways to provide a more thorough grid of local roads that connect adjacent neighborhoods and decrease travel times. Extend the Crete Bike Trail and develop new pedestrian and bicycle paths to improve non-motorized mobility and connect with regional trail systems. Continue to monitor the development of the Metra Southeast service and other transit options Prepare for increased transportation demands as a result of long term projects like the potential future intermodal facility, South Suburban Airport, and the Illiana Expressway project
<ul style="list-style-type: none"> Establish a widespread system of parks, facilities, and trails that provides recreational amenities and connects residents with natural areas and regional trail systems 	<ul style="list-style-type: none"> Develop new parks within underserved neighborhoods and to match residential development in growth areas. Introduce new park programming, amenities, and improvements on underdeveloped parkland and to benefit existing park areas Construct new facilities for community recreation. Preserve and enhance environmental resources by connecting and incorporating natural areas into the Village’s park system and trail network.

Source: Crete 2016 Comprehensive Plan

General Scope and Methodology. KMA performed its analysis by conducting a series of meetings and discussions with Village staff, starting in April 2016 and continuing periodically up

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to the date of this report. The purpose of the meetings was to gather data related to the qualification criteria for properties included in the proposed Amendment Area. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed Amendment Area, on a parcel-by-parcel basis. The field surveys and data collected have been utilized to test the likelihood that the Amendment Area would qualify for TIF designation.

For the purpose of this report, properties within the proposed Amendment Area are divided into two sub-areas:

- Sub-Area 1/Conservation Area (Improved) – This classification applies to certain improved properties; the area consists mostly of single-family residential areas with 70% of the structures over 35 years old. This area is generally bounded by Division and Herman Street to the south, and Columbia Street, Holland Drive, Lumber Street and rail lines to the west.
- Sub-Area 2/ Vacant – This classification is for the land within the TIF District that is primarily vacant of structures. This area is generally bounded by Richton Road to the north, and frontage parcels along Main Street. There are also scattered vacant parcels north of Herman Street and West of Main Street.

For additional information about KMA's data collection and evaluation methods, refer to Section III of this report.

II. QUALIFICATION CRITERIA

With the assistance of Village staff, Kane, McKenna and Associates, Inc. assessed the proposed Amendment to TIF #2 to determine the likelihood that qualifying factors listed in the Act would be present. The relevant provisions of the Act are cited below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area, including the proposed Amendment Area. By definition, a “redevelopment project area” is:

“An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a Conservation Area, or a combination of both blighted areas and Conservation Areas.”

Under the Act, a “blighted area” or “conservation area” means any improved or vacant area within the boundaries of a development project area located within the territorial limits of the municipality where certain conditions are met.

TIF Qualification Factors for a Conservation Area. In accordance with the Illinois TIF Act, KMA performed a two-step assessment to determine if the proposed Amendment Area would qualify as a Conservation Area. First, KMA analyzed the threshold factor of age to determine if 50% or more of structures were 35 years of age or older.

If a proposed Conservation Area meets the age threshold, then the following factors are to be examined to determine TIF qualification:

If a *Conservation Area*, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of three (3) or more of the following factors, each of which is (i) present, with that presence documented to a meaningful extent so that a municipality 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 Amendment Area:

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

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

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

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

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

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

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

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

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

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

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

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

(M) Lagging or Declining EAV. The total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated.

TIF Qualification Factors for a Vacant Area. In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for the proposed Amendment Area characterized as “vacant.” Per the statute, such an area meets state standards provided that:

If vacant, the sound growth of the redevelopment project area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:

- 1) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.
- 2) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
- 3) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
- 4) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- 5) 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.
- 6) The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years 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 three (3) of the last (5) calendar years prior to the year in which the redevelopment project area is designated.

TIF Qualification Factors for Stand-Alone Vacant Areas. Under special circumstances, the Act allows the establishment of a TIF district that has only one qualifying factor. Thus, the proposed project area could qualify as part of a TIF district even if the preceding factors cited above **are not present**. The Act provides:

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If *vacant*, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains (included in part):

(A) The area consists of one or more unused quarries, mines or strip mine ponds.

(B) The area consists of unused railyards, rail tracks or railroad rights-of- way.

(C) The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area a certified by a registered professional engineer or appropriate regulatory agency.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.

(E) Prior to the effective date of this amendatory Act of the 91st General Assembly, the area is not less than fifty (50) nor more than one hundred (100) acres and 75% of which is vacant; notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment project area, and the area meets at least one of the factors itemized in paragraph one (1) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982 and the area has not been developed for that designated purpose.

(F) The area qualified as a blighted-improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

III. EVALUATION METHODOLOGY

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

- 1) Site surveys of the Amendment Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Site surveys were completed for each parcel of land within the Amendment Area.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration and obsolescence. Additionally, KMA reviewed the following data: 2010-2015 tax information from Will County, Sidwell parcel tax maps, historical aerial photos, site data, local history (including discussions with Village staff), and an evaluation of area-wide factors that have affected the area's development (e.g., deleterious land-use and layout, etc.).
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent possible, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 4) The Amendment Area was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. The Amendment Area was evaluated to determine the applicability of the various factors, as defined under the Act, which would qualify the area as a Conservation Area (Improved) and Vacant Area.

IV. QUALIFICATION FINDINGS FOR RPA

Based upon KMA’s evaluation of parcels in the proposed Amendment Area and analysis of each of the eligibility factors summarized in Section II, the following factors are found to be present within the Amendment Area. These factors qualify the overall area in part as a Conservation Area, and as a Vacant Area pursuant to the TIF Act. These factors are summarized in the table below.

Exhibit 2
Summary of TIF-Qualifying Factors

Area within RPA	Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in RPA
Sub-Area 1 Conservation	13	3	6 <ul style="list-style-type: none"> • Obsolescence • Deterioration • Deleterious Land-Use or Layout • Lack of Community Planning • Lagging or Declining EAV • Inadequate Utilities
Sub-Area 2 Vacant	6	2	4 <ul style="list-style-type: none"> • Obsolete Platting • Diversity of Ownership • Deterioration Adjacent to Vacant Land • Lagging or Declining EAV

Findings for Sub-Area 1: Conservation Area Factors. The improved Sub-Area 1 would qualify as a Conservation Area under the statutory criteria set forth in the TIF Act. Sub-Area 1 contains approximately sixteen (16) tax parcels on vacant land. As mentioned, this area is primarily residential in nature and is generally bounded by Division and Herman Street to the south, and Columbia Street, Holland Drive, Lumber Street and rail lines to the west.

As indicated in Section II, KMA performed a two-step assessment, first finding that a majority of buildings within the Conservation Area were over 35 years of age. Based upon Will County Assessor data, KMA determined that approximately 14 of the 20 structures (70%) within the RPA exceed the age threshold. Secondly, KMA determined that there were 6 factors present, in excess of the 3 required factors per the TIF Act.

1. Lagging or Declining EAV. During four (4) of the past five (5) years, the EAV of Sub-Area 1 has declined in value, and four (4) of the past five (5) years, the EAV of the TIF District has grown at a rate slower than the Consumer Price Index (CPI) (see Exhibit 3). Overall, EAV registered significant annual declines and today is at a level which is below the 2010 mark. Therefore, a finding of lagging EAV is made pursuant to the TIF Act.

Exhibit 3

EAV Trend for Sub-Area 1

	2015	2014	2013	2012	2011	2010
Total EAV for Sub-Area 1	\$511,436	503,524	545,955	579,103	626,087	711,273
EAV Change (%)	1.57%	-7.77%	-5.72%	-7.50%	-11.98%	Base Year
Village Total EAV	\$133,752,472	137,422,930	145,196,873	162,433,042	182,598,589	195,604,470
Village EAV (Excluding Sub-Area)	\$133,241,036	136,919,406	144,650,918	161,853,939	181,972,502	194,893,197
Village EAV Change (%)	-2.69%	-5.34%	-10.63%	-11.06%	-6.63%	Base Year
CPI	0.10%	1.60%	1.50%	2.10%	3.20%	1.60%

Notes: Figures in **bold** for those years in which Sub-Area 1 EAV lagged CPI.

Source: Will County and U.S. Bureau of Labor Statistics

2. Obsolescence. The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. Seven properties were built over 80 years ago, which are obsolete for today’s standards and nearing the end of their useful lives. The Crete Elementary School building has had several additions to the school, which were constructed in a piece meal manner that limits future uses of the building.

3. Deterioration. Deterioration in the area pertains primarily to the roadway improvements, and secondarily to the structures. The entranceway to the mobile park is in disrepair with many cracks and potholes. Once inside the mobile park, the area road is not paved and turns into a gravel lot that puddles after a rain storm. The mobile homes are outdated and in need of repair. Several mobile homes have siding that is dented and exterior paint that is peeling. The Crete Elementary School building has fascia showing signs of wear with paint peeling off. Additionally, the school alleyway and parking lot show severe signs of wear with several potholes and cracks.

4. Deleterious Land-Use or Layout. Deleterious land use (or layout) is defined as the existence of incompatible land use relationships, buildings occupied by inappropriate mixed-uses, or uses unsuitable for the surrounding area. The area located on Holland Drive has single-family residential homes next to an industrial area with a warehouse that is surrounded by barbed wire. These are incompatible land-uses.

5. Lack of Community Planning. According to the Act, an area suffers from a lack of community planning if the area was developed prior to, or without the benefit of, a community plan. Crete’s first comprehensive plan was adopted in 1997, after most of the area had already been developed. The area’s lack of community planning is evidenced by the inadequate land-uses having single-family residential next to light industrial. Furthermore, the mobile home park has an inadequate street layout with an improper parcel shape, which is evidence demonstrating an absence of effective community planning.

6. Inadequate Utilities. The Act states that those overhead or underground utilities that are insufficient, deteriorated, antiquated, obsolete or in disrepair are considered inadequate. Also, those utilities that lack the capacity to meet future development demands are considered inadequate.

Findings for Sub-Area 2: Vacant Factors. Sub-Area 2 contains approximately eighteen (18) tax parcels on vacant land. Within this area, KMA identified four vacant qualification factors. As previously defined in Section II, an area qualifies for vacant status with the presence of any two of the six factors.

1. Lagging or Declining EAV. During five (5) of the past five (5) years, the EAV of Sub-Area 2 has declined in value, and has grown at a rate slower than the Consumer Price Index (CPI) five (5) of the past five (5) years (see Exhibit 4). During those years, EAV registered significant declines and today is below the base year’s levels in 2010. Therefore, a finding of lagging EAV is made pursuant to the TIF Act.

Exhibit 4

EAV Trend for Sub-Area 2

	2015	2014	2013	2012	2011	2010
Total EAV for Sub-Area 2	\$257,916	263,022	269,979	279,630	427,698	447,028
EAV Change (%)	-1.94%	-2.58%	-3.45%	-34.62%	-4.32%	Base Year
Village EAV (Excluding Sub-Area)	\$133,752,472	137,422,930	145,196,873	162,433,042	182,598,589	195,604,470
Village EAV Change (%)	-2.67%	-5.36%	-10.62%	-10.99%	-6.65%	Base Year
CPI	0.10%	1.60%	1.50%	2.10%	3.20%	1.60%

Notes: Figures in **bold** for those years in which Sub-Area 2 EAV lagged CPI.

Source: Will County and U.S. Bureau of Labor Statistics

2. Adjacent to Deterioration. The TIF Act enables a vacant area to be qualified as a TIF District provided that deterioration of structures or site improvements is found “in neighboring areas adjacent to the vacant land.” The northern portion of the Amendment Area, just south of Richton Road, is adjacent to a trailer park and vacant amusement park, which both showcase deterioration. Additionally, the large vacant area east of Main Street located further south in the Amendment Area is adjacent to older houses with signs of deterioration.
3. Obsolete Platting. Obsolete platting can be defined as vacant land that has platting that fails to create right-of-ways for streets, alleys or other public right-of-ways or that omits easements for public utilities. The Amendment Area reflects obsolete platting. Because the area was platted prior to the area’s incorporation into the Village – and prior to either Village or County zoning or subdivision regulations per the Village staff – there are a number of platting deficiencies. For example, the vacant sub-area lacks the appropriate right-of-ways for streets, alleys and public right-of-ways. Additionally, it lacks easements for public utilities required for the proposed redevelopment.

4. Diversity of Ownership. The TIF Act refers to "Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development." There are approximately eighteen (18) parcels in Sub-Area B and over five (5) taxpayers of record. This number of property owners makes land assembly efforts difficult to achieve, to the degree that it acts as a barrier to assembly and redevelopment.

V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the Village designating the Amendment Area as part of TIF #2.

- The area is contiguous and is greater than 1½ acres in size;
- Portions of the proposed Amendment Area will qualify as a “conservation area,” and as a “vacant area”. Further, the factors as documented herein are present to a meaningful extent and are distributed throughout the Amendment Area. (A more detailed analysis of the qualification findings is outlined in Section IV of this report.)
- All property in the area would substantially benefit by the redevelopment project improvements;
- The sound growth of taxing districts applicable to the area, including the Village, has been impaired by the factors found present in the area; and
- The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings support the case for the Village to initiate a formal process to consider the Amendment Area as part of TIF #2.

S:\Client Folders\Crete\2016 TIF II Amendment\Reports\Qualification Report\Crete TIF - Qualification Report 12.19.16.docx

C:\Users\mthompson\AppData\Local\Microsoft\Windows\Temporary Internet Files\Content.Outlook\NI3GHXSA\Crete TIF - Qualification Report 12.19.16.docx

*TIF Qualification Report
Village of Crete, Illinois*

Appendix I
TIF Boundary Map

VILLAGE OF CRETE

T.I.F. DISTRICT #2

