
**CITY OF ELMHURST
QUALIFICATION REPORT
YORK AND VALLETTE TIF DISTRICT**

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

Prepared For: City of Elmhurst, Illinois

Prepared By: Kane, McKenna and Associates, Inc.

March 2012

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I. INTRODUCTION AND BACKGROUND

In the context of planning for the York and Vallette proposed Redevelopment Project Area (the “RPA”, or “Study Area”) under the provisions of the Illinois “Tax Increment Allocation Redevelopment Act”, Ch. 65 ILCS Section 5/11-74.4-1 et. seq. of the Illinois Compiled Statutes, as amended (hereinafter referred to as the “Act”), the City of Elmhurst (the “City”) has authorized the study of the RPA in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing District (the “TIF” or “TIF District”). Kane, McKenna and Associates, Inc. (“KMA”) has agreed to undertake the study of the RPA.

The RPA is located in the central portion of the City and consists primarily of neighborhood or community retail/commercial uses with adjacent residential uses. The RPA is a contiguous area the boundaries of which are approximately an area bounded on the north by 3 lots fronting the west side of York Street and 3 lots fronting the east side of York street just north of the Illinois Prairie Path; on the west by the eastern lot lines of the multi-family development north of Vallette Street and by the railroad right-of-way south of Vallette Street; on the south by the railroad right-of-way; and on the east by Cherry Street north of Vallette Street and by the frontage lots of east York Street south of Vallette Street. Adjacent rights of way are also included.

The RPA is approximately fourteen (14) acres in size excluding rights-of-way. There are approximately forty five (45) parcels containing approximately twenty seven (27) buildings and including approximately six (6) residential units according to the data available from Du Page County and York Township Assessor’s office. Fifty nine percent (59%) of the structures within the RPA are in excess of thirty-five (35) years in age.

Since much of the RPA was developed before the City undertook its comprehensive planning process, the RPA suffers from adverse impacts associated with a lack of community planning and deleterious land use and layout. The RPA did not have the benefit, over the last several decades, of developing under the guidelines of an economic development plan. The area is categorized by uses that were developed individually and in piece meal fashion with no coordinated parking, pedestrian flow or any unified features (signage, streetscape, etc.). There are few if any instances where businesses can efficiently enter, load, and exit. The RPA is also hindered by a lack of adequately sized commercial lots in relation to present day planning standards and by inadequate loading and unloading areas. The presence of the railroad rightways (including the Prairie Path as a former railroad right of way) influenced access/egress patterns and lot sizes and configurations.

Throughout the RPA, internal traffic circulation and pedestrian circulation are primary challenges to coordinating future land-use and promoting redevelopment. As noted in the Comprehensive Plan, “the City should pursue shared parking facilities as a long term strategy. In the future the City parking lot on the northeast corner could potentially be redeveloped together with the adjacent commercial uses. The new development should include a parking structure to meet some of the shared parking needs of the business district”.

Finally, the growth of the equalized assessed valuation (EAV) of all the properties in the Study Area was found to lag behind the EAV growth of the remainder of the City for four of the last five tax years. The qualification factors discussed within this TIF Qualification Report (the “Report”) qualify the RPA as a conservation area, as that term is hereinafter defined pursuant to 65 ILCS 5/11-74.4-3 et. seq., as amended.

Many of the surface improvements within the Study Area were found to have varying degrees of deterioration. Sidewalks, drives, and parking lots exhibited significant cracking and uneven surfaces. In addition several buildings components exhibited minor instances of deterioration.

The City believes that the RPA can be a candidate for redevelopment if the qualification factors discussed in this report are mitigated. Further, the City believes that the use of TIF can mitigate these negative obstacles that currently impede redevelopment.

The City does not plan to dislocate ten (10) or more inhabited residential units as part of this redevelopment effort and the RPA contains less than seventy-five (75) inhabited residential units. As such, pursuant to the TIF Act, as amended, the City is not required to prepare a housing impact study. If at some point in the future, the City dislocates more than ten (10) inhabited residential units, or amends the RPA to include more seventy-five (75) inhabited residential units then the City must amend this document and complete a housing impact study.

Objectives

The City's redevelopment objectives propose to ameliorate to the extent possible the negative impact of the qualification factors which are prevalent in much of the Study Area and enhance retail, commercial and mixed use opportunities where appropriate. To achieve these objectives the City proposes the following guidelines:

- To encourage redevelopment within the RPA that will eliminate the deteriorated surface and building conditions, and attract new land uses which are consistent with the existing uses and provide an enhanced tax base to support the entire City;
- To implement coordinated development/design practices as set forth in the City's Comprehensive Plan;
- To assist site assembly and preparation in order to provide for the reuse of properties for this stated purpose; and
- To install the necessary infrastructure improvements for improved ingress and egress, adequate parking, and loading and unloading areas for the commercial areas and support the proposed new development in accordance with modern planning standards.

The City's general economic development goals are to enhance commercial and mixed use opportunities within the City and the RPA. Given the City's goals as well as the conditions described in this Report, the City has made a determination that it is highly desirable to promote the redevelopment of the RPA. Without an implementation plan for redevelopment, City officials believe current conditions will worsen. The City intends to create and implement such a plan in order to restore, stabilize and increase the economic base associated with the RPA which will not only increase tax revenues associated with the RPA but also benefit the community as a whole.

Because of the conditions observed in the RPA and the required coordination of future land uses, the City enthusiastically supports the foregoing redevelopment objectives. The City has determined that redevelopment should take place through the benefit and guidance of comprehensive planning for economic development controlled by the City. Through this coordinated effort, the RPA is expected to improve. Development barriers, inherent with current conditions within the RPA, which impede economic growth under existing market standards, are expected to be eliminated.

The City has further determined that redevelopment currently planned for the RPA may only be feasible with public finance assistance. The creation and utilization of a TIF redevelopment plan is intended by the City to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the RPA.

The use of TIF relies upon induced private redevelopment in the RPA creating higher real estate value that would otherwise decline or stagnate without such investment. The result of such investment will lead to increased property taxes compared to the previous land-use (or lack of use). In this way the existing tax base for all tax districts is protected and a portion of future increased taxes are pledged to attract the needed private investment.

II. QUALIFICATION CRITERIA USED

With the assistance of City staff, Kane, McKenna and Associates, Inc. examined the RPA initially in the spring and early summer of 2011 and again in October of 2011 to the date of this report, and reviewed information collected for the RPA to determine the presence or absence of appropriate qualifying factors listed in the Act. The relevant sections of the Act are found below.

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

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

Under the Act, “Conservation Area” is defined as any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is not yet a blighted area, but because of a combination of three (3) or more of the following factors, may be considered as a Conservation 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 have 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 and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but 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 underutilized 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 refer 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, 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 one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

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

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

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

(M) Lag in EAV: The total equalized assessed value of the proposed redevelopment project area has declined 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 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 five (5) calendar years for which information is available.

III. THE PROPOSED RPA

The RPA is a contiguous area the boundaries of which are approximately an area bounded on the north by 3 lots fronting the west side of York Street and 3 lots fronting the east side of York street just north of the Illinois Prairie Path; on the west by the eastern lot lines of the multi-family development north of Vallette Street and by the railroad right-of-way south of Vallette Street; on the south by the railroad right-of-way; and on the east by Cherry Street north of Vallette Street and by the frontage lots of east York Street south of Vallette Street. Adjacent rights of way are also included.

The RPA consists of approximately twenty seven (27) buildings and approximately forty five (45) tax parcels. The RPA is approximately fourteen (14) acres in size excluding rights-of-way and includes approximately six (6) inhabited residential units. The RPA is comprised predominantly of commercial with adjacent residential uses.

The RPA described herein meets the eligibility requirements for designation as a Conservation Area under the Act. All of the parcels were examined to determine the number of structures aged thirty-five (35) years or greater, as required under the Conservation Area criteria of the Act. It was determined by site surveys, Du Page County and York Township Assessor data and City input that fifty nine percent (59%) of the structures in the RPA were thirty-five (35) years or greater. Furthermore, the RPA as a whole was found to evidence five (5) additional qualification factors. The minimum required for a finding of a Conservation Area is that over fifty percent (50%) of the improved structures are thirty-five (35) years old or greater and the existence of three (3) qualification factors dictated by the Act.

It was further found that the required qualifying factors are reasonably distributed throughout the RPA. KMA and the City reserve the right to make additional findings in connection with this report prior to the adoption of the TIF District. Thus, the report is subject to revisions to the extent such revisions are allowable prior to any action by the City to adopt the TIF District, as permitted in accordance with the Act.

IV. METHODOLOGY OF EVALUATION

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

- 1) Site surveys of the RPA were undertaken by representatives from KMA. Site surveys were completed for each parcel within a block (based upon Sidwell blocks), within the area.
- 2) Exterior evaluation of structures was completed noting such conditions as deterioration, obsolescence, excessive vacancies, and deleterious land use and layout. Additionally, 2005 through 2010 tax information from the Du Page County Clerk's Office, Sidwell parcel tax maps, site data, local history (discussions with City officials and staff), and an evaluation of area-wide factors that have affected the RPA's development (e.g., lack of community planning, and lag in equalized assessed value) were reviewed. KMA studied the RPA in its entirety. City redevelopment goals and objectives for the RPA were also reviewed with City staff. A photographic recording and analysis of the RPA was conducted and was used to aid this evaluation.
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, qualification factors of specific structures and site conditions on the parcels.
- 4) The RPA was examined to determine the applicability of age, plus the thirteen (13) other qualification factors for TIF designation as a Conservation Area under the Act. Evaluation was made by reviewing the information from the site surveys and other relevant information collected for the RPA and determining how it measured when evaluated against the qualification factors.

V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY

Based upon KMA's evaluation of parcels in the Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are present to support qualification of the proposed TIF District as a Conservation Area. These factors are found to be clearly present and reasonably distributed throughout the Study Area, as required under the TIF Act. In addition to age at least three other qualifying factors must be present to a meaningful extent throughout the RPA.

A. Threshold Qualification

Age. Based upon site surveys, Du Page County and York Township data, approximately fifty nine percent (59%) (approximately 16 of the 27) of the structures in the RPA were found to be thirty-five (35) years of age or older.

B. Other Conservation Factors (must include three or more factors)

1. 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. The RPA exhibits both functional and economic obsolescence.

Functional obsolescence is exhibited by a number of the retail/commercial tenant spaces, some of which are currently vacant. Age of the existing structures adds to this finding as well as the fact that most tenant spaces along York Street lack adequate access for separate parking and loading and unloading areas. Reuse/renovation plans could require conversion and retrofitting and in some cases, conversion may not be an economic option due to age or condition of structures.

The area suffers from area-wide obsolescence connected in part to the factor of deleterious layout discussed below, and the age of many of the structures. The strip centers and commercial uses located on Vallette west of York Street also appear to require additional coordination relating to parking, ingress/egress (complicated by the railroad right-of-way), and curb cuts.

Partly because the area is an older area (by definition being an area where a majority of structures exceed 35 years in age), certain buildings within the proposed TIF District are no longer adequate for their original use. For example, the older one and two story buildings north of Vallette Street bordering York Street are obsolete in relation to current standards for convenient parking, building setbacks, and exterior treatments. Modern retail facilities are generally larger in overall enclosed square footage, have higher ceilings and high-end building finishes. In contrast, the older buildings have lower ceilings, have more modest exterior and interior finishes, and are generally small facilities. Additionally, many of the components would need to be refurbished if re-occupied.

Overall, these structures have a disproportionately negative “spill-over” effect on the area given the size of the properties (both the buildings and the associated land areas). Absent private and public sector reinvestment, such conditions may deter other property owners from reinvesting in their own homes and businesses. The obsolete conditions within the area thus hinder City goals to promote a more suitable mix of commercial land uses.

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

Many of the site improvements displayed signs of deteriorated conditions and defects including, but not limited to, damaged fascias, doors, windows, and entryways, missing mortar, and exterior trim which require repairs, upgrades and replacement. The majority of site improvements were characterized by conditions including surface cracking of pavement areas, and potholes and depressions in roadway and parking areas.

3. Deleterious Land Use or Layout. The Act refers to deleterious land use or layout as the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

According to Du Page County and York Township Assessor records and discussions with City officials, many of the improvements found within the Study Area were built between 40 to 70 years ago. This applies to more than half of the buildings in the area. As a result, these properties were developed during a period before the City had in place an effective community planning process to guide its zoning map and development procedures.

The area is categorized by uses that were developed individually and in piece meal fashion with no coordinated parking, pedestrian flow or any unified features (signage, streetscape, etc.). There are few if any instances in the RPA where patrons can efficiently enter, load, and/or exit a business.

Many of the problems in the area reflect incompatible uses which are caused by a combination of factors in particular, inadequate traffic circulation, coordinated parking, and insufficient buffers between parcels. Properties lack parking lot screening and landscaping to serve as a buffer to adjacent uses.

Internal traffic circulation is a primary challenge to coordinating future land-use and promoting redevelopment. Cross access between adjacent compatible commercial uses should be encouraged throughout. Cross access would improve safety and efficiency of traffic flow along York Street and Vallette York. Cross access options should be reviewed and appropriate cross access provided.

Other issues relating to ingress/egress (such as the number of curb cuts on major arterials) also require coordination by the City as part of redevelopment efforts.

The Study Area would be difficult to develop without centralized coordination. This is because most modern development standards call for larger parcels with coordinated parking, access/egress and streetscape or landscape uniformity. A coordinated redevelopment effort could eliminate this situation. Requirements for buffering to adjacent residential uses would also need to be included in planning efforts.

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

According to City staff, much of the development that has occurred within the Study Area took place in a period of time prior to the City adopting its amended Comprehensive Plan and Zoning Ordinance and before the City followed its existing comprehensive planning procedures.

A major land use issue is the coordination of ingress/egress and parking. Although the area is served by a stop light, additional issues relating to traffic control exist (additional lanes or restrictions on turns have been studied); furthermore, there are no transitional lanes that would separate slower moving traffic approaching a business (e.g., to park and shop or unload cargo) from faster moving traffic. Circulation relating to parking and pedestrian movement also needs review.

Additionally, the southwest and southeast portions of the RPA have unique layout problems due to the railroad right of way and the configuration of existing uses. These uses have shallow parcel depth that do not afford much room for loading, unloading, or parking, in comparison to modern uses (e.g., newer automobile service facilities elsewhere in the City). Loading and unloading areas are extremely limited and would likely prevent certain types of retailers (e.g., medium or large retailers that require more space for loading/unloading and parking, such as modern drug stores) from locating at this site. This results in a number of odd or irregularly shaped parcels at various corners which can inhibit typical development. Moreover, many of the parcels fronting along York Street have rather short depths, limiting to a degree their usefulness and redevelopment potential. This is compounded by the close proximity of single family homes. Much of the existing development along the street was developed without adequate barriers or buffering measures with residential areas.

Future land uses need to be integrated with the goal of pedestrian-oriented development in the area including:

- Area landscaping and streetscaping;
- Integration to Prairie Path uses;
- Coordinated parking solutions; and
- Tighter regulation of curb cuts.

Until recently, effective and sustained economic development plans and strategies intended to address the coordinated redevelopment of the entire Study Area have been lacking. This is not to say that improvements did not take place over the years, but that they were implemented without the guidance of a master plan directed toward long-term benefit for the Study Area. A lack of such efforts has contributed to the evolution of conservation area factors currently present within the Study Area.

Adjoining uses will require coordination (e.g. residential adjacent to commercial). Land uses for the greater part are not well buffered, and mixed uses often exist side by side. Similar to the other Study Areas, properties are categorized by varying setbacks, parking availability, and lot sizes. Several office uses along Vallette appear to be under parked and are not well buffered to residential uses. New or planned redevelopment activities for the area would require integration with the area-wide infrastructure in order to provide efficient and modern service to the users including convenient and available parking.

The City Comprehensive Plan finds:

“The City should consider creating a new mixed use zoning district to serve this sub-area, as well as the similar character type of the Spring Road Business District. In this district, the City should pursue shared parking facilities as a long-term strategy. In the future, the City parking lot on the northeast center could potentially be redeveloped together with the adjacent commercial uses. The new development should include a parking structure to meet some of the shared parking needs of the business district.

The disconnected, obsolete commercial centers on the southwest corner, the bank building and the older office uses on the northwest corner and the commercial and vacant uses on the northeast and southeast side are all subject to redevelopment. The City should promote mixed use buildings on these parcels in a pedestrian-friendly environment to create a stronger and more vibrant commercial district.

A new specialty grocery store and nursery with a rooftop café is proposed on the southeast corner of the district; a pedestrian-friendly design should be encouraged for this key corner location.

Single-family homes predominate along the northern border of the Prairie Path, but the adjacent mix of uses and pedestrian-friendly environment could support comparatively higher-density townhomes to replace the two commercial lots currently located to the north.

URBAN DESIGN AND CIRCULATION

As the York/Valette business district experiences redevelopment, the City should encourage pedestrian-oriented design in the area. Buildings should be brought forward to the sidewalk and parking provided at the rear or on interior lots to create a continuous streetwall. The tallest buildings, four to five stories in height, should be located near the York/Valette intersection, with reduced heights (two or three stories) closer to the single-family neighborhoods. Building facades should be designed to create an engaging pedestrian environment by including elements such as attractive storefronts, well-articulated entryways, awnings and well-designed signage. The City should consider developing and adopting design guidelines to guide future development in the York/Valette business district (see *Chapter 10: Urban Design* for more details).

In addition to regulating building placement and design, the City should implement a streetscape improvement program to create a strong pedestrian character in the York/Valette area.

Improvements such as wide sidewalks, well-defined sidewalks, pedestrian-scale lighting and street furniture will help in creating a safer and more comfortable pedestrian environment. Additionally, the City could consider using elements such as special signage, banners and public art with a distinctive theme to create a unique identity for the area. Its proximity and connections to significant open spaces, including the Prairie Path and York Commons, should be highlighted in the new streetscape program.

Currently, parking for commercial development in the district is provided in disconnected surface parking lots associated with the different commercial center and in a City-owned surface lot. Under the existing system, a significant amount of land in the York/Valette business district is dedicated to parking, and vehicular circulation is often inefficient and confusing. The City could take several measures to reduce the amount of surface parking while improving circulation within the district. These measures include:

- Consolidate parking in locations that are within easy walking distance of the commercial uses to encourage customers to park once and walk to various destinations within the district.
- Encourage shared parking between uses that have different peak usage hours, such as offices and restaurants, to minimize the total number of parking spaces required.
- Provide parking garages within mixed-use developments where feasible.

RECOMMENDATIONS

1. Study and enact an appropriate financing mechanism (i.e. tax-increment finance district, business improvement district, etc.) to raise funds for redevelopment efforts.
2. Encourage mixed-use development with first floor office, retail and/or commercial and upper-story residential. Building heights should be higher in the core of the business district (four- to five-stories) (corners of York and Vallette Streets) with lesser heights (two- to three-stories) surrounding the

- core. Large, vacant parcels should be master planned to create a cohesive development pattern.
3. Construct new parking as warranted and consolidate existing parking to allow additional developable space. Structured and/or shared parking should be encouraged where feasible. Off street parking should be provided to the rear.
 4. Reduce setbacks and construct a continuous streetwall along the sidewalk edge.
 5. Implement a streetscape program to create a pedestrian-welcome environment, as well as produce a unified image for the district.
 6. Develop and enforce “Design Guidelines” to construct new development in a uniform character.”

Source: City Comprehensive Plan

5. Lag in EAV. The Act refers to lag in EAV as 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 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.

The total Equalized Assessed Value (“EAV”) of the Study Area increased at an annual rate that lagged behind the balance of the City’s EAV for four (4) of the last five (5) years. A summary of this analysis is presented in the table below.

Tax Year	Study Area EAV	Percent Change	Balance of the City's EAV	Percent Change
2010	\$ 8,492,430	-3.14%	\$ 2,270,651,936	-7.44%
2009	\$ 8,767,720	-2.74%	\$ 2,453,185,283	.11%
2008	\$ 9,014,950	4.17%	\$ 2,450,375,922	9.12%
2007	\$ 8,654,170	7.98%	\$ 2,245,654,493	11.01%
2006	\$ 8,014,570	5.74%	\$ 2,023,007,225	10.46%
2005	\$ 7,597,760	--	\$ 1,831,413,267	--

Note: the percentage change in years where the EAV of the Study Area lagged behind the balance of the City are in bold.

Source: Du Page County Assessor’s Office

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the potential designation of the RPA by the City as a TIF District:

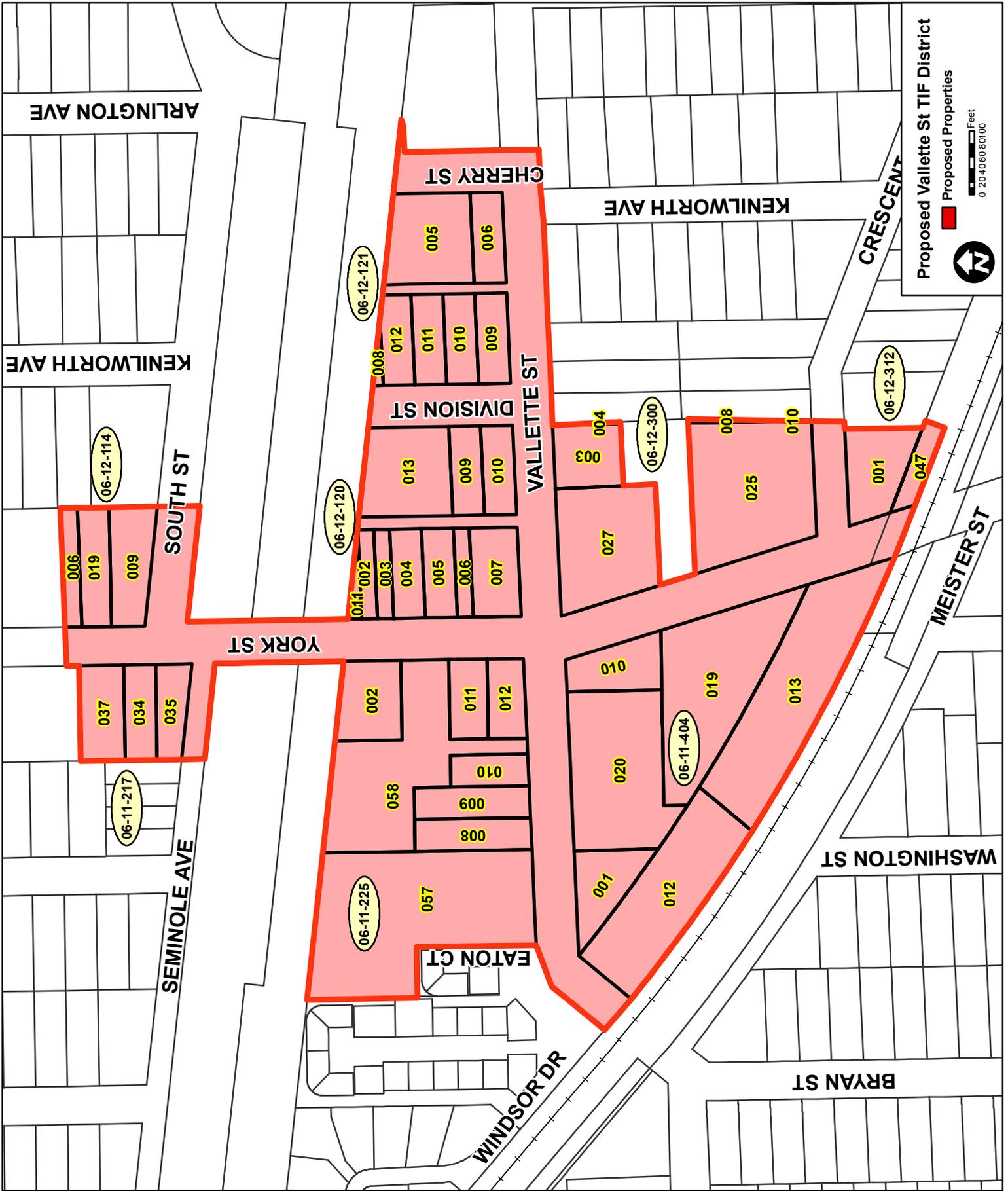
1. The RPA is contiguous and is greater than 1½ acres in size.
2. The RPA qualifies as a Conservation Area. A more detailed analysis of the qualification findings is outlined in Section V of this report.
3. All property in the RPA would substantially benefit by the proposed redevelopment project improvements.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

These findings, in the judgment of KMA, provide the City with sufficient justification to consider designation of the RPA as a TIF District.

The RPA has not benefited from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to the improvement of the area as well as the coordination of redevelopment efforts for market uses. These efforts will be important to the RPA's continued improvement and preservation of tax base.

EXHIBIT 1

PROPOSED TIF BOUNDARY MAP



Proposed Vallette St TIF District

Proposed Properties

Feet
0 20 40 60 80 100



EXHIBIT 2
LEGAL DESCRIPTION

Elmhurst Vallette Street TIF Legal Description

That part of Sections 11 and 12 of Township 39 North, Range 11, East of the Third Principal Meridian described as commencing at the intersection of the North line of Lot 1 in Powell's Subdivision, recorded as Document 160352 on November 3, 1922, and the West right-of-way line of York Street, for a place of beginning, thence Northerly along said West right-of-way line to the Southerly right-of-way line of Seminole Avenue, thence Northwesterly along said Southerly right-of-way line to its intersection with the West line, extended Southerly, of Lot 17 in Block 4 of the Resubdivision of Blocks 1, 2 & 3 in Bryan's Subdivision of South Elmhurst, recorded as Document 50781 on December 23, 1892, thence Northerly along said West line extended to its intersection with a line parallel to, and 20 feet North of the South line of Lot 14 in Block 4 of said Resubdivision, thence Easterly along said parallel line to the West right-of-way line of York Street, thence Northerly along said West right-of-way line to its intersection with a line parallel to, and 330.95 feet South of the South right-of-way line of May Street, thence Easterly 255.5 feet along said parallel line, thence Southerly along a line parallel to said West right-of-way line of York Street to the Southerly right-of-way line of South Street, thence Northwesterly along said Southerly right-of-way line to the East right-of-way line of York Street, thence Southerly along said East right-of-way line of York Street to the Southerly right-of-way line of the former Aurora, Elgin and Chicago Railroad (now the Illinois Prairie Path), thence Southeasterly along said Southerly right-of-way line to the East right-of-way line of Cherry Street, extended Northerly, thence Southerly along said East right-of-way line extended to the South right-of-way line of Vallette Street, thence Westerly along said South right-of-way line to the East line of Lot 18A of Slatin's Resubdivision, recorded as Document 512888 on December 18, 1946, thence Southerly along said East line to the North line of Lot 2 of Regan Resubdivision, recorded as Document R2008-126273 on August 13, 2008, thence generally Westerly along said North line to the Easterly right-of-way line of York Street, thence Southeasterly along said Easterly right-of-way line to its intersection with the North line of Lot 3 of Timke's Addition to South Elmhurst, recorded as Document 121358 on June 30, 1915, thence Easterly along said North line, extended, to the East line of Lot 19A in said Slatin's Resubdivision, thence Southerly along said East line, extended, to the South right-of-way line of Crescent Avenue, thence Westerly along said South right-of-way line to a point 152.7 feet East of the Easterly right-of-way line of York Street, thence Southerly to a point on the Southerly line of said Lot 1, 143.3 feet Southeasterly of said Easterly right-of-way line of York Street, thence Southeasterly 11.83 feet along said Southerly lot line, thence Southwesterly at right angles to the last described course 32 feet to the Northerly right-of-way line of the Canadian National Railroad, thence Northwesterly along said Northerly right-of-way line to the Northerly right-of-way line of Vallette Street, thence Northeasterly along said Northerly right-of-way line to the West line of Lot 1 of Firstar Resubdivision, recorded as Document R97-106840 on July 23, 1997, thence generally Northerly along said West line to the Southerly right-of-way line of the former Aurora, Elgin and Chicago Railroad (now the Illinois Prairie Path), thence Southeasterly along said Southerly right-of-way line to the point of beginning, including all adjacent and contiguous Public Alleys and Rights-of-way, all in DuPage County, Illinois.