

NOTICE OF SPECIAL COMMITTEE MEETINGS

Scheduled for
Tuesday, January 29, 2019,
beginning at 6:30 p.m. in

Kallsen Center
Village Hall of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, Illinois

Special Administration & Legal Committee
Special Economic Development & Marketing Committee
Special Finance Committee

A copy of the agendas for these meetings is attached hereto.

Kristin A. Thirion
Clerk
Village of Tinley Park

**NOTICE OF SPECIAL MEETING OF THE
ECONOMIC DEVELOPMENT AND MARKETING COMMITTEE**

Notice is hereby given that a special meeting of the Economic Development and Marketing Committee of the Village of Tinley Park, Cook and Will Counties, Illinois, will begin at 6:30 p.m. on Tuesday, January 29, 2019, in the Kallsen Center at the Village Hall of Tinley Park, 16250 S. Oak Park Avenue, Tinley Park, Illinois.

The agenda is as follows:

1. OPEN THE MEETING.
2. CONSIDER THE APPROVAL OF THE MINUTES OF THE SPECIAL ECONOMIC DEVELOPMENT AND MARKETING COMMITTEE MEETING HELD ON DECEMBER 4, 2018.
3. DISCUSS OAK PARK AVENUE PLAYBOOK GRANTS – SIP.
4. DISCUSS COOK COUNTY CLASS 6B – TOP TEC HEATING, COOLING, PLUMBING AND ELECTRICAL, INC., 17620 DUVAN DRIVE.
5. DISCUSS COOK COUNTY SPECIAL DESIGNATED AREA.
6. DISCUSS CONTRACT WITH TETRA TECH FOR ENVIRONMENTAL STUDY AT THE TINLEY PARK MENTAL HEALTH CENTER PROPERTY.
7. RECEIVE COMMENTS FROM THE PUBLIC.

ADJOURNMENT

KRISTIN A. THIRION
VILLAGE CLERK

MINUTES
Special Meeting of the Economic Development and Marketing Committee
December 4, 2018 – 6:45 p.m.
Village Hall of Tinley Park – Council Chambers
16250 S. Oak Park Avenue
Tinley Park, IL 60477

Members Present: C. Berg, Chairman
M. Pannitto, Village Trustee
J. Curran, Village Trustee

Members Absent: None

Other Board Members Present: None

Staff Present: D. Niemeyer, Village Manager
P. Carr, Assistant Village Manager
B. Bettenhausen, Village Treasurer
K. Workowski, Public Works Director
J. Urbanski, Assistant Public Works Director
P. Wallrich, Interim Community Development Director
K. Clarke, Planning Manager
P. Hoban, Economic Development Manager
D. Framke, Marketing Director
R. Zimmer, Executive Assistant to the Mayor
L. Valley, Executive Assistant to the Mayor and Trustees
L. Godette, Deputy Village Clerk
L. Carollo, Commission/Committee Secretary

Item #1 - The Special Meeting of the Economic Development and Marketing Committee was called to order at 6:47 p.m.

Item #2 – CONSIDER APPROVAL OF THE MINUTES OF THE ECONOMIC DEVELOPMENT AND MARKETING COMMITTEE MEETING HELD ON OCTOBER 23, 2018 – Motion was made by Trustee Curran, seconded by Trustee Berg, to approve the minutes of the Economic Development and Marketing Committee meeting held on October 23, 2018. Vote by voice call. Chairman Berg declared the motion carried.

Item #3 – DISCUSS ECONOMIC DEVELOPMENT STRATEGIC PLAN – The Village of Tinley Park is the first and only Accredited Economic Development Organization (AEDO) by the International Economic Development Council (IEDC) in the state of Illinois. To retain AEDO accreditation, the Village must update the economic development strategic plan. The Economic Commercial Commission (ECC) created the last economic development strategic plan in 2013.

The ECC began the strategic plan process in July 2018. Staff discussed three (3) standard economic development goals with four (4) objectives to accomplish each goal, for a total of twelve (12) economic development objectives.

Economic Development Goals:

- Prospect Development – Attract new development by creating incentives, encouraging development, sales and project management.

- Resource Development – Develop community resources.
- Business Development – Develop local businesses through business expansion, advocacy, technology transfer and entrepreneurship.

Strategies:

- Update Legacy Code
 - Objective – Encourage Development
 - ECC Recommendation – Review Legacy Code language and district locations.
- Continue and Advance Downtown Development – Start one major project every year.
 - Objective – Encourage Development
 - A major downtown development would create density retailers are looking for in a vibrant downtown. Preference will be given to music-based businesses.
- Harlem and 159th Retail
 - Objective – Sell Tinley
 - ECC Recommendation – Work with brokers and retail site selectors to recruit retailers.
- See Ongoing Downtown Development and Reinvestment
 - Objective – Nurture Entrepreneurs
 - The Village Board budgeted \$350,000 to encourage small business development with the Oak Park Avenue Playbook.
- Develop a Long-Term Plan for North Street Improvements
 - Objective – Neighborhood Beautification
 - The Lakota Group is working on plans for Village Plaza
- LaGrange Road Infrastructure
 - Objective – Adequate infrastructure
 - Multiple developers have approached VOTP, but taxes and lack of infrastructure are a challenge.
- See Substantial Start to the Old State Mental Health Center Property Redevelopment with Projects Underway and Remediation Completed
 - Objective – Blight Removal
 - The state-owned mental health center is the single largest development opportunity.
- As Part of our Economic Development Strategies, Work to Attract Businesses with Good Paying Jobs by the Panduit Headquarters Property and Other Locations.
 - Objective – Sell Tinley
 - The Economic Commercial Commission (ECC) identified office, tech, manufacturing and vocational, training as targeted businesses for the I-80 corridor.
- Redevelop Panduit TIF (Tax Increment Financing) site; See improvements at the 45-acre site on the east side of town.
 - Objective – Encourage Development
 - The former Panduit headquarters is slated for demolition, leaving 45 acres of developable land.
- Secure a Major New Development in Rich Township.
 - Objective – Sell Tinley
- Conduct a Village-wide Business Retention Analysis/Assessment Survey as part of our economic development efforts.
 - Objective – Business Retention & Expansion
- Complete the Assessment and Evaluation of unincorporated parcels and possible annexations where appropriate or desirable.
 - Objective – Adequate infrastructure

Trustee Curran asked about infrastructure on LaGrange Road. P. Hoban, Economic Development Manager stated special designated areas to work on reclassification are needed from 183rd heading north. Trustee Pannitto asked what the Village can do regarding interest in the 159th Street and Harlem location. Mr. Hoban stated that special designated areas to work on reclassification would again be needed, such as a class 7 to lower taxes. Additionally, Mr. Hoban stated due to a challenging retail market, interest from restaurants would be more likely in this location as opposed to retailers. Trustee Berg thanked Mr. Hoban for his hard work.

Staff recommended approval of the strategic plan to complete the IEDC accreditation process and prioritize economic development efforts.

Motion was made by Chairman Berg, seconded by Trustee Pannitto, to recommend the Economic Development Strategic Plan be placed on the agenda for the Village Board meeting scheduled December 18, 2018. Vote by voice. Chairman Berg declared the motion carried.

Item #4 – DISCUSS MARKETING ACTION PLAN – In coordination with the Marketing and Branding Commission, the Marketing department has made significant progress on the 2017 Branding, Development and Marketing Action Plan including creating a brand style guide, securing domain names and logo trademarking, rebranding of the Village website with music calendar, rebranding the Village communication channels and creating the “Best of” brochure, media ads and logo gear. The plan below reflects a continuation of the branding plan and other overall Village marketing initiatives.

- Begin Construction of Harmony Square – Spring 2019 through plaza opening spring/summer 2020.
- Wayfinding Signage program – Installation to begin spring 2019-2020.
- Manage brand visibility initiatives including distribution and installation of brand awareness posters, pole banners, street printing, brand support/signage at the music theatre and convention center – Spring/Summer 2019.
- Evaluate options for better, more direct reinvestment of hotel/motel funds to support the Village’s tourism needs and consider the potential development of Tinley Park Destination Management Organization – Begin winter 2018/19.
- Add Tinley Park businesses to GPS services and web-based applications and create a database of clubs and organizations and large nonprofit organizations – Fall 2019.
- Develop an enhanced public art project: “Musical Chairs” – Spring 2019.
- Develop a new “Community Profile & Opportunities” brochure and other marketing support materials requested by Tinley Park hoteliers.
- Develop community pride campaign – Summer/Fall 2019.
- Evaluate participation in new resident engagement platforms such as Next Door – Winter 2019/20.
- Evaluate the visitor experience at Hollywood Casino Amphitheatre, including pedestrian flow and alternate transportation initiatives.
- Evaluate feasibility of creating a year-round, music-centric destination, such as a “wall” of signed photos from famous musicians having performed in Tinley Park.
- Make concierge training available to front line staff of all hospitality-related businesses in Tinley Park – Winter 2019/20.
- Evaluate and make recommendations on the development of a trolley transportation program.
- Develop and execute brand and tourism-focused advertising and PR campaign to include media ads, co-op advertising campaigns, boosted social media posts, travel writing/editorials, video and visitor outreach and get a brand spokesperson on film – Spring/Summer 2020.

- Evaluate feasibility of creating a winter draw to fill hotel rooms during slow season – Summer 2020.

Chairman Berg thanked the Marketing department and Marketing and Branding Commission. Chairman Berg asked the Economic Development and Marketing Committee if there were any questions.

Motion was made by Chairman Berg, seconded by Trustee Curran, to recommend Marketing Action Plan be placed on the agenda for the Village Board meeting scheduled December 18, 2018. Vote by voice. Chairman Berg declared the motion carried.

Item #5 – RECEIVE COMMENTS FROM THE PUBLIC - No comments from the public.

ADJOURNMENT

Motion was made by Chairman Berg, seconded by Trustee Pannitto, to adjourn this meeting of the Economic Development and Marketing Committee. Vote by voice call. Chairman Berg declared the motion carried and adjourned the meeting at 7:07 p.m.

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Interoffice Memo

Date: January 29, 2019

To: Economic Development and Marketing Committee

Cc: David Niemeyer, Village Manager
Paula Wallrich, Community Development Director

From: Patrick Hoban, Economic Development Manager

Subject: SIP Oak Park Playbook Grants

Background:

Neal Hummitsch (Applicant), the owner of Tinley Park's Salinas Pasta and Pizza, plans to open a self-serve wine bar and charcuterie called SIP at the former Attic Door at 17424 Oak Park Avenue. The project will include a renovation of the current building including patios in the front and rear, a kitchen and a two-story addition to the south featuring a 1,100 SF apartment on the second floor. This project will require a new sprinkler system and significant interior updates to renovate the site.

Request:

The Applicant is requesting an Oak Park Avenue Retail Grant and an Oak Park Avenue Code Compliance Grant to renovate 17424 Oak Park Avenue. PIN: 28-30-314-003-0000 & 28-30-314-004-0000. Both the Retail Grant and the Code Compliance Grants are matching grants up to \$35,000 apiece. A single business can request matching funds up to \$70,000 per location.

The Oak Park Avenue Playbook Grants were created to encourage investment and offset development costs in our older commercial building stock located within downtown Tinley Park's Legacy Districts.

Incentive Policy Checklist:

The following statements are in line with the Village or Tinley Park's incentive policy.

- The project will not create a burden and will effectively utilize existing Village infrastructure.
- The project meets an identified target need: specialty retailer.
- Due to its location in the New Bremen TIF, this project meets the Target Development Area Incentive Policy requirement.

PH

Strategic Plan Checklist:

1. Short-Term Complex, Tier 1: Continue and advance downtown development; have one major project started in 2017
2. Long-Term Complex, Tier 1: See ongoing downtown development, and reinvestment continue

Benefits:

The project will be an enhancement to the Village by filling a vacancy in a targeted development area with a desired retailer.

Staff Recommendation:

The Economic and Commercial Commission (ECC) reviewed and recommended this item on December 10th, 2018. If this item is approved, it will be up for adoption by the board at the February 5th Village Board meeting.

SIP

Wine Bar & Charcuterie

17424 Oak Park Avenue

By offering 68 or more wines, a variety of beers, and assortment of non-alcoholic beverages, we will have more variety for sampling and purchase than any other business in the area.

With our small plate menu, customers can experience charcuterie boards and sharing plates with a wide variety at a fantastic price point. By being able to mix and match plates into endless combinations, we will also offer jams, crackers, and a large rotation of seasonal items, all with the small plate tasting concept. Catering for parties will be fully prepared and ready to serve from our Salina's Tinley location.

The customer experience will never be boring. Patrons will come in and receive a smart card from a server, allowing them to select any machine and sample the wine of their choice. With the ability to sample wines from all over the world (with the smallest portion at approximately $\frac{1}{4}$ of an ounce), customers can taste and expand their wine palate without having to consume large amounts of alcohol.

Patrons that find that perfect wine to match their food selection have the ability to pour a half or full glass. Digital boards above the wines will highlight tasting notes, varietals, region, winemaker notes, and more. Ordering food from a server, kiosk, or customer's own smartphone will showcase pictures of menu items with full descriptions and more.

Oak Park Playbook Grant request

- **Code Compliance Grant Program:** \$64,000 (\$32,000 matching) to bring a sprinkler system in the building
- **Retail Grant Program:** \$70,000 (\$35,000 matching) retail build-out
 - Drywall \$15,000
 - Floor \$20,000
 - Ceiling/Lights \$15,000
 - Doors \$12,000
 - Tables and Chairs* \$15,000
 - Counters \$10,000
 - Electric \$30,000
 - Plumbing/Baths \$20,000

*Do not qualify for grants



Retail Grant Program

Application Form

A. Applicant Information

If Applicant is not the owner of the subject property the owner must sign this application (below) signifying they are aware of the improvements proposed as part of this grant application.

Name: Neal Humm
Mailing Address: 7551 W 175th St
City, State, Zip: Tinley Park IL 60477
Phone Number: 708-1614-9100
Fax Number: _____
Email Address: Neal.Humm@Bmail.com

B. Property Information

Property Owner(s): H&J Holdings LLC
Mailing Address: 17424 S. Oak Park Ave
City, State Zip: Tinley Park IL 60477
Property Address: 17424 S. Oak Park Ave
Permanent Index No. (PINs): _____
Existing land use: _____
Zoning District: _____
Lot dimensions and area: _____

C. Application Information

Description of proposed project (use additional sheets or attach a Project Narrative if necessary):

RESTAURANT & WINE BAR Sip Inn

Is the applicant aware of any Variances required from the terms of the Zoning Ordinances? ☐ Yes ☒ No
If yes, explain (note that a separate Variation application will be required to be submitted):

Is the applicant aware of any Village Code deficiencies of the property or structure? ☒ Yes ☐ No
If yes, explain: ADA, Sprinklers

The Applicant certifies that all of the above statements and other information submitted as part of this application are true and correct to the best of his or her knowledge.

Neal Humm
Signature of Applicant

5/29/2018
Date



Code Compliance Grant Program

Application Form

A. Applicant Information

If Applicant is not the owner of the subject property the owner must sign this application (below) signifying they are aware of the improvements proposed as part of this grant application.

Name: NEAL HUMMITSCH
Mailing Address: 7551 W 175th ST
City, State, Zip: TINLEY PARK IL 60477
Phone Number: 708-614-9100
Fax Number: _____
Email Address: NEALHUMMITSCH@gmail.com

B. Property Information

The identity of the owner and beneficiary of any land trust.

Property Owner(s): H&J HOLDINGS LLC
Mailing Address: 17424 S. OAK PARK AVE
City, State Zip: TINLEY PARK IL 60477
Property Address: 17424 S. OAK PARK AVE
Permanent Index No. (PINs): _____
Existing land use: _____
Zoning District: _____
Lot dimensions and area: _____

C. Application Information

Description of proposed project (use additional sheets or attach a Project Narrative if necessary):

RESTAURANT & WINE BAR SIP INC.

Is the applicant aware of any Variances required from the terms of the Zoning Ordinances? ☐ Yes ☒ No
If yes, explain (note that a separate Variation application will be required to be submitted):

The Applicant certifies that all of the above statements and other information submitted as part of this application are true and correct to the best of his or her knowledge.


Neal Hummitsch
Signature of Applicant

5/27/2018
Date

By signing below (next page), the owner of the property, (if not the Applicant) is aware of the Applicant's proposed improvements and approves of the Applicant's request for funding under the Village of Tinley Park's Oak Park Playbook Incentive.



Code Compliance Grant Program


Signature of Owner


Date

Application Requirements

A complete application for approval consists of the following items submitted in a comprehensive package:

1. The application form, completed and signed by the Applicant and/or property owner(s) of record.
2. A written project narrative describing the general nature of the project and outlining specific aspects of the proposal and matching grant funds requested.
3. Plans and any other information pursuant to the Submission Checklist (below).

An application will not be accepted or processed until all of the items above have been submitted.

Checklist for Code Compliance Grant

- ☐ One completed Build-Out Interior Remodel Permit Application.
- ☐ One completed Commercial/Industrial Permit Application, including all contractor/subcontractor information (included in Build Out Interior Remodel Permit Application).
- ☐ One completed emergency information sheet (included in Build Out Interior Remodel Permit Application).
- ☐ Letter of intent describing new occupant's business practice.
- ☐ A letter defining scope of work.
- ☐ Four (4) sets of architecturally stamped and signed plans, showing any building, HVAC, electric, plumbing work. **If water meter is already installed, please indicate placement. If water meter is required, please indicate placement and size of the water meter.**
- ☐ Please indicate placement of fire sprinkler heads. If heads will be relocated, fire protection plans are required. Three (3) copies of engineered plans of any fire suppression/protection system plans with completed permit application submitted to the Fire Department at 17355 S. 68th Court. **Build-out/Remodel permits will not be released until the fire suppression/protection system permit is submitted.**
- ☐ Four (4) copies of a floor plan and layout of furniture/shelving/table, etc., placement must also be submitted.
 - o Provide calculations for occupancy load and door width capacities.
 - o Provide calculations/documentation for aisle widths areas adjacent to seating.
- ☐ At the Building Officials discretion, architectural stamped and signed plans may be required depending on the extent of work involved.



Retail Grant Program

By signing below (next page), the owner of the property, (if not the Applicant) is aware of the Applicant's proposed improvements and approves of the Applicant's request for funding under the Village of Tinley Park's Oak Park Playbook Incentive.


Signature of Owner


Date

Application Requirements

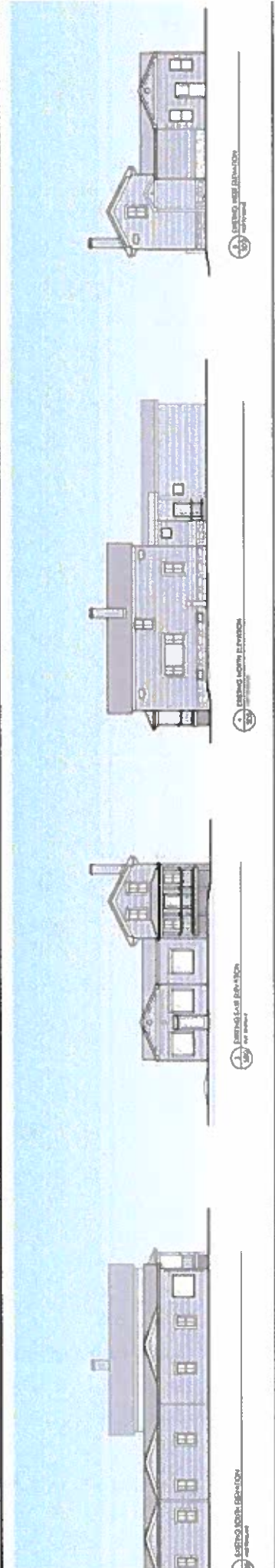
A complete application for approval consists of the following items submitted in a comprehensive package:

1. The application form, completed and signed by the Applicant and/or property owner(s) of record.
2. A written project narrative describing the general nature of the project and outlining specific aspects of the proposal and matching grant funds requested.
3. Plans and any other information pursuant to the Submission Checklist (below).

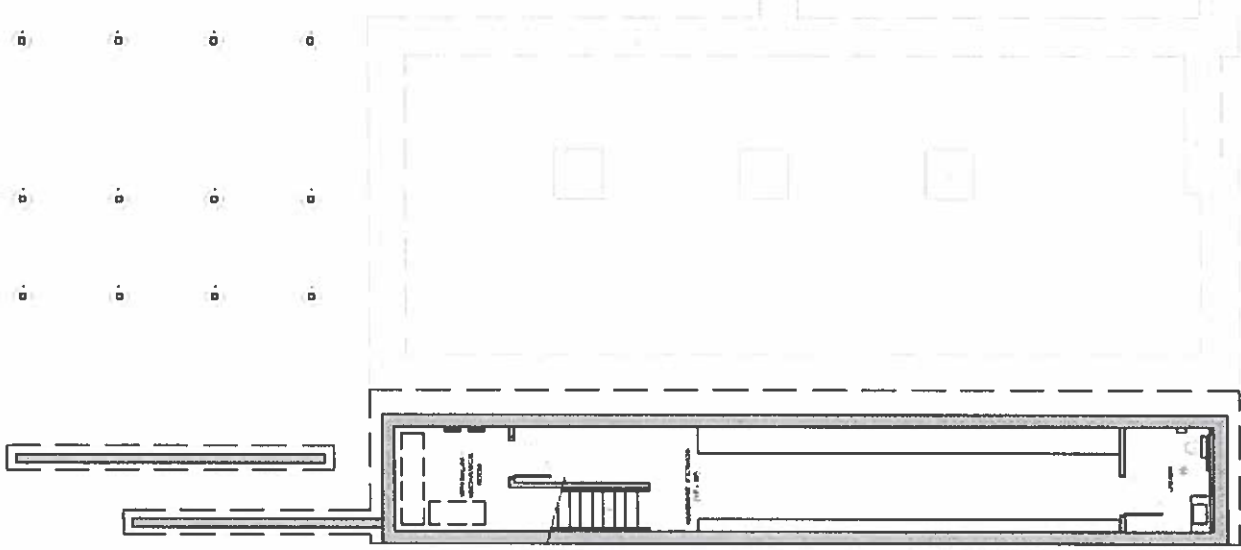
An application will not be accepted or processed until all of the items above have been submitted.

Checklist for Retail Grant Submission

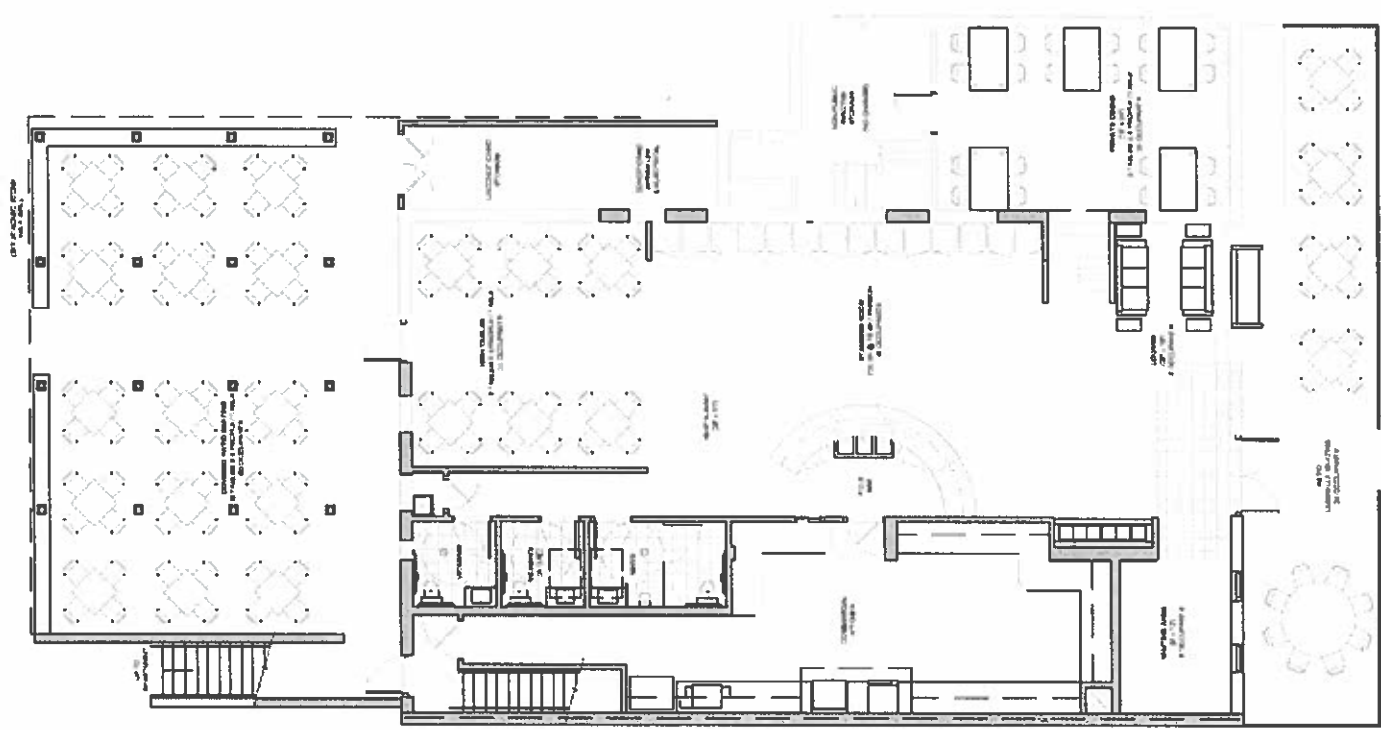
- ☐ One completed Build-Out Interior Remodel Permit Application.
- ☐ One completed Commercial/Industrial Permit Application, including all contractor/subcontractor information (included in Build Out Interior Remodel Permit Application).
- ☐ One completed emergency information sheet (included in Build Out Interior Remodel Permit Application).
- ☐ Letter of intent describing new occupant's business practice.
- ☐ A letter defining scope of work.
- ☐ Four (4) sets of architecturally stamped and signed plans, showing any building, HVAC, electric, plumbing work. If water meter is already installed, please indicate placement. If water meter is required, please indicate placement and size of the water meter.
- ☐ Please indicate placement of fire sprinkler heads. If heads will be relocated, fire protection plans are required. Three (3) copies of engineered plans of any fire suppression/protection system plans with completed permit application submitted to the Fire Department at 17355 S. 68th Court. Build-out/Remodel permits will not be released until the fire suppression/protection system permit is submitted.
- ☐ Four (4) copies of a floor plan and layout of furniture/shelving/table, etc., placement must also be submitted.
 - o Provide calculations for occupancy load and door width capacities.
 - o Provide calculations/documentation for aisle widths areas adjacent to seating.
- ☐ At the Building Officials discretion, architectural stamped and signed plans may be required depending on the extent of work involved.



NEW FRONT ELEVATION RENDERING



1 NEW BASEMENT (STORAGE)
SCALE 3/16" = 1'-0"



2 NEW GROUND FLOOR (KITCHEN & RESTAURANT)
SCALE 3/16" = 1'-0"



NEW SECOND FLOOR (1,000 SF APARTMENT)
SCALE 3/16" = 1'-0"



Interoffice Memo

Date: January 29, 2019

To: Economic Development and Marketing Committee

Cc: David Niemeyer, Village Manager
Paula Wallrich, Community Development Director

From: Patrick Hoban, Economic Development Manager

Subject: Top Tec Class 6b

Background:

Top Tec Heating Cooling Plumbing and Electrical, Inc (Applicant) plans to expand its Libertyville location to 17620 Duvan Drive in Tinley Park. Top Tec Heating Cooling Plumbing and Electrical, Inc is a HVAC, plumbing, and electrical maintenance service company.

Top Tec Heating Cooling Plumbing and Electrical, Inc plans to create 12 jobs, invest \$300,000 in the property that has been vacant since approximately 2012. The Village of Tinley Park can expect that the tenant and their employees will continue to invest back into the community commercially by patronizing local establishments such as restaurants, gas stations, grocery stores, and more.

Request:

Top Tec Heating Cooling Plumbing and Electrical, Inc is requesting a Class 6b incentive to locate to 17620 Duvan Drive. PIN: 27-36-204-006-000. The Applicant has stated "but for . . ." the Class 6b reclassification Top Tec Heating Cooling Plumbing and Electrical, Inc will not invest \$300,000 to expand at the subject site. Cook County provides the Class 6b Incentive Program that allows the reclassification of properties to effectively lower their tax assessment from the commercial rate of 25% to the residential rate of 10%. Class 6b reclassifications provide an assessment of 10% of market value for the first ten (10) years, 15% in the 11th year and 20% in the 12th year.

The Class 6b Incentive Program is designed to assist projects involving substantial rehabilitation of existing structures such as the subject site. The Class 6b reassessment only applies to the value of the building and the land. High property taxes are a primary reason for Class 6b incentives and the competition with Will County and Indiana taxes.

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Incentive Policy Checklist:

The following statements are in line with the Village or Tinley Park's incentive policy.

- The developer will file the Cook County forms, plans to be a long-term owner/investor, and plans to comply with Village and County obligations of the Class 6b Incentive Program.
- The project will not create a burden and will effectively utilize existing Village infrastructure.
- Due to its location in the TPMHC TIF, this project meets the Target Development Area Incentive Policy requirement.

Benefits:

The project will be an enhancement to the Village by filling a vacancy in a targeted development area.

Staff Recommendation:

The Economic and Commercial Commission reviewed and recommended this item on January 14th. If this item is approved, it will be up for adoption by the board at the February 5th Village Board meeting.



November 8, 2018

VIA ELECTRONIC MAIL

Mr. Patrick Hoban
Village of Tinley Park
16250 S. Oak Park Avenue
Tinley Park, IL 60477

RE: **6(b) Application for 17620 Duvan Drive**

Dear Mr. Hoban:

Our firm represents Top Tec Heating Cooling Plumbing and Electrical, Inc. (the "Buyer") of certain real property located at 17260 Duvan Drive in Tinley Park (the "Property"). The Buyer is seeking a 6(b) incentive from the Cook County Assessor's Office and requests an ordinance from the Village in support of said incentive.

The Property has been vacant and abandoned since approximately 2012. Throughout this time, the Property has suffered numerous damages to its interior, exterior, and site area. As detailed in the descriptions and photographs previously provided, the Property is currently in an unsound and uninhabitable state.

The Buyer is a small business owner who operates a HVAC, plumbing, and electrical maintenance service company. The Buyer's business currently employs approximately 35 full-time employees. The company is based in Libertyville, and the Buyer needs to expand to a location in the southern suburbs.

The buyer selected the Property site for his second location, but he was unaware of the degree to which the property was damaged until after the closing. The Buyer desires to completely rehabilitate the building and use it as a location for storing and servicing equipment. Approximately 12 full-time employees would occupy this location. However, the cost of rehabilitating the building is so prohibitively high, that but not for the incentive, the Buyer will be unable to repair and occupy the building, and it will remain vacant and unsound. The Buyer has received a quote to replace the roof (which leaks so badly that standing water accumulates on the floor of the Property) for approximately \$105,000. Because winter is coming, the Buyer must repair the roof to prevent water damage before any additional interior and exterior renovations occur. Based on my inspection of the Property and information obtained from the Buyer, an additional \$200,000 using approximately 40 skilled union laborers would be required once the roof is replaced .

The Buyer would very much like to re-occupy the building, but without the 6(b) incentive, he will be unable to proceed with the necessary renovations. Please feel free to contact me with any questions, and thank you for your consideration.

Respectfully submitted,

TSONIS & ASSOCIATES, LLC

Bo Turek

COOK COUNTY ASSESSOR
JOSEPH BERRIOS



COOK COUNTY ASSESSOR'S OFFICE
118 NORTH CLARK STREET, CHICAGO, IL 60602
PHONE: 312.443.7550 FAX: 312.603.6584
WWW.COOKCOUNTYASSESSOR.COM

CLASS 6B
ELIGIBILITY APPLICATION

Carefully review the Class 6B Eligibility Bulletin before completing this Application. For assistance, please contact the Assessor's Office, Development Incentives Department (312) 603-7529. This application, a *filing fee of \$500.00*, and supporting documentation (*except drawings and surveys*) must be filed as follows:

This application must be filed **PRIOR TO** the commencement of New Construction or **PRIOR TO** the commencement of Substantial Rehabilitation Activities or **PRIOR TO** the commencement of Reoccupation of Abandoned Property.

Applicant Information

Name: Top Tec Heating Cooling Plumbing and Electrical, Inc. Telephone: (847) 362-0262
Address: 1977 Royal Birkdale
City: Vernon Hills State: IL Zip Code: 60061

Contact Person (if different than the Applicant)

Name: Nikos D. Tsonis - Tsonis & Associates, LLC Telephone: (312) 428-3026
Address: 11 E. Adams Street, Suite 1106
City: Chicago State: IL Zip Code: 60603
Email: ntsonis@tsonislaw.com

Property Description (per PIN)

If you are applying for more than three different PINs, please submit the additional PIN information in an attachment.

Street Address: (1) 17620 Duvan Drive
Permanent Real Estate Index Number: 27-36-204-008-0000
(2) _____
Permanent Real Estate Index Number: _____
(3) _____
Permanent Real Estate Index Number: _____
City: Tinley Park State: IL Zip Code: 60477
Township: Orland Existing Class: 5-93

Attach legal description, site dimensions and square footage and building dimensions and square footage.

Identification of Person Having an Interest in the Property

Attach a complete list of all owners, developers, occupants and other interested parties (*including all beneficial owners of a land trust*) identified by names and addresses, and the nature and extent of their interest.

Industrial Use

Attach a detail description of the precise nature and extent of the intended use of the subject property, specifying in the case of the multiple uses the relative percentages of each use.

Include copies of materials, which explain the occupant's business, including corporate letterhead, brochures, advertising material, leases, photographs, etc.

Nature of Development

Indicate nature of proposed development by checking the appropriate space:

- ☐ New Construction (**Read and Complete Section A**)
- ☒ Substantial Rehabilitation (**Read and Complete Section A**)
Incentive only applied to the market value attributable to the rehabilitation
- ☒ Occupation of Abandoned Property - No Special Circumstance
(**Read and Complete Section B**)
- ☐ Occupation of Abandoned Property - With Special Circumstance
(**Read and Complete Section C**)
- ☐ Occupation of Abandoned Property - (TEERM Supplemental Application)
(**Read and Complete Section C**)

SECTION A (NEW CONSTRUCTION/SUBSTANTIAL REHABILITATION)

If the proposed development consists of *New Construction* or *Substantial Rehabilitation*, provide the following information:

Estimated date of construction
commencement (*excluding demolition, if any*): 11/15/2018

Estimated date of construction completion: 6/1/2019

Attach copies of the following:

1. Specific description of the proposed *New Construction* or *Substantial Rehabilitation*
2. Current Plat of Survey for subject property
3. 1st floor plan or schematic drawings
4. Building permits, wrecking permits and occupancy permits (*including date of issuance*)
5. Complete description of the cost and extent of the *Substantial Rehabilitation* or *New Construction* (*including such items as contracts, itemized statements of all direct and indirect costs, contractor's affidavits, etc*)

SECTION B (ABANDONED PROPERTY WITH NO SPECIAL CIRCUMSTANCE)

If the proposed development consists of the reoccupation of abandoned property, purchased for value, complete (1) and (2) below:

1. Was the subject property vacant and unused for at least 24 continuous months prior to the purchase for value?

☒ YES ☐ NO

When and by whom was the subject property last occupied prior to the purchase for value?

Anne Keefe (prior owner/occupant) vacated the property in 2012.

Attach copies of the following documents:

- (a) Sworn statements from person having personal knowledge attesting to the fact and the duration of vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of such vacancy

2. Application must be made to the Assessor prior to occupation:

Estimated date of reoccupation:	<u>6/1/2019</u>
Date of Purchase:	<u>7/25/2018</u>
Name of purchaser:	<u>Top Tec Heating Cooling Plumbing and Electrical, Inc.</u>
Name of seller:	<u>Anne Keefe</u>
Relationship of purchaser to seller:	<u>None</u>

Attach copies of the following documents:

- (a) Sale Contract
- (b) Closing Statement
- (c) Recorded Deed
- (d) Assignment of Beneficial Interest
- (e) Real Estate Transfer Declaration

SECTION C (SPECIAL CIRCUMSTANCES)

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was a **purchase for value**, but the period of **abandonment prior to purchase was less than 24 months**, complete section (1).

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was **no purchase for value**, but the period of **abandonment prior to the application 24 continuous months or greater**, complete section (2).

If the applicant is seeking special circumstances to establish that the property was abandoned for purposes of the Incentive where there was **no purchase for value**, but the period of **abandonment prior to the application was greater than 12 continuous months and less than 24 continuous month**, complete section (2) and the **TEERM Supplemental Application**.

1. How long was the period of abandonment prior to the purchase for value? _____

When and by whom was the subject property last occupied prior to the purchase for value?

Attach copies of the following documents:

- (a) Sworn statements from persons having personal knowledge attesting to the fact and the duration of the vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of vacancy
- (c) Include the finding of special circumstances supporting "abandonment" as determined by the municipality, or the County Board, if located in an unincorporated area. *Also include the ordinance or resolution from the Board of Commissioners of Cook County stating its approval for less than 24-month abandonment period.*

Application must be made to the Assessor prior to the commencement of reoccupation of the abandoned property.

Estimated date of Reoccupation: _____
Date of purchase: _____
Name of purchaser: _____
Name of seller: _____
Relationship of purchaser to seller: _____

Attach copies of the following documents:

- (a) Sale Contract
- (b) Closing Statement
- (c) Recorded Deed
- (d) Assignment of Beneficial Interest
- (e) Real Estate Transfer Declaration

2. How long has the subject property been unused?

- ☐ 24 or greater continuous months (*Eligible for Special Circumstance*)
- ☐ 12 continuous months but less than 24 continuous months (*Eligible for Special Circumstance under TEERM*) - **Complete TEERM Supplemental Application**
- ☐ Less than 12 continuous months (*Not Eligible for Special Circumstance*)

When and by whom was the subject property last occupied prior to the filing of this application?

Attach copies of the following documents:

- (a) Sworn statements from persons having personal knowledge attesting to the fact and the duration of the vacancy and abandonment
- (b) Information (*such as statements of utility companies*) which demonstrate that the property was vacant and unused and indicate duration of vacancy
- (c) Include the finding of special circumstances supporting "abandonment" as determined by the municipality, or the County Board, if located in an unincorporated area. Also include the ordinance or resolution from the Board of Commissioners of Cook County stating its approval for lack of a purchase for value.

Application must be made to Assessor prior to the commencement of reoccupation of the abandoned property.

Estimated date of reoccupation: _____

TEERM SUPPLEMENTAL APPLICATION

(This form will ONLY be utilized for applicants who specifically elect for TEERM)

This supplemental eligibility application is for properties that have been abandoned (due to special circumstances) for at least 12 continuous months and less than 24 continuous months with no purchase taking place.

Under the TEERM Program, qualifying industrial real estate would be eligible for the Class 6B level of assessment from the date of substantial re-occupancy of the abandoned property. Properties receiving Class 6B will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. The terms of this program are Not Renewable.

No applications will be taken after November 30, 2018.

I _____ applicant/representative hereby specifically elect to submit this Supplemental Application for the TEERM program.

Further affiant sayeth not.

Agent's Signature

Agent's Name & Title

Agent's Mailing Address

Agent's Telephone Number

Applicant's Name

Applicant's Mailing Address

Applicant's e-mail address

Subscribed and sworn before me this _____ day of _____, 20 _____

Signature of Notary Public

EMPLOYMENT OPPORTUNITIES

How many construction jobs will be created as a result of this development? 240

How many new permanent full-time and part-time employees do you now employ in Cook County?

Full-time: 35 Part-time: —

How many new permanent full-time jobs will be created as a result of this proposed development?

12

How many new permanent ^{part} full-time jobs will be created as a result of this proposed development?

—

LOCAL APPROVAL

A certified copy of a resolution or ordinance from the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) should accompany this Application. The ordinance or resolution must expressly state that the municipality supports and consents to this Class 6B Application and that it finds Class 6B necessary for development to occur on the subject property. If a resolution is unavailable at the time the application is filed, a letter from the municipality or the County Board, as the case may be, stating that a resolution or ordinance supporting the incentive has been requested may be filed with this application instead. If the applicant is seeking to apply based on the reoccupation of abandoned property and will be seeking a finding of "special circumstances" from the municipality, in addition to obtaining a letter from the municipality confirming that a resolution or ordinance supporting the incentive has been requested, the applicant must file a letter from the County Board confirming that a resolution validating a municipal finding of special circumstances has been requested. If, at a later date, the municipality or the County Board denies the applicant's request for a resolution or ordinance, the applicant will be deemed ineligible for the Class 6B incentive, whether or not construction has begun. In all circumstances, the resolution must be submitted by the time the applicant files an "Incentive Appeal".

I, the undersigned, certify that I have read this Application and that the statements set forth in this Application and in the attachments hereto are true and correct, except as those matters stated to be on information and belief and as to such matters the undersigned certifies that he/she believes the same to be true.

X Youssef Sathani
Signature

Youssef Sathani
Print Name

11/1/18
Date

President - Top Tec Heating Cooling Plumbing and Electric, Inc.
Title

10/4/13

INCENTIVES CLASS LIVING WAGE ORDINANCE AFFIDAVIT

Youssef Sathani as agent for the applicant set forth below, who is seeking a classification incentive as referenced below, I do hereby state under oath as follows:

1. As the agent for the applicant set forth below, I have personal knowledge as to the facts stated herein.
2. The property identified by PIN(s) with commonly known address(es), listed in Exhibit A attached and herein incorporated, are/is the subject of a pending application ~~renewal~~ (circle as appropriate) for one of the following development incentives provided by the Code of Ordinances of Cook County, Chapter 74, Article II, Division 2, The Cook County Real Property Assessment Classification Ordinance, Sec. 74-60 et seq., as amended:

☒ Class 6B ☐ Class 8 (Industrial property) ☐ Class 9

3. I have reviewed the Code of Ordinances of Cook County, Chapter 34, Article IV, Division 1 and The Cook County Living Wage Ordinance, Sec. 34-127 et seq., as amended (the "Ordinance"), and certify that the applicant is in compliance with the above referenced Cook County Living Wage Ordinance, due to one of the following options (check as appropriate):

☒ Applicant is currently paying a living wage to its employees, as defined in the Ordinance.

OR

☐ Applicant is not required to pay a living wage, pursuant to the Ordinance.

Further affiant sayeth not.

X Youssef Sathani
Agent's Signature
1977 Royal Birkdale, Vernon Hills, IL 60061
Agent's Mailing Address
Top Tec Heating Cooling Plumbing and Electrical, Inc.
Applicant's Name
joe@toptec.net
Applicant's e-mail address

Youssef Sathani - President, Top Tec Heating Cooling Plumbing and Electrical, Inc.

Agent's Name & Title
(847) 362-0262
Agent's Telephone Number
1977 Royal Birkdale, Vernon Hills, IL 60061
Applicant's Mailing Address

Subscribed and sworn before me this 1 day of November, 2018
[Signature]
Signature of Notary Public

(Please type or Print)

27-36-204-006-0000

17620 Duvan Drive, Tinley Park, IL 60477



COOK COUNTY MINIMUM WAGE AFFIDAVIT

Introduction

This affidavit arises from section 74-74. Please see the following website for the Cook County Ordinances: Municode.com

Instructions

Applications: all new applicants are required to submit this affidavit with their eligibility application and their appeal for class change.

Renewals: all renewal applicants are required to submit this affidavit with their renewal application.

Annual Affidavit: all incentives classes are required to submit this affidavit on an annual basis.

Original applicant occupied incentive property must sign the affidavit.

Non-original applicant occupied incentive property requires that the owner(s) and tenant(s) are required to submit this affidavit.

All Substantial owners must file this affidavit.

Mail each office an original completed affidavit:

Cook County Assessor's Office
Incentives Department
118 North Clark, 3rd Floor
Chicago, Illinois 60602

Cook County Bureau of Economic Development
Department of Planning and Development
69 West Washington, Suite 2900
Chicago, Illinois 60602

Definitions

A substantial owner means: "any person who owns or holds a 25 percent or more percentage of interest in any business entity seeking a County privilege, including those shareholders, general or limited partners, beneficiaries and principals; except where a business entity is an individual or sole proprietorship, substantial owner means that individual or sole proprietor." See Section 34-367.

If you have any questions regarding this affidavit you should contact the Cook County Department of Human Rights.

SWORN STATEMENT

I Youssef Sathari (print your name) as agent for the applicant set for the below, who is seeking a classification Incentive as referenced below and having personal knowledge of all facts stated herein, I do hereby state under oath subject to penalties of perjury as follows:

The property identified by PIN(s) with commonly known address(es), listed in Exhibit A attached and herein incorporated, are/is the subject of this Application / Renewal (circle as appropriate) for one of the following Development Incentives provided by the Code of Ordinances of Cook County, Chapter 74, Article II, Division 2, The Cook County Real Property Assessment Classification Ordinance, as amended (circle all that apply to your property):

Class 6 (all) Class 7 (all) Class 8 (all) Class S Class SRO
Class 9 Class S Class L Class C

COOK COUNTY MINIMUM WAGE COMPLIANCE

1. The Cook County Assessor's Office has issued the following Control Number regarding this Application / Renewal (circle as appropriate), _____ and the application was submitted on _____.
2. The applicant (circle one) Has / Has Not violated the Cook County Minimum Wage Ordinance, Chapter 42, Division 2 as amended. If you claim a violation, you must request that the Incentive be terminated.

Further affiant sayeth not.

X Youssef Sathari
Agent's Signature
1977 Royal Birkdale, Vernon Hills, IL 60061
Agent's Mailing
Top Tec Heating Cooling Plumbing and Electrical, Inc.
Applicant's Name
joe@toptec.net
Applicant's E-Mail Address

Youssef Sathari - President, Top Tec Heating Cooling Plumbing and Electrical, Inc
Agent's Name & Title
(847) 362-0262
Address Agent's Telephone Number
1977 Royal Birkdale, Vernon Hills, IL 60061
Applicant's Mailing Address

Subscribed and sworn before me this 1 day of November, 20 18

[Signature]
Signature of Notary Public

[2]

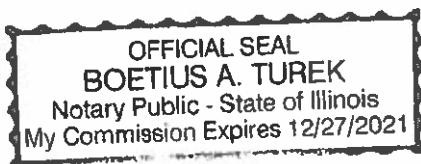


EXHIBIT A
(Please type or Print)

PIN(s)

27-36-204-006-0000

Common Address

17620 Duvan Drive, Tinley Park, IL 60477



FEDERAL/STATE LABOR LAW AFFIDAVIT

Introduction

This affidavit arises from Sections 74-71, 74-72, 74-74. Please see the following website for the Cook County Ordinances: Municode.com

Instructions

Recipients of Incentives: all recipients of an incentive are required to submit this affidavit.

Applications: all new applicants are required to submit this affidavit with their eligibility application and their appeal for class change.

Renewals: all renewal applicants are required to submit this affidavit with their renewal application.

All Substantial owners, owners, occupiers (includes all tenants) must file this affidavit.

Mail each office an original completed affidavit:

Cook County Assessor's Office
Incentives Department
118 North Clark, 3rd Floor
Chicago, Illinois 60602

Cook County Bureau of Economic Development
Department of Planning and Development
69 West Washington, Suite 2900
Chicago, Illinois 60602

Definitions

A substantial owner means: "any person who owns or holds a 25 percent or more percentage of interest in any business entity seeking a County privilege, including those shareholders, general or limited partners, beneficiaries and principals; except where a business entity is an individual or sole proprietorship, substantial owner means that individual or sole proprietor." See Section 34-367.

Five Years prior to application means: five years prior to the 10-year term of the incentive. That means if you are on a renewal term, your time frame for the statement is 5 years prior to the renewal of the current incentive term. Five years prior to the application shall also mean (365 x 5) days prior to the date stamp on your application.

SWORN STATEMENT

I Youssef Salhani (print your name) as agent for the applicant set for the below, who is seeking a classification Incentive as referenced below and having personal knowledge of all facts stated herein, I do hereby state under oath subject to penalties of perjury as follows:

The property identified by PIN(s) with commonly known address(es), listed in Exhibit A attached and herein incorporated, are/is the subject of this Application / Renewal (circle as appropriate) for one of the following Development Incentives provided by the Code of Ordinances of Cook County, Chapter 74, Article II, Division 2, The Cook County Real Property Assessment Classification Ordinance, as amended (circle all that apply to your property):

Class 6 (all) Class 7 (all) Class 8 (all) Class S Class SRO

Class 9 Class S Class L Class C

NO VIOLATION OF ANY LABOR LAWS

1. The Cook County Assessor's Office has issued the following Control Number regarding this Application / Renewal (circle as appropriate) _____ and the application was submitted on _____.

A. If you are applying for an Incentive, the applicant (circle one) Has / Has Not violated the Illinois Wage Payment and Collection Act, The Illinois Minimum Wage Act, the Illinois Worker Adjustment Retraining Notification Act, the Illinois Employee Classification Act, the Federal Worker Adjustment and Retraining Notification Act, the Federal Fair Labor Standards Act and/or any comparable state statute or regulation of any state and including five years prior to the application of the Incentive. If you state a violation, you are not qualified to receive an Incentive class and you should not continue the application process.

B. If you are an existing Incentive, the applicant (circle one) Has / Has Not violated the Illinois Wage Payment and Collection Act, The Illinois Minimum Wage Act, the Illinois Worker Adjustment Retraining Notification Act, the Illinois Employee Classification Act, the Federal Worker Adjustment and Retraining Notification Act, the Federal Fair Labor Standards Act and/or any comparable state statute or regulation of any state and including five years prior to the application of the Incentive.

C. If after having received the Incentive classification, you have violated any labor law anywhere in the United States, state that the applicant (circle one) Has / Has Not cured the violation within 45 days of receiving this affidavit. If you did not cure within 45 days, you must request that the Incentive be terminated. Failure to return the affidavit within 45 days of mailing shall result in an automatic termination of the Incentive for failure to state compliance.

Further affiant sayeth not.

X *Youssef Sathani*
Agent's Signature

1977 Royal Birkdale, Vernon Hills, IL 60061
Agent's Mailing

Top Tec Heating Cooling Plumbing and Electrical, Inc.
Applicant's Name

joe@toptec.net
Applicant's E-Mail Address

Youssef Sathani - President, Top Tec Heating Cooling Plumbing and Electrical, Inc.

Agent's Name or Title

(847) 382-0282
Address Agent's Telephone Number

1977 Royal Birkdale, Vernon Hills, IL 60061
Applicant's Mailing Address

Subscribed and sworn before me this 1 day of November, 20 18

[Signature]
Signature of Notary Public

EXHIBIT A

(Please type or Print)

PIN(s)

27-36-204-006-0000

Common Address

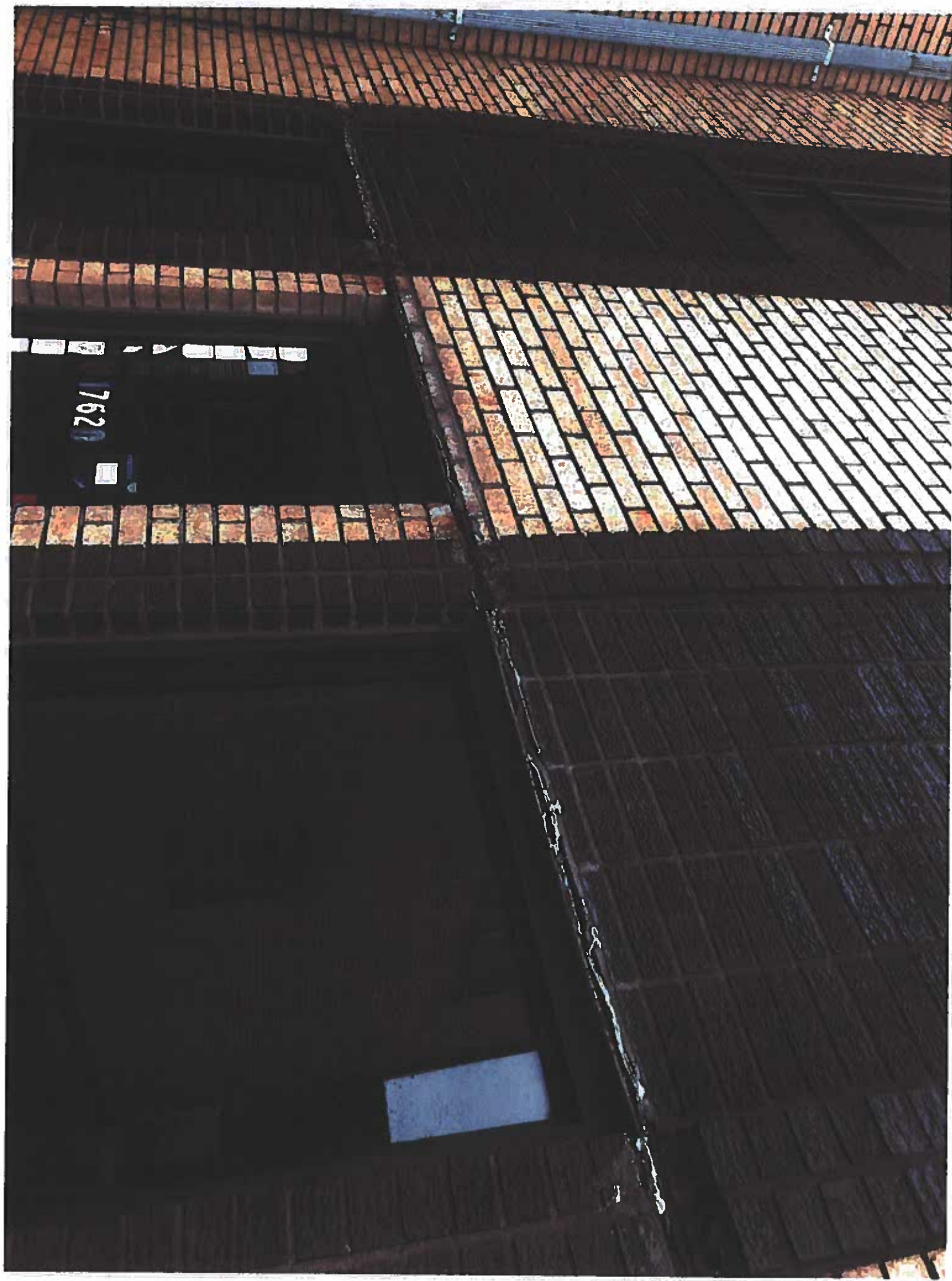
17620 Duvan Drive, Tinley Park, IL 60477

[illegible]

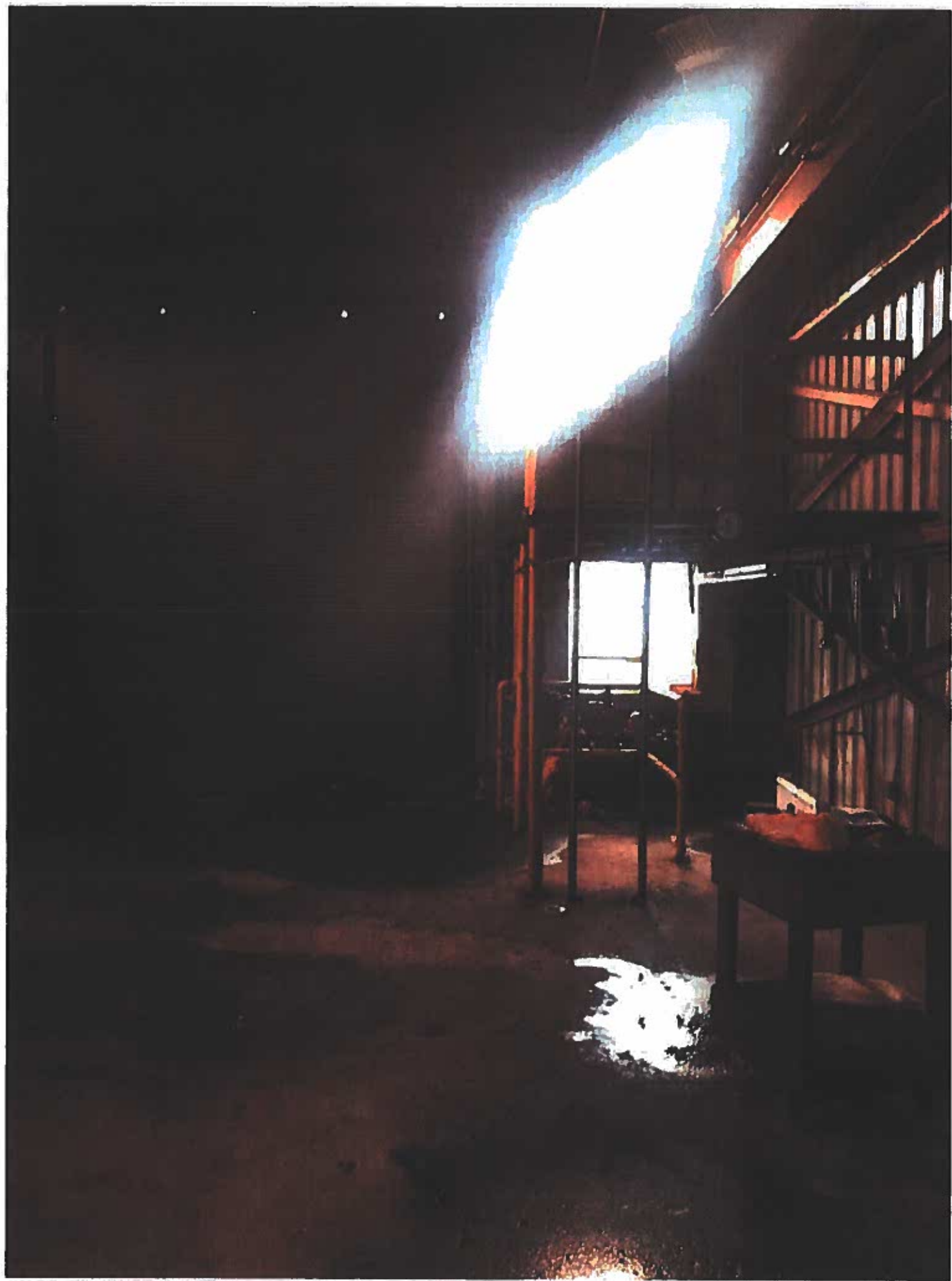


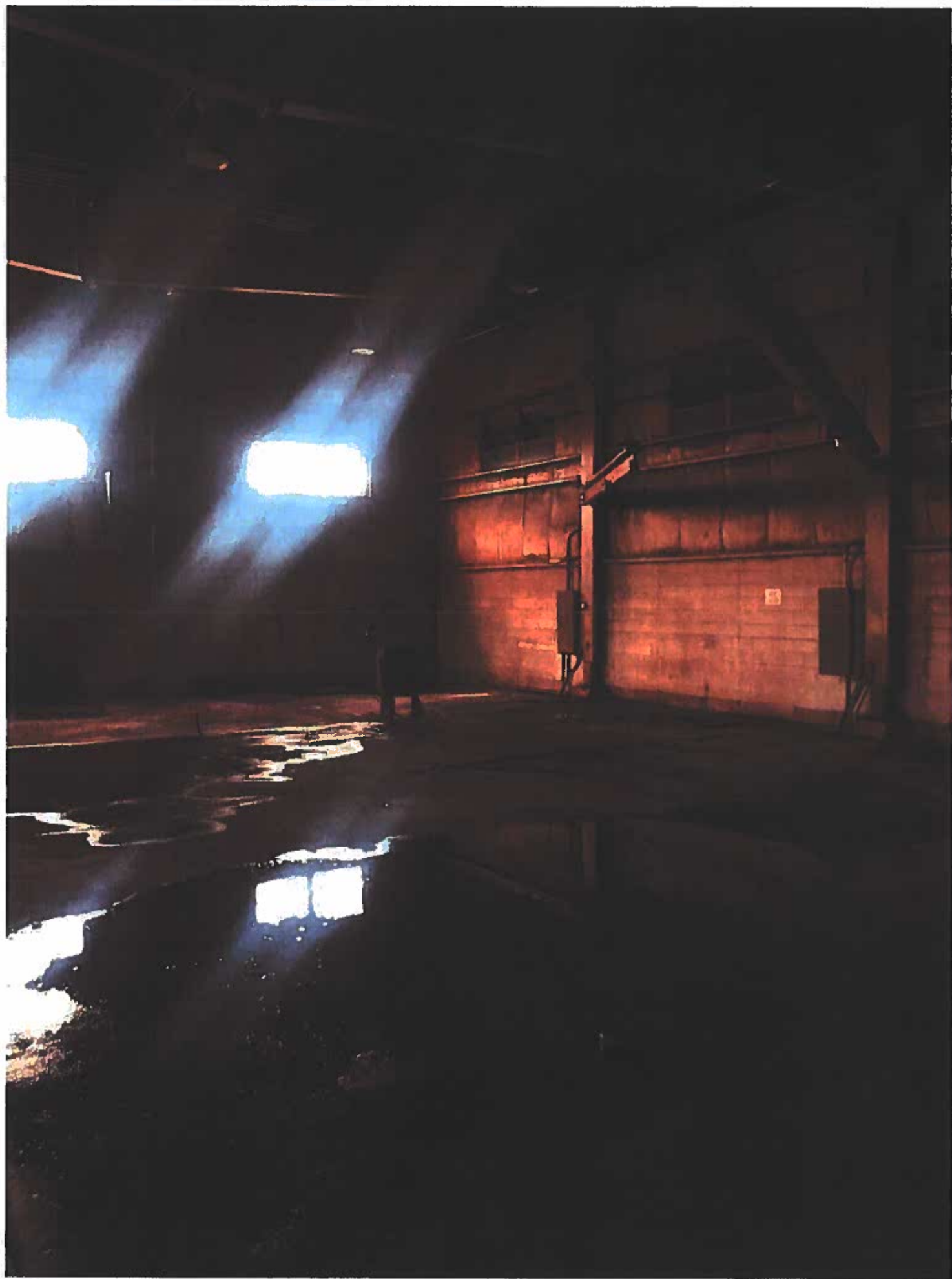








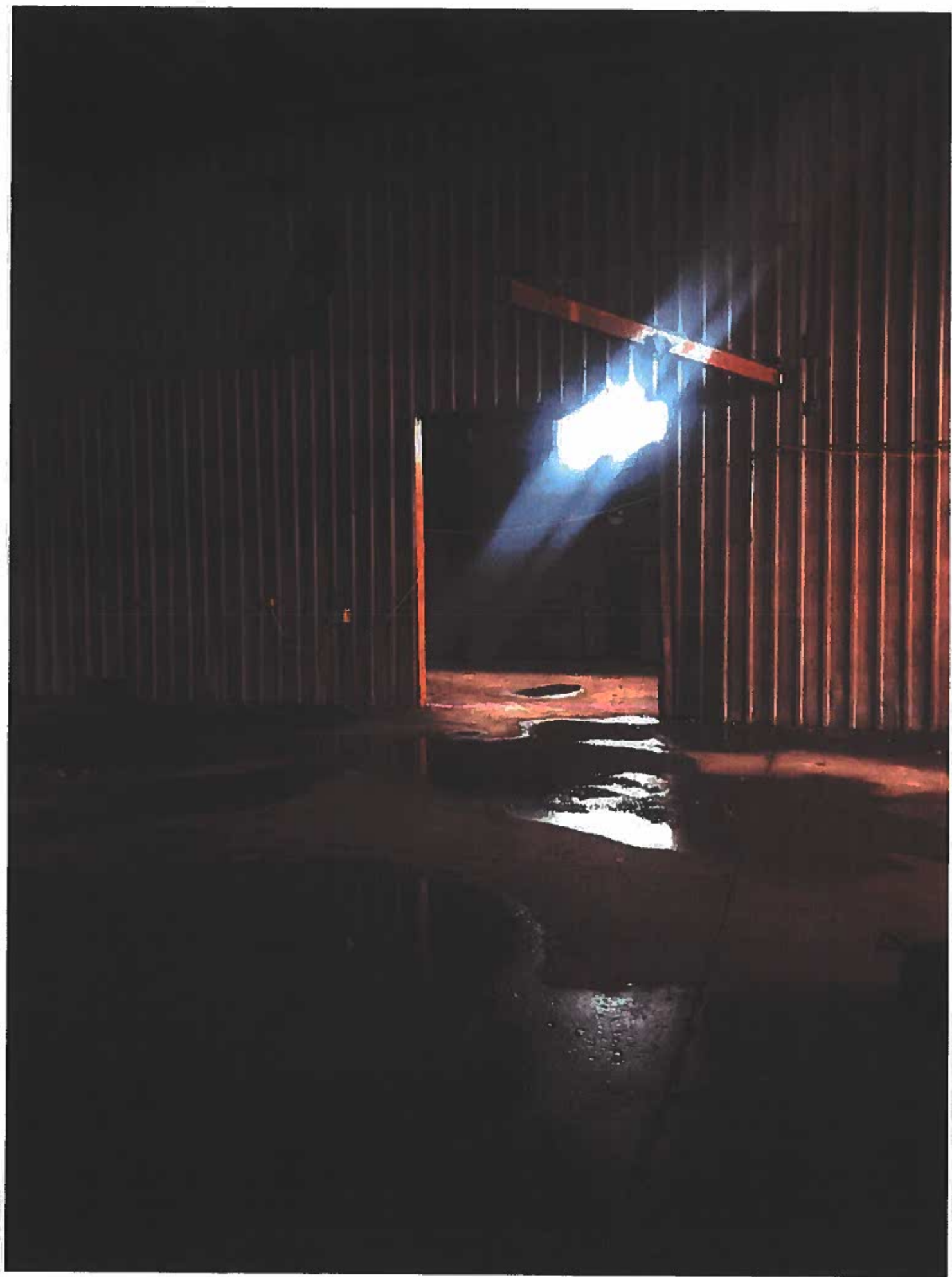














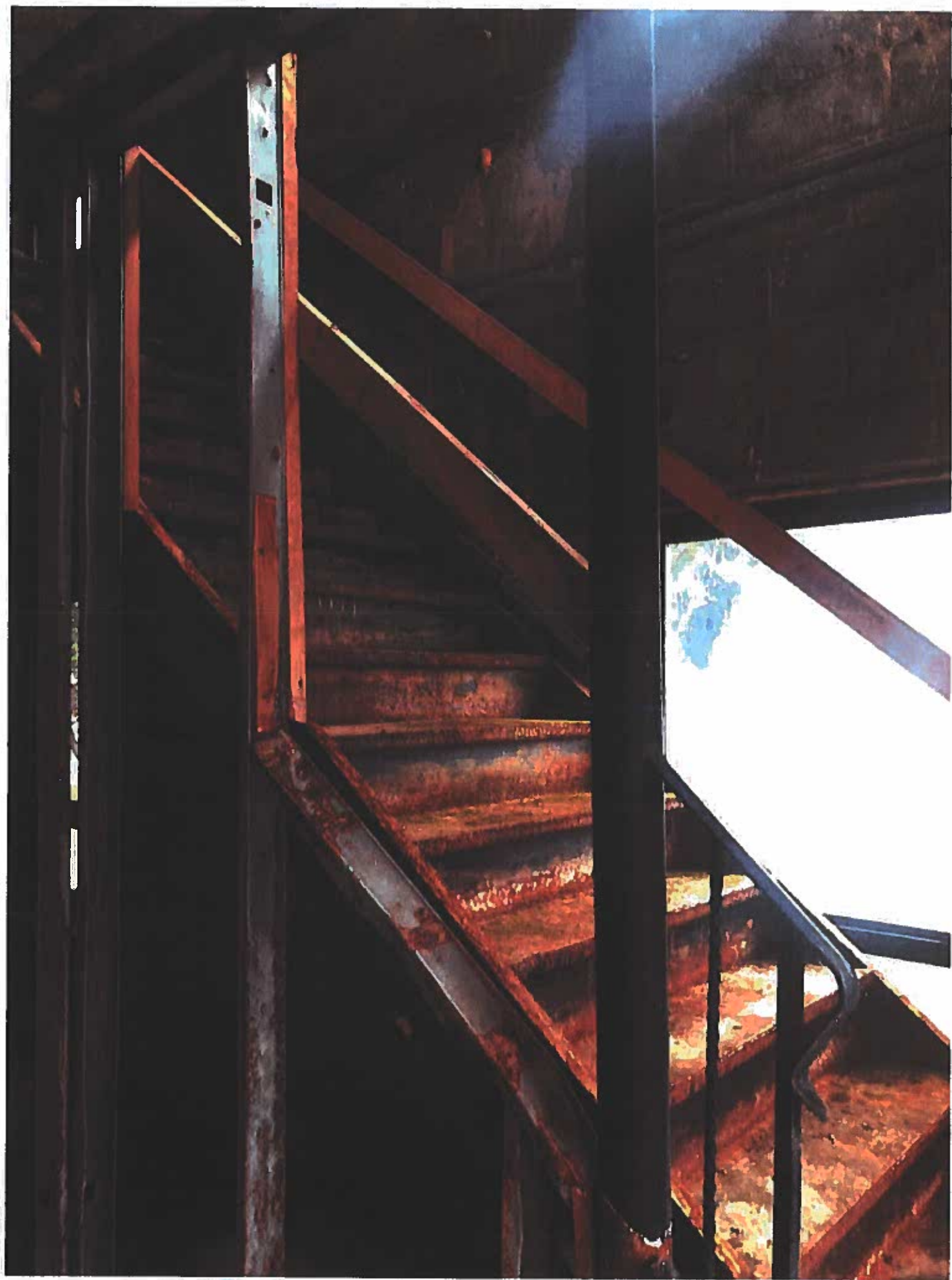








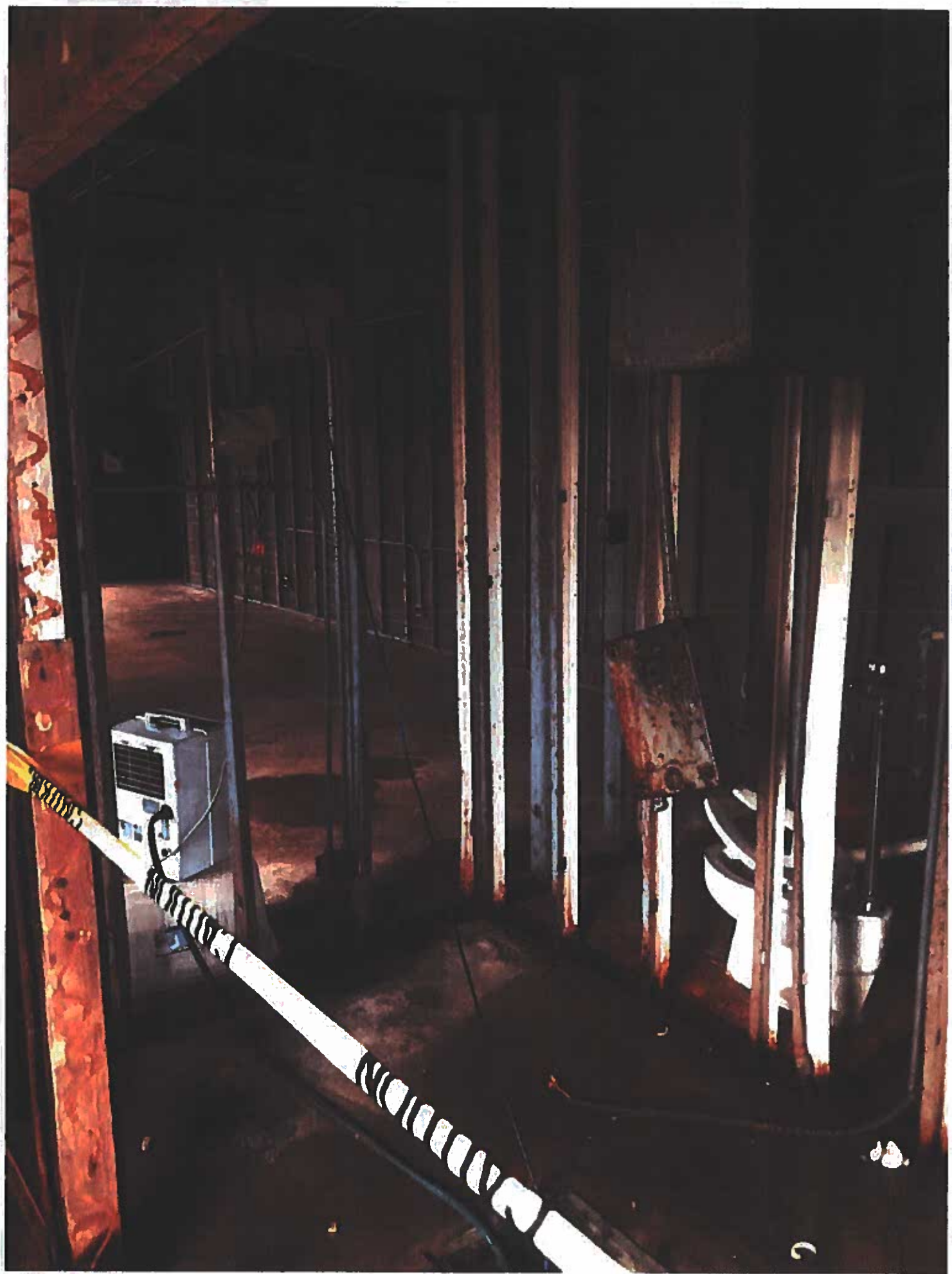














CLASS 6B

ELIGIBILITY BULLETIN

Cook County Living Wage Ordinance

Please be advised that every applicant for this incentive will be required to provide an affidavit to the Assessor's Office to confirm compliance with the Cook County Living Wage Ordinance. The Cook County Assessor will not grant any request for incentive classification until it receives the required affidavit.

Incentive Benefits

The Class 6b classification is designed to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of Class 6b is to attract new industry, stimulate expansion and retention of existing industry and increase employment opportunities.

Under the incentive provided by Class 6b, qualifying industrial real estate would be eligible for the Class 6b level of assessment from the date that new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial re-occupancy. Properties receiving Class 6b will be assessed at 10% of market value for the first 10 years, 15% in the 11th year and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Where buildings or other structures qualify for the incentive as new construction or as abandoned property as defined below, the reduced level of assessment under Class 6b will apply to those structures in their entirety as well as to the land upon which they are situated. Where there is substantial rehabilitation of an existing structure which has not been abandoned, the reduced incentive level of assessment is applicable to the additional market value attributable to the rehabilitation, including qualified land related to the rehabilitation. ***(Please note that the additional value attributable to the rehabilitation for assessment purposes is likely to be lower than the actual amount spent on the rehabilitation.)*** Land qualifies when the rehabilitation adds vertical or horizontal square footage to the improvements. The amount of land eligible for the incentive shall be in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel.

Eligibility Requirements

Real estate is eligible for Class 6b status under the following conditions:

1. The real estate is used primarily for "industrial purposes".
2. There is either (a) new construction, (b) substantial rehabilitation, or (c) substantial re-occupancy of "abandoned" property.
3. An Eligibility Application and supporting documents have been timely filed with the Office of the Assessor according to deadlines as set forth in the "What Must Be Filed" and "Time for Filing" sections of this Bulletin.
4. The municipality in which such real estate is located (or the County Board, if the real estate is located in an unincorporated area) must, by lawful resolution or ordinance, expressly state that it supports and consents to the filing of a Class 6b Application and that it finds Class 6b necessary for development to occur on the subject property.

The following definitions, as set forth in the Cook County Real Property Assessment Classification Ordinance, pertain to the Class 6b incentive provision:

Industrial purposes: "Any real estate used primarily in manufacturing ... or in the extraction or processing of raw materials unserviceable in their natural state to create new physical products or materials, or in the processing of materials for recycling, or in the transportation or storage of raw materials or finished or partially finished physical goods in the wholesale distribution of such materials or goods for sale or leasing."

Manufacturing: "The material staging and production of goods used in procedures commonly regarded as manufacturing, processing, fabrication, or assembling which changes existing material into new shapes, new qualities, or new combinations and including research and development associated with the production of goods."

Abandoned property: "Buildings and other structures that, after having been vacant and unused for at least 24 continuous months, are purchased for value by a purchaser in whom the seller has no direct financial interest." An exception to this definition shall be, "if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is 'abandoned' for the purpose of Class 6b."

The finding of abandonment, along with the specification of the special circumstances, shall be included in the resolution or ordinance supporting and consenting to the incentive application. Notwithstanding the foregoing, special circumstances may not be determined to justify finding that a property is deemed "abandoned" where:

- A. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
- B. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

If the ordinance or resolution containing a finding of "special circumstances" is that of a municipality, the approval of the County Board of Commissioners is required to validate such a finding that the property is deemed "abandoned" for purposes of the incentive, and a resolution to that effect shall be included with the eligibility application.

What Must Be Filed

An applicant seeking the reclassification of real estate to Class 6b is required to file a "Class 6b Eligibility Application" with the Office of the Assessor. At the time of filing the application, a filing fee of \$500.00 must be paid. In addition, an applicant may submit, at the same time, a certified copy of an ordinance or resolution adopted by the municipality in which the real estate is located (or the County Board, if the real estate is located in an unincorporated area) expressly stating that it supports and consents to the filing of a Class 6b Application and that it finds Class 6b necessary for development to occur on the subject property. If the resolution is not filed at the time the Eligibility Application is submitted to the Assessor, the applicant must file, at that time, a letter from the municipality or the County Board confirming that a resolution or ordinance supporting the incentive has been requested. If the applicant is seeking to apply based on the reoccupation of abandoned property and will be seeking a finding of "special circumstances" from the municipality, in addition to obtaining a letter from the municipality confirming that a resolution or ordinance supporting the incentive has been requested, the applicant must also file a letter from the County Board confirming that a resolution validating a municipal finding of special circumstances has been requested.

Should the municipality or the County Board, at a later date, deny the applicant's request for a resolution or ordinance, whether or not construction or re-occupancy has begun, the applicant will be deemed ineligible for reclassification to Class 6b. Any information that is not known or any supporting documents that are not available at the time of the initial filing must be submitted as a supplement to the Application.

After the construction or re-occupancy has taken place, an applicant must also file an "Incentives Appeal Form" requesting that the real estate be reclassified to Class 6b. At the time of filing the appeal, an appeal fee of \$100.00 must be paid. If a resolution from the municipality where the property is located, or the Cook County Board of Commissioners if located in an unincorporated area, was not filed with the Eligibility Application, the applicant must file a certified copy of the resolution or ordinance supporting the incentive at this time. No final action on a request for reclassification to Class 6b will be taken until an Appeal and an Eligibility Application, along with the required documentation as described therein, are completed and filed with the Office of the Assessor.

In addition, during the term of the incentive, the Class 6b recipient must file a triennial affidavit attesting to the use of the property and the number of workers employed at the Class 6b site. The Assessor will mail Class 6b recipients the affidavit forms at the time of their triennial reassessments. The affidavit must be signed, notarized and returned to the Assessor within three weeks. Failure to file the triennial affidavits within that time will result in the loss of the incentive.

Time for Filing

The Eligibility Application along with the appropriate resolution or letter confirming that a resolution has been requested *must be filed* with the Assessor *prior to*, but no earlier than one year before, *commencement of new construction* (excluding demolition, if any) *or substantial rehabilitation*. With respect to abandoned property, the eligibility application must be made to the Assessor *prior to the commencement of the reoccupation of the vacant and unused property*.

Where reoccupation of "abandoned" property and subsequent substantial rehabilitation is planned, a single Eligibility Application and resolution, ordinance, or letter confirming that a resolution has been requested, may be filed for both situations, provided that the Application is filed prior to the commencement of reoccupation and such rehabilitation.

To finalize the classification change, a "Real Estate Assessed Valuation Appeal" must be filed after the construction or re-occupancy has taken place. In instances where a certified copy of an ordinance or resolution expressly stating that the municipality or County Board supports and consents to filing of a Class 6b Application has not yet been filed, it must be filed at this time. For the purpose of certifying final assessments on a timely basis to the Board of Appeals, deadlines for filing Appeals are established on a township basis. Check with the Office of the Assessor to determine when the deadline occurs for a particular township.

The 6b classification may be renewed during the last year in which a property is entitled to a 10% assessment level or when the incentive is still applied at the 15% or 20% assessment level, by filing a renewal application and a certified copy of a resolution or ordinance adopted by the municipality in which the real estate is located, or by the County Board, if located in an unincorporated area of Cook County, expressly stating that it supports and consents to the renewal of the Class 6b incentive and that it has determined that the industrial use of the property is necessary and beneficial to the local economy. The notice of intent to request renewal will be forwarded by the Assessor's Office to the Cook County Board. The owners must notify the Assessor's Office of their intent to request renewal at the time they request a resolution or ordinance agreeing to the renewal from the municipality or County Board. The number of renewal period requests is not limited.

Questions regarding Class 6b may be directed to the Development Incentives Department of the Office of the Cook County Assessor, Room 301, 118 North Clark Street, Chicago, Illinois 60602, (312) 603-7529.



Interoffice Memo

Date: January 29, 2019

To: Economic Development and Marketing Committee

Cc: David Niemeyer, Village Manager
Paula Wallrich, Community Development Director

From: Patrick Hoban, Economic Development Manager

Subject: Cook County Special Designated Areas

Background:

The first eligibility requirement to qualify for Cook County's Class 7 Assessment Program is the Designation of Area. Federal, State or local agencies can designate areas. One of the designations a local agency can use is the blighted designation in accordance with the TIF statute. This designation only confirms that the area meets TIF criteria but does not designate it as a TIF.

Village staff hired Kane, McKenna and Associates to perform the required blight eligibility study.

Request:

Village staff is requesting the designation of the area near the southwest corner of 159th and Harlem and the vacant land on the southern portion of LaGrange Rd in Tinley Park as blighted. The blighted designation will allow current and future developers and businesses the ability to immediately access Class 7 incentives with Village approval to attract investment in the high vacancy and underdeveloped areas.

For projects involving substantial rehabilitation of existing structures, the incentive applies to the added value which is attributable to the building and land improvements. If vertical or horizontal square footage is added, in such proportion as the square footage added by the improvements bears to the total square footage of the improvements on the parcel.

The Class 7 reclassification will provide an assessment at 10% of market value for the first ten (10) years, 15% in the 11th year and 20% in the 12th year instead of the 25% commercial assessment rate. High property taxes and the competition with Will County and Indiana taxes are a primary reason for Class 7 incentives.



Strategic Plan Checklist:

1. Economic Development Strategy 3: Work with brokers and retail site selectors to recruit retailers to the 159th Harlem retail corridor.
2. Economic Development Strategy 6: Encourage infrastructure development to attract investment along LaGrange Road.

Benefits:

The designation will be an enhancement to the Village by creating an opportunity to access an incentive program to fill a high vacancy area and an underdeveloped area.

Staff Recommendation:

The Economic Development and Marketing Committee granted permission to pursue the designated areas on January 9th, 2018. The Economic and Commercial Commission reviewed and recommended this item on January 17th, 2018. If this item is approved, it will be up for adoption by the board at the February 5th Village Board meeting.



CLASS 7A

ELIGIBILITY BULLETIN

The Class 7a Incentive and Its Benefits

The Class 7a incentive of the Cook County Real Property Assessment Classification Ordinance ("Ordinance") is intended to encourage, in areas determined to be "in need of commercial development", commercial projects with total development costs, exclusive of land, that do not exceed \$2 million and would not be economically feasible without the incentive. The twelve-year incentive applies to all newly constructed buildings or other structures, including the land upon which they are situated; the reutilization of vacant structures abandoned for at least twenty-four (24) months, (unless otherwise stipulated for a shorter period of time by the municipality in which the real estate is located, with approval from the County Board, or stipulated by the County Board, if located in an unincorporated area) including the land upon which they are situated; or all buildings and other structures which are substantially rehabilitated to the extent such rehabilitation has added to their value, including qualified land related to the rehabilitation.

Projects which qualify for the Class 7a incentive will receive a reduced assessment level of ten percent (10%) of fair market value for the first ten years, fifteen percent (15%) for the eleventh year and twenty percent (20%) for the twelfth year. Without this incentive, commercial property would normally be assessed at twenty-five percent (25%) of its market value.

The Class 7a incentive is available to "real estate used primarily for commercial purposes", which is defined in the Ordinance as:

"Any real estate used primarily for buying and selling of goods and services, or for otherwise providing goods and services, including any real estate used for hotel and motel purposes." [74-62]

Where projects qualify for the incentive as new construction or reoccupied abandoned property, the incentive will apply to them in their entirety, including the land upon which they are located. For projects involving substantial rehabilitation of existing structures, the incentive applies to the added value which is attributable to the rehabilitation and to the land, if vertical or horizontal square footage has been added, in such proportion as the square footage added by the rehabilitation bears to the total square footage of the improvements on the parcel. ***(Please note that the additional value attributable to the rehabilitation for assessment purposes is likely to be lower than the actual amount spent on the rehabilitation.)*** The reduced assessment continues for twelve years from the date that the new construction or substantial rehabilitation is completed and initially assessed or, in the case of abandoned property, from the date of substantial reoccupation.

Under the Ordinance, "abandoned property" qualifies if it consists of:

"Buildings and other structures that, after having been vacant and unused for at least 24 continuous months, and purchased for value by a purchaser in whom the seller has no direct financial interest." An exception to this definition shall be, "if the municipality or the Board of Commissioners, as the case may be, finds that special circumstances justify finding that the property is 'abandoned' for the purposes of Class 7a. The finding of abandonment, along with the specification of the special circumstances, shall be included in the resolution or ordinance supporting and consenting to the incentive application. Notwithstanding the foregoing, special circumstances may not be determined to justify finding that a property is deemed "abandoned" where:

- A. There has been a purchase for value and the buildings and other structures have not been vacant and unused prior to such purchase; or
- B. There has been no purchase for value and the buildings and other structures have been vacant and unused for less than 24 continuous months.

If the ordinance or resolution containing a finding of "special circumstances" is that of a municipality, the approval of the County Board of Commissioners is required to validate such a finding that the property is deemed "abandoned" for purposes of the incentive, and a resolution to that effect shall be included with the eligibility application.

Abandonment for twenty-four consecutive months may be evidenced by utility bills, Internal Revenue Service statements, certified business statements, and records of building code violations. Purchase for value may be evidenced by a sale contract, recorded deed, assignment of beneficial interest and real estate transfer declaration. Proof of re-occupancy may be evidenced by sworn statements from persons with knowledge, occupancy permits and utility statements.

Eligibility Requirements

The essential part of a Class 7a Application is documentation satisfying the five eligibility requirements of Section 74-65(a) of the Ordinance. All five factors must be present if the project is to qualify. The absence of any one factor, notwithstanding the substantial presence of the other four factors, will defeat the Application. Documentation requirements are, however, flexible enough to accommodate the specific conditions and size of the projects. Because Class 7a is targeted for smaller projects in areas in need of substantial revitalization, the Assessor, in compliance with the direction of the Ordinance to liberally construe the requirements of factors (1) through (5), will generally require less extensive documentation than required for larger projects.

The five (5) eligibility factors of Section 74-65(a) of the Ordinance are as follows:

1. Designation of Area:

"The area is or has been within the last 10 years designated by federal, state or local agency as a conservation, blighted or renewal area or an area encompassing a rehabilitation or redevelopment plan or project adopted under the Illinois Urban Renewal Consolidation Act of 1961, as amended, or the Commercial Renewal Redevelopment Areas Act of 1967, as amended, or that the area be located in a federal Empowerment Zone or Enterprise Community, as proposed and approved by the Cook County Board of Commissioners on June 22, 1994 or the Chicago City Council on May 18, 1994, or the Commercial District Development Commission Ordinance of the City of Chicago or designation(s) of like effect adopted under any similar statute or ordinance." [74-65(a)(1)]

To be eligible, the project must be located within an area designated within the last 10 years as one in need of commercial development by a federal, state or local governing body or agency. A certified copy of the action designating the area must accompany the Application. Copies of any area studies done by the designating governmental entity should be included, to support the overall requirements of this section of the Ordinance.

2. Real Estate Tax Analysis:

"Real estate taxes within said area, during the last six years, have declined, remained stagnant or potential real estate taxes are not being fully realized due to the depressed condition of the area." [74-65(a)(2)]

Section 74-65(a)(2) requires the applicant to demonstrate a causal link between the depressed condition of the area and its real estate tax history. Principally, there must be a showing that real estate taxes have declined, stagnated or have not been fully realized during the last six years. Demonstration that depressed conditions are the cause of declining, stagnating or unrealized tax revenue should include data on such factors as adverse market conditions; structural and functional obsolescence; the extent and duration of vacancies; the absence or near absence of new business formations; and, a pattern of tax sales, delinquencies or forfeitures in the area. If real estate taxes have not stagnated or declined, the applicant may establish that tax collections have not been fully realized as a result of depressed conditions in the project area. In all cases, data supplied should be on a parcel-by-parcel basis and include an analysis of assessments, taxes billed and taxes collected for a period of at least six years. A showing should be made that going forward with the project will improve the economic condition of the area and result in increased real estate tax collections.

If the area designation in factor (1) above is of a size that is either inadequate or too large to be a useful representation for analysis of real estate taxes, the applicant should contact the Assessor for guidance in creating a more representational boundary area for this factor.

3. Viability and Timeliness:

"There is a reasonable expectation that the development, re-development or rehabilitation of the commercial development project is viable and likely to go forward on a reasonably timely basis if granted Class 7a designation and will therefore result in the economic enhancement of the area." [74-65(a)(3)]

Progress on the proposed development well beyond an abstract or general plan is expected of the applicant by the time of submission of the Application to the Assessor. Therefore, submitted evidence of economic viability and timely completion of the project should be relevant and specific in addressing the following points:

- A. *Development Plan*: A specific development plan must be submitted including, but not limited to: architectural exhibits and building plans; site plans demonstrating the relationship of the proposed development to its private and public surroundings including open spaces, service areas, driveways, parking areas, walks and adjacent streets, sidewalks and buildings; a description of structures to be demolished and of buildings to be rehabilitated or reoccupied; a description of the facilities and amenities to be provided by the applicant with cost estimates; a description and the cost of public works planned for the area in conjunction with the development, such as infrastructure improvements; a description of all incentives or subsidies which will be offered to the developer by public agencies with an analysis of the benefits to the developer and costs to the public; a copy of any pre-development agreements or contracts affecting the project; and, disclosure of any environmental reports or studies relating to the development and its direct surroundings.
- B. *Economic Feasibility*: The Application must include pro forma financial statements which clearly demonstrate that the proposed development is economically viable and able to sustain itself beyond the incentive period. The pro forma statements should compare results, including return on investment, with and without the incentive, to help satisfy the requirement of this section of the Ordinance as well as the "assistance and necessity" requirement of Section 4(A)(4). The statements must not be different from those submitted to financial institutions in support of private, financial backing and should include a detailed analysis of project costs. Copies of any private or public feasibility studies of the project area may be submitted. A description of any lawful, participation agreement between the developer and any taxing districts for the sharing of future profits should also be included.
- C. *Financing*: The applicant should identify the amounts, sources and basic terms of proposed debt and equity financing for all aspects of the development, including both private and public sources of all funds.
- D. *Owners, Developers, Prime Tenants and other Interested Parties*: The business experience and financial strength of the participants is important to the project's viability. The applicant should therefore provide sufficiently detailed financial information about the developers, owners, prime tenants, and any other interested parties, including names and addresses. Information about owners must include all general and limited partners and beneficiaries of a land trust. Any material legal or tax liabilities which might affect the project's viability must be disclosed.

E. *Development Schedule*: The applicant must provide a development schedule which at least includes the date of the construction start, the projected time to completion and the projected date for occupancy.

4. Assistance and Necessity:

"Certification of the commercial development project for Class 7a designation will materially assist development, re-development or rehabilitation of the area and the commercial development project would not go forward without the full incentive offered under Class 7a." [74-65(a)(4)]

Section 74-65(a)(4) requires the applicant to establish a link between the incentive and the viability and feasibility of the development by demonstrating that the project would not go forward without the incentive. The materials submitted for Section 74-65(a)(4), especially the pro forma financial statements comparing results with and without the incentive, may be referred to in support of the requirement for this section. In addition, evidence of the failure of formal public bidding or a showing that the unaided operation of the marketplace has produced no developer interest in the area for a period of years will help support satisfaction of this section's requirements. Examples of other evidence which may help satisfy the 74-65(a)(4) requirements are: physical isolation or substandard location of the project area; special environmental problems adding to development costs; municipal requirements for landmark preservation or costly amenities in connection with the project; and, expert testimony that unassisted development of the area will not occur. In addition, the existence of a participation agreement between the developer and any taxing districts should be described in the Application.

5. Increased Tax Revenue and Employment:

"Certification of the commercial development project for Class 7a designation is reasonably expected to ultimately result in an increase in real property tax revenue and employment opportunities within the area." [4(A)(5)]

The applicant must supply a statistical analysis projecting the added real estate tax revenue and employment which will result from the development, with and without the incentive. A tax revenue projection for the area, without the development, should also be provided for comparison. Since real estate taxes are a function of market value and the effective tax rate, market value projections should be based on the cost, income and market approaches to value. All figures should cover the same twelve-year period. Employment figures should be categorized to show projections for new full and part-time employment and for temporary construction employment. Finally, if the development involves relocation within the same taxing jurisdiction, the developer should supply a statement comparing the costs and benefits of relocation for the community as a whole.

Application Procedures

An Eligibility Application, accompanied by supporting documentation, must be submitted to the Assessor's Office prior to the commencement of construction, rehabilitation or reoccupation. At the time of filing the application, a filing fee of \$500.00 must be paid. The Application must include a resolution or ordinance from the municipality where the real estate is located, or from the Cook County Board of Commissioners if the real estate is located in an unincorporated area. The resolution or ordinance must expressly state that the five eligibility factors which must be present to demonstrate that the area is "in need of commercial development" are satisfied and that the municipality consents to and supports the Application. A copy of the ordinance or resolution will be forwarded by the Assessor's Office to the secretary of the Board of Commissioners for distribution to the Commissioners from the affected districts.

In all cases of abandonment based on special circumstances, the finding of the municipality or the County Board, along with the specification of circumstances which led to said finding of "abandonment" shall be included in a resolution or ordinance passed by the municipality in which the real estate is located (or the County Board if located in an unincorporated area) and must be filed at the time of the Eligibility Application. The ordinance or resolution pertaining to abandonment based on special circumstances must be validated by the County Board and a resolution from the County Board stating its approval of the special circumstances must also be filed at the time of the Eligibility Application.

The Assessor will make a final determination as to whether factors (1) through (5) exist within 60 days after receipt of the application and necessary supporting documentation. Certification of the project will lapse within one year if new construction, rehabilitation or reoccupation has not commenced.

Once new construction, rehabilitation, or reoccupation has been completed, the applicant must file an "Incentives Appeal Form" requesting that the property be reclassified to Class 7a. At the time of filing the appeal, an appeal fee of \$100.00 must be paid.

During the term of the Class 7a incentive classification, the Assessor will mail to Class 7a recipients, at the time of their triennial reassessments, affidavits. Recipients must attest to the use of the property and to the number of workers employed at the Class 7a site. The affidavit is to be signed, notarized and returned to the Assessor within three weeks. Failure to file the triennial affidavits within that time will result in the loss of the incentive.

Questions about the Class 7a incentive program may be directed to the Incentives Department of the Cook County Assessor's Office, 118 N. Clark, 3rd Floor, Chicago, IL 60602, (312) 603-7529.

Draft December 27, 2018

**VILLAGE OF TINLEY PARK
CONFIRMATION OF TAX INCREMENT FINANCE DISTRICT (TIF)
ELIGIBILITY:
159TH STREET AND HARLEM AVENUE**

A study to determine whether all or a portion of an area located in the Village of Tinley Park qualifies as a blighted area as set forth in the definitions in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended.

**Prepared for:
The Village of Tinley Park**

**Prepared by:
Kane, McKenna and Associates, Inc.**

December, 2018

**VILLAGE OF TINLEY PARK
CONFIRMATION OF TAX INCREMENT FINANCE DISTRICT (TIF)
ELIGIBILITY:
159TH STREET AND HARLEM AVENUE**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. ("KMA") has been retained by the Village of Tinley Park to conduct an analysis confirming the TIF eligibility (see below) of an area that is located at 159th Street and Harlem Avenue. The area consists of seven (7) parcels (the "Study Area").

The Village of Tinley Park (the "Village") has two principle aims in pursuing the redevelopment of the Study Area. The first goal is to promote redevelopment of an area that has experienced certain impediments such as obsolescence, excessive vacancies, and deterioration. This designation would enable the Village to address impediments through the use of the Cook County Class 7(b) tax incentive.

Secondly, redevelopment action would address the limited opportunities the Village has to encourage new commercial growth and mixed uses within a "land-locked" community. Because the Village (a) is a mature community with limited opportunities for growth through annexation, (b) has few parcels of undeveloped land remaining within Village limits, and (c) has few groupings of properties served by major roadways, the targeted redevelopment area provides an opportunity to undertake major new reinvestment of vacant structures and site improvements. By so doing, it would support the Village's strategy for the encouragement of growth through the reuse and redevelopment under-utilized properties for productive reuse.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the Study Area as a "blighted area."

- 1) *The Study Area qualifies as a "blighted area"* under factors contained in the Illinois Tax Increment Allocation Redevelopment Act (ILCS 5/11-74.4-1 et. seq., as amended; hereinafter referred to as the "TIF Act" or "Act"). 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.
- 2) *Current conditions impede redevelopment* – The existence of certain conditions found at the Study Area present impediments to the area's successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment. Without the use of Village planning and economic development resources including the use of the Cook County Class 7(b) tax incentive to mitigate such factors, potential redevelopment projections (along with other activities that require private sector investment) are not likely to be economically feasible.
- 3) *Viable redevelopment sites could produce additional revenue* – The Study Area potentially could be redeveloped or rehabilitated and thereby produce incremental Study Area tax and sales tax revenue. Such revenue, used in combination with other Village resources for redevelopment incentives would likely stimulate private investment and reinvestment at the Study Area and also benefit adjoining properties.

- 4) ***Blighted Area*** – To mitigate redevelopment area conditions, promote private sector investment, and foster the economic viability, KMA recommends that the Village proceed with the formal confirmation of the Study Area as a “blighted area”.

I. INTRODUCTION AND BACKGROUND

Kane, McKenna and Associates, Inc. ("KMA") has evaluated certain tax parcels located along 159th Street and Harlem Avenue to determine whether they qualify as a "blighted vacant area" as defined in the TIF Act. The Study Area consist of retail parcels located south of 159th Street and west of Harlem Avenue.

Because of the conditions observed at the Study Area and the required coordination for future land uses, the Village is favorably disposed toward supporting redevelopment efforts. The Village has determined that redevelopment should take place through the benefit and guidance of comprehensive economic planning by the Village. Through this coordinated effort, conditions at Study Area are expected to improve and development barriers to be mitigated.

The Village has further determined that redevelopment is feasible only with public finance assistance including a Cook County Class 7(b) utilization.

The use of the Class 7(b) incentive relies upon induced private redevelopment to create higher real estate values that would otherwise decline without such investment. This would result in increased Study Area taxes compared to the previous land use (or lack of use). In this way, the existing tax base for all tax districts would be protected.

The Study Area has a number of important assets:

- The Study Area is located adjacent to important local roads in terms of visibility;
- The Study Area is situated near other complimentary users; and
- The area would serve community residents with commercial and related retail services.

Despite its potential advantages, the Study Area exhibits a variety of economic development impediments as identified in the TIF Act, such as excessive vacancies and obsolescence, as well as deterioration. In comparison to the balance of Village taxable value, the Study Area valuations (EAV) have declined for four (4) of the last five (5) years and lagged behind the Consumers Pricing Index (CPI) annual growth rates for four (4) of the last five (5) years. Section V of this report identifies other impediments to redevelopment.

KMA formally began its analysis by conducting a series of meetings and discussions with Village staff, starting in November, 2018 and continuing periodically up to the date of this report's issuance. The purpose of the meetings was to gather data related to the qualification criteria for the Study Area. These meetings were complemented by a series of field surveys of the entire area to evaluate the condition of the TIF District. The field surveys and data collected have been utilized to test the likelihood that Study Area would qualify for blighted area designation.

For the purpose of the study, the Study Area was examined in the context of the TIF Act governing improved areas (separate provisions of the TIF Act address unimproved areas). The qualification factors discussed in this report qualify the area as a blighted area, as the term is defined under the TIF Act.

During the course of its work, KMA reported to key Village staff its findings regarding TIF qualification and redevelopment prospects for the area under study.

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

II. QUALIFICATION CRITERIA USED

Kane, McKenna and Associates, Inc. evaluated the Study Area to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the TIF Act are found below.

The TIF Act sets out specific procedures which must be adhered to in designating a TIF District/Redevelopment Project Area. By definition, a Redevelopment Project Area (RPA) is:

“An area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

TIF Qualification Factors for a blighted area. In accordance with the Illinois TIF Act, KMA revised the following factors are to determine TIF qualification:

If a *blighted area*, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) 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 Redevelopment Project 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, 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 considered to be noxious, offensive or unsuitable for the surrounding area.

- (K) Environmental Clean-Up. The 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 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) "Stagnant" or Declining EAV. The total equalized assessed value (EAV) of the 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.

III. THE BLIGHTED AREA

The Study Area contains seven (7) tax parcel located south of 159th Street and west of Harlem Avenue. Please refer to Exhibit A which contains a map.

Despite the obsolescence and ongoing vacancies associated with the Study Area, the overall area has a number of assets as identified in Section I above. In addition to traffic volume desirable for retail, commercial and mixed uses, it has a number of other advantages that could be leveraged in the future, including visibility at a prominent intersection and proximity to other retail and commercial uses.

IV. METHODOLOGY OF EVALUATION

In evaluating the Study Area for designation as a conservation area, the following methodology was utilized:

- 1) Site surveys of the Study Area were undertaken by representatives from KMA, supplemented with photographic analysis of the sites. Site surveys were completed for each parcel.
- 2) KMA performed EAV trend analysis to ascertain whether EAV growth underperformed or declined in comparison to the remaining part of the Village.
- 3) KMA conducted evaluations of exterior and interior components and associated site improvements, noting such conditions as deterioration and obsolescence. Additionally, KMA reviewed the following data: 2012-2017 tax information from Cook County, tax parcel maps, site data, local history (based on discussions with Village officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., excessive vacancies, obsolescence, etc.).
- 4) Existing structures and site conditions were initially surveyed for the purpose of comparing said conditions against the TIF Act criteria, to the best and most reasonable extent possible.
- 5) The Study Area was examined to assess the applicability of the factors required for qualification for TIF designation under the TIF Act. KMA evaluated parcels by reviewing the information obtained for each factor against the relevant statutory criteria. Improved land within the RPA was examined to determine the applicability of the thirteen (13) different factors for qualification for TIF designation under this statute (referenced in Section II of this report).

V. QUALIFICATION FINDINGS

Based upon KMA's evaluation the Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification as a "blighted area". These factors are found to be clearly present and reasonably distributed, as required under the TIF Act. The factors are summarized in the table below.

Exhibit 1 Summary of Findings

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in TIF District
13	5	5 <ul style="list-style-type: none">• Excessive Vacancies• Obsolescence• Lagging or Declining EAV• Lack of Community Planning• Deterioration

Findings for a Blighted Area Designation. The Study Area is found to qualify as a blighted area under the statutory criteria set forth in the TIF Act.

1) Excessive Vacancies.

The Act states that this finding is characterized by the presence of unoccupied or underutilized buildings that represent an adverse influence on the area. The K-Mart, Dugout restaurant and Aldi's are 100% vacant and have been so for a number of months. Also, various vacancies in several buildings were located in the north portion of the Study Area.

In addition, the buildings and adjacent surface improvements exhibit deterioration. Because of the reduced economic activity associated with vacancies and the deteriorated physical condition the Study Area is considered an adverse influence on the wider area as set forth in the TIF Act.

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. The area exhibits both economic and functional obsolescence.

Economic obsolescence is evidenced primarily by declining EAV (see sub-section 3 below) and excessive vacancies. Excessive vacancies in particular result in the literal “disuse” of the building. Furthermore, the obsolete and vacant structures have a negative “spill-over” effect on the area and may deter other property owners from reinvesting in their own businesses.

Functionally, the Study Area is experiencing obsolescence related to market conditions and the special use nature of retail uses (K Mart, the former Aldi’s and the Dugout restaurant). Certain evolving standards in commercial building design, limits the competitiveness of the older buildings – i.e., limits their utility as efficient, marketable workspace. To redevelop portions of the Study Area, structural components such as walls, flooring, concrete foundations, doors and windows will need to be replaced in whole or in part in order to accommodate new users or multi tenant uses. The proposed mixed use/multiple tenants will also require extensive redesign to the former K-mart store layout in order to meet market standards.

3) Lagging or Declining EAV.

The EAV has declined during three (4) of the past five (5) years. Additionally, the EAV has lagged the Consumer Price Index (CPI) for four of the past five years. Therefore, a finding of declining EAV is made pursuant to the TIF Act.

Exhibit 2
Study Area EAV Trends

	2017	2016	2015	2014	2013	2012
Total EAV for Area	\$ 17,346,872	\$ 19,115,057	\$ 18,196,158	\$ 18,628,429	\$ 19,190,687	\$ 20,502,818
Annual Change	-9.25%	5.05%	-2.32%	-2.93%	-6.40%	
CPI	2.10%	1.30%	0.10%	1.60%	1.50%	

Source: Cook County Clerk and Assessor, U.S. Bureau of Labor Statistics

4) Lack of Community Planning.

As noted in Section II, a municipality may make a finding of “lack of community planning” if the area was developed prior to or without the guidance of a community plan. This factor may be documented by inadequate street layout or “other evidence demonstrating an absence of effective community planning.”

Coordination and planning in relation to potential reuses (internal traffic circulation, buffering, parking, etc.) will need to be addressed in order to provide for redevelopment.

The coordination of ingress/egress is evidenced in no transitional roads that would separate slower moving traffic approaching a business (e.g., to park or unload cargo) from faster moving traffic to drive along Harlem Avenue or 159th Street.

Much of the existing development along the street was developed without adequate barriers or buffering measures to adjacent areas.

Potential pedestrian-oriented development in the area would be improved by:

- Buffering conformant with Village standards;
- Landscape restoration (if applicable); and
- Review of loading/unloading areas.

5) Deterioration.

As noted in Section II, deterioration is a qualification factor under the TIF Act, if it is observed amid surface improvements and/or structures. Deterioration was observed in the condition of surface improvements adjacent to the store as well as the rear driveway and loading areas: parking lots and parking lot “aprons” or driveways.

Because of the widespread cracking, the parking lots needed resurfacing or resealing. Said surface deterioration was identified for the majority of the area. Moreover, because parking lots constitute a large portion of the overall “footprint”, the inadequately maintained lots, in combination, have a negative aesthetic impact on the area.

In addition to surface deterioration, the following indicators of deterioration were:

- Loading Docks rear doors; and
- Rear Exterior including eaves and fencing.

VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the Village's potential designation of the Study Area as a "blighted area".

1. The area is contiguous and is greater than 1½ acres in size;
2. The Study Area will qualify as a blighted area based upon review of the TIF Act. Further, the qualification factors found are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All Study Area in the area is expected to substantially benefit by the redevelopment project improvements;
4. 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
5. The area would not be subject to redevelopment without the utilization of public assistance, including the Cook county Class 7b incentive.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the Study Area as a "blighted area".

EXHIBIT A

Boundary Map



[illegible]

Draft December 27, 2018

**VILLAGE OF TINLEY PARK
CONFIRMATION OF TAX INCREMENT FINANCE DISTRICT (TIF)
ELIGIBILITY:
179TH STREET/LAGRANGE ROAD**

A study to determine whether all or a portion of an area located in the Village of Tinley Park qualifies as a blighted vacant area as set forth in the definitions in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended.

**Prepared for:
The Village of Tinley Park**

**Prepared by:
Kane, McKenna and Associates, Inc.**

December, 2018

**VILLAGE OF TINLEY PARK
CONFIRMATION OF TAX INCREMENT FINANCE DISTRICT (TIF)
ELIGIBILITY:
179TH STREET/LAGRANGE ROAD**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. ("KMA") has been retained by the Village of Tinley Park to conduct an analysis confirming the TIF eligibility (see below) of an area that is located along 179th Street and LaGrange Road. The area consists of eleven (11) tax parcels (the "Study Area").

The Village of Tinley Park (the "Village") has two principle aims in pursuing the redevelopment of the Study Area. The first goal is to promote redevelopment of an area that has experienced certain impediments such as obsolete platting and diversity of ownership. This designation would enable the Village to address impediments through the use of the Cook County Class 7(b) tax incentive.

Secondly, redevelopment action would address the limited opportunities the Village has to encourage new commercial growth and mixed uses within a "land-locked" community. Because the Village (a) is a mature community with limited opportunities for growth through annexation, (b) has few parcels of undeveloped land remaining within Village limits, and (c) has few groupings of properties served by major roadways, the targeted redevelopment area provides an opportunity to undertake major new reinvestment of a vacant structure and site improvements. By so doing, it would support the Village's strategy for the encouragement of growth through the reuse and redevelopment under-utilized properties.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the Study Area as a "blighted vacant area."

- 1) *The Study Area qualifies as a "blighted vacant area"* under factors contained the Illinois Tax Increment Allocation Redevelopment Act (ILCS 5/11-74.4-1 et. seq., as amended; hereinafter referred to as the "TIF Act" or "Act"). 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.
- 2) *Current conditions impede redevelopment* – The existence of certain conditions found at the Study Area present impediments to the area's successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment. Without the use of Village planning and economic development resources including the use of the Cook County Class 7(b) tax incentive to mitigate such factors, potential redevelopment projections (along with other activities that require private sector investment) are not likely to be economically feasible.
- 3) *Viable redevelopment sites could produce additional revenue* – The Study Area potentially could be redeveloped or rehabilitated and thereby produce incremental property tax and sales tax revenue. Such revenue, used in combination with other Village resources for redevelopment incentives would likely stimulate private investment and reinvestment within the Study Area and also benefit adjoining properties.

- 4) ***Blighted Vacant Area*** – To mitigate redevelopment area conditions, promote private sector investment, and foster the economic viability, KMA recommends that the Village proceed with the formal confirmation of the Study Area as a “blighted vacant area”.

I. INTRODUCTION AND BACKGROUND

Kane, McKenna and Associates, Inc. ("KMA") has evaluated certain tax parcels located along 179th Street and LaGrange Road to determine whether they qualify as a "blighted vacant area" as defined in the TIF Act. The Study Area consist of vacant parcels located north of the Interstate 80 and LaGrange Road interchange.

Because of the conditions observed within the Study Area and the required coordination for future land uses, the Village is favorably disposed toward supporting redevelopment efforts. The Village has determined that redevelopment should take place through the benefit and guidance of comprehensive economic planning by the Village. Through this coordinated effort, conditions within the Study Area are expected to improve and development barriers to be mitigated.

The Village has further determined that redevelopment is feasible only with public finance assistance including a Cook County Class 7(b) utilization.

The use of the Class 7(b) incentive relies upon induced private redevelopment to create higher real estate values that would otherwise decline without such investment. This would result in increased property taxes compared to the previous land use (or lack of use). In this way, the existing tax base for all tax districts would be protected.

The Study Area has a number of important assets:

- The Study Area is located adjacent to important local roads in terms of visibility;
- The Study Area is situated near other complimentary users; and
- The area would serve community residents with commercial and related retail services.

Despite its potential advantages, the Study Area exhibits a variety of economic development impediments as identified in the TIF Act, such as obsolete platting and diversity of ownership. Section V of this report identifies the impediments to redevelopment.

KMA formally began its analysis by conducting a series of meetings and discussions with Village staff, starting in November, 2018 and continuing periodically up to the date of this report's issuance. The purpose of the meetings was to gather data related to the qualification criteria for the Study Area. These meetings were complemented by a series of field surveys of the entire area to evaluate the condition of the TIF District. The field surveys and data collected have been utilized to test the likelihood that property would qualify for conservation area designation.

For the purpose of the study, the Study Area was examined in the context of the TIF Act governing unimproved areas. The qualification factors discussed in this report qualify the area as a blighted vacant area, as the term is defined under the TIF Act.

During the course of its work, KMA reported to key Village staff its findings regarding TIF qualification and redevelopment prospects for the area under study.

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

II. QUALIFICATION CRITERIA USED

Kane, McKenna and Associates, Inc. evaluated the Study Area to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the TIF Act are found below.

The TIF Act sets out specific procedures which must be adhered to in designating a TIF District/Redevelopment Project Area. By definition, a Redevelopment Project Area (RPA) is:

“An area designated by the municipality, which is not less in the aggregate than 1 1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

TIF Qualification Factors for a “Blighted Vacant Area”. In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for the RPA. 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:

A) **Obsolete Platting.** 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.

B) **Diversity of Ownership.** Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

C) **Delinquencies.** 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.

D) **Adjacent Deterioration.** Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

E) **Environmental Deficiencies.** 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

F) Lagging or Declining EAV. 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.

Additionally, one (1) or more of the following factors may be present in the area under study:

- (A) The area consists of one or more unused quarries, mines, or strip mine ponds.
- (B) The area consists of unused rail yards, rail tracks, or railroad rights of way.
- (C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.
- (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 November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or village 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 area" immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

III. THE BLIGHTED VACANT AREA

The Study Area contains eleven (11) tax parcels located north of Interstate 80, east and west along LaGrange Road and south of 179th Street. Please refer to Exhibit A which contains a map.

Despite impediments, the overall area has a number of assets as identified in Section I above. In addition to traffic volume desirable for retail, commercial and mixed uses, it has a number of other advantages that could be leveraged in the future, including visibility at a prominent intersection and proximity to other retail and commercial uses.

IV. METHODOLOGY OF EVALUATION

In evaluating the Property for designation as a blighted vacant area, the following methodology was utilized:

- 1) Site surveys of the Study 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 proposed Study Area.
- 2) KMA conducted evaluations of parcels associated with the area, noting such conditions as diversity of ownership. Additionally, KMA reviewed the following data: 2012-2017 tax information from Cook County, tax parcel maps, 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., obsolete platting, etc.).
- 3) Existing site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to site conditions of the parcels.
- 4) The Study Area was examined to assess the applicability of the different factors required for qualification as a TIF district. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the various factors, as defined under the TIF Act, which would qualify the area as a blighted vacant area.

V. QUALIFICATION FINDINGS

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 TIF District as a blighted vacant area. These factors are found to be clearly present and reasonably distributed throughout the Study Area, as required under the TIF Act. The qualifying factors are summarized in the table below.

Qualification Factors –TIF District

<i>TIF Designation</i>	<i>Maximum Possible Factors per Statute</i>	<i>Minimum Factors Needed to Qualify per Statute</i>	<i>Qualifying Factors Present</i>
Blighted Vacant Area	6	2	2 <ul style="list-style-type: none">• Obsolete Platting• Diversity of Ownership

Findings for a Blighted Vacant Area Designation. The Study Area is found to qualify as a blighted vacant area under the statutory criteria set forth in the TIF Act.

- 1) **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 RPA is characterized by obsolete platting. There are a number of platting deficiencies including integration with existing uses. For example, the area lacks the appropriate right-of-ways for streets, alleys and public right-of-ways. New right-of-ways may need to be included as part of area traffic improvements to improve access/egress requirements and traffic circulation. Additionally, the area lacks easements for public utilities required for the proposed redevelopment. Infrastructure needs to be provided to accommodate future development.
- 2) **Diversity of Ownership:** Diversity of ownership of parcels of vacant land is present if sufficient to impede the ability to assemble or prepare the land for redevelopment. Requirements for traffic and roadway configuration, as well as the provision of coordinated utility services in the Study Area, may require coordination between different ownership interests. Coordination of owners for proposed redevelopment will be contingent on the use of private and public resources to fund new investments in order to redevelop property in the Study Area and coordinate such services.

VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the Village's potential designation of the Study Area as a "blighted vacant area".

1. The area is contiguous and is greater than 1½ acres in size;
2. The Study Area will qualify as a blighted vacant area based upon review of the TIF Act. Further, the qualification factors found are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V of this report;
3. All property in the area is expected to substantially benefit by the redevelopment project improvements;
4. 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
5. The area would not be subject to redevelopment without the utilization of public assistance, including the Cook County Class 7b incentive.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the Study Area as a "blighted vacant area".

EXHIBIT A
Boundary Map



**Village of Tinley Park
17901 St/LaGrange Rd.
Amendment EAV Analysis**

[illegible]



Interoffice Memo

Date: January 29, 2019

To: Economic Development and Marketing Committee

Cc: David Niemeyer, Village Manager
Paula Wallrich, Community Development Director

From: Patrick Hoban, Economic Development Manager

Subject: Tetra Tech Contract

Background:

In 2014 Tetra Tech performed a Phase I and a Phase II environmental study on the Mental Health Center. The total cost for both studies was \$130,372. The Phase I portion of the cost is estimated to be \$57,000.

In 2014 the Phase I identified recognized environmental conditions (RECs) and the Phase II investigated those RECs. A Phase II study involves subsurface investigation and the collection of samples. If additional Phase II investigation is necessary, it would involve the installation of borings and possibly temporary wells or other samples. It is premature to collect any samples until the current site issues are known.

The remediation process would generally include the following steps:

- Enrollment of the site in the Site Remediation Program
- Submittal of a site investigation report
- Completion of additional investigation activities as required
- Preparation of a remedial objectives report and remedial action work plan
- Completion of remediation activities (including asbestos abatement and demolition activities)
- Submittal of a remedial action completion report
- Obtain either a draft or final no further remediation (NFR) letter from IEPA
- If engineered barriers or institutional controls are required – complete these activities
- Obtain final NFR and within 30 days attached to the deed

Request:

Due to the five-year shelf life of environmental studies and the need to update the MHC's development costs in coordination with Melody Square's redevelopment proforma Village Staff is requesting permission to hire Tetra Tech to update the Phase I environmental study not to exceed \$25,830. Tetra Tech can complete the phase I study in 45 days. We will be coming back to the board with a request to update the Phase II study after this report is complete.

Strategic Plan Checklist:

1. Short-Term Complex, Tier 1: Finalize our consensus Master Plan for the redevelopment, use, and character of the old State Mental Health Center; develop RFP for developers, determine if Village will purchase. Completion of these studies will help make sure the Village is being offered a fair price for the property from the State.
2. Long-Term Complex, Tier 1: See substantial start to the old State Mental Health Center property redevelopment with projects underway and remediation completed.

Benefits:

Utilize industry experts in the environmental analysis of this project which will assist in the financial feasibility analysis portion of this project

Staff Recommendation:

Recommend this item for approval; if recommended for approval it will be up for adoption by the board at the February 5th Village Board meeting.



January 22, 2019

Mr. Patrick Hoban
Economic Development Manager
Village of Tinley Park
16250 South Oak Park Avenue
Tinley Park, IL 60477

**Subject: Cost Estimate and Scope of Work, Phase I Update and Remediation Cost Estimate
Former Tinley Park Mental Health Center, Tinley Park, IL**

Dear Mr. Hoban:

Tetra Tech Inc. (Tetra Tech) is providing this scope of work and cost estimate to update the Phase I environmental site assessment (ESA) and remediation cost estimate previously prepared by Tetra Tech in 2014 on the behalf of Tinley Park. The scope of the Phase I ESA Update will include evaluating the current status of recognized environmental concerns (REC) and other environmental concerns identified in the following prior documents previously prepared by Tetra Tech:

- Phase I ESA, Former Tinley Park Mental Health Center, July 2014.
- Hazardous Materials Survey, Former Tinley Park Mental Health Center, July 2014
- Memorandum to Dennis Walsh, Klein, Thorpe & Jenkins, Subject: Wetland Reconnaissance, Former Tinley Park Mental Health Center, July 31, 2014.
- Quantification of Lead Paint and Asbestos Containing Material, Former Tinley Park Mental Health Center, June 2014.
- Phase II ESA, Former Tinley Park Mental Health Center, August 2014.

Tetra Tech will conduct the following activities as part of this update: (1) review existing documents; (2) conduct a site visit including evaluating existing site conditions, conducting public records review, regulatory records review, and interviews of knowledgeable parties; (3) conduct a review of the current conditions and quantities of identified asbestos containing materials (ACM); and (4) prepare a revised Phase I update and remediation cost estimate.

Tetra Tech notes that the assessment of ACM will evaluate the current conditions of ACM because the ACM materials and quantities were originally estimated in a comprehensive asbestos survey conducted by others and were confirmed by Tetra Tech as part of the 2014 Phase I ESA scope of work.

Tetra Tech will solicit a third-party cost estimate from a demolition contractor for the demolition of building materials, which will likely have account for any scavenging of recoverable metals or potential damage that may have occurred since 2014, such as that to utilities resulting in complications to or additional costs of demolition. Tetra Tech notes that demolition costs are usually defrayed by the recovery of reusable component, such as metals. If reusable materials have been removed by scavengers, this would likely increase demolition costs from those originally estimated.

Tetra Tech, Inc.

1 S. Wacker Drive, 37th Floor, Chicago, IL 60606
Fax 312.201.0031 www.tetratech.com

For a more accurate remediation cost estimate, Tetra Tech will also require available information on the proposed development in order to evaluate the type and location of remediation activities that would likely be necessary for site redevelopment. This could significantly affect the remediation costs based on substantial fill areas present and the associated cost of removing fill and disposing of fill offsite, if required.

Finally, the Phase I cost estimate does not include a scope or cost for Phase II investigation, but it is likely that additional investigation activities will be necessary for the following reasons: (1) the condition of underground storage tanks (UST) may have deteriorated since the last Phase II; (2) the condition of transformers and the dielectric fluids present in these transformers located throughout the site may have deteriorated; (3) there may be additional RECs not identified in the prior phase I ESA; and (4) there may be hazardous materials present, including materials such as mercury, and dispersed due to building damage resulting from trespass or use(s) resulting from state and local training activities. The scope and cost of such investigation activities will be identified as part of the update activities.

In addition to evaluating previously identified RECs and environmental concerns, Tetra Tech will identify and evaluate any additional RECs and concerns raised by the Phase I ESA Update site visit and environmental records and regulatory review, and interviews of knowledgeable parties. Based on our findings we will revise the 2014 cost estimate for site remediation, including the abatement of lead paint and ACM and the demolition of existing buildings and other structures. In addition, costs for site enrollment and remediation pursuant to the voluntary site remediation program (SRP) will be provided because obtaining a comprehensive no further remediation (NFR) letter would be required for funding and completion of site development activities.

Tetra Tech notes that the following assumptions have been made in preparing this cost estimate:

- Tetra Tech will access only those portions of buildings and subsurface structures that are safe to inspect;
- Tetra Tech will have unrestricted site access for a minimum 3-day inspection period;
- Tetra Tech will rely on prior asbestos survey data in terms of identifying ACM quantities and materials and will not sample ACM or lead based paint (LBP);
- Tetra Tech will work with one or more licensed abatement and demolition contractor(s) to estimate the cost for abatement and demolition of existing structures;
- Tetra Tech will confirm the presence of existing wetland areas and estimate the extent and cost to manage wetland areas as part of development, but will not conduct a formal wetland delineation;
- Tetra Tech will conduct no sampling activities as part of the Phase I update;
- Tetra Tech's cost estimate may rely on site management assumptions that will allow for managing uncontaminated fill materials in place or within the site boundaries as part of site redevelopment; this will require detailed information on the proposed development.

Tetra Tech can complete the above SOW for a cost of \$25,830 within 45 calendar days of authorization to proceed, which would include authorization of the attached professional service agreement or appropriate contract as mutually acceptable to both parties.

Mr. Patrick Hoban
March 20, 2018
Page 3

Tetra Tech will also provide an interim update of significant concerns that may require Phase II assessment prior to the submittal of the Phase I update. This would allow for proceeding with additional investigation if necessary to meet the project timeline.

If you have any questions, feel free to contact me at 312 201 7474.

Sincerely

A handwritten signature in black ink, appearing to read 'Tom Hahne', with a long, sweeping horizontal line extending to the right.

Tom Hahne, CPG

TETRA TECH

Enclosure



**TETRA TECH, INC.
PROFESSIONAL SERVICES CONTRACT**

PROJECT: Phase I ESA and Remediation Cost Estimate Update **TETRA TECH, INC. TIN:** 95-4148514

CLIENT: Village of Tinley Park

ADDRESS: Village Hall, 16250 S. Oak Park Avenue, Tinley Park, IL 60477

INVOICING ADDRESS: Same

PROJECT CONTACT: Patrick Hoban **TEL:** 708-444-5110 **FAX:** 708-444-5599

PAYMENT CONTACT: Same **TEL:** **FAX:**

CONSULTANT: TETRA TECH, INC.

ADDRESS: 37th Floor, 1 S. Wacker Drive, Chicago, IL 60606

TECHNICAL CONTACT: Tom Hahne **TEL:** 312-201-7474 **FAX:** 312-201-0031

Contractual CONTACT: Harry Lukowski **TEL:** 312-201-7469 **FAX:** 312-201-0031

PAYMENT ADDRESS: Tetra Tech, Inc., PO 911642, Denver, CO 80291-1642.

PROJECT DESCRIPTION: Phase I ESA Update and Remediation Cost Estimate Update for the former Tinley Park Mental Health Facility, 7300 to 7600 West 183rd



SCOPE OF SERVICES/PERIOD OF PERFORMANCE
(See Attachment)



PRICE SCHEDULE (See Attachment)

TERMS AND CONDITIONS

1. DEFINITIONS AND CONTRACT FORMATION.

- (a) "**Client**" shall mean the person or entity identified in the Tetra Tech, Inc. "TT" Proposal for whom Services are to be performed
- (b) "**TT**" shall mean Tetra Tech, Inc.
- (c) "**Client Order**" shall mean the purchase order, request, authorization or other notification, and additions or modifications thereto whereby Client indicates its desire that TT furnish Services.
- (d) "**TT Proposal**" shall mean these terms and conditions and the letter, proposal, quotation, or other notification, including any response to the Client Order, wherein TT offers to furnish Services.
- (e) "**Services**" shall mean the Services of TT personnel described in the TT Proposal or Client Order and any other Services as may be added to, or performed in connection with, the Contract provided, however, that TT shall have no responsibility as a generator, operator, transporter, disposer or arranger of the transportation and/or disposal of Hazardous Substances as defined in Article 7 below.
- (f) "**Contract**" shall mean these Terms and Conditions and the TT Proposal, and shall include, only to the extent not inconsistent with any aspect of the TT Proposal and these Terms and Conditions, the provisions of the Client Order. Upon execution by Client or commencement of Services at Client's request, TT's Proposal and these Terms and Conditions shall constitute a binding Contract and govern exclusively any Services provided.



TETRA TECH, INC. PROFESSIONAL SERVICES CONTRACT

2. COMPENSATION

- ☐ **LUMP SUM.** Compensation for these Services shall be a Lump Sum of \$ _____.
- ☒ **TIME AND MATERIALS.** Funding for these Services will not exceed \$ 25,830 unless increased in accordance with this Contract and will be based on the following option (per the attached Scope of Services or List of Hourly Rates), plus Reimbursable Expenses times a factor of 1.17 and subcontractor/vendor Expenses times a factor of 1.15.
- ☐ **COST PLUS FIXED FEE.** Compensation for these Services shall be TT's cost plus a fixed professional fee, including reimbursable expenses times a factor of _____; TT's Direct Job Wages times a factor of _____; plus subcontractor/vendor expenses times a factor of _____. The estimated compensation for Services is \$ _____; plus a fixed fee of \$ _____, for an estimated total of \$ _____.

Direct Job Wages or Hourly Rates for Time and Materials or Cost plus Fixed Fee contracts are subject to change to reflect adjustments in TT's salary levels.

In the event services beyond those specified in the Scope of Services and not included in the compensation above are required, TT shall submit a cost estimate for such services and a contract modification for cost and fee shall be negotiated and approved by the Client. TT may perform such additional efforts prior to the execution of such modification, but is not required to.

TT shall be compensated in accordance with TT's Proposal and the terms of this Article. TT's invoices are rendered monthly and are payable upon receipt. **Payment shall be made to the following address: Tetra Tech, Inc., PO 911642, Denver, CO 80291-1642.** Interest shall accrue at the rate of two percent (2%) over prevailing prime rate shall be charged on a monthly basis (or the maximum percentage allowed by law, whichever is less) on any amounts not paid within thirty (30) days of invoice submittal. In the event legal action is necessary to enforce the provisions of this Contract, TT shall be entitled to collect from the Client any judgment or settlement sums due, reasonable attorneys' fees, court costs and expenses incurred by TT in connection therewith and, in addition, the reasonable value of TT's time and expenses spent in connection with such action, computed at TT's prevailing fee schedule and expense policies. TT may, but is not required to, terminate its services if any invoice is unpaid for sixty (60) days. TT, its officers, employees, or consultants may be asked or required to appear as a witness or deponent, to furnish information or data through interrogatories, or otherwise be compelled to participate in, administrative or judicial proceedings arising in connection with Client's project. In that event and notwithstanding expiration or termination of this Contract, Client shall compensate TT in accordance with this Article and reimburse TT for reasonable legal expenses incurred in connection therewith, provided, however, that the provisions of Article 5, below, shall govern in the event TT is found to be at fault.

3. CONFIDENTIALITY, ACCESS TO SITE, USE OF FACILITIES AND INFORMATION. Client shall provide TT with access to facilities and information conducive to the efficient and accurate provision of Services, including such maps, drawings, records, and site access as are needed for the proper conduct of the Services, and shall indicate the reliability of all information provided. TT will maintain in confidence and return to Client any information designated by Client as confidential. If site visits are included in the Scope of Services, but not field construction or remediation, TT INC. shall visit the project and/or construction site at appropriate intervals to become generally familiar with the progress, quality of work (contractors' work) and if applicable to determine if the work is proceeding in general accordance with the Contract Documents. Visits to the project site and observations made by TT as part of Services during construction under Agreement shall not make TT responsible for, nor relieve the construction contractor(s) of the obligation to conduct comprehensive monitoring of the work sufficient to ensure conformance with the intent of the Contract Documents, and shall not make TT responsible for, nor relieve the construction contractor(s) of the full responsibility for all construction means, methods, techniques, sequences, and procedures necessary for coordinating and completing all portions of the work under the construction contract(s) and for all safety precautions incidental thereto.

4. INSURANCE

- (a) During the course of performance of the Services, TT will maintain the following insurance coverages

<u>TYPE OF COVERAGE</u>	<u>AMOUNT OF COVERAGE</u>
Workers' Compensation/Employers Liability	Statutory/\$1,000,000
Commercial General Liability/Excess Liability	\$1,000,000/\$2,000,000
Professional Liability/Contractors Pollution Liability	\$1,000,000
Automobile Public Liability and Property Damage, including coverage for all hired or non-owned automotive equipment used in connection with the insured's operations.	\$1,000,000

- (b) If required, TT shall deliver to Client, Certificates evidencing that the above coverages are in effect and will not be canceled or materially changed without thirty (30) days written notice; (c) Additional Coverages: If desired, TT, will on a cost-reimbursable basis, endeavor to procure other desired insurance coverages if commercially available and applicable to the work being performed.



TETRA TECH, INC. PROFESSIONAL SERVICES CONTRACT

5. **INDEMNIFICATION.** TT shall indemnify and save harmless Client from claims, actions and judgments arising out of bodily injury, death or damage to property of third parties to the extent caused by the negligence of TT, provided, however, that "Hazardous Substance Claims" as defined in Article 7, below, shall be governed by that Article.

6. **WARRANTY OF SERVICES.** TT warrants that TT and its employees shall, in performing Services hereunder, exercise the degree of skill, care and diligence consistent with customarily accepted good practices and procedures at the time and location and for the type of Services performed. Should TT fail to perform to those standards, it shall (a) without cost to Client, reperform and correct any substandard Services; and (b) reimburse Client for Client's direct damages or otherwise correct faulty construction, to the extent resulting from such substandard Services. Services involving such activities as the prediction of ecological or health impacts, clean-up criteria, extent or degree of contamination or dispersion, air or water movement, geologic and hydrogeologic conditions, extent of appropriate investigation, scheduling, and cost estimating are highly sensitive to changes in regulatory and scientific criteria, methodologies and interpretations thereof and require the balance of diverse, often conflicting, Client business, economic, legal and other priorities. Client acknowledges these conditions and accepts the risk that, although TT may perform to the above standards, the Client's goals or desires may nevertheless not be realized. TT makes no other warranties, express or implied, with respect to its performance under this Contract. TT's liability hereunder, including any for damage to or loss of Client property, shall in no event extend beyond one year after completion of the Services in question or exceed the amount specified in Article 8 below.

7. **HAZARDOUS SUBSTANCE CLAIMS.** (a) In the event that TT's negligence is found, by final judicial determination, to have caused a Hazardous Substance Claim as defined below, TT shall reimburse Client for its costs and liabilities incurred under this Article 7, to the extent caused by TT, in an amount not to exceed that specified in Article 8 below; (b) "Hazardous Substance Claim" shall mean any and all claims, losses, costs, expenses, judgments, damages, and liabilities of any form or nature including but not limited to any for personal or emotional injury, death or damage to property arising out of or in connection with any actual, threatened or feared release, discharge or exposure to any toxic or hazardous waste, substance, material, or vapor, including without limitation, PCB's, petroleum, hydrocarbons, asbestos, mixed, radioactive or nuclear wastes and any other substance designated as hazardous or toxic under CERCLA, TSCA, RCRA or other statute or regulation ("Hazardous Substances"); (c) Except as provided in (a) above and to the fullest extent provided in Article 9 below (i) Client shall indemnify and hold harmless TT, its officers, directors, employees, agents, and representatives from and against any and all Hazardous Substance Claims; and (ii) Client shall defend any claim, action, or proceeding which may be brought against TT, its officers, directors, employees, agents, and representatives ("Defendants") arising out of or in connection with any Hazardous Substance Claim and shall bear all fees and expenses of attorneys and costs any Defendant incurs in the defense thereof.

8. **TT LIABILITY.** TT's total aggregate liability in connection with or arising out of the Contract or Services, including without limitation any under Articles 5, 6 and 7 above, shall in no event exceed the total amount of compensation paid to TT hereunder up to a total maximum amount of \$250,000.

9. **CONSEQUENTIAL DAMAGES AND OTHER LIABILITIES.** TT and its employees shall in no event be liable for any special, indirect or consequential damages, including specifically but without limitation, any based on loss of profits or revenue, loss of or interference, whether or not by third parties, with full or partial use of any equipment, facility or property, including real property, cost of replacement power, energy or product, delay in or failure to perform or to obtain permits or approvals, cost of capital, loss of goodwill, claims of customers, fines or penalties assessed against client or similar damages. These terms provide allocations of risk and reward consistent with the nature and extent of the Services and to that end include (i) protections against, and limitations on, liability of TT and (ii) specific remedies of Client which shall be its sole and exclusive remedies. The allocations, including without limitation those set forth above and under Articles 6, 7, 8 and 13, shall survive this contract and apply to the fullest extent allowed by law irrespective of whether liability of TT is claimed, or found, to be based in contract, tort or otherwise (including negligence, warranty, indemnity and strict liability) and Client hereby waives all rights of recovery and assumes all risks beyond those explicitly allocated to TT herein.

10. **SITE CONTRACTORS.** For the benefit of Client and TT, Client agrees that it will cause provisions acceptable to TT governing insurance and indemnity to be inserted in each of Client's agreements for remediation or other construction or site services or work related to the Services.

11. **DELAYS.** Neither party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligations is prevented or delayed by any cause which is beyond the reasonable control of the affected party, and the time for performance of either party hereunder shall in such event be extended for a period equal to any time lost as a result thereof, and an equitable adjustment shall be made to TT's compensation.

12. **THIRD PARTY INTERESTS.** This Contract and the Services and Work Product produced hereunder are solely for the benefit of Client and are not intended to be for the benefit, or to be construed as creating rights in favor, of any third party. If Client is not the ultimate beneficiary of the Services or TT's work product is used in such a way as to create or induce any reliance by any third party, Client represents and warrants (i) that it shall bind its clients and/or such third parties to limitations on and protections against liability "protective provisions" commensurate with those afforded TT hereunder and that such protective provisions will, in fact, inure to the benefit of TT, and/or (ii) that Client has the power to act on behalf of its clients and/or such third parties and does hereby bind such parties to these protective provisions.

13. **CHANGES AND TERMINATION.** This Contract shall not be modified except by written agreement signed by both parties. Client shall have the right to make changes within the general scope of Services upon execution of a mutually accepted change order. Client shall also have the right to terminate this Contract prior to completion of the Services, after reasonable notice to TT in writing, in which event Client shall pay TT all amounts due TT hereunder up to the effective date of termination, plus TT's reasonable costs incurred after such date in terminating the Services. In the event that Client alleges breach on behalf of TT, Client shall afford TT in 30 days written notice to submit a reasonably acceptable plan to cure any alleged deficiency prior to termination. Recognizing that termination prior to completion may involve risks and exposures both as to cost of work and third party claims, Client shall in such event indemnify, protect and defend TT from claims arising out of any incomplete aspect of the Services. Both parties have the right to terminate this Contract for convenience with thirty (30) day notice to the other party.

14. **GOVERNING LAW, PRECEDENCE AND DIVISIBILITY.** Unless specified otherwise in Client orders, this Agreement shall be governed by the laws of the State of California excluding choice of law rules, which direct application of the laws of another jurisdiction. The provisions of the TT Proposal and these Terms and



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Conditions shall govern exclusively any Services furnished by TT and shall prevail over and render void any inconsistent or conflicting provision of the Client Order. If any term, condition, provision or portion of this Contract is declared void or unenforceable, or limited in its application or effect, such event shall not affect any other provision or portion hereof. All other provisions and unaffected portions thereof shall remain fully enforceable and an adjustment in the compensation or other provisions shall be made with the purpose of equitably affecting the intent of the Contract to the maximum extent allowed by law.

15. ENTIRE AGREEMENT This Contract contains the entire agreement between the parties as to the Services rendered hereunder. All previous or contemporaneous agreements, representations, warranties, promises, and conditions relating to the subject matter of this Contract are superseded by this Contract.

TETRA TECH, INC. – Accepted by:

CLIENT – Accepted by:

Former Tinley Park Mental Health Facility, Phase I ESA and Remediation Cost Update

CONTRACT OR PROJECT NAME

CLIENT

JACK BRUNNER
BY TT (PRINT NAME)

BY (PRINT NAME)

OPERATIONS MANAGER
TITLE

TITLE

SIGNATURE

/DATE

January 22, 2019

SIGNATURE

/DATE

PUBLIC COMMENT

ADJOURNMENT