



TO: Clay T. Johnson, Village Administrator
Village of Lindenhurst

FROM: Lee M. Brown, FAICP, President
Pete Iosue, AICP, Senior Planner
Carol Brobeck, Associate

DATE: November 18, 2020

RE: Preliminary Tax Increment Financing Eligibility

As per our agreement, Teska has performed a preliminary eligibility review of the TIF Study Area identified by the Village, located on Grand Avenue roughly between Sand Lake Road on the south and Munn Road on the north. We have performed a field inspection of the Study Area, evaluating every parcel and structure, and are conducting research of relevant property data, in order to determine potential eligibility as compared to the criteria established in the Illinois TIF Act. This preview of potential eligibility of the Study Area can help the Village to determine the best and most appropriate path to move forward.

Please review the attached eligibility findings summary, and we can discuss the likelihood of TIF eligibility for the Study Area and determine how the Village wishes to proceed. At this stage, the boundaries of a potential TIF are still to be determined, and should be considered strategically.

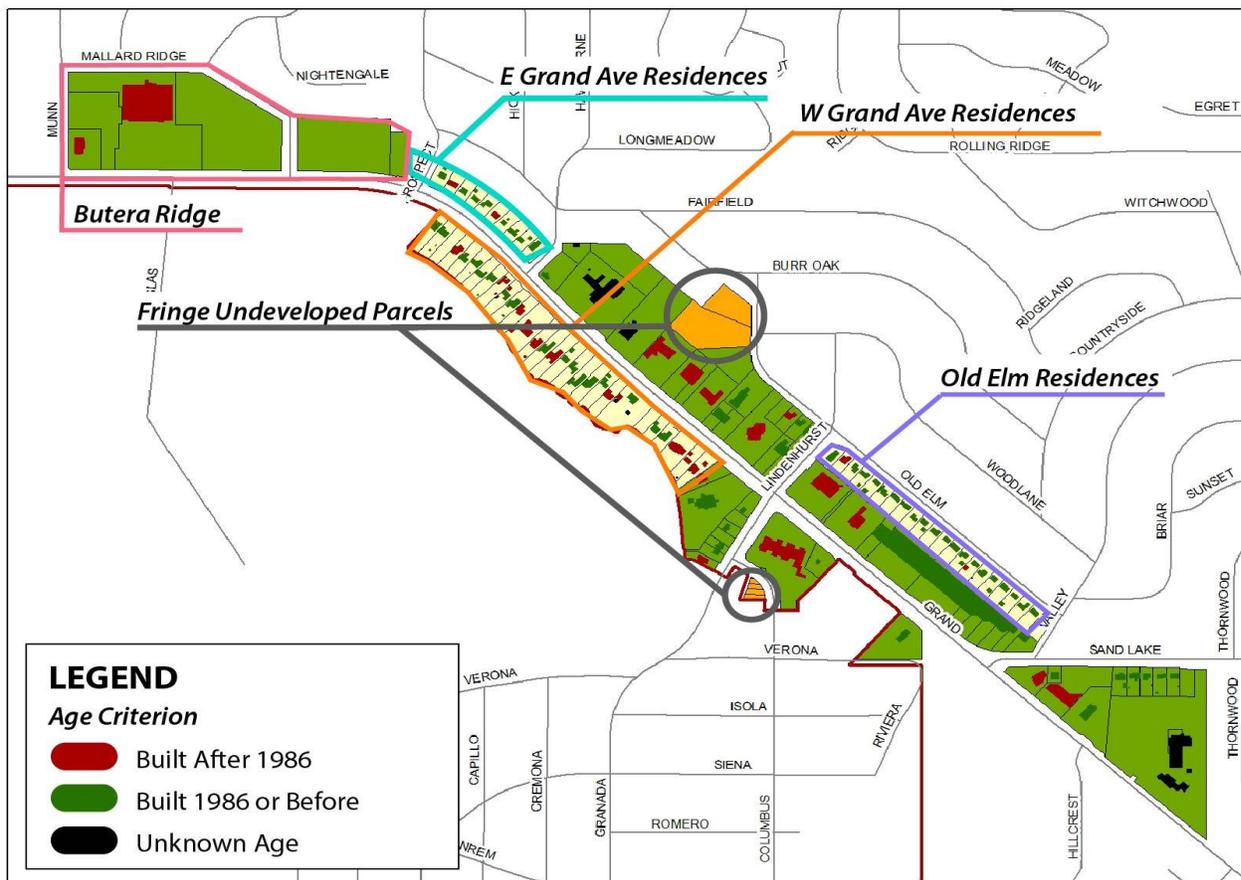
We would also be happy to attend a Plan Commission or Village Board meeting to discuss the findings of this analysis, or any other TIF related questions that you or the Board may have.

If you have any questions or comments, please do not hesitate to contact us at your convenience.

STUDY AREA

We have evaluated the Study Area as identified by the Village, including parcels on Grand Avenue from roughly Sand Lake Road on the east to Munn Road on the west. We have also identified additional parcels that could potentially be included, including vacant developable parcels located on Columbus Drive and Old Elm Road immediately adjacent to the identified Study Area.

We have broken the Study Area into smaller sub-areas to evaluate individually, as well as collectively as a whole. These sub-areas include: 1) the primary target area of the Linden Plaza and commercial areas along Grand Avenue; 2) the Butera Ridge shopping center area; 3) the residential areas connecting the Grand Avenue commercial and Butera Ridge commercial areas; and 4) the residential block on Old Elm behind the Linden Plaza, as shown below:



ELIGIBILITY CRITERIA

The Illinois TIF Act identifies two (2) primary classifications of redevelopment project areas – a ‘blighted area’ and a ‘conservation area.’ To qualify as a blighted area, a redevelopment project area must meet five (5) of the thirteen (13) eligibility criteria identified in the Act. A conservation area must contain a minimum of 50% of structures at least 35 years in age and meet a minimum of three (3) eligibility criteria identified in the Act.

The Study Area includes a total of one-hundred and forty-three (143) structures on one-hundred and thirty-two (132) parcels. Approximately 62% of all structures in the Study Area are 35 years in age or older. Each sub-area, independent of the others, exceeds the 50% minimum age requirement, so that the entire Study Area, or each individual sub-area, could potentially qualify under the lesser “conservation area” standards.

Though we do not yet have all available data on code violations or the condition of underground utilities, the table below highlights our current evaluation of each identified sub-area as compared to the eligibility criteria:

Criterion	Butera Ridge Center	Linden Plaza/Grand Avenue	Old Elm Residential	Grand Avenue Residential	Total Study Area
<i>Age</i>	yes	yes	yes	yes	yes
Dilapidation	no	yes	no	no	no
Obsolescence	no	yes	no	no	No
Deterioration	yes	yes	yes	yes	yes
Illegal Uses	no	no	no	no	no
Below Code Standards	no	yes	no	no	no
Excessive Vacancies	yes	yes	no	no	yes
Lack of Ventilation	no	no	no	no	no
Inadequate Utilities	no	no	no	no	no
Excessive Land Coverage	no	no	no	no	no
Deleterious Land Use	no	no	no	no	no
Lack of Planning	no	yes	yes	yes	yes
Environmental	no	no	no	no	no
Decline in EAV	yes	yes	yes	yes	yes
Total	3	7	3	3	4

In summary, it is our opinion that the entirety of the Study Area can qualify for designation as a conservation area under the eligibility standards outlined in the Act. However, as shown in the table above, each sub-area exhibits differing degrees of eligibility.

1. Butera Ridge commercial area

This area exhibits deterioration, excessive vacancy, and decline in EAV. The vacant land in this sub-area has the greatest potential to generate increment within the Study Area.

2. Linden Plaza/Grand Avenue commercial area

This is the primary area targeted by the Village. It exhibits dilapidation, obsolescence, deterioration, code violations, excessive vacancy, lack of planning, and decline in EAV. This area presents the strongest case for eligibility.

3. Old Elm residential area

This residential area is behind the Linden Plaza, and exhibits deterioration, lack of planning, and decline in EAV. The inclusion of residential areas within a TIF could become controversial, and could require a Housing Impact Report and additional public meetings. But the inclusion of this property would be consistent with a more aggressive approach that could accommodate greater depth of commercial redevelopment on Grand Avenue, or allow for the potential for providing greater buffering to a redeveloped Linden Plaza property.

4. Grand Avenue residential area

The Linden Plaza and Butera Ridge commercial areas are separated by residential development on Grand Avenue. In order to include both commercial areas connectivity is required. This may include residential properties on the north and/or south of Grand Avenue. The eligibility of this area is the weakest, including deterioration, lack of planning, and decline in EAV. The additional Housing Impact Report and meetings would also be required.

