
**VILLAGE OF NILES, ILLINOIS
MILWAUKEE-HARLEM TAX INCREMENT
FINANCE DISTRICT ELIGIBILITY REPORT**

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

Prepared for: Village of Niles, Illinois

Prepared by: Kane, McKenna and Associates, Inc.

January, 2018

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the Village of Niles (the “Village”) to conduct an analysis of the qualification of an area for the establishment of the Milwaukee-Harlem Tax Increment Finance (TIF) District. The Village is pursuing the creation of the Milwaukee-Harlem TIF District to promote the revitalization of under-utilized properties located within the Village and the overall improvement of the Milwaukee-Harlem area.

In the context of planning for the establishment of the Milwaukee-Harlem Tax Increment Financing District (the “TIF District,” the “TIF,” “Redevelopment Project Area,” or “RPA”), the Village has initiated the study of parcels within the Milwaukee-Harlem area to determine whether they qualify separately or in aggregate under the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the “TIF Act” or “Act”) for inclusion in the creation of the TIF District. KMA agreed to undertake the study of the RPA on the Village’s behalf.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the potential qualification of the RPA:

- 1) *The area qualifies as a “conservation area”* – The RPA qualifies as a “conservation area” as defined under the TIF Act. The area in aggregate is in danger of declining toward a blighted condition due to factors identified in this report which the area generally suffers from. These conditions prevent or threaten healthy economic and physical development of the area. The TIF Act states that an area may only qualify as a “conservation area” if the majority (50% or more) of the structures are 35 years or older. For the RPA, 40 of the 52 structures or 77% are over 35 years of age, thus the RPA meets the statutory criteria for consideration as a “conservation area.”
- 2) *The current conditions impede redevelopment* – The existence of certain conditions found within the RPA present a barrier to the area’s successful redevelopment. The current conditions in the RPA are impediments to redevelopment, creating an environment where it is reasonable to assume redevelopment would not take place “but for” the use of the TIF Act. The factors present on the ground negatively impact coordinated and substantial private sector investment in the overall area. Without the use of Village planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.
- 3) *Viable redevelopment sites could produce incremental revenue* – Within the RPA, there are several parcels which potentially could, with TIF-related assistance, be redeveloped and thereby produce incremental property tax revenue. Such revenue, used in combination with other Village resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the RPA.

4) *TIF designation is recommended* – To mitigate “conservation area” conditions, promote private sector investment, and foster the economic viability of the RPA, KMA recommends that the Village proceed with the formal TIF designation process for the entire area.

The Village will not be considering the redevelopment of residential parcels that would result in the displacement of residential units; and will certify that it will not dislocate 10 or more residential units within the TIF district. Therefore, a housing impact study pursuant to the TIF Act will not be conducted by the Village.

I. INTRODUCTION AND BACKGROUND

The RPA is located in the southern portion of the Village in an area traditionally used for commercial and mixed-uses. The RPA is generally defined as the eastern portion of Harlem Avenue bound by Touhy Avenue to the south and Howard Street to the north, and both the northeastern and southwestern portions of Milwaukee Avenue bound by Harlem Avenue to the northwest and Waukegan Road to the southeast. The RPA consists of 137 tax parcels and is approximately 30 acres in size, excluding right of ways. Please see Appendix A for a list of the proposed parcels for inclusion in the TIF District.

The RPA is part of the larger Milwaukee Avenue Corridor, an area which has received substantial focus by the Village. Characterized as the “backbone” of the Village, four (4) of (9) primary community concerns described in the *Niles 2030 Comprehensive Plan (2011)*, or the “Comprehensive Plan”, were related to the RPA. A key vision of the Village described in this plan calls for the enhancement of the RPA through improvements in aesthetics, traffic flow, parking, and accessibility. Ultimately, the area is envisioned to be both a focal point and a major economic driver for the Village.

In addition to the Comprehensive Plan, a number of other reports have identified the RPA as a key asset to the Village:

- Milwaukee Avenue Corridor: Land Use and Development Scenarios (Camiros, Ltd., 2014)
- Milwaukee Avenue Plan (Camiros, Ltd., 2006)
- Milwaukee Avenue Beautification Plan (2006)
- Comprehensive Plan (1972)

These reports clearly establish the potential of the RPA to make a significant contribution to growth in the Village. However, these reports also describe characteristics of the area which deter investment and prohibit the RPA from being fully utilized.

Objectives- The Village’s general economic and community development objectives are to enhance commercial and mixed-use opportunities within the area, to promote redevelopment in the underused areas, and entice private redevelopment of the RPA to strengthen the Village’s tax base while improving the quality of life for residents.

Given the Village's objectives as well as the conditions described in this report, the Village has made a determination that it is highly desirable to promote the redevelopment of the under-utilized areas of the proposed RPA. Without an implementation plan for redevelopment, Village officials believe adverse conditions will worsen. The Village intends to create and implement such a plan in order to restore, stabilize, and increase the economic base associated with the RPA, which will not only benefit the community as a whole but also generate additional tax revenues to support municipal services.

Determination of the “But For”- The Village has determined that planned redevelopment for the RPA is feasible only with public finance assistance. The creation and utilization of a TIF redevelopment plan and redevelopment agreements are intended by the Village to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the RPA and to improve the tax base and job creation within the Village.

TIF Mechanism- The use of TIF relies upon induced private redevelopment in the RPA to create higher real estate values that would otherwise decline without such investment. By so doing, it would result in increased property taxes compared to the previous land use (and/or absence of use). In this way, the existing tax base for all tax districts would be protected and a portion of future increased taxes pledged to attract the requisite private investment.

Current Land Use- Land uses include commercial, residential, institutional, and mixed-uses. The area is predominantly zoned for commercial uses. Despite its advantageous location many parcels in the area are struggling to stay competitive in a marketplace which has changed since their original development. The area faces challenges due to changed spatial needs for development and changed standards for mixed-use and commercial uses. The presence of obsolete and deteriorating buildings and site improvements contribute to the outmoded and “tired” appearance of the RPA. The creation of a TIF District in this area would provide the Village with the opportunity of bringing revitalized development to an area that has become underutilized and has exhibited a relatively high number of vacancies.

The RPA suffers from a variety of economic development impediments identified in the TIF Act. Specifically, it experiences deterioration, obsolescence, and lagging or declining equalized assessed valuations (EAV). Section V of this report identifies other impediments to redevelopment.

General Scope and Methodology- KMA formally began its analysis by conducting a series of meetings and discussions with Village staff starting in October 2017 and continuing up to the date of this report’s issuance. The purpose of the meetings was to establish boundaries for initial analysis and to gather data related to the qualification criteria for parcels included in the RPA. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF. KMA made numerous site visits to the area to examine the parcels and the conditions. KMA also utilized the Comprehensive Plan and other Village reports as previously referenced.

For the purpose of the study, properties within the RPA were examined in the context of the TIF Act governing improved areas (separate provisions of the Act address non-improved or vacant areas). The qualification factors discussed in this report qualify the area as a “conservation area,” as the term is defined pursuant to the TIF Act.

During the course of its work, KMA reported to key Village staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the Village (a) made refinements to the RPA boundaries and (b) directed KMA

to complete this report and to move forward with the preparation of a Redevelopment Plan and Project for the RPA.

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

II. QUALIFICATION CRITERIA

With the assistance of Village staff, Kane, McKenna and Associates, Inc. assessed the RPA to determine the presence or absence of qualifying factors listed in the TIF Act. The relevant sections of the Act are found below.

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

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

Under the Act, “conservation area” means any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality where certain conditions are met, as identified below.

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

If a proposed “conservation area” meets the age threshold, then the following factors are examined to determine TIF qualification:

If a “*conservation area*,” industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of three 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 are considered to be noxious, offensive or unsuitable for the surrounding area.

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

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

III. THE REDEVELOPMENT PROJECT AREA

The RPA contains 137 tax parcels located within the boundaries of the area. The RPA is approximately 30 acres in size.

The RPA contains improved land designated primarily for commercial and mixed-use purposes. The RPA has been identified as a key asset for the Village and provides an opportunity for significant future growth. However, factors exist which deter development of the area and prevent the RPA from fully contributing to the growth of the Village. The area's potential for redevelopment is challenged due to the fact that certain structures are older, a deleterious layout is present, and inadequate infrastructure exists.

In the Comprehensive Plan, the Village identifies economic development as a top priority and Tax Increment Financing as a possible tool for encouraging redevelopment. Specifically, the plan emphasizes the development of distinct retail/commercial areas that strengthen the Village's tax base. The RPA has been identified as one such opportunity, but a number of adverse conditions exist which prevent the area from achieving stabilized growth.

The presence of obsolete and deteriorating commercial improvements discourages private investment. The adverse aesthetics of these factors, including high vacancies, further impairs the success of existing area retailers. The presence of incompatible uses within close proximity evidences the development of the RPA prior to any direct efforts by the Village in community planning. Such development has resulted in a deleterious layout that restricts investment in the area. The lack of a grid street system and planned parking improvements has resulted in poor traffic circulation through the RPA. Further, irregular parcel sizes contribute to the adverse conditions affecting traffic flow and discourage future business attraction due to functional obsolescence.

Factors such as these have prevented the RPA from obtaining adequate investment and maintaining a sound contribution to the growth of the Village's tax base. Rather, these factors have slowed growth and endanger the area to blight. Without correction of the factors which impair investment in the area, the RPA will continue to be underutilized and will maintain an unrealized opportunity for the Village.

IV. METHODOLOGY OF EVALUATION

The RPA was examined to assess the applicability of the different factors required for qualification for TIF designation under the Act. Data collected from the RPA, Village and Cook County and used to determine relevance and severity of conditions compared against the statutory factors. Land and buildings within the RPA were examined to determine the applicability of the 13 different factors for qualification for TIF designation under the Act. The following steps were undertaken in this process:

- 1) Site visits to the RPA were undertaken by representatives from KMA. These site visits required the area to be walked multiple times by the same team while taking notes, filling out site surveys and taking photographs. The purpose of these site visits included parcel counts, address matches, current land uses, building conditions, lot conditions, and traffic flow. KMA documented the area's conditions through site surveys, notes and photography. Site surveys were completed for each parcel within the RPA.
- 2) To determine if the area qualified as a "conservation area" the age of the buildings were ascertained by matching site surveys to Cook County tax and building records.
- 3) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions relevant to the qualifying factors on the site surveys.
- 4) KMA reviewed the 2011-2016 tax information from Cook County, parcel tax maps, site data, local history (discussions with Village staff) for an evaluation of area-wide factors that have affected the area's development to determine the presence of qualifying factors.
- 5) KMA performed EAV trend analysis to ascertain whether EAV growth in the RPA underperformed relative to EAV growth in the balance of the Village and the Consumer Price Index-All Urban Consumers.

V. QUALIFICATION FINDINGS FOR RPA

Based upon KMA’s evaluation of parcels in the RPA and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the RPA as a “conservation area.” These factors are summarized in Table 1 below. These factors are found to be clearly present and reasonably distributed throughout the RPA, as required under the Act.

Table 1
Summary of Conservation Area Findings

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in RPA
13	3	6 <ul style="list-style-type: none"> • Lagging or Declining EAV • Deterioration • Obsolescence • Lack of Community Planning • Excessive Vacancies • Inadequate Utilities

Note: In addition to 6 qualifying factors above, the RPA meets the statutory age threshold that 50% or more of the structures are 35 years or older.

Finding as a “conservation area”- The RPA is found to qualify as a “conservation area” under the statutory criteria set forth in the TIF Act. As indicated in Section II, KMA performed a two-step assessment, first finding that 50% or more of structures within the “conservation area” were over 35 years of age. Based upon Cook County Assessor and site survey data, at least 40 of 52 structures or 77% were over 35 years in age, please see Table 2 below.

Table 2

Conservation Area Findings	
Total Number of Buildings in RPA	52
Total Number of Buildings 35yrs+	40
Percentage of Buildings 35yrs+	77%

“Conservation area” factors- As a second step, KMA reviewed the criteria needed to qualify an area as a “conservation area,” finding that six factors were present:

- 1) **Lagging or Declining EAV:** This factor is present if the total equalized assessed value (EAV) of the proposed Redevelopment Project Area has declined for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the Redevelopment Project Area is designated. The RPA qualifies under two of these measurements. Please see Table 3 for a breakout of the detailed numbers.

The RPA’s EAV has declined for three (3) of the last five (5) years. The RPA’s EAV has also lagged behind the CPI-U (Consumer Price Index-All Urban Consumers) for three (3) of the last five (5) five years. Just one of these quantitative measurements would qualify for this category under the TIF Act, but the RPA’s qualification under two categories highlights the area’s need for redevelopment and indicate the presence of factors that deter growth.

Table 3
EAV Trends for Proposed TIF District

	2016	2015	2014	2013	2012	2011
Total EAV for Proposed TIF District	\$17,092,529	\$15,887,523	\$16,725,706	\$16,436,653	\$18,441,551	\$19,624,558
EAV Change (%)	7.58%	-5.01%	1.76%	-10.87%	-6.03%	-
Village with EAV (Excluding TIF)	\$1,219,427,334	\$1,049,389,430	\$1,088,839,405	\$1,072,516,806	\$1,266,565,461	\$1,351,050,683
Village EAV Change (%)	16.20%	-3.62%	1.52%	-15.32%	-6.25%	-
CPI- All Urban Consumers	1.30%	0.10%	1.60%	1.50%	2.10%	-

Source: Cook County Clerk, Cook County Assessor & U.S. Census Bureau

- 2) **Deterioration:** The Act defines deterioration as the physical decline of surface improvements, primary building components, and secondary buildings components such as doors, windows, porches or gutters. With respect to surface improvements, deterioration is determined by the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas (including but not limited to surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces).

In the RPA, deterioration was observed in the majority of parcels. Deterioration in surface improvements, particularly parking lots and side lots, was pervasive.

Such deterioration included cracking and crumbling surfaces, potholes, cracking and crumbling parking barriers, depressions causing water retention, and unkempt landscaping. Parking lots constitute a large percent of land use in the area. The high degree of deterioration observable of these improvements contributes to an adverse aesthetic impact on the area. Further, informal parking arrangements and poor delineation of parking boundaries caused by inadequate maintenance and repair of parking areas encourage an environment that is both unsafe and confusing for pedestrians and drivers.

Deterioration was also present in the secondary building components such as doors, windows, gutters, and fasciae. Such deterioration includes rusting roof components, worn and poorly repaired facades, broken fascia, and peeling paint on building surfaces. Deterioration of building components was particularly evident among vacant commercial structures.

- 3) 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. The RPA exhibits area-wide obsolescence in need of investment and redevelopment for attracting new tenants.

The onset of obsolescence can be measured through qualitative and quantitative means. Building age, EAV, deterioration in buildings and lots, traffic flows, infrastructure and vacancy rates can signify obsolescence as proxies. By these measures the RPA is exhibiting obsolescence. In general, the RPA has seen a substantial loss in value in the last five years. Between tax years 2011 and 2016 the area wide valuation fell ~13%. This report identifies the RPA's building age, lagging EAV, deterioration, high rates of vacancy, and inadequate infrastructure as additional evidence of obsolescence.

From a qualitative perspective, many of the structures exhibit design features or components that are outdated in relation to market conditions. Signage, façade and exterior treatments, and site improvements in many cases are "dated" and appear outmoded in relation to newer properties. Significant deterioration of site improvements or building components also contributes to the outmoded or "tired" appearance of many structures and facilities. Excessive vacancies have contributed to this deferred maintenance. Surface improvements and layouts do not conform to current market standards. Building layouts and inadequate ingress and egress points contribute to the area's obsolescence. Parking is imbalanced throughout the area with several improvements being severely "underparked" by conventional standards.

Several alleys in the RPA have been identified by the Village Engineering Department as being in need of replacement. These sections include alleys from Harlem Avenue to Jarvis and from Harlem Avenue to Nora Avenue. The Village Engineering Department has also identified sections of streets within the RPA as being in poor condition and requiring rehabilitation. These sections include

Jarvis Avenue and Neva Avenue. The poor conditions of these alleys and streets contribute to the RPA’s obsolescence.

Overall, the physical restrictions of the outdated buildings, the poorly planned or deteriorating infrastructure, and the deferred maintenance to structures has resulted in fewer opportunities for area establishments to remain competitive in comparison to alternative locations. This puts pressure on the remaining tenants to seek opportunities elsewhere. These factors in aggregate make a compelling case for the qualification of the area for the obsolescence factor.

- 4) Lack of Community Planning: The Act states that if the proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan the factor is present. 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.

The Village published its first Comprehensive Plan in 1972. However, most of the RPA was already developed by the time the planning process started. In the RPA, 33 of the 52 buildings or 64% were built before 1972.

Table 4

Buildings Pre-Comp Plan	
Total Number of Buildings in RPA	52
Total Number of buildings which pre-date 1972 Comp Plan	33
Percentage of Buildings pre-date Comp Plan	64%

Much of the development that has occurred within the RPA took place in an era prior to modern community planning techniques, and/or occurred under a lack of comprehensive and coordinated planning. The area lacks many of the modern hallmarks of community planning that the rest of the Village enjoys.

An easily identifiable characteristic of the area is the close proximity of differing uses in the area. Residential properties share contiguous parcel borders with many commercially zoned parcels in the RPA. In most cases, little to no screening is present to separate uses. Ingress and egress points are insufficient to support adequate traffic flow. Commercially zoned parcels vary widely in size and features. There is an easily discernable imbalance of available parking among parcels, and a large portion of commercial improvements are “underparked” by modern standards. Many parcels are incompatible with current development standards due to size and layout. These factors indicate development of the RPA occurred with a lack of community planning.

The 1972 Comprehensive Plan, though a step in the right direction, did not guide development in the RPA beyond the established zoning. The *Niles 2030 Comprehensive Plan* states that the 1972 Comprehensive Plan is out of date “because of its age and the changes that have occurred both within Niles and the rest of the country since that time, a new vision and associated goals and objectives are necessary to help guide the community” (p.7, *Village of Niles Synthesis Report*).

This is not to say that improvements did not take place over the years, but that they were implemented without the guidance of an updated and modern master plan directed toward long-term benefit for the RPA. A lack of such efforts has contributed to the evolution of factors currently present within the RPA.

- 5) Excessive Vacancies: The Act identifies excessive vacancies as the presence of buildings that are unoccupied or under-utilized which exert an adverse influence on the area due to the frequency, extent, or duration of the vacancies.

The RPA exhibits excessive vacancies. Thirteen (13) of the Forty-Seven (47) commercial improvements within the RPA were found to be at least partially vacant at the time of survey. Overall, this accounts for approximately 25% of all commercial improvements within the RPA. Review of publically available documents indicated the extent of this vacancy has persisted for some years. A lack of signage and use of window coverings and “for lease” signs pronounced the extent of vacancy in the area. This persisting high rate of vacancy contributes to the RPA’s desirability and qualifies the RPA for excessive vacancies.

- 6) Inadequate Utilities: This factor is present if underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electric 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.

The Village Engineering department has identified the vast majority of water mains within the RPA as being in poor condition and requiring replacement. Storm sewers have been identified as inadequate at or near the intersection of Waukegan Road and Milwaukee Avenue, as evidenced by past flooding. Storm sewers along Milwaukee Avenue from Neva Avenue to Jarvis Avenue have also been identified as inadequate due to reoccurring sewer surcharge. The combination of the overall age, deterioration, and insufficient capacity qualifies the utilities present in the RPA as inadequate.

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 RPA.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed RPA will qualify as a “conservation area.” Further, the “Conservation area” factors found in the RPA are present to a meaningful extent and are 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 would substantially benefit by the proposed 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 investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the Village with sufficient justification to consider designation of the RPA.

APPENDIX A
Tax Parcels for RPA

APPENDIX B
Boundary Map of RPA