VILLAGE OF SKOKIE
DOWNTOWN SCIENCE + TECHNOLOGY TIF DISTRICT
REDEVELOPMENT PLAN AND PROJECT

Jointly Prepared By:

Village of Skokie, Illinois

And

Kane, McKenna and Associates, Inc.

OCTOBER, 2005
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LIST OF EXHIBITS

EXHIBITS

Exhibit 1 - Legal Description
Exhibit 2 - Boundary Map
Exhibit 3 - Existing Land Use Map
Exhibit 4 - Proposed Land Use Map
Exhibit 5 - TIF Qualification/Designation Report
I. INTRODUCTION

The Redevelopment Project Area (the "RPA") is generally bounded on the north by Main Street, on the east by properties that front Skokie Boulevard on the east side, on the south by Oakton Street and properties that front Oakton Street on the north side, and on the west by Elmwood Street, Niles Avenue and Niles Center Road. The RPA contains a mixture of industrial, commercial, retail and residential uses.

The RPA as a whole has been negatively impacted by the vacation of the former Pfizer research and development property. This approximately 1,381,000 sq. ft. complex occupies approximately twenty-three (23) acres and consists of thirteen (13) buildings. Much of the facility is both economically and functionally obsolete and portions must be demolished or reconfigured if redevelopment is to occur on the site. The area's other buildings also exhibit signs of obsolescence, due in part to the age of the existing structures and their proximity to the vacant railroad line located in the center of the TIF District (and west of the Skokie Swift line). Lack of direct roadway access to portions of the Study Area has negatively effected the development of the area. The RPA's landlocked and oddly shaped parcels, which are emphasized in the northern section of the RPA, are examples of the detrimental effects of piecemeal development. The qualification factors discussed herein qualify the major portion of the RPA as a "conservation area", as that term is hereinafter defined pursuant to 65 ILCS 5/11-74.4-3 et. seq., as amended. The central portion of the area includes a vacant "blighted area" designation due to the presence of the abandoned railroad right-of-way.

The RPA as a whole contains many parcels that are inadequate in size or layout compared to modern standards. Several of the buildings within the RPA also lie adjacent (with minimal lot setbacks) to one another allowing for little, if any, buffering between uses. In order for redevelopment to occur, a coordinated and enhanced effort from the Village of Skokie is needed. It is important for the Village to make improvements, where practical, in order to preserve the tax base, maintain and increase sales tax revenues, and retain and create jobs. In particular, the former Pfizer facilities will require coordination with the new property owners relating to potential reuse and redevelopment of this significant property.

The area consists of approximately one hundred and nineteen (119) tax parcels and one hundred and eight (108) improved parcels. Seventy-nine percent (79%) of the buildings are thirty-five (35) years old or greater. There are eleven (11) parcels which consist of vacant railroad property.

From a Village economic development perspective, the RPA represents a significant potential for development. The Village has identified a number of goals and objectives for area development, primarily focusing on the redevelopment of the former Pfizer facility. It is proposed that those facilities will be redeveloped into a life science research and development campus. Improvements are contemplated for the area's roadways and walkways, and major transit improvements are planned for the Skokie-Swift Line including a new CTA station. The designation of the area as an RPA would assist the Village in accomplishing its objectives related to area improvements.
The RPA is suitable for redevelopment for mixed uses including research and development, industrial, commercial and retail. The Village has undertaken an initiative, through the designation of the RPA, to redevelop strategic areas within the Village and, in doing so, stabilizing and expanding benefits to the community and affected taxing districts.

**The Redevelopment Plan**

The Village recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA and to stimulate and enhance private development within the RPA. The necessary private investment in the RPA may only be possible if tax increment financing (TIF) is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the “Act”) Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 et seq., as amended. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the Village and all the taxing districts, which encompass the area in the form of a significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the Village to address area deficiencies including (but not limited to):

- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement the redevelopment of the now vacant Pfizer facilities as well as adjacent commercial, retail and other Village redevelopments;

- Entering into redevelopment agreements in order to include the redevelopment of underutilized property and/or to induce new development to locate within the RPA;

- Improving the existing Skokie Swift Line as well as the surrounding roadways and sidewalks and other infrastructure; and

- Coordinating land assembly in order to provide sites for more modern research and development facilities, and other land uses.

A map of the RPA boundaries is included as Exhibit 2 and is a part of this Redevelopment Plan and Project. The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of a Redevelopment Plan and Project. The Village, with the assistance of Kane, McKenna and Associates, Inc., has prepared this Redevelopment Plan and Project to use tax increment financing to address local needs and meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to operation of viable mixed-use, industrial, commercial, retail and research and development uses within the area.
Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements that are substantially benefited by the redevelopment project. Also pursuant to the Act, the RPA is not less than 1½ acres in size.

Through this Redevelopment Plan and Project, the Village will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit those taxing districts that encompass the RPA. Benefits will be in the form of a stabilized and expanded tax base, the creation of new businesses, and the creation of new employment opportunities within the Village as a result of new private development in the area.

Summary

It is found and declared by the Village, through legislative actions as required by the Act, that in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken. Furthermore, to alleviate the existing adverse conditions, it is necessary to encourage private investment and enhance the tax base of the affected taxing districts in such areas by the development or redevelopment of certain areas. Public/private partnerships are determined to be necessary in order to achieve development goals. Without the development focus and resources provided under the Act, the development goals of the municipality would not reasonably be expected to be achieved.

It is found and declared by the Village that the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to said taxing districts. This is because these taxing districts whose jurisdictions include in the RPA would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

The redevelopment activities that will occur within the RPA will produce benefits that are reasonably distributed throughout the area. Redevelopment of the RPA is tenable only if a portion of the improvements and other costs are funded by utilizing tax increment financing.

The Village has made a determination that no residential units will be displaced through the implementation of this TIF Plan. As such, it is found and certified by the Village, in connection with the process required for the adoption of this Plan and Project pursuant to 65 ILSC Section 5/11-74.4.3(u)(5) of the Act, that this Plan and Project will not result in the displacement of 10 or more inhabited residential units and there are less than seventy-five (75) inhabited residential units within the RPA. Therefore, this Plan and Project does not include a housing impact study as would otherwise be required. The Village will amend this Plan and Project (and the RPA) and provide a housing impact study in the manner prescribed by the Act should the Village determine a need to withdraw such certification at a future time. In the event that any residential units are to be displaced (under 10 inhabited units), the Village will determine if residents are very low or low-income residents. If the residents are very low or low income, the Village shall conform to federal relocation standards for the very low or low-income residents, if applicable.
II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The Redevelopment Project Area legal description is attached in Exhibit 1.
III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the Village’s Zoning Ordinance and the comprehensive planning process. The Redevelopment Plan and Project also conforms to the Village’s comprehensive planning process.

General Goals of the Village

1) To reverse the effects of piecemeal development by encouraging unified, cohesive development.

2) To redevelop vacant uses within the area and reverse the decline in property values.

3) To develop a strong and positive image of the North Downtown Area.

4) To identify and encourage beneficial tax generating land uses within the RPA.

5) To identify appropriate tools for implementation of economic redevelopment.

Specific Objectives for the RPA

1) Encourage redevelopment of the existing Pfizer facilities as a life sciences research and development campus.

2) Encourage compatible, well designed development in the RPA with an emphasis on quality site design and building orientation, and site improvements as outlined by Village guidelines.

3) Undertake infrastructure improvements that will enhance the redevelopment potential of the RPA.

4) Encourage redevelopment of underutilized properties.

5) Coordinate improvements relating to the Skokie Swift Line and a new Oakton Street CTA station.
Redevelopment Objectives

The RPA designation will allow the Village to:

a) Assist in coordinating redevelopment activities within the RPA in order to provide a positive market place signal
b) Reduce or eliminate negative factors present within the area
c) Accomplish redevelopment over a reasonable time period
d) Provide for high quality development within the RPA
e) Provide for an attractive overall appearance of the area
f) Assist existing viable businesses

The implementation of the Redevelopment Project will serve to improve the tax base within the area and contribute to the economic redevelopment of the area. The implementation of the RPA will provide new employment opportunities for community residents, as well as greater market place interest within the Downtown area.
IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth Within the RPA

As found in Exhibit 5 of this Plan, the RPA has suffered from the vacancies associated with closure of the Pfizer facilities. The area has not, in recent years, benefited from significant private investment and/or development.

The Village believes that there is no evidence that the RPA's lack of growth will abate without inducement of private investment by the Village through an active economic development program.

Listed below is the assessed value for the Pfizer site for the last seven (7) years. The assessed value has been reduced by approximately 51%.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assessed Valuation (AV) Analysis</th>
<th>Percentage Change - Previous Year</th>
<th>Percentage Change to 2001</th>
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<tr>
<td>2004 AV</td>
<td>7,300,869</td>
<td>-37.074%</td>
<td>-51.298%</td>
</tr>
<tr>
<td>2003 AV</td>
<td>11,602,282</td>
<td>-22.605%</td>
<td></td>
</tr>
<tr>
<td>2002 AV</td>
<td>14,991,029</td>
<td>0.000%</td>
<td></td>
</tr>
<tr>
<td>2001 AV</td>
<td>14,991,029</td>
<td>28.445%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Cook County Assessor.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will have a minimal financial impact on the affected taxing districts. In fact, the action taken by the Village to stabilize and encourage growth of its tax base through the implementation of this Redevelopment Plan and Project is expected to have a positive impact on the affected taxing districts by arresting declines in assessed valuations and encouraging redevelopment of underutilized properties.
Though strategies will be encouraged to promote growth via private investment within the area, specific objectives are geared to stabilize the RPA’s existing strengths and realize the RPA’s redevelopment potential. Should the Village achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the Village will consider the declaration of sufficient surplus funds (as long as those funds are not already obligated to the TIF), to assist affected taxing districts in paying the costs for the increased services.

Any surplus Special Tax Allocation Funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the Village, after all TIF eligible costs either expended or incurred as an obligation by the Village have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the Village as provided by the Act. The exception to this provision will be to the extent that the Village utilizes TIF funding to assist in the redevelopment of residential units. In such cases, the Village will provide for the costs incurred by eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act.
V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under Illinois law. Refer to the TIF Qualification/Designation Report, (Exhibit 5) which is attached as part of this plan.

Eligibility Survey

The RPA was evaluated in May and June of 2005 by representatives of Kane, McKenna and Associates, Inc., (KMA). Analysis was aided by certain reports obtained from the Village, interviews with Village staff, photographs and other sources. In KMA’s evaluation, only information was recorded which would directly aid in the determination of eligibility for a TIF district.
VI. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Project Objectives

The Village proposes to realize its goals and objectives of encouraging the development of the RPA and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing by:

1) Implementing a plan that provides for the redevelopment of existing properties and underutilized sites that are available within the RPA for primarily commercial, industrial, and mixed uses.

2) Constructing public improvements which may include (if necessary):

   i. Roadway and sidewalk improvements (including improving pedestrian railroad crossings and related rail line/station redevelopment)
   ii. Utility improvements (including, but not limited to, the burying of overhead utility lines and expanded service requirements)
   iii. Signalization, traffic control and lighting
   iv. Off-street parking (if applicable)
   v. Landscaping, streetscaping and beautification (including the coordination of signage, facade, and parking improvements)

3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of interest rate subsidies as allowed under the Act.

4) Providing for land acquisition, site preparation, clearance, and demolition, including grading and excavation.

5) Redeveloping existing building inventory through necessary rehabilitation and improvement of structures.

6) Utilizing job training programs (if necessary and appropriate) in coordination with any Village, federal, state, and county programs.
B. Redevelopment Activities

Pursuant to the foregoing objectives, the Village will implement a coordinated program of actions, including, but not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary.

Land Assembly and Relocation

Certain properties in the RPA may be acquired, assembled and reconfigured into appropriate redevelopment sites. The Village may also undertake relocation activities.

Site Preparation, Clearance, and Demolition

Property within the RPA may be improved through site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Public Improvements

The Village may undertake a variety of public improvements in the RPA to enhance the immediate area and support the Redevelopment Plan and Project. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems;
- Rail line improvements;
- Street and right-of-way improvements; and
- Beautification, identification makers, landscaping, lighting, and signage of public right-of-ways.

Rehabilitation

The Village may provide for the rehabilitation of certain structures within the RPA in order to enhance the vitality of the RPA and facilitate conformance to Village code provisions. Improvements may include exterior and façade related work as well as interior related work.
Interest Rate Write-Down

The Village may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid on an annual basis from the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The Village may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs;
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

C. General Land Use Plan

Existing land uses generally consist of a mix of research and development, industrial, retail, commercial and limited residential uses. Existing land uses are shown in Exhibit 3, attached hereto and made a part of this Plan. Exhibit 4, attached hereto and made a part of this Plan designates intended general land uses in the Redevelopment Project Area that are expected to include mixed-use, research and development, retail, residential, and industrial. The land uses will conform to the Zoning Ordinance and the Comprehensive Plan of the Village as either may be amended from time to time.

D. Additional Design and Control Standards for Community Development

The appropriate design controls, as set forth in the Village’s Zoning Ordinance and Appearance Code, as amended, shall apply to the RPA, including any Planned Unit Developments.
E. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the TIF statute, and any such costs incidental to this Redevelopment Plan and Project. Private investments, which supplement "Redevelopment Project Costs", are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. Costs of studies and surveys, development of plans and specification, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses.

2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land.

3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

4. Costs of rehabilitation of public works or improvements.

5. Costs of job training and retraining projects including the costs of "welfare to work" programs implemented by businesses located within the redevelopment project area.

6. Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto.

7. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
8. Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.

9. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code.

10. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;

b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;

c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund; and

d) the total of such interest payments paid pursuant to this Act may not exceed 30% of the (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.

11. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be eligible redevelopment project costs.
12. For redevelopment project areas designated (or development project areas amended to add or increase the number of tax increment financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:

a) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than $5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

(i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;

(ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

(iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
b) Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan.
VILLAGE OF SKOKIE
REDEVELOPMENT PROJECT BUDGET - DOWNTOWN SCIENCE + TECHNOLOGY TIF
DISTRICT ESTIMATED PROJECT COSTS

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<tr>
<th>Program Actions/Improvements</th>
<th>Estimated Costs (A)</th>
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<tbody>
<tr>
<td>1. Land acquisition and assembly costs, demolition,</td>
<td>$ 9,000,000</td>
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<td>site preparation, environmental cleanup and related costs</td>
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<td>2. Utility and infrastructure improvements including,</td>
<td>4,000,000</td>
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<td>but not limited to, water, storm, sanitary sewer,</td>
<td></td>
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<td>the service of public facilities, and road improvements</td>
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<tr>
<td>3. Streetscape, landscape, sidewalks curbs and</td>
<td>2,000,000</td>
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<td>gutters, signage, streetlights, traffic and related</td>
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<td>public improvements</td>
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<td>4. Public facilities, including parking and rail line</td>
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<td>related improvements</td>
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<td>5. Facade design/rehabilitation programs</td>
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<td>6. Planning, legal, engineering, administrative and</td>
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<td>other professional service costs</td>
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<td>7. Interest costs pursuant to the Act</td>
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<td>8. Job training</td>
<td>50,000</td>
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<td>9. School District Costs pursuant to the Act</td>
<td>200,000</td>
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<td>10. Relocation</td>
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TOTAL ESTIMATED COSTS $19,250,000

(A) All project cost estimates are in year 2005 dollars. In addition to the above stated costs, any
bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and
reasonable charges associated with the issuance of such obligations as well as to provide for
capitalized interest and reasonably required reserves without impacting the budget. Adjustments to the
estimated line item costs above are expected. Each individual project cost will be reevaluated in light
of the projected private development and resulting tax revenues as it is considered for public financing
under the provisions of the Act. The totals of line items set forth above are not intended to place a total
limit on the described expenditures as the specific items listed above are not intended to preclude
payment of other eligible redevelopment project costs in connection with the redevelopment of the
RPA, provided the total amount of payment for Eligible Redevelopment Project Costs shall not exceed
the overall budget amount outlined above. Land acquisition and assembly costs are intended to reflect
the TIF cost net of resale proceeds. Adjustments may be made in line items within the total, either
increasing or decreasing line item costs for redevelopment.
F. **Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute**

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

"Redevelopment Project Costs" specifically contemplate those eligible costs set forth in the Act and do not contemplate the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the Village Board, only to leverage and secure private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value (EAV) of each such lot, block, tract or parcel in the RPA in the 2003 tax year for the RPA. Tax increment revenues from contiguous RPAs may also be utilized by the Village and tax increment revenues from the RPA may also be utilized in contiguous RPAs. (Note: If 2004 EAVs are certified prior to TIF ordinance adoption, the 2004 tax year would apply.)

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the Village may from time to time deem appropriate.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

G. **Nature and Term of Obligations to be Issued**

The Village may issue obligations secured by the tax increment Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the Village by virtue of its powers pursuant to the Illinois State Constitution.
Any obligations issued by the Village pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the Village may determine.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) for 2004 of the property within the RPA is approximately $35,724,861 for the RPA. The Boundary Map, Exhibit 2, shows the location of the RPA.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will increase by approximately $60,000,000.
VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken including several projects.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses are conformant with Village zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: Certain properties may be demolished in the RPA in order to redevelop the site.

Landscaping/Buffering/Streetscaping: The Village may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses. Streetscape improvements may include new sidewalks, decorative powers, lighting, street furniture, and other improvements.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. Detention or retention ponds may also be constructed by the Village.

Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Roadway/Street/Parking/Rail line Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the Village. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the general public.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access within the RPA and enhance its redevelopment may be constructed.

Rehabilitation: The Village may assist in the rehabilitation of public or private improvements as provided for in the Act.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.
Interest Costs Coverage: The Village may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The Village may fund necessary planning, legal, engineering, architectural, marketing, administrative, financing and other professional service costs during project implementation. The Village may reimburse itself for appropriate staff expenses from annual tax increment revenue if available.

B. Commitment to Fair Employment Practices and Affirmative Action

As part of any Redevelopment Agreement entered into by the Village and any private developers, both will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the Village. The program will conform to the most recent Village policies and plans.

With respect to the public/private development’s internal operations, both entities will pursue employment practices, that provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The Village and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.
C. **Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment costs**

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) calendar years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year in which the ordinance approving the RPA is adopted.
VIII. **PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT**

This Redevelopment Plan and Project may be amended pursuant to the provisions of the Act.
EXHIBIT 1

LEGAL DESCRIPTION
SKOKIE REDEVELOPMENT PROJECT AREA #4 LEGAL DESCRIPTION:

THAT PART OF SECTION 21, 22 AND 28 IN TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY LINE OF MAIN STREET AND THE NORTHWESTERLY RIGHT-OF-WAY LINE OF NILES CENTER ROAD;

THENENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF NILES CENTER ROAD TO A POINT ON THE WESTERLY EXTENSION OF THE NORTH LOT LINE OF LOT 4 IN THE SUBDIVISION OF THAT PART LYING EAST OF THE ROAD OF LOT 3 OF OWNER'S SUBDIVISION AS RECORDED ON DECEMBER 8, 1911 AS DOCUMENT NO 22511;

THENENCE EAST ALONG SAID WESTERLY EXTENSION AND NORTH LINE OF LOT 4 TO THE NORTHEAST CORNER OF SAID LOT 4;

THENENCE EASTERLY TO THE NORTHWEST CORNER OF LOT 9 IN SAID SUBDIVISION;

THENENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 9 TO A POINT ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF ELMWOOD STREET;

THENENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SEARLE PARKWAY;

THENENCE SOUTHEASTERLY AND EASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF SEARLE PARKWAY TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF NILES AVENUE;

THENENCE SOUTH ALONG SAID WEST RIGHT-OF-WAY LINE OF NILES AVENUE TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF MARKET STREET (AKA WARREN STREET);

THENENCE ALONG THE EASTERLY EXTENSION OF SAID NORTH RIGHT-OF-WAY LINE OF MARKET STREET (AKA WARREN STREET) TO THE EAST LINE OF NILES AVENUE;

THENENCE SOUTH ALONG SAID EAST RIGHT-OF-WAY LINE OF NILES AVENUE TO A POINT ON THE NORTH LINE OF LOT 1 IN CLARA BLAMEUSER'S OAKTON STREET SUBDIVISION, AS RECORDED ON APRIL 25, 1945 AS DOCUMENT NO. 13494312;

THENENCE EAST ALONG THE SAID NORTH LINE OF LOT 1 TO THE NORTHEAST CORNER OF SAID LOT 1;

THENENCE SOUTHEASTERLY ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID LOT 1 TO THE NORTH RIGHT-OF-WAY LINE OF OAKTON STREET;


THENENCE NORTHWESTERLY ALONG LAST DESCRIBED LINE TO A POINT 496.92 FEET SOUTHEASTERLY OF, AS MEASURED ALONG SAID LINE, OF THE SOUTH RIGHT-OF-WAY LINE OF SEARLE PARKWAY;

THENENCE NORTHEASTERLY AT RIGHT ANGLES TO LAST DESCRIBED LINE A DISTANCE OF 186.50 FEET TO THE NORTHEASTERLY LINE OF THE STATION GROUNDS OF SAID CHICAGO AND NORTHWESTERN RAILROAD COMPANY;

Exhibit 1
THENCE SOUTHEASTERLY ALONG SAID NORTHEASTERLY LINE TO THE NORTH RIGHT-OF-WAY LINE OF OAKTON STREET;

THENCE SOUTHERLY TO A POINT ON THE NORTH LINE OF SAID SECTION 28, SAID POINT BEING A DISTANCE OF 19.98 FEET WEST OF THE NORTHEAST CORNER THEREOF;

THENCE CONTINUING SOUTHERLY TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF SAID OAKTON AVENUE;

THENCE EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE OF OAKTON STREET TO A POINT ON THE SOUTHERLY EXTENSION OF THE EAST RIGHT-OF-WAY LINE OF KEATING AVENUE;

THENCE NORTH ALONG SAID EAST RIGHT-OF-WAY LINE OF KEATING AVENUE TO A POINT ON THE EASTERLY EXTENSION OF THE NORTH LINE OF A 16 FOOT ALLEY, SAID ALLEY RUNNING EAST-WEST IN NILES CENTER STATION SUBDIVISION AS RECORDED JULY 27, 1925 AS DOCUMENT NO. 8987353;

THENCE WESTERLY ALONG SAID EASTERLY EXTENSION AND NORTH LINE OF SAID ALLEY TO THE SOUTHWEST CORNER OF LOT 23 IN SAID NILES CENTER STATION SUBDIVISION, SAID SOUTHWEST CORNER ALSO BEING A POINT ON THE NORTHEASTERLY LINE OF A 16 FOOT ALLEY, SAID ALLEY RUNNING NORTHWESTERLY THRU SAID NILES CENTER STATION SUBDIVISION;

THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF A 16 FOOT ALLEY TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF KEENLEY STREET;

THENCE NORTHERLY TO THE SOUTHWEST CORNER OF LOT 31 IN SAID NILES CENTER STATION SUBDIVISION, SAID SOUTHWEST CORNER ALSO BEING A POINT ON THE EAST LINE OF A 16 FOOT ALLEY, SAID ALLEY IS SITUATED WEST OF KEATING AVENUE AND EAST OF SKOKIE BLVD;

THENCE NORTH ALONG SAID EAST LINE OF THE 16 FOOT ALLEY THAT IS WEST OF KEATING AVENUE AND EAST OF SKOKIE BLVD. AND THE EXTENSIONS THEREOF TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF WASHINGTON STREET;

THENCE WEST ALONG SAID NORTH RIGHT-OF-WAY LINE OF WASHINGTON STREET TO THE SOUTHWEST CORNER OF LOT 17 IN THE FIRST ADDITION TO MAIN STREET AND CICERO AVENUE SUBDIVISION AS RECORDED MAY 9, 1924 AS DOCUMENT NO. 8408360, SAID SOUTHWEST CORNER ALSO BEING A POINT ON THE NORTHEASTERLY LINE OF A 16 FOOT ALLEY;

THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE OF THE 16 FOOT ALLEY AND ITS EXTENSION TO A POINT ON THE SOUTH LINE OF LOT 16 IN SAID FIRST ADDITION TO MAIN STREET AND CICERO AVENUE SUBDIVISION;

THENCE WEST ALONG SAID SOUTH LINE OF LOT 16 TO THE SOUTHWEST CORNER OF SAID LOT;

THENCE NORTHWESTERLY ALONG THE WESTERLY LINE OF SAID LOT 16 AND ITS EXTENSION TO A POINT ON THE NORTHERLY RIGHT-OF-WAY LINE OF MAIN STREET;

THENCE WEST ALONG SAID NORTHERLY RIGHT-OF-WAY LINE OF MAIN STREET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.
EXHIBIT 2
BOUNDARY MAP
EXHIBIT 3

EXISTING LAND USE MAP
EXHIBIT 4

PROPOSED LAND USE MAP