

**CITY OF LANARK, ILLINOIS  
CONSERVATION AND OPPORTUNITY FOR GROWTH  
REDEVELOPMENT PROJECT AREA**

TAX INCREMENT FINANCING DISTRICT  
ELIGIBILITY REPORT  
APRIL 18, 2006

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## **I. METHODOLOGY**

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The information contained in this report was obtained through multiple sources. A parcel-by-parcel field survey of the RPA was conducted in November and December of 2005. This survey documented the presence of eligibility factors on both improved and unimproved parcels.

In addition to the findings from the field survey, information was obtained from the City, Lanark Public Library, Carroll County Clerk and Recorder, Carroll County Department of Assessments and Carroll County Treasurer. The U.S. Bureau of Labor Statistics and the regional office of the Illinois Department of Employment Security provided the unemployment figures.

## II. ELIGIBILITY FACTORS

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Conditions must be found which cause the area to be classified as a blighted area, a conservation area, an industrial park conservation area or a combination of both blighted and conservation areas.

### A. **BLIGHTED AREA – IMPROVED LAND**

Blighted areas are defined as areas where industrial, commercial and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of **five 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 RPA.

### B. **CONSERVATION AREA – IMPROVED LAND**

Conservation areas are defined as improved areas in which **50% or more of the structures in the area have an age of 35 years or more**. The area is not yet a blighted area but because of a combination of **three or more of the following factors** is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

#### **Structures Over 35 Years in Age**

For an RPA to qualify as a conservation area, more than 50% of the structures must be 35 years in age or older.

*As illustrated on **Map 2**, most of the principal structures in the RPA are over 35 years in age.*

#### **BLIGHTED AND CONSERVATION AREA FACTORS FOR IMPROVED LAND:**

##### **1. Dilapidation**

An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings 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.

*Several structures are dilapidated and many more are nearing a state of dilapidation. Dilapidation is present in many areas, but is not present to a meaningful extent and is not reasonably distributed.*

## **2. Obsolescence**

The condition or process of falling into disuse. Structures have become ill-suited for the original use.

*Many buildings are obsolete within the RPA. These buildings are either no longer being utilized or are being utilized for a different use than originally intended. Obsolescence is present in many areas of the RPA, but is not present to a meaningful extent and is not reasonably distributed.*

## **3. Deterioration**

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

*Deterioration of the buildings and site improvements within the RPA exhibits the age and lack of investment in the RPA. As illustrated on **Map 3**, deterioration is present to a meaningful extent and is reasonably distributed.*

## **4. 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.

*Field observations indicate that many structures within the RPA do not meet the relevant code standards. However, sufficient information is not available to document this criterion.*

## **5. 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.

*The illegal use of individual structures is not noted within the RPA.*

## **6. 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.

*Some of the buildings within the RPA are partially or entirely vacant. However, this factor is not present to a meaningful extent and is not reasonably distributed.*

**7. 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.

*This factor is not present to a meaningful extent and is not reasonably distributed throughout the RPA.*

**8. 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 RPA, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the RPA.

*Inadequate utilities are present in some portions of the RPA, but this factor is not present to a meaningful extent and is not reasonably distributed.*

**9. Excessive Land Coverage and Overcrowding of Structures and Community Facilities**

The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service.

*This factor is present in the central portion of the RPA. Buildings are located on parcels of inadequate size, there is a lack of off-street parking and private parking areas encroach into the right-of-way. While this criterion is present to a meaningful extent, it is not reasonably distributed.*

**10. Deleterious Land Use or Layout**

The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.

*Throughout the RPA, there are adjacent land uses that are not compatible with one another. The large number of properties that have outdoor storage compromise the aesthetics of the RPA. These factors are detrimental to investment in the RPA. As illustrated on Map 4, deleterious land use or layout is present to a meaningful extent and is reasonably distributed.*

**11. Environmental Clean-up**

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

*Environmental remediation may be necessary for several of the improved parcels in the RPA. However, sufficient information is not available to document this factor.*

**12. Lack of Community Planning**

The proposed RPA 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.

*A lack of community planning is evident in the RPA. About one-half of the RPA developed prior to adoption of the City's first Zoning Ordinance. Areas that have developed under the Zoning Ordinance did not benefit from a Comprehensive Plan for directing land use. Many of the properties in the vicinity of US Route 52/IL Route 64 developed under the jurisdiction of Carroll County and were annexed in their existing condition. These factors result in incompatible land uses throughout the RPA. Also, there are conditions in the RPA that are more structural in nature and therefore very difficult to correct. Most of the parcels in the RPA lack the width or depth required for contemporary development. Along with the inadequate parcel configurations, the right-of-way is underutilized in some areas yet insufficient in other areas. A lack of community planning is present to a meaningful extent and is reasonably distributed throughout the RPA.*

**13. Decline/Lack of Growth in Equalized Assessed Value**

The total equalized assessed value of the proposed RPA has declined for 3 of the last 5 calendar years prior to the year in which the RPA is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the RPA is designated.

**Table 1: Equalized Assessed Value (EAV) Trends**

Year	2005	2004	2003	2002	2001	2000
RPA - EAV	\$2,269,149	\$2,135,074	\$2,172,840	\$2,169,866	\$2,171,391	\$2,374,454
RPA - EAV change	6.28%	-1.74%	0.14%	-0.07%	-8.55%	--
Balance of the City - EAV	\$11,563,769	\$10,158,186	\$10,747,740	\$10,415,502	\$10,275,700	\$10,265,992
Balance of the City - EAV change	13.84%	-5.49%	3.19%	1.36%	0.09%	--
<b>RPA increase less than City</b>	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>--</b>

*As indicated in **Table 1**, the EAV of the RPA increased at a rate less than the balance of the City in 2005, 2003, 2002 and 2001. The average increase in EAV between 2001 and 2005 for the RPA was -0.79%. The average increase for the remainder of the City over the same time period was 2.60%. A lack of growth in equalized assessed value is present in the RPA.*

## **C. BLIGHTED AREA – VACANT LAND**

Vacant areas can be found blighted if the sound growth of the RPA is impaired by a combination of **two or more of the following factors**, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the RPA to which it pertains.

### **1. Obsolete Platting of Vacant Land**

Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

*Obsolete platting of vacant land is present in some portions of the RPA, but is not present to a meaningful extent and is not reasonably distributed.*

### **2. Diversity of Ownership**

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

*A diversity of ownership is not present to a meaningful extent and is not reasonably distributed.*

### **3. Tax and Special Assessment Delinquencies**

Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

*Tax and special assessment delinquencies are not noted in the RPA.*

### **4. Deterioration of Adjacent Structures or Site Improvements**

Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

*Deterioration of adjacent structures or site improvements is present in the RPA and makes the vacant areas less attractive for development. Although this factor is present to a meaningful extent, it is not reasonably distributed.*

**5. Environmental Clean-up**

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

*A necessity for environmental remediation on the vacant parcels has not been documented.*

**6. Decline/Lack of Growth in Equalized Assessed Value**

The total equalized assessed value of the proposed RPA has declined for 3 of the last 5 calendar years prior to the year in which the RPA is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the RPA is designated.

*As indicated in **Table 1**, the EAV of the RPA increased at a rate less than the balance of the City in 2005, 2003, 2002 and 2001. The average increase in EAV between 2001 and 2005 for the RPA was -0.79%. The average increase for the remainder of the City over the same time period was 2.60%. A lack of growth in equalized assessed value is present in the RPA.*

## **D. BLIGHTED AREA – SPECIFIC CRITERIA**

If vacant, the sound growth of the RPA is impaired by **one of the following factors** that (i) is 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) is reasonably distributed throughout the vacant part of the RPA to which it pertains:

### **1. Unused Quarries, Mines, or Strip Mine Ponds**

The area consists of one or more unused quarries, mines, or strip mine ponds.

*Unused quarries, mines, or strip mine ponds are not present in the RPA.*

### **2. Unused Rail Yards, Rail Tracks, or Railroad Rights-of-way**

The area consists of unused rail yards, rail tracks, or railroad rights-of-way.

*Unused rail yards, rail tracks, or railroad rights-of-way are not present in the RPA.*

### **3. Flooding**

The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

*Flooding in, or tributary to, the RPA is not noted.*

### **4. Unused or Illegal Disposal Site**

The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

*Unused or illegal disposal sites are not present in the RPA.*

### **5. Town or Village Center**

Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

*This criterion is not applicable to the RPA.*

**6. Blighted Improved Area Prior to Becoming Vacant**

The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

*The property assessment records indicate that several properties were blighted prior to becoming vacant. However, sufficient information is not available to document this factor.*

## E. INDUSTRIAL PARK CONSERVATION AREA

To designate an industrial park conservation area, each of the following criteria must be met.

### 1. Labor Surplus Municipality

The industrial park conservation area is within the territorial limits of a municipality that is a labor surplus municipality or located within one and one-half miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality. A labor surplus municipality is defined as a municipality in which, at any time during the six months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. If unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal county in which the municipality is located.

*The area designated as an industrial park conservation area is within the limits of the City. The unemployment rate for the City was 6.3% for the 12-month period ending in September 2005 according to the regional office of the Illinois Department of Employment Security. The national average unemployment rate for September 2005 was 5.1%. The figure for the City exceeds 6% and is greater than the national average.*

### 2. Industrial Zoning

The industrial park conservation area is zoned as industrial no later than at the time the municipality by ordinance designates the RPA.

*The parcels are currently zoned "I" Industry.*

### 3. Suitable for an Industrial Park/Contiguous to Blighted or Conservation Area

The RPA includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land.

*The parcels are vacant and suitable for use as an industrial park. The parcels are contiguous to a conservation area.*

### III. ELIGIBILITY DETERMINATION

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Based on the information contained in this report, the RPA qualifies as a combination of a conservation area and an industrial park conservation area. For the parcels designated as a conservation area on **Map 1**, more than 50% of the structures are over 35 years in age and four of the eligibility factors are present to a meaningful extent and are reasonably distributed. These factors are:

- Deterioration
- Deleterious Land Use and Layout
- Lack of Community Planning
- Decline/Lack of Growth in Equalized Assessed Value

The area indicated on **Map 1** qualifies as an industrial park conservation area as the each of the applicable requirements is met.

Several of the other eligibility factors are present in the RPA to a lesser degree. These factors still, however, have a limiting effect on the RPA.

These findings indicate that the RPA on a whole has not been subject to growth and private investment by the private sector. Designation of the RPA as a tax increment finance district will allow the City to take direct action to eradicate the limiting factors and foster development that will benefit the City and other taxing districts.

**Map ER1: Conservation Area/Industrial Park Conservation Area**

**Map ER2: Structures Over 35 Years in Age**

**Map ER3: Deterioration**

**Map ER4: Deleterious Land Use or Layout**