



## **TIF REDEVELOPMENT PLAN BARBER COLMAN TIF DISTRICT**

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"Redevelopment plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

**Prepared by the City of Rockford, Illinois**

**in conjunction with**

**Ryan, LLC**

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## **I. INTRODUCTION**

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The City of Rockford (the “City”) is a mature community located in Winnebago County, Illinois, approximately ninety (90) miles northwest of the City of Chicago. The City lies adjacent to the municipalities of Belvidere and Cherry Valley on the east, Loves Park and Machesney Park on the north, Winnebago and Pecatonica on the west, and New Milford to the south. It is only 50 miles from major employment centers located in the northwestern Chicago suburbs.

Increasingly, the City’s economy and real estate market is intertwined with the metropolitan Chicago economy, as the path of regional growth moves northwest of Chicago. This changing dynamic is perhaps best demonstrated by the rapid growth in recent years of the former Greater Rockford Airport, which has been redesignated as the Chicago Rockford International Airport (located within 5 miles of the South Main Street commercial corridor).

The City has an array of community assets that enhance its competitiveness. In particular, it has excellent transportation infrastructure, with connections to Interstate 90, and Interstate 39/U.S. 51, as well as U.S. 20. Interstate 90 is the primary linkage to the Chicago area, and Interstate 39 takes travelers south to Rochelle and other communities. Additionally, a continued area of focus for the City is its ongoing effort to return its historic Southwest area as a strong core strength of the Rockford community. The proposed redevelopment of the former and historic Barber Colman facilities, located in the heart of the South Main Street commercial corridor, into a major mixed used redevelopment project would be a substantial economic boost for Southwest Rockford.

More specifically, the City proposes the designation of the Barber Colman Redevelopment Project Area (the “RPA” or the “TIF District”) through the adoption of this Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan” or “Plan”) to promote the strategic revitalization (and historic) properties located within an approximately 22-acre complex commonly known as the Barber Colman manufacturing plant (“Barber Colman”), which is positioned at a strategic location, abutting the Rock River, within the Southwest portion of the City (“Southwest Rockford”). The successful revitalization of the proposed RPA would significantly assist the City in achieving its policy goal of promoting economic development in general and the continued revitalization of Southwest Rockford in particular.

The City’s intent is to institute the proposed Barber Colman RPA to replace the South Main-Rock Street TIF District. That TIF District had also been formed to provide a key engine for the redevelopment of the Barber Colman facilities by the City in partnership with Rock Valley College. However, the plans for that proposed redevelopment did not materialize as expected by the City. The City has a new opportunity to work with a substantial developer to redevelop the Barber Colman complex, however that proposal would not be financially feasible without the full 23-year term that State law allows for new TIF Districts. Accordingly, the

City has deemed it necessary to reset the TIF District for the area in order to reposition the redevelopment project for success. The proposed developer for the redevelopment of the project would not be able to financially pursue the venture otherwise. Restoring a 23-year life for the TIF District is an essential part of the developer's overall project funding plan.

By undertaking the proposed re-designation, the City will help strengthen the RPA as a significant contributor to the City's overall economic base through the promotion of the redevelopment of the former Barber Colman complex and certain parcels located west and north of the Barber Colman properties along South Main Street. The City attained ownership of Barber Colman in 2001 with the intent to: 1) work toward cleaning up the complex and eliminating the long-term blighting influences associated with the properties; and 2) positioning the complex for future redevelopment and revitalization for the appropriate mix of land uses dictated by local market forces.

Over the past 20 years, the City, with funding assistance for the State and Federal governments, has accomplished substantial progress in the remediation of environmental contamination at the site, however significant environmental, and other blighting conditions, remain. The re-designation of the TIF will be a critical source for a portion of the financial resources to accommodate the rehabilitation and development of the remaining structures of the Barber Colman complex. It is difficult to contemplate that the City has many years remaining for an opportunity to salvage the remaining structures located within the Barber Colman complex. This is another reason why the City is motivated to maximize the life of the TIF through re-designation given that the proposed developer would not be financially able to proceed with the potential mix-used redevelopment of the property without the assurance of financial support offered by the extended life of the TIF District.

Ryan LLC (formerly Kane, McKenna and Associates) ("Ryan") has been retained by the City of Rockford to conduct an analysis of the potential qualification and designation of the area as a new Tax Increment Financing ("TIF") District, and to assist the City in drafting this TIF Redevelopment Plan.

The City has two fundamental goals in pursuing the potential TIF District. The first is to promote redevelopment of an area that has experienced long-term vacancies of historic properties, and in doing so, promote new, economically productive uses for the key parcels located within the critical core of Southwest Rockford. The second goal is to further the City's overall economic development program and thereby diversify its tax and employment bases.

**TIF Plan Requirements.** The City is preparing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, et. seq., as amended. To establish a TIF district (also known as a Redevelopment Project Area ("RPA")), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Eligibility Report. Additionally, in the

case of the proposed establishment of this TIF District the City must also take formal action to FIRST remove the proposed RPA from the existing South Main-Rock Street TIF.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas” (65 ILCS 5/11-74.4-2(b)).

By definition, a TIF “Redevelopment Plan” means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a “blighted area,” “conservation area” (or combination thereof), or “industrial park conservation area,” and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

**Community Background.** The City of Rockford is one of the oldest communities in the State of Illinois, incorporated in 1839 prior to the Civil War (incorporated as a village, and then chartered as a city in 1852). After a long period of growth during the late 19<sup>th</sup> and early 20<sup>th</sup> century, population stabilized around its current level in the post-war era. As of the 2010 Census, the City population is 152,871 (150,115 in the 2000 Census), making it one of the largest communities in the state. However, the City has lagged the growth compared to other Illinois communities and is estimated to have fallen from the second largest City in Illinois to the fifth largest as of 2023.

The City has a number of important assets that make it a desirable location for residents and that fosters a competitive environment for businesses. First, the City has an educated workforce, with over 80% of the adult population (over age 25) having obtained a high school degree and about 21% either a bachelor’s degree or an advanced degree (master’s degree or other advanced degree). Rockford University is located near the proposed TIF District, and both Northern Illinois University (which also maintains a Rockford campus) and Beloit College are located within close driving distance. Additionally, a number of other higher educational institutions maintain services within the Rockford community. Due in part to these strengths, Rockford has evolved over many decades from one of the leading centers for furniture and machine tool making centers in the country into a nation leader in the aerospace industry.

Secondly, the City possesses a variety of transportation assets, including proximity to multiple Interstate highways, state highways, and an airport. Interstate 90 is the primary linkage to the Chicago area, and Interstate 39 takes travelers south to Rochelle, DeKalb, and other communities. Thirdly, the area is increasingly intertwined with the growing suburban areas northwest of Chicago primarily via the link along Interstate 90, and the growth in prominence of the Chicago Rockford International Airport.

Finally, the City has made a concerted effort under the current leadership to foster economic development. The City has put in place multiple economic development programs and incentives to expedite redevelopment as the Rockford region continues to transition from a historically industrial-based economy to a diversified, 21<sup>st</sup> century economy. The City has also worked to shift to a more strategic use of tax increment financing in favor of initiatives that are driven by specific private sector investment opportunities for economic growth and elimination of blighted conditions, as opposed to previous efforts that tended to be driven by area-wide factors without the presence of more precise private investment opportunities.

**The Proposed TIF District.** The proposed RPA is anchored by the Barber Colman complex on the south and east, and includes a number of key older commercial and industrial structures (many vacant) to the west and north of the complex along South Main Street, all located within the City, in an area approximately bounded by (see Appendix 1 and Appendix 2):

Kent Street (and in part Loomis Street) on the north, the Rock River (and in part Buchanan Street) on the east, Knowlton Street on the south, and alternatively South Main Street and a certain alleyway (situated at a point north of Morgan Street, halfway between Church Street and South Main Street) on the west.

The City's general economic development objectives are to enhance commercial and mixed use (not inclusive of residential and/or incidental industrial uses) opportunities within the proposed RPA. To achieve this overarching objective, the City has proposed the following guidelines in its 2020 Plan ("Comprehensive Plan"), and certain strategic South Rockford development plans as discussed within Section III below.

The primary purpose of the proposed RPA as a new TIF District is to allow the City to meet its obligation under the terms of a certain public/private development partnership agreement under consideration by the City that, if successful, would result in the installation of a major, private sector led, mixed use development for the Barber Colman complex.

Section IV of this report describes a number of redevelopment impediments facing the City. Dilapidation, obsolescence, excessive vacancies, environmental

contamination, and deterioration are some of the key impediments that reduce the competitiveness of the area.

On balance, the TIF area has the potential for redevelopment of certain underutilized properties. As such, the City has identified a number of objectives for redevelopment, with tax increment financing acting as a tool to achieve them. Please refer to Section III of this report for additional information about the goals, objectives and activities to support redevelopment.

The RPA would be suitable for new development if there is coordination of uses and redevelopment activity by the City. Through this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the City intends to attract and encourage residential/commercial mixed uses for the underutilized sites located within the RPA. Through the establishment of the RPA, the City would implement a program to redevelop key areas within the new TIF District and in so doing, it would revitalize the area and extend benefits to the entire community.

**Rationale for Redevelopment Plan.** The City recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment would only be possible if a new TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the revitalized projects will play a decisive role in encouraging private development in an area of the City that is lacking such major development opportunities. Adverse site conditions and economic barriers that have discouraged intensive private investment in the past will continue to be eliminated. Ultimately, the implementation of the Plan will benefit both the City and other affected taxing districts, by virtue of the expected stabilization and expansion of the tax base.

The City has determined that the area as a whole would not be developed in a coordinated manner unless the adoption of the TIF Redevelopment Plan occurs. The City, with the assistance of Ryan, has therefore prepared this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment and land assembly, the RPA will become a more viable area that will attract private investment. The public investment and land assembly will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future retail, commercial and mixed use opportunities surrounding the area.

The designation of the area as an RPA will allow the City to pursue the following beneficial strategies:

- Providing infrastructure that supports subsequent redevelopment plans for the RPA;
- Improvements to targeted sites in preparation for redevelopment (“site prep”) and improvements to existing structures in order to accommodate new mixed use developments, as well as existing and new commercial tenants;
- Remediation of adverse environmental conditions for both site and building elements located within the RPA;
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA;
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future commercial mix-use opportunities and City redevelopment projects within the RPA and/or surrounding area; and
- Enhancing area appearance through improvements to landscape, streetscape and signage.

Through this Plan, the City will direct the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits are expected to accrue to the area: increase in high quality residential units, entry of new and/or renovated businesses; new employment opportunities; and physical and aesthetic improvements. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing districts serving the RPA, (c) residents and property owners within and/or adjacent to the RPA, and (d) existing and new businesses within the RPA.

**City Findings.** The City, through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the new RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;



- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That without the development focus and extended resources provided for under the Act and as set forth in this Plan, growth and redevelopment would not reasonably be expected to be achieved;
- 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 the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and
- That the TIF Redevelopment Plan conforms to the Rockford (2020) Comprehensive Plan, as detailed in Section III of this report.

Additionally, the City finds that it is useful, desirable, and necessary for the City to hold together assembled land into parcels of sufficient size to encourage development consistent with modern day land use standards.

It is further found, and certified by the City, in connection to the statutory process required for the adoption of this Plan, that (a) the RPA does not contain over seventy-five (75) inhabited residential units and (b) projected redevelopment of the RPA **will not result** in the displacement of ten (10) inhabited residential units or more. Therefore, *this Plan does not include a Housing Impact Study.*

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

## **II. RPA LEGAL DESCRIPTION**

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The Redevelopment Project Area legal description is attached in Appendix 1.

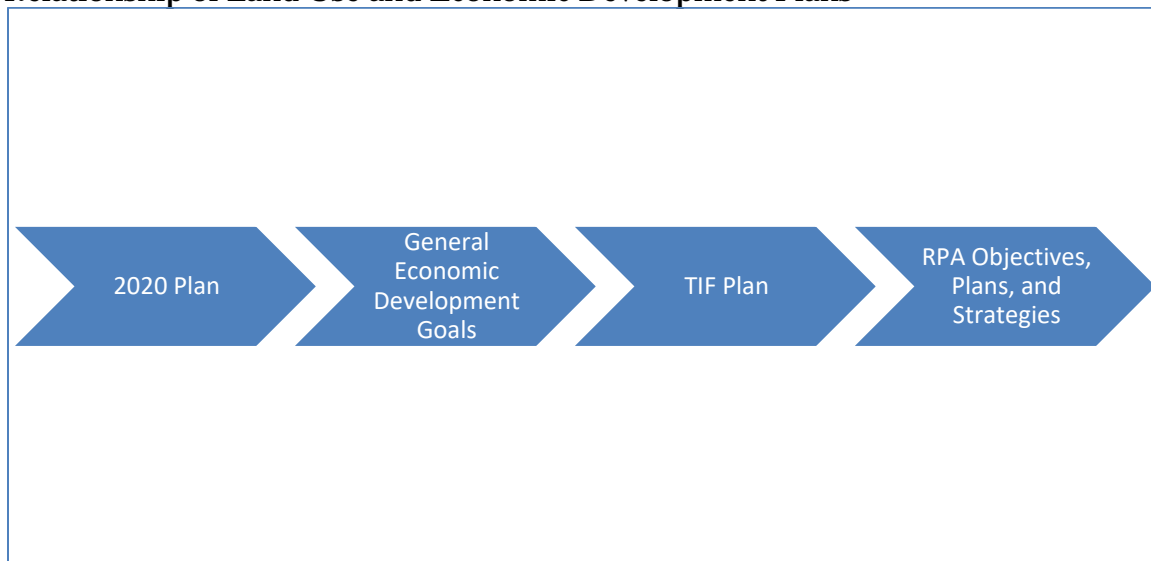
### III. RPA GOALS AND OBJECTIVES

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The City has established a number of economic development goals, objectives, and strategies which would determine the types of activities to be undertaken within the proposed Barber Colman TIF District. These efforts would conform to and promote the achievement of land use objectives in the City's (2020) *Comprehensive Plan*.

#### Exhibit 1

#### Relationship of Land Use and Economic Development Plans



As indicated in the exhibit above, the City's primary planning document is the *Comprehensive Plan* (also referred to as the *2020 Plan*) which describes the overall vision for the City and is the foundation for City initiatives such as the proposed Barber Colman TIF District. This overarching planning document determines future land uses and influences all other City planning efforts such as the TIF planning process.

**General Economic Development Goals of the City.** Establishment of the proposed Barber Colman TIF supports the following City-wide objectives.

- Restoring and strengthening the property tax base of the City and overlapping tax districts;
- Upgrading the overall housing stock of the City in general and Southwest Rockford, in particular;
- Creating new jobs and retain existing jobs for City and area residents;

- Providing for implementation of economic development and redevelopment strategies that benefits the City and its residents;
- Providing public infrastructure improvements (and environmental remediation) within the City to promote growth;
- Encouraging positive and feasible redevelopment of vacant properties and/or underutilized facilities;
- Coordinating all redevelopment within the City in a comprehensive manner, avoiding land use conflicts and negative community impacts with attracted users; and
- Creating a cooperative partnership between the City and other Southwest Rockford stakeholders.

**Specific Objectives for the RPA.** The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would “drive” the redevelopment activities undertaken within the proposed RPA. RPA designation would allow the City to pursue the following objectives:

- Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Reduce, eliminate or prevent the onset of blight or other negative factors present within the area;
- Accomplish redevelopment over a reasonable time period;
- Provide for high quality development residential/commercial land uses within the RPA;
- Create an attractive overall appearance for the area; and
- Further the goals and objectives of the *2020 Plan*.

Additionally, The South Main Street corridor and former Barber-Colman facility have been identified as a key asset in achieving the City of Rockford’s long-term planning goals. Reports and plans which identify the RPA’s importance include, but are not limited to:

- South Rockford Target Area Plan: SWIFTT (2004)
- Rockford Retail & Residential Market Study: ERA (2008)
- South Main Revitalization Strategy: State of the Corridor (2011)
- South Main Revitalization Strategy: Revitalization Vision + Implementation (2011)

- City of Rockford 2020 Plan: City of Rockford (2004, 2009, 2011, 2015)
- Recent appraisal reports commissioned by the developer and the City
- Certain Structural and Environmental Reports prepared for the City by Fehr Graham Engineering and Environmental firm between 2018 and 2022 (collectively, the “Graham Fehr” reports)

These reports and plans clearly establish the importance of the RPA. They also describe characteristics of the area which deter investment and prohibit the RPA from being fully utilized. Such characteristics include the persistent and long-term excessive vacancies, presence of conditions that are hazardous to the public, presence of obsolete and deteriorating improvements, inadequate utilities, a lack of adequate planning and the presence of incompatible land uses in close proximity to historically hazardous conditions that have and continue to exist within the Barber Colman complex.

Exhibit 2 identifies certain *2020 Plan* goals that pertain to the proposed Barber Colman TIF District.

## Exhibit 2

### Comprehensive Plan Goals and Objectives for City’s 2020 Plan

Goal	Objective	Action
Implement TIFs	Work to overcome land assembly challenges and land use conflicts	<ul style="list-style-type: none"> <li>• <b>Work with developers to assemble property in conjunction with TIF creation</b></li> </ul>
Work to integrate Smart Growth principles into the City of Rockford	Mixed use development	<ul style="list-style-type: none"> <li>• <b>Assist with the financing of mixed-use developments</b></li> <li>• <b>Incorporate planned mixed uses into neighborhood/sub-area plans</b></li> <li>• <b>Provide incentives for mixed uses in new development and redevelopment areas</b></li> </ul>
Preserve culturally, historically, and architecturally significant sites, buildings, and districts	Adaptive reuse of historic and underutilized buildings	<ul style="list-style-type: none"> <li>• <b>Incentivized the rehabilitation and reuse of locally designated resources within neighborhoods and commercial corridors</b></li> <li>• <b>Ensure new development is compatible with historic districts</b></li> <li>• <b>Encourage new mixed-use developments on underutilized sites</b></li> </ul>
Assist with relocation of existing businesses, where appropriate, to other suitable locations within the Corridor or Southwest Rockford to allow for redevelopment of key sites	Promote adaptive use plan for Barber-Colman	<ul style="list-style-type: none"> <li>• <b>Utilize Brownfield Clean up Resources for Barber Colman</b></li> <li>• <b>Utilize resources available to protect historic character of South Main Street and key sites like Barber Colman</b></li> <li>• <b>Utilize resources such as TIF and New Market Tax Credits to help fund Barber Colman redevelopment plans</b></li> </ul>

Ultimately, the implementation of the Redevelopment Plan would contribute to the economic development of the area and provide new employment opportunities for City residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the preparation of improved and vacant sites, by assisting any private developer(s) to assemble suitable sites for modern development needs;
- Elimination of dilapidated, unsafe properties located within the RPA;
- Coordinating site preparation and rehabilitation of structures to provide additional land for new development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development within the RPA;
- Facilitating the provision of adequate on- and off-street parking within the RPA; and/or
- Coordinating development in tandem with any transportation system upgrades to make the area more accessible.

#### **IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS**

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**Evidence of the Lack of Development and Growth within the RPA.** As documented in Appendix 4 of this Plan, the RPA has suffered from the lack of development and would qualify as a conservation area. In past years, the area overall has not benefited from sustained private investment and/or development, instead suffering economic decline. Absent intervention by the City, properties within the RPA would not be likely to gain in value.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually result in blight. Those conditions include structures and public improvements reflecting dilapidation and obsolescence, as well as other deficiencies. These various conditions work to discourage private sector investment in business enterprises.

**Assessment of Fiscal Impact on Affected Taxing Districts.** It is anticipated that the implementation of this Plan will not have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV), through the future elimination of vacant and blighted properties such as the Barber Colman (as well as other structures located along South Main Street within the RPA) buildings. In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of falling equalized assessed valuation at the South Rockford area core of the community.

Should the City achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the City will consider the declaration of “surplus funds,” as defined under the Act and pursuant to any executed intergovernmental agreement. Such funds which are neither expended nor obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the City. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the City – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act.

An exception to the tax-sharing provision relates to the City’s utilization of TIF funding to mitigate the impact of residential redevelopment upon school districts. In such cases, the City will provide funds to offset the costs incurred by the eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. It should be noted that new residential uses that

generate new students are not expected as part of future redevelopment activities. (Refer to Section VI of this Report, which describes allowable TIF project costs.)



## **V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA**

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**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 the Act. Refer to the *TIF Eligibility Report*, attached as Appendix 4 in this Plan.

**Eligibility Survey.** Representatives of Ryan and City staff evaluated the RPA from December 2022 to the date of the publication of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering/planning staff, on-site due diligence, and other sources. In Ryan's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF District.

## **VI. REDEVELOPMENT PROJECT**

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**Redevelopment Plan and Project Objectives.** As indicated in Section III of this Report, the City has established a planning process which guides economic development and land use activities throughout the City. Consistent with the established planning process, the City proposes to achieve economic development goals and objectives through the redevelopment of the Barber Colman TIF, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques (including but not limited to tax increment financing).

The project-specific objectives envisioned for the Barber Colman TIF are as follows:

- 1) Implementing a plan that provides for the attraction of users and tenants to redevelop underutilized land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
  - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with City standards for context-sensitive design);
  - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
  - Signalization, traffic control and lighting;
  - Off-street parking and public parking facilities; and
  - Landscaping, streetscaping, and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation (any demolition activities would conform to City criteria for allowing demolition) as needed.
- 5) Providing for the rehabilitation of structures in order to improve the occupancy and appearance of the property within the RPA.
- 6) Exploration and review of job training programs in coordination with any City, federal, state, and county programs.
- 7) Entering into agreements for the development and/or construction of public facilities and infrastructure.

**Redevelopment Activities.** Pursuant to the project objectives cited above, the City will implement a coordinated program of actions. These include, but are not limited to, land acquisition, land disposition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, construction of new public facilities, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

#### Site Preparation, Clearance, Relocation and Demolition

Property within the RPA may be improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment. Relocation may also be required under the TIF Act; the City would conform to the provisions of the Act.

#### Land Assembly and Disposition

Certain properties or interests in properties in the RPA may be acquired by purchase or the exercise of eminent domain. Properties owned by or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. If necessary, the City would facilitate private acquisition through reimbursement of acquisition and related costs as well as through the write-down of its acquisition costs. Such land may be held or disposed of by the City on terms appropriate for public or private development, including the acquisition of land needed for construction of public improvements.

#### Public Improvements

The City may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the Plan. 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, roadways, and traffic-related improvements;
- Parking facilities; and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

#### Rehabilitation/Taxing District Capital Costs

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to City code provisions. Improvements may include exterior and facade-related work as well as interior-related work.

The City may construct or provide for the construction and reimbursement for new facilities to be owned or used by units of local government. The City does not expect that locally designated landmarks or properties listed on or eligible for listing on the National Register of Historic Places (or properties significantly contributing to districts listed on the National Register of Historic Places) will be demolished or modified in connection with the Plan.

#### Interest Rate Write-Down

The City may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

#### Job Training

The City 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; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

#### School District Costs

The City may provide for payment of school district costs as provided for in the Act relating to residential components assisted through TIF funding.

**General Land Use Plan.** As noted in Section I of this report, the proposed RPA currently contains primarily retail uses.

Both existing and future land uses are shown in Appendix 3 attached hereto and made a part of this Plan. Appendix 3 shows existing and future land uses in the Redevelopment Project Area and includes Commercial Mixed-uses (or CD Mixed Use). Future land uses will conform to the Zoning Ordinance and the *Comprehensive Plan* as either may be amended from time to time.

**Additional Design and Control Standards.** The appropriate design standards (including any Planned Unit Developments) as set forth in the City's Zoning Ordinance and/or *Comprehensive Plan* shall apply to the RPA.

**Eligible Redevelopment Project Costs.** Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), 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 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
  - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
  - Annual administrative costs shall *not* include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
  - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – Costs including but not limited to acquisition of land and other property (real or personal) or rights or interests 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) *Improvements to Public or Private Buildings* – Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost 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) *Public Works* – Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
  - (5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
  - (6) *Financing Costs* – 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 hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;
  - (7) *Capital Costs* – 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) *School-Related Costs* – For redevelopment project areas designated (or redevelopment 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;<sup>1</sup>
- (9) *Relocation Costs* – To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in lieu of taxes*;
- (11) *Other Job Training* – Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly

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<sup>1</sup> The calculation is as follows: (A) for foundation districts, excluding any school district in a municipality 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 with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% 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) 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 the 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 the 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. (C) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality 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 the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;

- (12) *Developer Interest Cost* – Interest cost 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 redeveloper 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 then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) The total of such interest payments paid pursuant to the Act may not exceed 30% of the total (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 the Act;

(E) The cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D);

(F) Instead of the eligible costs provided by subparagraphs (B) and (D), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under



the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F).<sup>2</sup>

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.<sup>3</sup>

**Projected Redevelopment Project Costs.** Estimated project costs are shown in Exhibit 4 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. 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.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the

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<sup>2</sup> The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

<sup>3</sup> Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the “Total Estimated TIF Budget” in Exhibit 4) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

**Exhibit 4**  
**RPA Project Cost Estimates**

<b>Program Actions/Improvements</b>	<b>Estimated Costs</b>
Land Acquisition, Assembly, and Relocation	\$ 3,500,000
Site Preparation, Including Environmental Remediation, Demolition, and Site Grading	8,860,000
Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements)	4,500,000
Rehabilitation of Existing Structures; Taxing District Capital Improvements	24,000,000
Public Facilities (including Parking Facilities and Streetscaping)	7,000,000
Interest Costs Pursuant to the Act	1,000,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing)	1,500,000
Job Training	500,000
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b>\$50,860,000</b>

**Notes:**

- (1) All project cost estimates are in 2023 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.
- (3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. 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 individual line-items set forth above are not intended to place an individual limit on the described expenditures – provided that the total amount of payments for eligible redevelopment project costs shall not exceed the “total estimated TIF budget” listed above.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the Barber Colman TIF.

**Sources of Funds to Pay Redevelopment Project Costs.** Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the City may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the City may establish in the future. (Conversely, incremental revenues from the Barber Colman TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Exhibit 4 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the City Council, only to leverage and commit private redevelopment activity.

The incremental tax 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. The property tax increment would be 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 of each such lot, block, tract or parcel in the RPA in the 2016 tax year for the RPA.

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 City may from time to time deem appropriate.

**Nature and Term of Obligations to Be Issued.** The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years after the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-3rd year of the TIF, with taxes collected in the twenty-fourth year. 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 Plan. 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. The total principal and interest may be payable from tax increment revenues (including tax increment revenues from current or future contiguous TIF Districts) and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

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

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the City may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

**Most Recent Equalized Assessed Valuation for the RPA.** The most recent equalized assessed valuation for the RPA is based on the 2022 EAV and is estimated to be approximately \$432,306. It is anticipated the estimated base EAV for establishment of the RPA will be the 2022 EAV once available.

**Anticipated Equalized Assessed Valuation for the RPA.** Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA would increase to approximately \$17.5 million depending upon market conditions and the scope of the redevelopment projects.

## VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

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**Redevelopment Project.** The City will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to City zoning and planning requirements, or if the City undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the City:

- Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. If necessary, the City would facilitate private acquisition through reimbursement or write-down of related costs, including without limitation the acquisition of land needed for construction of public improvements.
- Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare the site for desired redevelopment projects.
- Rehabilitation: The City may assist in the rehabilitation of buildings or site improvements located within the RPA.
- Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- 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. The City may also undertake the provision of necessary detention or retention ponds.
- Roadway/Street/Parking Improvements: The City may widen and/or vacate existing roads. 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 public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.

- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.
- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.
- School District Costs: The payment of such costs may be provided pursuant to the requirements of the TIF Act.
- Interest Costs Coverage: The City 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 City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

**Commitment to Fair Employment Practices and Affirmative Action.**

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

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race, creed, or sexual orientation. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, sexual orientation, 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 compliance with applicable state and federal regulations.

The City 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.

**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) 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 after the ordinance approving the RPA is adopted.

## **VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT**

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This Plan may be amended pursuant to the provisions of the Act.



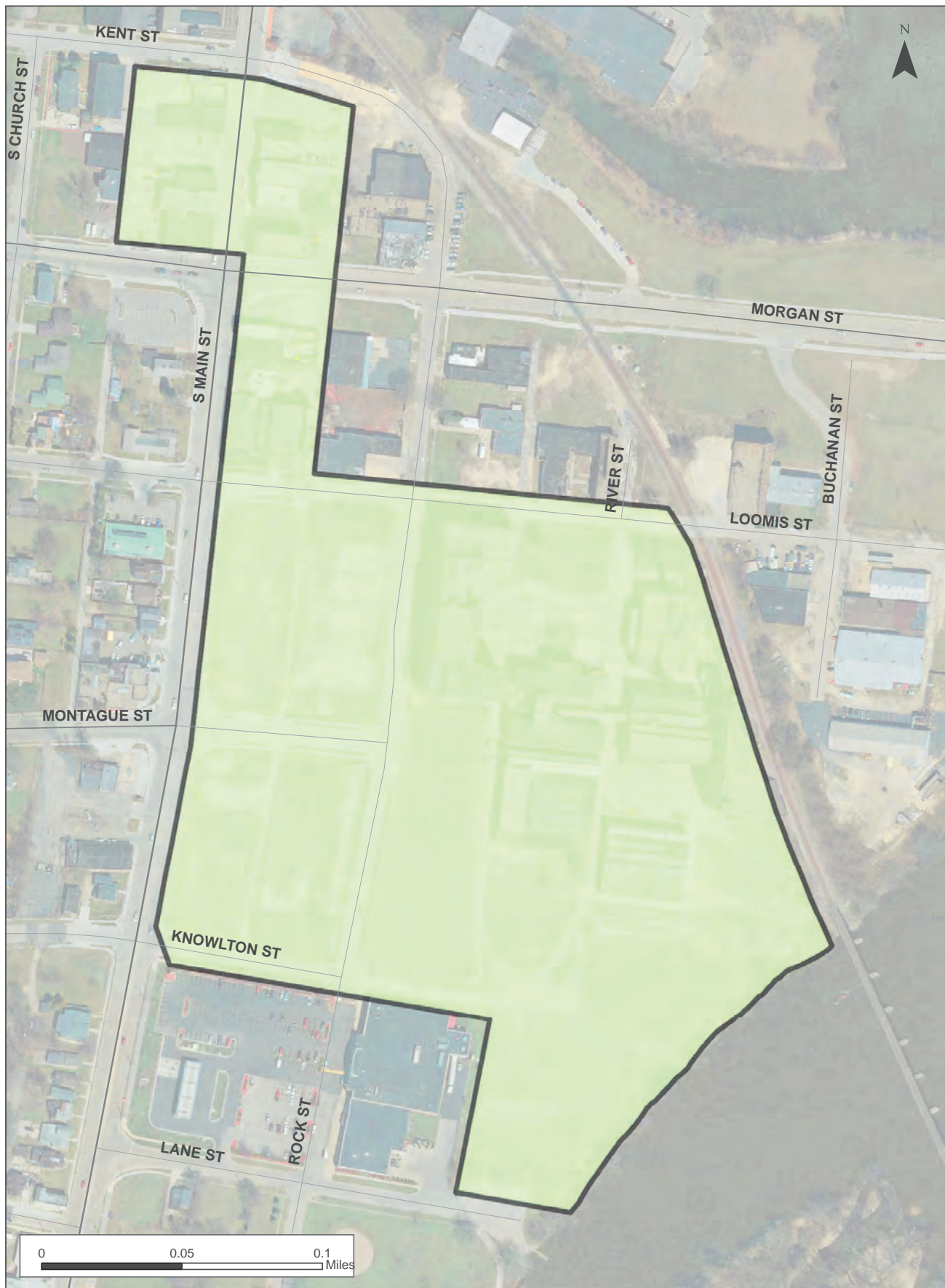
## **APPENDIX 1**

### **Legal Description of Project Area**

## Barber Colman Redevelopment Project Area Boundaries:

Part of the East Half of Section 27 and part of the Southwest Quarter of Section 26, all in Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows; beginning at the Northeast corner of Lot 3 as designated upon Plat No. 4 of Rockford Landing, the Plat of which is recorded in Book 48 of Plats on page 138A in the Recorder's Office of Winnebago County, Illinois, thence West, along the South line of Knowlton Street, a distance of 608 feet, more or less, to the easterly line of South Main Street; thence northerly, along the easterly line of South Main Street, a distance of 1343 feet, more or less, to the northerly line of Morgan Street; thence westerly, along the northerly line of Morgan Street, a distance of 249 feet, more or less, to the Southeast corner of Lot 5 in Block 17 as designated upon the Plat of Church and Robertson's Addition to the Town of Rockford, the Plat of which is recorded in Book 58 of Plats on page 120 in said Recorder's Office, said point being on the westerly line of the North/South alleyway in said Block 17; thence northerly, along the westerly line of said alleyway, a distance of 330 feet, more or less, to the South line of Kent Street; thence easterly, along the southerly line of Kent Street, a distance of 421 feet, more or less, to the Northwest corner of Lot 9 in Block 18 as designated upon said Church and Robertson's Addition, said point being on the easterly line of the North/South alleyway in said Block 18; thence southerly, along the easterly line of said alleyway, said easterly line extended south and along the easterly line of the North/South alleyway in Block 21 of said Church and Robertson's Addition, a distance of 695 feet, more or less, to the northerly line Loomis Street; thence easterly, along the northerly line of said Loomis Street, a distance of 667 feet, more or less, to the westerly line of the Canadian National Illinois Central Railroad; thence southerly, along the westerly line of said Railroad, a distance of 889 feet, more or less, to the westerly bank of the Rock River; thence southwesterly, along the westerly bank of said Rock River, a distance of 698 feet, more or less, to the Southeast corner of Lot 3 as designated upon Plat No. 2 of Rockford Landing, the Plat of which is recorded in Book 44 of Plats on page 148B in said Recorder's Office; thence westerly, along the northerly line of Lane Street, a distance of 203 feet, more or less, to the Southwest Corner of Lot 3 as designated upon said Plat No. 2 of Rockford Landing; thence northerly, along the West line of Lot 3 as designated upon said Plat No. 2 of Rockford Landing, a distance of 331.79 feet, more or less to the point of beginning; situated in the City of Rockford, The County of Winnebago and the State of Illinois; containing 31 acres, more or less.

**APPENDIX 2**  
**Boundary Map of RPA**



## Barber Colman TIF District

### **APPENDIX 3**

#### **Existing and Future Land Use Map of RPA**



## Barber Colman TIF District

Showing Future Land Use

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|--|--|
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #92d050; border: 1px solid black; margin-right: 5px;"></span> Mixed Use                 | <span style="display: inline-block; width: 15px; height: 15px; background-color: #d8bfd8; border: 1px solid black; margin-right: 5px;"></span> Existing (Quasi) Public Facility  |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #ff8c00; border: 1px solid black; margin-right: 5px;"></span> General Industry          | <span style="display: inline-block; width: 15px; height: 15px; background-color: #800080; border: 1px solid black; margin-right: 5px;"></span> Central Business District Overlay |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #483d8b; border: 1px solid black; margin-right: 5px;"></span> General Industry/Retail   | <span style="display: inline-block; width: 15px; height: 15px; background-color: #add8e6; border: 1px solid black; margin-right: 5px;"></span> Light Residential                 |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: #ffb6c1; border: 1px solid black; margin-right: 5px;"></span> Priority Park Acquisition | <span style="display: inline-block; width: 15px; height: 15px; border: 2px solid black; margin-right: 5px;"></span> Barber Colman TIF Boundary (Update)                          |

THE DATA PROVIDED IN THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY AND THE CITY OF ROCKFORD, ITS PARTNERS, AND AFFILIATES DO NOT ASSUME ANY LEGAL RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DATA. THE BUREAU OF DEVELOPING FINES FOR THE USE OF THIS INFORMATION RESTS SOLELY UPON THE USER. ROCK ASSUMES NO LIABILITY FOR THE ACCURACY OF THE DATA OR RESPONSIBILITY FOR DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR OTHER DAMAGES.

**APPENDIX 4**

**TIF Eligibility Report**

***Prepared by Ryan, LLC***

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**CITY OF ROCKFORD, ILLINOIS  
BARBER COLMANTAX INCREMENT FINANCING  
DISTRICT ELIGIBILITY REPORT**

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A study to determine whether all or a portion of an area located in the City of Rockford 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: City of Rockford, Illinois**

**Prepared by: Ryan, LLC**

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June, 2023



**CITY OF ROCKFORD, ILLINOIS  
BARBER COLMAN TAX INCREMENT FINANCING DISTRICT  
ELIGIBILITY REPORT**

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## **EXECUTIVE SUMMARY**

Ryan, LLC (Ryan) has been retained by the City of Rockford (the “City”) to undertake an analysis of the qualification of an area for the establishment of the Barber Colman Tax Increment Financing (TIF) District. The City is pursuing the establishment of the Barber Colman TIF District to promote the revitalization of under-utilized properties located within the City and the overall improvement of the area.

The focal point for the redevelopment effort is on the potential conversion of the former Barber Colman facilities into the proposed mixed-use Colman Yards development project. The unique opportunity to promote this redevelopment project, which the City considers transformative for the South Main Street area, is the primary reason for the proposed replacement of the existing South Main-Rock TIF District with the new Barber Colman TIF District. The City has determined that the proposed Colman Yards project would not be economically feasible without the additional resources and time offered by the new TIF District. A recent appraisal, commissioned by the proposed developer for the conversion of the Barber Colman complex to the Colman Yards project, concluded that the costs associated with the mixed-use development of the property would greatly exceed the value of the project upon completion. The resulting financing gap, between project cost and project valuation, will require substantial public investments (including maximized use of TIF resources) to close that financial gap.

For the purpose of forming the Barber Colman Tax Increment Financing District (the “TIF District,” the “TIF,” “Redevelopment Project Area,” or “RPA”), the City has commissioned the study of parcels within the RPA to demonstrate that the parcels 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. Ryan has agreed to conduct the TIF eligibility analysis for the RPA on the City’s behalf.

After completion of its site visit, as well as data provided by the City and the proposed Colman Yards developer, Ryan 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 continued jeopardy danger of declining toward further blighted condition due, in part, to the adverse factors identified in this report. Such adverse conditions contribute to the prevention of healthy economic and physical development of the area. The TIF Act states that an area may only qualify as a “conservation area” if 50% or more of the structures are 35 years or older. For the RPA, 21 of the 24 structures or 88% are 35 years of age or older, thus the RPA meets the “threshold” statutory criteria for consideration as a “conservation area.”
- 2) *The current conditions impede redevelopment* – The existence of certain adverse conditions present within the RPA present a barrier to the area’s successful redevelopment. The existing conditions in the RPA are a continued impediments to redevelopment, leaving in place 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 has continued to negatively impact the City’s efforts to coordinate and promote sustained and consistent private sector investment in the overall area, and particular with respect to the Barber Colman properties with documented failed redevelopment efforts over the past decades. Without the use of renewed 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 parcels which potentially could, with TIF-related assistance, be redeveloped and thereby produce incremental property tax revenue. The most significant example of such potential relates to the old, vacant Barber Colman facilities, which suffer from such an advanced state of deterioration that time to salvage them for redevelopment is likely to end at some point soon. Incremental revenues that could be produced by that and other properties, used in combination with other City 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, and to re-set the City’s best opportunity to promote significant private sector investment within the RPA. This in turn would foster the economic viability of the RPA. As a result, Ryan recommends that the City proceed with the formal TIF designation process for the entire area on place of the existing South Main-Rock Street TIF District.

Because the City will not pursue the redevelopment of residential parcels that could potentially dislocate 10 or more residential units within the proposed TIF district, the City will not conduct a housing impact study pursuant to the TIF Act.

## **I. INTRODUCTION AND BACKGROUND**

The RPA is located within the southwestern portion of the City of Rockford and consists of portions of the South Main Street commercial corridor and the all the properties that constituted the former Barber-Colman industrial facility.

The South Main Street corridor is a central gateway into the City of Rockford's traditional central business district. Historically, the area was a vibrant commercial district until activity within surrounding industrial uses began to decline in the mid-20<sup>th</sup> Century. Since this period, the corridor has lacked investment and growth.

The former Barber-Colman industrial facility consists of approximately 22 acres of land originally home to textile manufacturer the Barber-Colman Company. Following the dissolution of this company in the 1980s, structures began to slip into disuse and were eventually vacated by the mid-1990s. Since this time the facility has been subject to severe deterioration.

The condition of the Barber Colman some of the buildings within the facilities were, in fact, so poor that several structures had to be demolished during the 2000s and 2010s timeframe. Additionally, the entire site has been targeted for environmental brownfield designations by both the Federal and State governments. Locally, the remaining Barber Colman structures are only permitted to stay in place for possible redevelopment under the Fire Department's Red X program (the Fire Department has also designated other structures on South Main Street within the RPA under the program as well). Under that program the remaining buildings have been cited as "hazardous and vacant structures" that are only spared from forced demolition by extraordinary security measures to protect the public. The remaining structures are also partial protected through their status as historic buildings

The condition of the entire Barber Colman complex has deteriorated to a point that recent appraisal and environmental analyses of the site lead to a conclusion that the costs associated with clearing, and further environmental clean-up of the site would substantially exceed any value that would be realized for the cleared property. Thus, the proposition of the City selling the site for any value, and the potential redevelopment of the site into a high value mix-used development is optimal for the City.

Over the last approximately twenty years. the South Main Street corridor and former Barber-Colman facility have been identified as a key potential asset in achieving the City of Rockford's long-term planning goals. Reports and plans which identify the area's (including the RPA) importance include, but are not limited to:

- South Rockford Target Area Plan: SWIFTT (2004)
- Rockford Retail & Residential Market Study: ERA (2008)
- South Main Revitalization Strategy: State of the Corridor (2011)
- South Main Revitalization Strategy: Revitalization Vision + Implementation (2011)

- City of Rockford 2020 Plan: City of Rockford (2004, 2009, 2011)
- Certain Structural and Environmental Reports prepared for the City by Fehr Graham Engineering and Environmental firm in early to mid-2018 (collectively, the “Fehr Graham” reports)

These reports and plans clearly establish the importance of the RPA. They also describe characteristics of the area which deter investment and prohibit the RPA from being fully utilized. Such characteristics include the persistent and long-term excessive vacancies, presence of obsolete and deteriorating improvements, inadequate utilities, a lack of adequate planning and the presence of incompatible uses in close proximity to one another.

**Objectives-** The City’s broad economic and community development objectives as stated in City of Rockford 2020 Plan: City of Rockford (2004, 2009, 2011, 2015) includes but are not limited to:

- Continue to create opportunities for rehabilitation.
- Enable a range of housing affordability within existing and new neighborhoods.
- Develop and implement programs to decrease crime and improve actual and perceived public safety.
- Reduce surplus City-owned land and structures and return publicly owned land to taxable status.
- Bring businesses, the community, and other resources together for the entire community of Rockford to attain a robust and diverse economic environment
- Ensure that all residents live in neighborhoods that are safe and that are at least either stable or improving.
- Identify, protect, and preserve Rockford’s historic resources to enhance the quality of life and economic wellbeing of current and future generations.
- Improve the aesthetics and enhance the identity of Rockford as whole as well as constituent neighborhoods, major road corridors and gateways, and the riverfront.

Specific economic and community development objectives as stated in the Rockford 2020 Comprehensive Plan - Plan Element 14: Implementation 2015-2019 report (2015) include, but are not limited to:

- Reposition former industrial sites and areas for new users.
- Ensure adequate supply of development ready land zoned for industrial and commercial uses.
- Encourage the growth of existing and emerging commerce retail corridors.
- Attract more essential services to currently underserved Planning Areas.
- Preserve culturally, historically, and architecturally significant sites, buildings, and districts.

Given the City's objectives as well as the conditions described in this report, the City has decided that it is highly desirable to promote the redevelopment of the under-utilized areas of the proposed RPA. Without an implementation plan (inclusive of use of TIF

resources) for redevelopment, City officials believe adverse conditions will worsen. The City intends to create, maintain, and implement such a plan to restore, stabilize, and increase the economic base associated within the RPA, which will not only benefit the community, as a whole, but also generate additional tax revenues to support municipal services. For example, the City has entered into a partnership with the proposed developer of the Colman Yards project to facilitate the redevelopment of the former Barber Colman complex that is indicative of the City's working toward implementation strategies to realize its goals and objectives for the RPA.

**Determination of the “But For”-** The City 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 City 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 City.

**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.

**General Scope and Methodology-** Ryan formally began its analysis by conducting a series of meetings and discussions with City staff starting in December, 2022 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. Ryan made numerous site visits to the area to examine the parcels and the conditions. Ryan also utilized the City's most recent comprehensive plan and other City reports as previously referenced.

For the purpose of this 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.

As work progressed, Ryan reported to key City staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the City (a) made refinements to the RPA boundaries and (b) directed Ryan to complete this report and to move forward with the preparation of a Redevelopment Plan and Project for the RPA.

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

## II. QUALIFICATION CRITERIA

With the assistance of City staff, Ryan, LLC 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 an 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, Ryan performed a two-step assessment to determine if the RPA would qualify as a “conservation area.” First, Ryan 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 refer 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 consists of 52 tax parcels and is approximately 25 acres in size excluding rights of ways. Please see Appendix A for a list of the proposed parcels for inclusion in the TIF District. The Core of the RPA is the Barber Colman properties.

The RPA generally consists of tax parcels with frontage along South Main Street from Morgan Street to the south and Kent Street to the north, tax parcels with frontage only along the eastern portion of Main Street from Loomis Street to the south and Morgan Street to the north, and the former Barber-Colman properties (as bifurcated by Rock Street approximately from Loomis on the north and Knowlton Street on the south) roughly bound by Loomis Street to the north, the extension of Buchanan Street and the Rock River to the east, Knowlton Street to the south, and South Main Street to the west.

The RPA contains improved land designated primarily for commercial and mixed uses. Current land uses include commercial, industrial and mixed uses.

The RPA has been identified as a key asset for the City 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 City. The area's potential for redevelopment is challenged by those factors described in detail in Section V of this report.

The RPA suffers from a variety of economic development impediments identified in the TIF Act. Specifically, it experiences excessive vacancies, dilapidation, obsolescence, deterioration, a presence of structures below minimum code standards, excessive vacancies, inadequate utilities, deleterious land-use or layout and a lack of community planning.

These adverse conditions prevent the City from achieving its economic and community development objectives. Within the RPA, the presence of dilapidation and obsolete and deteriorating improvements discourages private investment. The adverse aesthetics of these factors further impairs the success of existing area businesses. Lack of adequate planning manifested in the presence of parcels sizes and layouts that do not conform to modern market standards and the presence of inadequate utilities further contributes to obsolescence within the RPA and discourages redevelopment.

Factors such as these have prevented the RPA from obtaining adequate investment and maintaining a sound contribution to the growth of the City'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 City.

#### **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 was collected from the RPA, City and Winnebago 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 Ryan. 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, and the identification of current land uses, building conditions, lot conditions, and traffic flow. Ryan 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 was ascertained by matching site surveys to Winnebago County and Rockford Township tax and building history records.
- 3) Ryan conducted evaluations of exterior structures and associated site improvements, noting such conditions relevant to the qualifying factors on the site surveys.
- 4) Ryan reviewed the 2016-2021 tax information from Winnebago County, parcel tax maps, site data, local history (discussions with City staff) for an evaluation of area-wide factors that have affected the area's development to determine the presence of qualifying factors.
- 5) Ryan performed EAV trend analysis to ascertain whether EAV growth in the RPA underperformed relative to EAV growth in the balance of the City and the Consumer Price Index-All Urban Consumers.

## V. QUALIFICATION FINDINGS FOR RPA

Based upon Ryan'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

<b>Maximum Possible Factors per Statute</b>	<b>Minimum Factors Needed to Qualify per Statute</b>	<b>Qualifying Factors Present in RPA</b>
13	3	9 <ul style="list-style-type: none"><li>• Dilapidation</li><li>• Deterioration</li><li>• Obsolescence</li><li>• Structures below minimum code</li><li>• Excessive vacancies</li><li>• Inadequate Utilities</li><li>• Environmental Clean up</li><li>• Deleterious land-use/layout</li><li>• Lack of community planning</li></ul>

Note: In addition to 9 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, Ryan 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 Winnebago County Assessor and site survey data, at least 21 of 24 structures or 88% were 35 years in age or older, please see Table 2 below.

Table 2

<b>Conservation Area Findings</b>	
<b>Total Number of Buildings in RPA</b>	<b>24</b>
<b>Total Number of Buildings 35yrs+</b>	<b>21</b>
<b>Percentage of Buildings 35yrs+</b>	<b>88%</b>

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

1) Dilapidation: The Act defines “dilapidation as 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. The Fehr Graham reports document several instances to demonstrate that the remaining Barber Colman buildings suffer from an advanced state of disrepair. Conditions supporting this finding include evidence of:

- Rotted roof components (including episodes of holes in roofs and failing roofing support systems).
- Bulging roof membranes roof membranes that appear to be holding water.
- Clogged roof drains causing rotting of roof boards.
- Wood planks falling off roofs.
- Disconnected roof drain pipes.
- Failing and buckled building support columns and ceiling beams.
- Substantial rotting of overhead floors (including episodes of holes in floors and failing flooring support systems).
- Significant water damage to both roof and flooring components, resulting in substantial rotting of wood components for roofs, floors and walls.
- Fallen debris from roofing and flooring components due to extensive rotting conditions, water damage and overall exposure to weather elements.
- Corroded building truss and overhead beam components.
- Deteriorated and missing brick mortar on exterior wall elements.
- Severe instances of stairstep cracking on face of buildings.
- Bowing out of bricks falling off building foundations.
- Designation of buildings under the Rockford Fire Department’s “Red X Program”, as described herein.

The City's partnership with the Colman Yards developer will require substantial investments or the buildings are likely to share the same fate as previous Barber Colman buildings that had to be demolished to secure public safety. As noted earlier, the level of investments required to successfully implement this rehabilitation strategy will fall well above the amount of private sector financing and equity the developer will be able to raise. As a result, the maximum investment of TIF (as well as other public sector sources) will be essential to the successful implementation of the plans to save and restore the structures for the planned mixed-use purposes.

- 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).

Substantial levels of deterioration were observed (and/or reported via the Fehr Graham structural and environmental reports for the Barber Colman structures and improvements) throughout the proposed TIF District. In particular, *serious and wide-range degrees of deterioration were identified for not only the remaining Barber Colman buildings, but also other buildings located within the area. Structures located within the RPA also exhibited significant episodes of deterioration defects that ranged from severe to extreme deteriorated conditions. More specifically, these deteriorated conditions were evident by virtue of severe defects related specially to building components such as window frames and building façades, as well to masonry building exteriors.*

*With respect to surface improvements, deterioration was found adjacent to roadways, curbs/gutters, alley ways, sidewalk areas, and parking areas including, but not limited to, surface cracking, potholes, depressions, weed growth and loose paving materials. These indicators of deterioration were found in close proximity to the streets but not directly on the recently improved South Main Street corridor portion of the proposed RPA.*

*In summary, it was determined that the structures within the proposed RPA had various combinations of the following signs of deterioration:*

- *Damaged and leaking roofs (especially as evidenced by reported dilapidated roof and ceiling elements now common for the remaining Barber Colman structures)*
- *Rusted, damaged or missing fascia*
- *Damaged masonry components*
- *Deteriorated and damaged concrete sections (including among adjacent parking and alley way areas)*
- *Water-damaged or missing brick*
- *Rusted window frames and lighting fixtures/standards*

- *Rotting wood window/door frames*
- *Broken windows, missing windowpanes and damaged doors.*

- 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 majority of the buildings within the area are near the end of their useful lives or has reached the end of their useful lives – in particular, dilapidated buildings that have fallen into extended/long-term disuse. This finding based just on the advanced age of many of the structures; but is also based upon extensive instances of long-term, excessive vacancies of many of the structures, as well the proof of lack of meaningful private sector investment demonstrated by the overall poor physical condition of the area's structures. The great majority of the structures located within the RPA were constructed in a time period stretching from the early 1900's through the late 1940's. As a result, many of the existing structures within the RPA suffer from area-wide functional obsolescence connected in part to the factors of lack of community planning, deleterious layout, obsolete platting, and advanced age.

The maximum useful life of a typical residential structure is generally considered to be 70 years of age. By this measure, most of the existing residential structures located within the RPA are well beyond their original useful life and require substantial investments to either place or keep them in both functional and economically feasible usage.

In some cases, this continuing process has evidently only been delayed through ongoing rehabilitative efforts by a number of building owners; conversely, many others have experienced physical decline that has resulted in structures falling into absolute disuse, making them poorly suited for the original (mostly industrial) use. Although a number of these structures continue to function for mixed uses, many others have lost all functionality and can only be placed back into productive use via a level of investment that would likely not be sustainable through private sector investments alone.

For many structures still in use, their obsolescence has been mitigated by a series of grandfathered governmental building, zoning and environmental regulations that essentially permit variances from modern land use regulations. If modern laws, standards and regulations were applied to such, it would render most of them totally obsolete – that is, again, costs would be too great to bring into compliance in a manner that would keep them suitable for occupancy.

The problem of obsolescence that occurs with age is aggravated by the presence of by real or perceived negative neighborhood influences connected to conditions,

such as dilapidating and deteriorating structures and site improvements, as well as (in many cases) inadequate or non-existing utilities, for areas adjacent to the proposed RPA. Prominent in this respect is the presence in nearby areas that contain structures that are dilapidated, fire damaged, condemned and/or abandoned. The poor condition (whether real or perceived) and high-profile nature of such property can be a major detriment to the attraction of private sector investment into the proposed RPA.

- 4) Structure Below Minimum Code: As noted, the TIF Act defines “below code standards” as structures not meeting the requirements of zoning, subdivision, building, fire and other governmental codes, excluding housing and property maintenance codes (which cover infractions such as weed nuisances or graffiti). The City has in the past documented various indicators of building code and fire safety violations in the remaining Barber Colman buildings and these structures failed to meet City building and fire safety regulations. Both of these large structures have been closed to access in part due to public safety reasons.

As previously noted, the overall state of the remaining Barber Colman buildings has at various times been subject to designation for demolition (while other structures were actually demolished), which would have eliminated numerous public safety concerns associated with the failed, dilapidated and deteriorated building conditions. The remaining buildings remain in an advanced state of deterioration related to minimum code standards.

The remaining Barber Colman buildings have such extensive damage and structural failings that have caused the Fire Department to designate the complex of buildings under its “Red X Program” though the identification of life safety hazards present for the structure. Pursuant to City codes: “...Any vacant or abandoned buildings or structures determined to be unsafe pursuant to Section 110 of [2015 International Fire Code] relating to structural or interior hazards shall be marked as required....”

The hazards cited as part of the program include:

- History of building fires
- History of environmental related instances
- Long term vacancy
- Structural hazards
- Significant health issues
- Multiple significant Building Code Violations
- Other situation that poses an unnecessary risk to firefighters and other responders

Additional code violations cited for the RPA, as a whole, included:



- Structural failures cited for several buildings
- Exterior masonry failures for several buildings
- Failures in fence structures throughout the RPA
- Condemnation citations for interior building issues
- Condemnation citations for unsafe and unsanitary conditions
- Heating system failures

- 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 former Barber Colman buildings, acquired by the City in 2002, were each 100% unoccupied at the time of the Ryan site visit, and according to the City had been unoccupied, vacant and/or underutilized since the mid 1970's through the early 1980's (and completely vacated by the 1990's), a period of between 40-50 years. Furthermore, additional vacant structures (some designated under the Red X Program) within the proposed RPA are situated along the South Main corridor, between Knowlton on the south and Kent Street on the north. Excessive vacancies contribute to conditions such as deterioration and obsolescence (as discussed above), and as such help to create an adverse influence on the overall area, which also acts as a deterrent and disincentive for the private sector investment that is required for the area's successful redevelopment.

- 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.

All the utilities currently located within the former Barber Colman facility are inadequate (and in some cases, non-existent) to meet the needs of the largescale, mixed-use development that is planned development for the facility. The existing structures have been gutted of all useful utility infrastructure, and a significant portion of the development budget for the proposed project will be required to be expended on work to bring into the site all storm and sanitation sewer systems, as well as water lines, gas, and electrical services.

The City and the developer will be required to commit to making sure that such utility improvements are consistent with the US EPA requirements for engineered barrier design and construction to serve as mitigation of environmental hazards that have been found at the site.

- 7) Deleterious Land-Use or Layout: The Act states that deleterious land use and layout occurs with 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.

According to County records, much of the improvements found located on the area's parcels occurred during a period 65 to over 110 years ago. This applies to more than 60% of the buildings in the area. These properties were developed during a period that occurred several decades, when much of the area's improvements were placed into service prior to a time when the City utilized the types of land use and comprehensive planning practices of more modern times. A consequence of the relative lack of planning standards that has been that the area was permitted to develop in a piecemeal fashion with little regard for the consistent land-use patterns that ignored the proximity of residential uses within unsafe distances from heavy (and often hazardous) industrial uses.

In addition, the tendency of the area to experience frequent and prolonged vacancies within many area structures (especially since the early 1970's through the late 1980's) has led to blighted conditions that are noxious, offensive, and unsuitable for the surrounding residential areas that continue to have in place occupied housing units. This problem is evidenced by the historical property tax sales, condemnation, and demolition of properties throughout the area. The responsible reuse of such structures would be (a) part of an effort by the City to relieve the area of noxious properties, (b) encourage future development into the overall area, and (c) promote uniform compliance with building, fire, and safety codes now in effect for newer parts of the Rockford community. The continued existence of blighted conditions now found in the area contributes to the finding of deleterious layout and land use for the improved land within the RPA.

Finally, the previous registration of the former Barber Colman complex as a Brownfield site with the US EPA, is additional evidence of the area's deleterious layout and land use. This designation offers additional very strong evidence that nearby residential uses were within a proximity to former heavy industrial uses of a nature that would not be permitted under today's land use planning standards. The existence of this type of incompatible land-use near active residential uses constitutes an ongoing condition of a noxious, offensive, or unsuitable danger to community residents that is currently be addressed by the City via resources being made through the US EPA and other measures.

- 8) 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 City published its first Comprehensive Plan in 1972. However, many structures in the RPA were already developed by the time the planning process started. In the RPA, 18 of the 24 buildings or 75% were built before 1972.

Table 3

Lack of Community Planning Findings	
<b>Total Number of Buildings in RPA</b>	<b>24</b>
<b>Total Number of Buildings Built Prior to Comp Plan</b>	<b>18</b>
<b>Percentage of Buildings Built Prior to Comp Plan</b>	<b>75%</b>

- 9) Environmental Clean-Up. The Act states that “the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law” and related “remediation costs (that) would constitute a material impediment to the development or redevelopment of the” RPA constitute a qualification factor under the TIF Act.

The Barber Colman property is a registered Brownfield site with the U.S. EPA, and the City has performed numerous environmental site assessments, building demolitions, and environmental site remediation since 2003 to restore the property to “No Further Remediation” (“NFR”) status. Accordingly, the City has received funding from the U.S. EPA to assess, design and construct engineered barriers on the site and remediate asbestos and lead-based paint found within the remaining Barber Colman buildings. Additionally, in pursuit of NFR status for the property, the City has already performed numerous environmental site assessments, building demolitions, and environmental site clean-ups since 2003 to restore the property to a less severe environmental threat to the community in general and the South Rockford area in particular.

The Fehr Graham reports offer one such assessments calling for the following actions related the Barber Colman property:

- Structural repairs to buildings to allow for safe working conditions
- Removal and disposal of PCB containing materials
- Asbestos abatement
- Lead-based paint mitigation
- Removal and disposal of mercury-containing electronic equipment
- Cleaning and filling pits/trenches

## **VI. SUMMARY OF FINDINGS / GENERAL ASSESSMENT OF QUALIFICATION**

The following is a summary of relevant qualification findings as it relates to the City'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 City, 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.

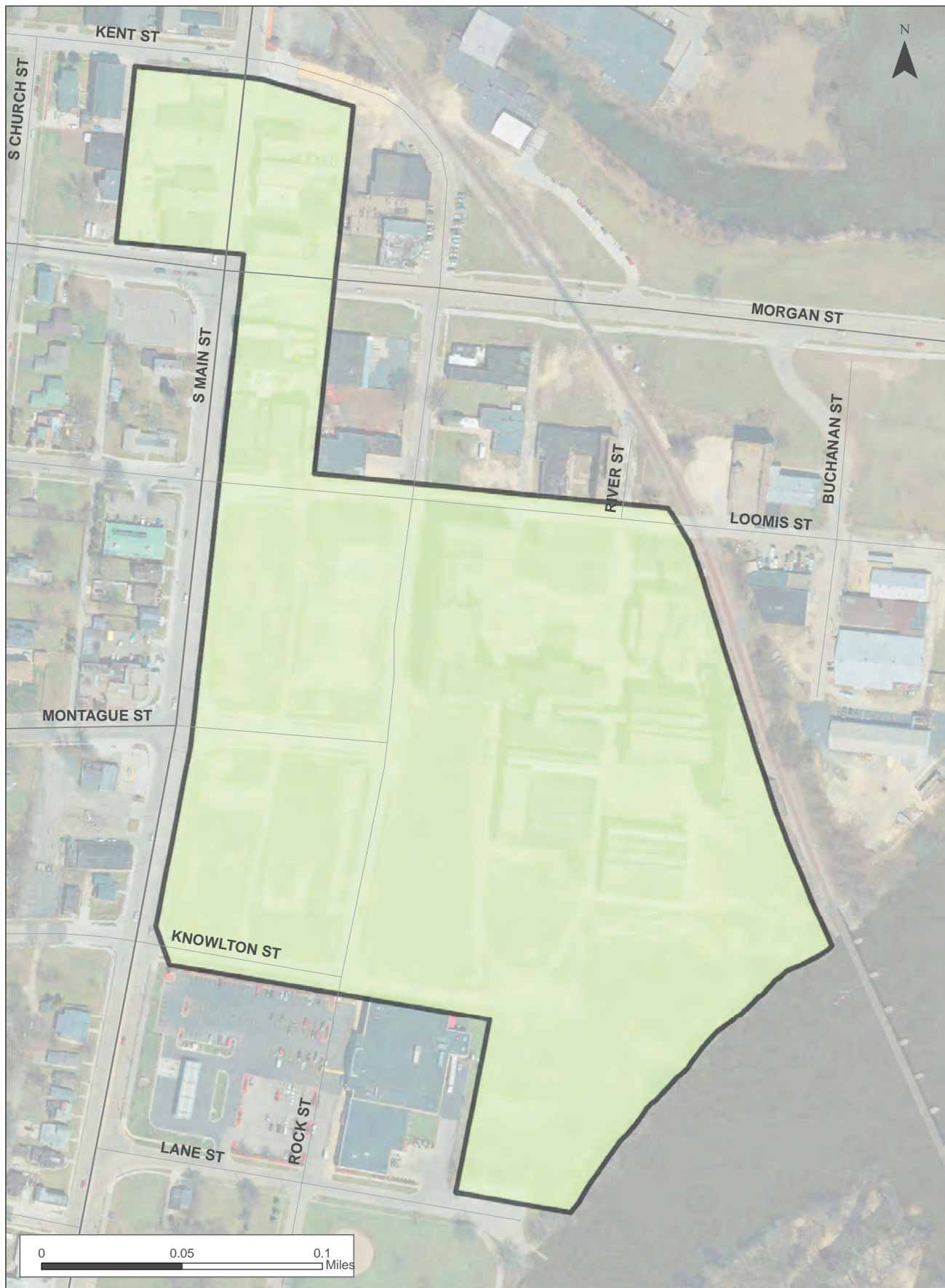
In the judgment of Ryan, these findings provide the City with sufficient justification to consider designation of the RPA.

**APPENDIX A**  
**Tax Parcels for RPA**

**City of Rockford**  
**Barber Colman TIF**

	PIN
1	11-27-279-025
2	11-27-279-024
3	11-27-279-023
4	11-27-279-018
5	11-27-279-019
6	11-27-279-026
7	11-27-279-027
8	11-27-279-028
9	11-27-279-020
10	11-27-279-021
11	11-27-279-022
12	11-27-279-017
13	11-27-280-018
14	11-27-280-002
15	11-27-280-003
16	11-27-280-004
17	11-27-280-005
18	11-27-280-006
19	11-27-276-003
20	11-27-276-018
21	11-27-276-009
22	11-27-276-019
23	11-27-276-020
24	11-27-276-011
25	11-27-276-023
26	11-27-276-024
27	11-27-276-025
28	11-27-276-022
29	11-27-281-010
30	11-27-281-011
31	11-27-281-012
32	11-27-281-013
33	11-27-281-014
34	11-27-281-015
35	11-27-281-016
36	11-27-281-008
37	11-27-281-009
38	11-27-426-012
39	11-27-426-013
40	11-27-426-014
41	11-27-426-015
42	11-27-426-016
43	11-27-426-017
44	11-27-426-018
45	11-27-426-009
46	11-27-426-010
47	11-27-426-011
48	11-27-427-004
49	11-27-427-005
50	11-27-427-006
51	11-27-428-020
52	11-27-426-003

**APPENDIX B**  
**Boundary Map of RPA**



## Barber Colman TIF District