

# **EAST STATE AND ALPINE ROAD TAX INCREMENT FINANCING REDEVELOPMENT PLAN AND PROGRAM**

*City of Rockford, Illinois*

**DRAFT – June 2006**

*Prepared by:  
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## **INTRODUCTION**

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Entering downtown Rockford from the east on State Street, there are a mix of highway commercial, office, and institutional land uses in various stages of development and redevelopment. The East State and Alpine Redevelopment Project Area is centrally located along State Street between downtown Rockford and the I-39/90 interchange. The City of Rockford and existing property owners within the Project Area are seeking to foster growth and redevelopment within the area. The East State and Alpine Redevelopment Project Area contains 85 parcels and is approximately 128 acres in area. The Project Area stretches along State Street/Highway 20 from Dempster Road on the east, to just past Fairview Boulevard on the west. Although it functions as an important gateway into downtown Rockford from the east, the district lacks a cohesive identity or strategy to attract development and continued investment. The Project Area does benefit from the commitment of local property and business owners who in 2005 formed a neighborhood business association, known as Miracle Mile Rockford, and are working to formulate strategies aimed at creating a successful commercial corridor.

With the recognized goals of conserving the taxable value of land and buildings and protecting the character and the stability of the commercial, industrial, recreational, and residential areas within Rockford, the City has decided to take direct action to encourage redevelopment efforts within the Project Area. City officials have determined that, without direct municipal involvement and financial assistance, the City's goals and objectives for this area cannot be met. To encourage new investment in the East State and Alpine Road area, the City of Rockford has created the following East State and Alpine Road Redevelopment Plan and Program (the "Redevelopment Plan") to identify an effective approach to facilitate development.

The Redevelopment Plan seeks to respond to a number of issues and needs within the Project Area that have contributed to the inability to achieve the vision established by the City and identified in the Rockford 2020 Plan. This Redevelopment Plan is also indicative of a strong commitment on the part of the City to continue the revitalization of the downtown area by capitalizing on immediately adjacent redevelopment opportunities. The goal of the Redevelopment Plan is to strengthen the commercial and office components of the Project Area, through the improvement of existing facilities and redevelopment of existing obsolete and blighted buildings or vacant land for new and expanded uses. This plan is intended to provide a framework for improvements within the Project Area over the 23-year life of a TIF district, including redevelopment goals, recommended land uses, and a budget of estimated project costs.

## REDEVELOPMENT PROJECT AREA DESCRIPTION

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The Project Area is generally bound by Morsay Drive to the north, Alpine and Dempster Roads to the east, the Alpine Hills Golf Course and Oak Grove Rd to the south, and just beyond Fairview Blvd on the west. Consisting of 85 parcels that cover 128 acres, with a total of 67 structures, and approximately 25.8 acres of right-of-way, the Project Area supports a mixture of land use types including commercial, institutional, and office uses. Figure A illustrates the boundaries of the Project Area.

Land uses within the Project Area are mostly commercial in nature; the majority of which are older 1960's and 70's commercial strip center buildings. The median age of the Project Area buildings is 35 years old, with less than 11% of the buildings built after 1990. Pockets of vacancy exist throughout the district, most notably in the underused and vacant Jewel site. Although recent investment has occurred in the Project Area - the Peak Fitness Center, located on the north side of State St and east of Lynmar Ct, was built in 1998 - the district has not experienced substantial revenue generating reinvestment in many of the older buildings and sites.

Tax increment financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes as amended (hereinafter referred to as the "Act"). This financing mechanism is only applicable in areas that meet certain specifications outlined in the Act.

In March of 2006, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the Project Area. These eligibility findings indicate that the proposed Project Area meets the statutory requirements of a "conservation area," and is eligible for designation as a Tax Increment Financing Redevelopment Project Area.

As detailed in Appendix A of this Redevelopment Plan, the Project Area is eligible for designation as a "conservation area" due to the predominance and extent of the following factors:

1. Deterioration of Structures and Surface Improvements
2. Excessive Vacancies
3. Deleterious Land Use/Layout
4. Lack of Community Planning

The legal description of the Project Area boundary follows.

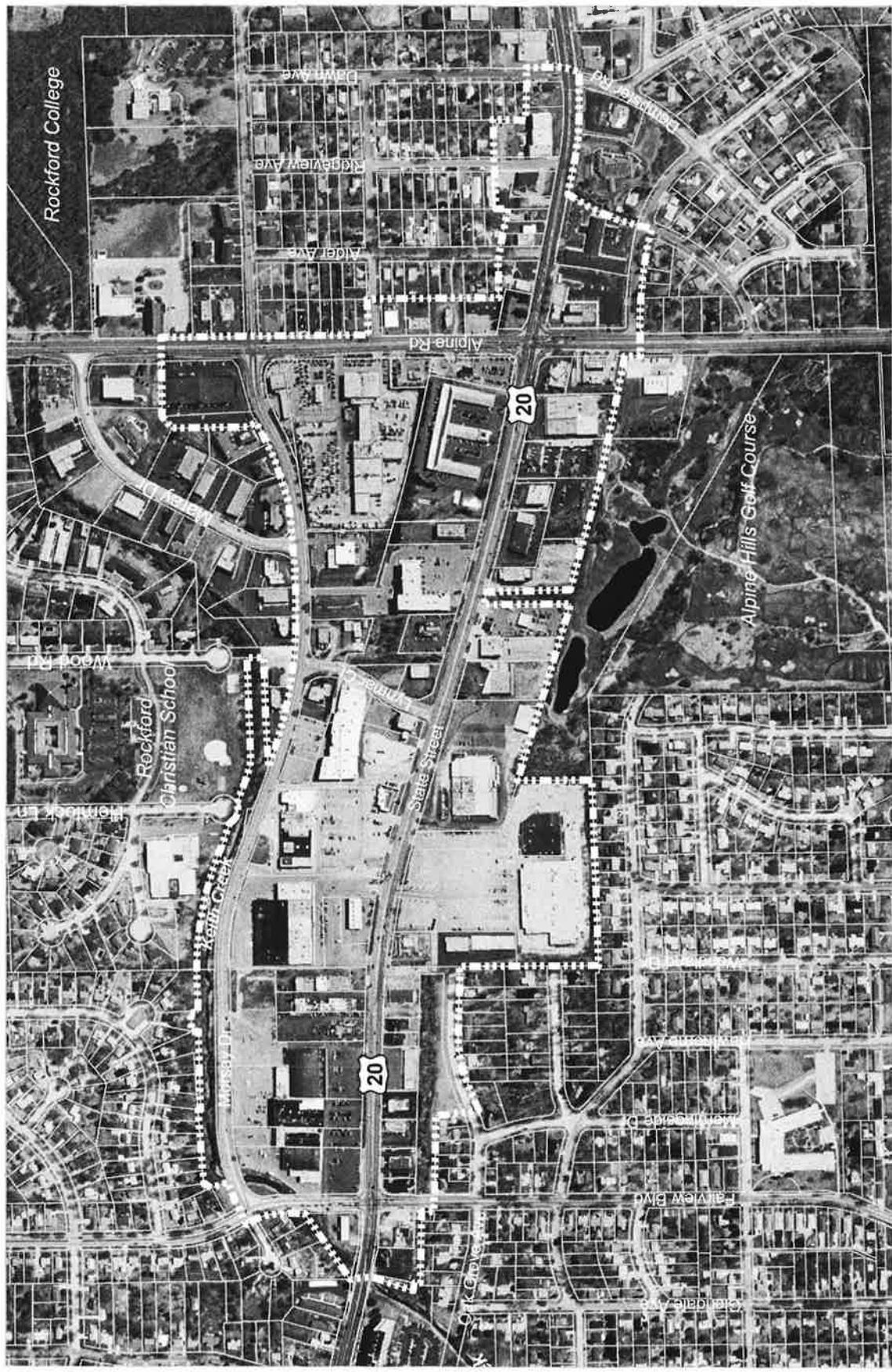
***Legal Description***

To be provided by the City

***Legal Description (Continued)***

To be provided by the City

**Figure A - Project Area Boundary**



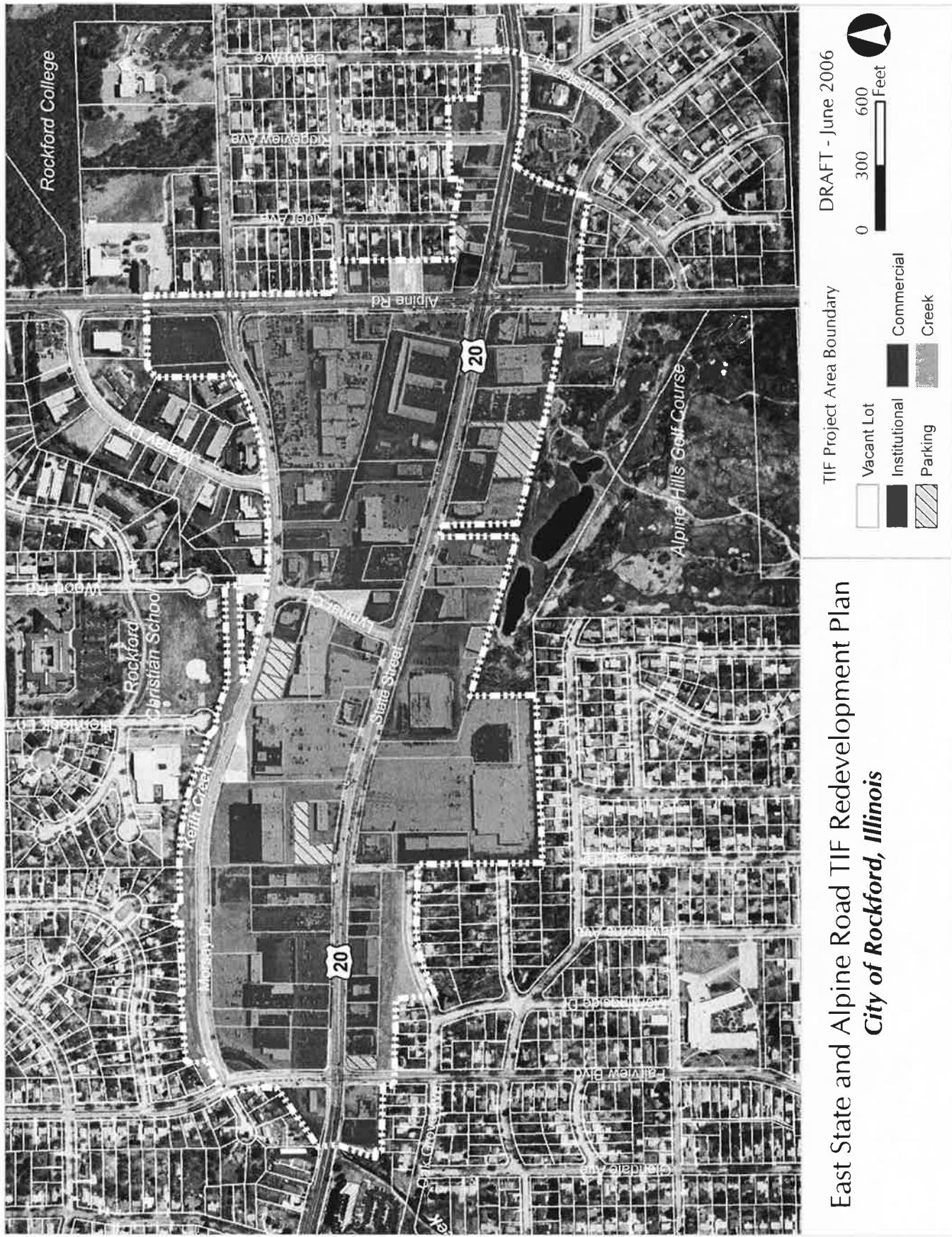
**East State and Alpine Road TIF Redevelopment Plan  
City of Rockford, Illinois**

DRAFT - June 2006

TIF Project Area Boundary

0 300 600 Feet

**Figure B - Existing Land Use**



## REDEVELOPMENT GOALS AND OBJECTIVES

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These overall goals and objectives are intended to guide redevelopment decisions within the Project Area. The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act, and those stated in the Rockford 2020 Plan: Entering the 21<sup>st</sup> Century that are applicable to the Redevelopment Project Area. They are summarized as follows:

- *Encourage infill development of vacant and underutilized land that is surrounded by developed land and offset high land assembly costs that have been detrimental to orderly development.*
- *Develop effective stormwater management plans to protect the City's water supply and natural environment, promote economic justice, public health and safety.*
- *Improve the image and viability of major gateways into the City of Rockford, including East State Street, more specifically to influence purposeful development of an attractive entrance to the Rockford Community.*
- *Create public and private partnerships between the City, business owners, and residents to provide quality infrastructure, zoning control, property maintenance, economic development, and public financing of corridor/gateways.*
- *Provide a safe and efficient transportation system throughout the City, while minimizing the impact of arterials and highways on adjacent residential uses. Provide a physical environment that encourages walking and biking and that through its location, design, and maintenance allows safe and accessible travel.*
- *Promote, retain, and attract businesses that provide a diverse base of employment opportunities and that will be sustainable over time encouraging further investment.*

## **REDEVELOPMENT PLAN**

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The revitalization of the Project Area is a large and complex undertaking that presents many challenges and opportunities for the City. The success of this effort will depend on the cooperation between the private sector and the local government. Public and private development efforts have not, as yet, been able to stimulate the comprehensive revitalization of the designated Project Area. The adoption of this Redevelopment Area Plan and Program will aid in the implementation of the goals and objectives identified in the Rockford 2020 Plan and will assist in stimulating redevelopment and rehabilitation in this area which otherwise could not reasonably be anticipated to develop without the adoption of this Plan and Program. Through public investment, the area will become an environment and setting that will attract private investment.

The Act describes the Redevelopment Plan as "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, and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area."

The successful implementation of the Redevelopment Area Plan and Program requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Project Area would not reasonably be developed and improved without the use of such incremental revenues.

### ***Purpose of the Redevelopment Plan***

Pursuant to the Act, the purpose of a Redevelopment Plan for a Project Area is to promote the health, safety, morals, and welfare of the general public by:

1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing public utilities within the area; and
4. Enhancing the overall quality of the City of Rockford.

### ***Redevelopment Project Activities***

The focus of the Project Area redevelopment is the creation of new retail, office, and institutional uses that compliment the existing auto-oriented character of the Area, while also creating a transition between the I-90 interchange and big-box retailers and the pedestrian quality of downtown Rockford. The TIF will allow for the continued redevelopment of the State Street Corridor by stimulating the creation of new commercial projects. The redevelopment projects will have the extra advantage of the availability of vacant sites, in addition to the typical economic tools

available. While 'commercial' is the general land use designation for the properties at the East State and Alpine Road intersection, there are two specific redevelopment sites identified in the plan that can work to stimulate interest and development within the area. Overall, the following redevelopment activities will contribute to the long-term economic health and vitality of the City of Rockford.

It must be noted that the Redevelopment Land Use Plan shall serve as a guideline for the Project Area. It is not meant to establish specific requirements and should not be rigidly interpreted. Adjustments may be made in response to market conditions and other key factors as long as they remain consistent with the City's overall goals and objectives. The 2020 Comprehensive Plan has been used as a foundation for the redevelopment activities and the Redevelopment Plan reflects the latest interpretations of the desired goals for the Project Area.

This section of the redevelopment plan describes the preferred redevelopment opportunities within the Project Area. These redevelopment opportunities include projects that may require assemblage of property, the demolition of existing buildings, rehabilitation of existing structures, the construction of new buildings, infrastructure upgrades, and circulation improvements.

The existing conditions and desired vision for the properties within the Project Area has resulted in an overall commercial designation for the entire Project Area, with an opportunity to create smaller nodes of activity and unique land uses (see **Figure C - Future Land Use**). The following describes a four-pronged approach to redevelopment activities anticipated for the project area.

### 1. Redevelopment Projects

a. *Redevelopment Site A.* Often referred to as the Magna/Jewel Osco site, Site A is located on the south side of State Street, across the street from the Domino's Pizza strip center and west of Shooter's Bowling Alley and is occupied by a vacant Jewel Grocery, the Del Marty Strip Center Plaza, and the Boardwalk Strip Center. Existing parking lots cover about half of the site. In its present condition, Site A exhibits characteristics of building and site deterioration, vacancy, deleterious layout, and age.

Redevelopment projects were chosen with consideration for those which have the greatest potential to produce the maximum benefit with the least investment. Its location and visibility, signalized intersection, and size (11.9 acres) provide a high-profile redevelopment opportunity within the Project Area. A concept sketch is included to help visualize the overall organization of Redevelopment Site A (**Figure D**). It is important to note that the attached sketch is not intended to establish specific requirements, but rather to provide a concept for the site that embraces the following principles:

- Take advantage of the signalized intersection with one primary access point from State Street, and secondary access points on either side of the existing bowling alley
- Organize buildings around open space/plaza with opportunity to bring the creek above ground
- Create more of a pedestrian feel with buildings oriented toward the center of the site, rather than fronting busy State Street

- Limit the grouping of parking aisles and break up parking rows with landscape islands, pedestrian crosswalks, and bump-outs
- Recruit a mix of commercial users, including retail, office, and restaurants
- Development should be of high quality architecture and building materials
- Create landscape buffers between parking and adjacent residential uses
- Buildings should be set close to State Street, but can be cut-off at corners to provide prominent entryways to buildings and visibility into the site

b. Redevelopment Site B. The second location chosen to create the greatest impact in the Project Area is the Ford Dealer/Alpine Inn Motel site. Its prime location at the intersection of State Street and Alpine Road and visibility make Redevelopment Site B an important opportunity site within the Project Area.

- Redevelopment Site B is approximately 14.6 acres and includes the Alpine Inn Motel, the Ford Dealership, and the Kia Dealer.
- With the proposed sale of the prominent 5-acre Alpine Inn Motel, continued marketing of the site and attraction of a new user for the site is essential.
- Redevelopment options include expansion of the existing Ford Dealership business, with a possible showroom fronting State Street or attraction of a new auto dealership; building upon the existing Bailey's and Peak fitness centers with a health/fitness retailer or associated user; or attracting an entertainment/nightlife user to the site.
- The overall district and Site B will remain auto-oriented in nature, but improvements to building facades, circulation, signage, landscaping, and the State and Alpine intersection are vital to its redevelopment.

2. Infill Development. Throughout the Project Area, opportunities for infill development exist. A major component of the Rockford 2020 Plan, infill development has the effect of using existing utilities and roads, can reuse existing buildings and developed sites, and creates development within proximity to existing residential neighborhoods, retail, and community facilities. This type of development further avoids the extension of infrastructure that is necessary to support new greenfield sites. The infill approach to redevelopment in the Project Area includes attracting new users such as restaurants and smaller retailers to the vacant commercial units that front Morsay Drive and other underutilized sites.

Within the larger sites and strip centers, there may be an opportunity to expand existing buildings or attract new businesses with the addition of buildings and redesigned site layouts. Redesigned site configurations should champion the principles described in the above redevelopment sites, reduce the impact of parking and add retail/office square footage to the Project Area. Commercial parking standards should reflect the variety of land uses, create reasonable cross-access between sites, and allow for shared parking between commercial uses.

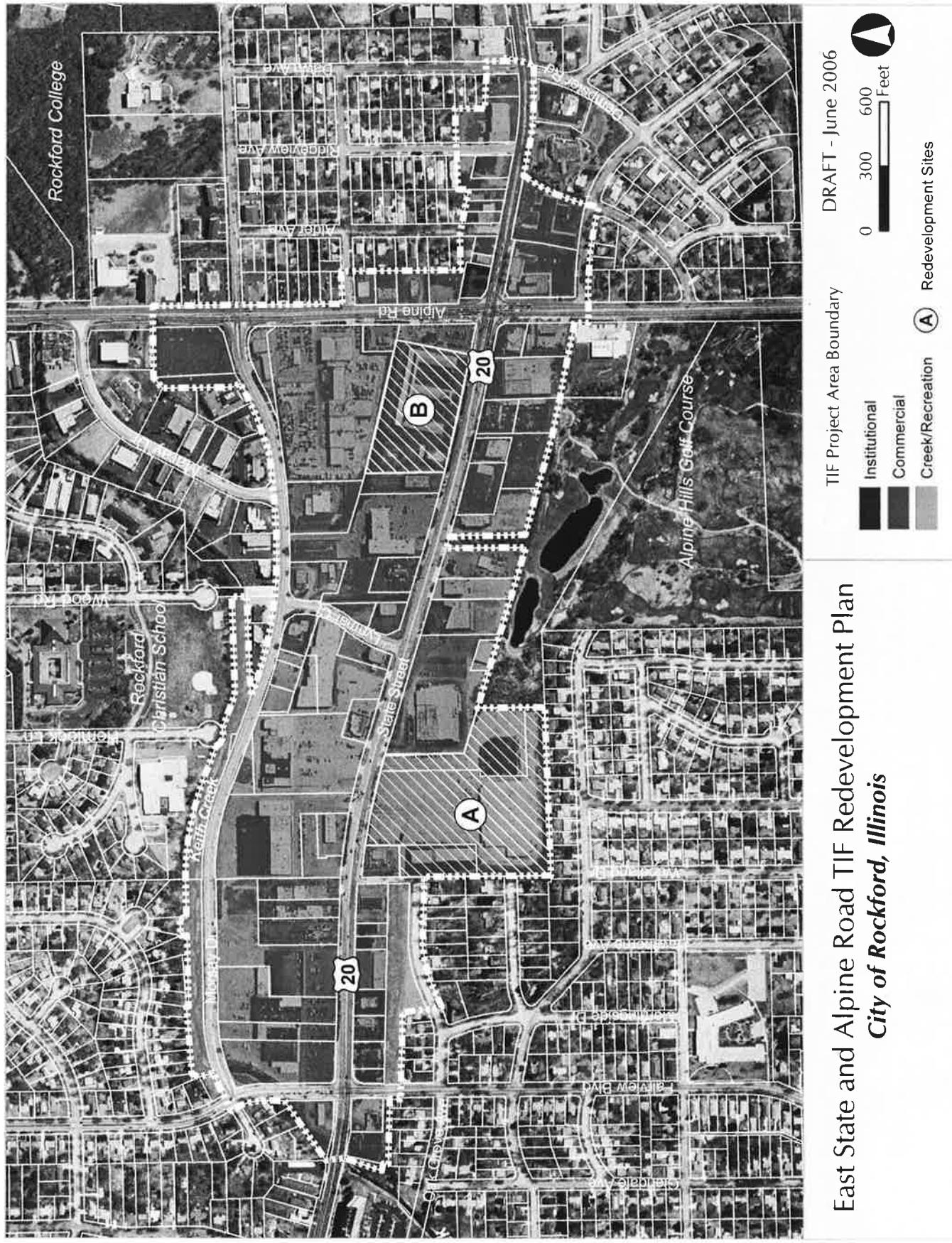
3. Commercial Character and Amenities. Improvements to the character of the Project Area are integral to improving its image and unifying the district. The streetscape along State Street, while it will remain auto-oriented, should be improved to encourage pedestrians and create a more attractive and inviting commercial area. Streetscape improvements such as

coordinated street trees, new sidewalks, lighting, and benches are encouraged. Additional improvements to the overall character of the Project Area include, but are not limited to:

- Support for the rehabilitation and expansion of existing buildings;
- Landscape screening in front of buildings to soften appearance and add visual interest;
- Parking lot landscaping to break up large parking areas;
- Coordination with the Park District to determine the viability of continuing the Keith Creek restoration, along the northern boundary of the Project Area (north of Moray Dr) and under the parking lot of the Jewel site into the Alpine Hills Golf Course with new plantings, landscape buffering and any possible trail connections or a pedestrian bridge;
- Improvements to pedestrian access and the creation of public spaces, that are removed from the busy feel of State Street; and,
- Coordinated signage, lighting, and banners identifying the district throughout the project area.

4. Traffic and Circulation Patterns. The Project Area lacks a clear or unified circulation system. There are frequent curb cuts from State Street and two or three access points are not uncommon at some sites. With the goal of promoting safety, efficiency, and an attractive environment throughout the Project Area, the City may choose to initiate a traffic study to determine how circulation from State Street and at the State and Alpine intersection can be improved. Even more detrimental to the Project Area is the lack of clear circulation within the interior sites. The majority of sites lack separation between drive aisles, landscape parking islands, or clear traffic patterns for vehicles and pedestrians. While cross-access between sites is prevalent, it is so common that it creates a situation where a car could avoid State Street and use the retail sites as a traffic cut through. This configuration creates the possibility of confusing and dangerous traffic patterns. Interior circulation patterns should provide an efficient and safe experience for both vehicles and pedestrians, with landscaped medians, marked travel lanes and striped pedestrian cross-walks. Access between sites should be limited to one access drive, rather than permitted throughout an expansive parking area.

**Figure C - Future Land Use**



**INSERT Figure D – Concept Plan**

## ***Eligible Project Costs***

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan and a redevelopment project. Such costs may include, without limitation, the following:

1. 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;
2. The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
3. Property assembly 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 and 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;
4. Costs of rehabilitation, reconstruction, repair, or remodeling of existing private or public 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;
5. Costs of the construction of public works or improvements;
6. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as provided in the Act;
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the City 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;
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act;
10. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;

11. Payment in lieu of taxes;
12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act;
13. Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units as defined in Section 3 of the Illinois Affordable Housing Act, as provided by the Act.

### ***Acquisition and Clearance***

To meet redevelopment objectives, it may be necessary for the City of Rockford to acquire properties in the Project Area. Ideally, redevelopment or rehabilitation can be encouraged to be undertaken by the private market. The City will help to market and promote such redevelopment opportunities. In addition, the City may elect to acquire property through a direct market transaction. However, under exceptional circumstances, the City Council may choose to exercise its power of eminent domain, including appropriate compensation for property acquisition. It is not the intent of the City to acquire properties unless, on a site-by-site basis, the City Council determines acquisition to be necessary to implement this Redevelopment Plan. Such determination may be made without further amendment to this Plan.

The redevelopment project activities identified in this plan have emphasized the rehabilitation of existing residential structures where appropriate and redevelopment when necessary. It is the intent of the City that less than ten (10) residential units are removed as a result of this redevelopment plan. If, over the lifetime of this plan, up to nine (9) residential units are removed as a result of redevelopment activity, the City certifies that no additional redevelopment activity funded in whole or in part with eligible redevelopment project funds will occur within the redevelopment project area that results in the removal of any additional units.

### ***Land Disposition***

Property, which may be acquired by the City, may be assembled into appropriate redevelopment or rehabilitation sites. These properties may be sold or leased by the City to other public bodies or to private developers, in whole or in part. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land. The City reserves the right to sell or lease any property acquired within the TIF District during the 23-year duration of the TIF. Any future modifications to the stated disposition actions of this Plan will be in accordance with the objectives of this Redevelopment Plan and Program, and will not require any amendment to the Plan.

No conveyance, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the City. Furthermore, no conveyance, or other disposition of land or agreement relating to the development of property shall be made without providing reasonable opportunity for the submission of alternative proposals or bids.

## ***Public Improvements***

The City of Rockford will provide public improvements in the Project Area to facilitate redevelopment and support the Redevelopment Plan, and to serve the needs of Rockford's residents. Appropriate public improvements may include, but are not limited to, the following:

1. vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, roads, roadways, sidewalks, curbs, alleys, pedestrianways, and pathways;
2. development of or improvements to public open space;
3. relocation expenses;
4. improvement of public utilities such as sewer and water lines, storm water detention facilities;
5. beautification improvements, including streetscape, lighting, signage, and landscaping of the project area;
6. grants or loans to private property owners for eligible property improvements, including building rehabilitation, façade restoration or enhancements; and
7. demolition of obsolete structures.

Recommended public improvements anticipated to be undertaken might include streetscape and infrastructure improvements as well as assistance to property owners for facade improvements and building rehabilitation. The costs associated with these improvements may be shared by the City of Rockford and individual developers, pursuant to an agreement between the parties. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list that are consistent with the objectives of this Redevelopment Plan.

## ***Phasing of Project***

The Redevelopment Projects anticipated in this plan may commence immediately. The major projects may be completed within six (6) years. Façade improvements, building rehabilitations, and other activities on individual properties may occur throughout the life of the Tax Increment Financing District. The City may undertake additional public improvements as necessary throughout the life of the project.

## **Estimated Project Costs**

The following table outlines the estimated costs of the Redevelopment Project:

**Table 1: Estimated Redevelopment Project Costs**

<b>Expense Categories</b>	<b>Amount</b>
Property assembly and acquisition	\$1,000,000
TIF administration and financing	\$350,000
Environmental and planning studies, surveys, development of engineering and architectural plans, specifications, and implementation	\$250,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures through loans, grants, interest subsidy or other financial assistance	\$1,000,000
Construction or improvement of public improvements	\$2,200,000
<b>Total Estimated Project Costs</b>	<b>\$4,800,000</b>

Financing costs during construction (not to exceed 36 months) may also be included. Over the lifetime of the plan, redevelopment project costs may fluctuate and necessitate a modest change to the individual line items; however such changes will not result in an increase of the total estimated project costs. Such modifications may be made without further amendment to this Plan so long as there is not an overall increase in the total estimated project costs.

Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs. Total Project Costs are inclusive of redevelopment project costs in contiguous project areas or those separated by only a public right-of-way that are permitted under the Act to be paid from incremental property taxes generated in the Project Area, but do not include redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous project areas or those separated only by a public right-of-way.

## **Sources of Funds**

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

1. Real property tax increment revenues from the Project Area;
2. Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
3. Interest earned on temporary investments;
4. Gifts, grants, and contributions;
5. Bond proceeds;

6. Sale or lease of land proceeds;
7. User fees;
8. Municipal sales taxes;
9. CDBG, HOME and ADDI funds; and
10. The City's general revenue fund.

The principal source of funds will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the project area over the initial equalized assessed value of each such lot, block, tract or parcel.

There may be other eligible local sources of revenue that the City determines are appropriate to allocate to the payment of redevelopment project costs.

The Project Area may, in the future, be contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

#### ***Nature and Term of Obligations to Be Issued***

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan, and whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the City from undertaking initiatives designed to stimulate appropriate private investment in the Project Area.

Certain redevelopment projects may be of such a scale or on such a timetable as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed December 31<sup>st</sup> of the year after the 23rd year. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not

required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as now or hereafter amended, in accordance with law.

The City may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

1. net revenues of all or part of a Redevelopment Project;
2. taxes levied and collected on any or all property in the municipality;
3. the full faith and credit of the municipality;
4. any other taxes or anticipated receipts that the municipality may lawfully pledge.

#### ***Equalized Assessed Valuation***

Table 2 lists the most recent (2005) equalized assessed valuation of properties in the Project Area by block. The total 2004 equalized assessed valuation of the Project Area is \$16,088,467.

***Table 2: Project Area EAVs***

Section-Block	2005 Equalized Assessed Value
19-478	\$0
20-352	\$0
20-354	\$39,412
20-379	\$621,620
29-101	\$2,866,740
29-102	\$2,565,210
29-128	\$3,380,415
29-129	\$1,749,260
29-204	\$398,874
29-205	\$342,541
29-206	\$63,601
29-251	\$753,502
30-204	\$102,718
30-207	\$211,755
30-226	\$1,686,647
30-227	\$845,886
<b>Total</b>	<b>\$15,628,181</b>

Upon the completion of the Redevelopment Project it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of \$37 million in 2005 dollars.

This figure is calculated by capitalizing a 9% appreciation rate every third year over the life span of the TIF and including an estimated increase in value for the rehabilitation and redevelopment projects that are anticipated within the first six years of the Redevelopment Program.

#### ***Affirmative Action***

The City of Rockford will require each private developer entering into an agreement with the City, in connection with the development in the Project Area, to utilize fair employment practices, including an affirmative action program.

#### ***Payment in Lieu of Taxes***

No payments in lieu of taxes are anticipated for this project.

#### ***Provision for Amending the Redevelopment Plan Objectives and Project***

The Redevelopment Plan objectives and project may be amended pursuant to provisions of the Act.

## **FINDINGS OF NEED FOR TAX INCREMENT FINANCING**

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On the basis of the East State and Alpine Road Redevelopment Project Area Eligibility Study and this Redevelopment Plan, the City Council of Rockford, Illinois, can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

### ***Project Area Not Subject to Growth***

The City finds that the Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise, based on the physical condition as follows:

- As described in the Eligibility Study, the physical condition of the Project Area testifies to the lack of maintenance and improvement activities. In particular, the Eligibility Study identifies a prevalence of deterioration both of buildings and surface improvements. Such deterioration is a direct consequence of a lack of investment in the Project Area. While each individual property may not be deteriorated, the Project Area as a whole is characterized by a reasonable extent and meaningful distribution of this lack of investment.

Therefore, the City of Rockford finds that the Project Area is not subject to appropriate growth and development, and is not reasonably anticipated to be developed without adoption of this Redevelopment Plan.

### ***Conformance with Comprehensive Plan***

This Redevelopment Plan and Program conforms to the City of Rockford's 2020 Comprehensive Plan. The goals and principles stated in the 2020 Plan include a commitment to Smart Growth, infill development, a safe and healthy living environment, a robust and diverse economic environment, stable or improving neighborhoods, safeguarding and improving environmental features, promoting sustainable urban development, promoting revitalization and a good quality of life, improving aesthetics and neighborhoods, and engaging the public through community outreach activities. Specific objectives and recommended actions for enhancing the Project Area are identified as well, and have helped guide many of the redevelopment efforts identified in this Redevelopment Plan.

### ***Date of Completion***

The estimated year of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs under no circumstances shall extend beyond December 31, 2030 (The year after the 23rd year from the date of adoption of the ordinance approving the Project Area).

## **FINANCIAL IMPACT OF REDEVELOPMENT**

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Without the adoption of the Redevelopment Plan and Project, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue and spread to the adjacent residential neighborhoods and the area as a whole will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Plan is expected to have significant short and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of Redevelopment Projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in equalized assessed valuation caused by the Redevelopment Plan.

Specifically, the following taxing districts cover the proposed redevelopment project area:

1. Rockford Township
2. Rockford Township Highway Department
3. Rockford Public Library
4. Rockford Park District
5. Winnebago County
6. Winnebago County Forest Preserve
7. Rock River Water Reclamation District
8. Rockford School District #205
9. Community College #511
10. City of Rockford
11. Greater Rockford Airport Authority

### ***Impact on Rockford Township***

The Redevelopment Plan is not anticipated to increase the demands of the current services that the Township offers. The increased demand for any Township provided services resultant from the Redevelopment Plan set forth in this document will be incidental in relation to the total operations of the Township. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Impact on Rockford Township Highway Department***

The Rockford Township Highway Department maintains township roads. No new township roads are anticipated as a result of this Redevelopment Plan. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Impact on Rockford Public Library District***

Whereas new development may increase demand for facilities and programs offered by the Library, this increased demand is only related to a small percentage of the total population served by the Library District. New commercial development is not expected to increase the number of residents in the District, nor is it anticipated to have a substantial impact on the District. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Impact on Rockford Park District***

The increased demands for recreational services resultant from the anticipated commercial and office development should have minimal impacts on the Park District – any increase would only account for a small percentage of the total demands required of the District. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Impact on Winnebago County***

It is not anticipated that the Redevelopment Plan will increase the demands of the current services that the County offers. The increased demand for any County provided services resultant from the Redevelopment Plan set forth in this document will be incidental in relation to the total operations of the County. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Impact on Winnebago County Forest Preserve***

Given that no new residential development is planned in the Project Area, the Winnebago County Conservation District is not likely to experience increased demand for services. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Rock River Water Reclamation District***

Infill commercial and office development and redevelopment in the Project Area may increase demand for water and sewer services. However, this will be balanced by the rehabilitation and removal of buildings which currently exhibit deterioration and code violations. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

### ***Impact on School District #205***

The Redevelopment Plan is not expected to increase the number of school age children within the district. If the school district provides reasonable evidence to support a claim for reimbursement as required under Section 11-74.4-3.q.(7.5) the appropriate level of reimbursement will be provided from the collected tax increment as required by the Act. No specific program is set forth in the Redevelopment Plan.

### ***Impact on Community College #511***

Given that no new residential development is planned in the Project Area, it is not expected the Redevelopment Plan will increase demand for services of the Community College. No specific program is set forth in the Redevelopment Plan.

### ***Impact on City of Rockford***

As a result of new development in the Project Area, the City of Rockford may experience increased demand for services such as police protection and fire protection. This increased demand should

not be so substantial that, on its own, warrants the hiring of additional police officers or the purchasing of additional fire trucks and related equipment. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

***Greater Rockford Airport Authority***

The Greater Rockford Airport Authority is not expected to experience any increased demand for services resulting from redevelopment of the Project Area. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

**APPENDIX I:**  
**EAST STATE AND ALPINE ROAD**  
**TAX INCREMENT FINANCING**  
**ELIGIBILITY REPORT**

**City of Rockford, Illinois**

**DRAFT – June 2006**

**Prepared by:**  
**Teska Associates, Inc.**

## INTRODUCTION

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The East State and Alpine Road Redevelopment Project Area is located approximately 3.5 miles east of downtown Rockford and encompasses a mix of retail shopping centers, auto-oriented retailers, and office land uses. Although many of the buildings have not yet shown signs of significant deterioration, the layout and site configuration of older strip commercial centers and auto-oriented businesses have proven to be less attractive to reinvestment in the project area. The City and property owners would like to begin to foster redevelopment in this area in order to bring about successful investment and redevelopment for the corridor. The Redevelopment Project Area contains 85 parcels and is approximately 128 acres in area. Currently, there are numerous building vacancies, deteriorating site conditions, and obsolete or precarious site configurations.

With the recognized goals of conserving the taxable value of land and buildings and protecting the character and the stability of the commercial, industrial, recreational, and residential areas within Rockford, the City has decided to take direct action to encourage redevelopment efforts within the Project Area. City officials have determined that, without direct municipal involvement and financial assistance, the City's goals and objectives for this area cannot be met. To encourage new investment in the East State and Alpine Road area, the City of Rockford has decided to explore the feasibility of the use of Tax Increment Financing (TIF) as the financial tool to facilitate development.

Tax Increment Financing can be used to make the Project Area attractive for redevelopment by eliminating the conditions that inhibit private investment, weaken the City's tax base, affect the safety of community residents, and hinder the City's ability to promote a cohesive development of compatible land uses. Public improvements may be constructed and incentives provided to encourage the type of private investment that will allow the City to achieve its goals for the East State and Alpine Road Redevelopment Project Area.

### ***Tax Increment Financing***

Tax Increment Financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes as amended (hereinafter referred to as the "Act"). This financing mechanism is only applicable in areas that meet certain specifications outlined in the Act.

The Act permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of such public improvements can be repaid with revenues generated by increased equalized assessed values of real estate within the designated project area. The key to this financing is that funding does not rely on the taxing power of the municipality alone. The property taxing power of all taxing districts with jurisdiction over the land within the project area can be employed to pay for certain redevelopment costs and retire the necessary financial obligations, if required. This taxing power is only applied to the increase in equalized assessed valuation within the designated TIF project area.

The Act stipulates specific procedures that must be adhered to in designating a "Redevelopment Project Area." This report addresses the initial step – the determination of the project area's eligibility. According to the Act, an area may be eligible if it meets the conditions for a "Redevelopment Project Area," defined as:

*"...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 an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas (Section 11-74.4-3)."*

Section 11-74.4-3 defines a conservation area as:

*"...any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area..."*

Therefore, in order to qualify as a "conservation area," an improved area must demonstrate the presence of at least three (3) of the following factors named by the Act and each must be reasonably distributed throughout the designated redevelopment project area: dilapidation; obsolescence; deterioration of structures and surface improvements; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use/layout; need for environmental clean-up; lack of community planning; and the lag in growth of the Equalized Assessed Value (EAV) for the Project Area in comparison to the remaining areas of the City.

### ***Description of the Project Area***

The Project Area contains 85 parcels and stretches the length of East State Street from Keith Creek on the west to Dempster Road on the east. The western boundary includes only those parcels along the south side of State Street, between Fairview Boulevard and Keith Creek. The eastern boundary stretches to the intersection of Dawn/Dempster and State Street. Figure 1 illustrates the boundaries of the Project Area.

### ***Statement of Designation***

Determination of eligibility of the East State and Alpine Road Redevelopment Project Area for Tax Increment Financing is based on a comparison of data gathered through field observation by Teska Associates, Inc. (TAI), document and archival research, and information provided by the City of Rockford, against the eligibility criteria set forth in the Act.

TAI has determined that the East State and Alpine Road Redevelopment Project Area ("the Project Area") is eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: age, deterioration of structures and surface improvements, excessive vacancies, deleterious land use/layout, and lack of community planning. Each of these factors contributes significantly towards the decline of the Project Area as a whole.

## **ELIGIBILITY FINDINGS**

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Teska Associates, Inc. conducted a field survey of every property in the Project Area on March 9, 2006. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. Photographs further documented the observed conditions. Field observations were further supplemented with information provided by City Staff and Rockford Township Assessor's Office.

### ***Age of Building Eligibility Factor***

For any redevelopment project area to be designated as a conservation area, 50% or more of the structures in the area must have an age of 35 years or more. The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit a greater number of problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend to be not as well-suited for modern-day uses because of contemporary space and development standards.

Based on field analysis and property records provided by the Township Assessor buildings within the Project Area, **34 of 67 buildings (51%) are more than 35 years old**. This exceeds the statutory requirement that at least 50% of the buildings in a conservation area must be 35 years of age or older. These buildings are well-distributed throughout the district as a whole (see **Figure 2**). Therefore, age is a contributing factor in the eligibility of the Project Area as a conservation area.

### ***Additional Eligibility Factors***

The Project Area must exhibit three or more of the following factors to such a degree that they are detrimental to the public safety, health, morals, or welfare and may lead to "blighting" of the Project Area. The Project Area characteristics under each of the criteria required by statute are described below. For each factor that contributes to the designation of the Project Area as a conservation area, a map has been prepared that illustrates the distribution of such factor. The maps (shown in the Appendix) represent parcels in which the consultant team perceives the characteristic to be present to the degree that it represents a significant influence on the character, vitality, and value of properties.

#### **1) DILAPIDATION**

Per State statute, dilapidation is "an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building conditions analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed." At a minimum, dilapidated buildings are those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (i) major repair is required or; (ii) the defects are so serious and extensive that the buildings must be removed.

The exterior survey conducted by TAI found that none of the structures displayed characteristics of dilapidation; therefore, it is not a contributing factor toward the designation as a conservation area.

## 2) OBSOLESCENCE

Per State statute, obsolescence is "the condition or process of falling into disuse" and a situation in which structural conditions "have become ill-suited for their original use." The Project Area shows few signs of obsolescence. Therefore, obsolescence does not contribute to the designation as a conservation area.

## 3) DETERIORATION OF STRUCTURES AND SURFACE IMPROVEMENTS

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

TAI's field survey found deterioration in 8 of 68 buildings (12%) in the Project Area (see **Figure 3** for distribution of deterioration), meaning that more than one in ten buildings contain defects that cannot be corrected with normal maintenance. Because these buildings are generally spread throughout the Project Area and include three of the largest parcels in the Project Area, their impact may have the disproportionate effect of causing owners of other nearby properties to be less inclined to invest in their own buildings. As defined by the Act, structural deterioration is considered part of an overall contributing factor.

Deteriorated surface improvements were observed on approximately 34% (29 of 85) of the total parcels within the Project Area (see **Figure 3** for distribution of deterioration). Such noted instances include depressions in the gravel parking lots and access roads, potholes, cracked asphalt, unkempt, unscreened and scattered outdoor storage.

Deterioration of structures and surface improvements was found to occur throughout the Project Area. More importantly, such deterioration has depressing effects on investment in neighboring properties, to a much greater extent than the proportion of properties exhibiting this factor might suggest. Therefore, deterioration is a contributing factor in the designation of the Project Area as a conservation area.

## 4) PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

A structure is understood to be below minimum code standards if it does "not meet the standards of zoning, subdivision, building, fire, and other governmental codes applicable to the property, but not including housing and property maintenance codes," according to State statute. The principal purposes of such codes are to require buildings to be constructed in such a way so as to sustain safely loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which presume to threaten health and safety.

Attempts to determine the instances of violations of applicable code standards were inconclusive. As a result, the presence of structures below minimum code standards is not a contributing factor to the designation of the Project Area as a conservation area.

## 5) ILLEGAL USE OF INDIVIDUAL STRUCTURES

Per State statute, a structure that is "in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards" is classified under the category of illegal use of individual structures. Examples of illegal uses may include, but not limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

Due to limited documentation and observances of illegal land use within the Project Area, this criterion does not contribute to the designation of the district as a conservation area.

## 6) EXCESSIVE VACANCIES

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portion of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Of the 85 parcels in the Project Area, over 14% contain buildings that are partially or entirely vacant. Nearly 18% of buildings within the Project Area were found to be partially or entirely vacant. This condition is generally present throughout the Project Area, but in general has its largest impact on the multi-tenant shopping centers found in the Project Area. In addition to the frequency of the vacancies, the scale of vacancy in buildings, such as the former Jewel Grocery Store and strip commercial centers, creates an adverse impact on the Project Area. Therefore, excessive vacancy is a contributing factor in the designation of the Project Area as a conservation area (See Figure 4).

## 7) LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Many older structures fail to provide adequate ventilation, light, or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American

Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health of building occupants (residents, employees, visitors, etc.).

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in space/rooms without windows (i.e., bathrooms) and dust, odors, or smoke producing activity areas.
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios.
- Adequate sanitary facilities, which includes garbage/storage enclosure, bathroom facilities, hot water, and kitchens.
- Adequate ingress and egress to and from all rooms and units.

None of the structures within the Project Area clearly exhibit such characteristics; as a result, this factor does not contribute to the conservation area designation of the Project Area.

## **8) INADEQUATE UTILITIES**

The presence of inadequate utilities is characterized, by statute, as "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." As no formal plans for updating these systems have been made that would indicate an immediate adverse influence on the project area, this factor does not contribute to the eligibility of the Project Area as a conservation area.

## **9) EXCESSIVE LAND COVERAGE AND OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES**

This factor relates to the overly intensive use of property and the crowding of buildings and accessory facilities onto one site. Examples of problem conditions warranting the designation of an area as one that exhibits excessive land coverage are: 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 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 close proximity of buildings;
- lack of adequate or proper access to a public right-of-way;
- lack of reasonably required off-street parking; or,
- inadequate provision for loading and service.

Excessive land coverage conditions were not identified in the Project Area. Based on these observations, excessive site coverage is therefore not a factor toward the designation of the Project Area as a conservation area.

## **10) DELETERIOUS LAND USE/LAYOUT**

State statute defines deleterious land use or layout as "the existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area."

Field observations determined that 19 of the 85 parcels (22% of all parcels) are characterized by deleterious land use or layout. These layouts pose circulation, parking, and safety hazards in the immediate vicinity and in some cases may make properties less attractive for redevelopment. Since this problem occurs throughout the Project Area, deleterious land use and layout is a contributing factor in the designation of the Project Area as a conservation area (See Figure 5).

## **11) LACK OF COMMUNITY PLANNING**

Lack of community planning may be evident, per statute, "when 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, development standards, or other evidence demonstrating an absence of effective community planning."

This finding may be amplified by evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street and access drive layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

The City of Rockford's first Comprehensive Plan relevant to the Project Area was adopted in 1963. About one-fourth of the buildings within the Project Area were constructed prior to the development of a community-wide plan (see Figure 6). The most problematic results of this situation are incompatible land uses as were described under deleterious land use. Further, site layouts that create circulation and safety hazards can limit redevelopment potential by modern standards either because of potential land use conflicts, site access, or constrained site arrangements due to poor or awkward lot configuration. As such, a lack of community planning contributes to the Project Area's designation as a conservation area.

## **12) ENVIRONMENTAL CLEAN-UP**

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

Most of the properties in the Project Area are not known to display an obvious need for environmental clean-up; however, a few sites were sited by the Illinois EPA as LUST sites, that is, as having leaking underground storage tanks. Appropriate steps for remediation of any environmental threats posed have been taken. Given the fact that there is no indication that environmental clean-up measures are currently required, excessive costs for environmental clean-up is not a contributing factor to the classification of the Redevelopment Project Area as a conservation area.

### 13) DECLINE IN EQUALIZED ASSESSED VALUE (EAV)

This factor can be cited if, according to State statute, "the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years for which information is available; or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last (5) calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years for which information is available." Table 1 compares EAV data for the Project Area with the balance of the City of Rockford.

While the growth rate of the Project Area's EAV has fluctuated over the past five years, the corresponding growth in the remaining portions of the City has fluctuated in opposite years. When investment occurred in the Project Area, the City grew at a slower pace. Only in 2003 did the remaining portions of the City see investment when the Project Area saw very little investment. As a result, the Project Area EAV increased at a rate that is less than the balance of the City only in one year, rather than the three of five years required by statute. Therefore, based on this evidence, a lagging growth in EAV is not contributing factor to the designation of the Project Area as a conservation area.

**TABLE 1: CITY OF ROCKFORD EQUALIZED ASSESSED VALUE DATA: YEARS 1999 - 2004**

Year	2004	2003	2002	2001	2000	1999
Total EAV of the Project Area (\$)	\$14,439,171	\$13,997,709	\$13,768,083	\$12,777,176	\$11,504,368	\$10,958,608
% Change in Project Area EAV from Prior Year	3.15%	1.67%	7.76%	11.06%	4.98%	-
EAV of the City (excluding Project Area) (\$)	\$1,702,225,254	\$1,681,490,134	\$1,611,860,461	\$1,546,744,406	\$1,478,102,252	\$1,436,692,587
% Change in City EAV from Prior Year	1.23%	4.32%	4.21%	4.64%	2.88%	-
Growth Less than City?	No	Yes	No	No	No	-

## **CONCLUSION**

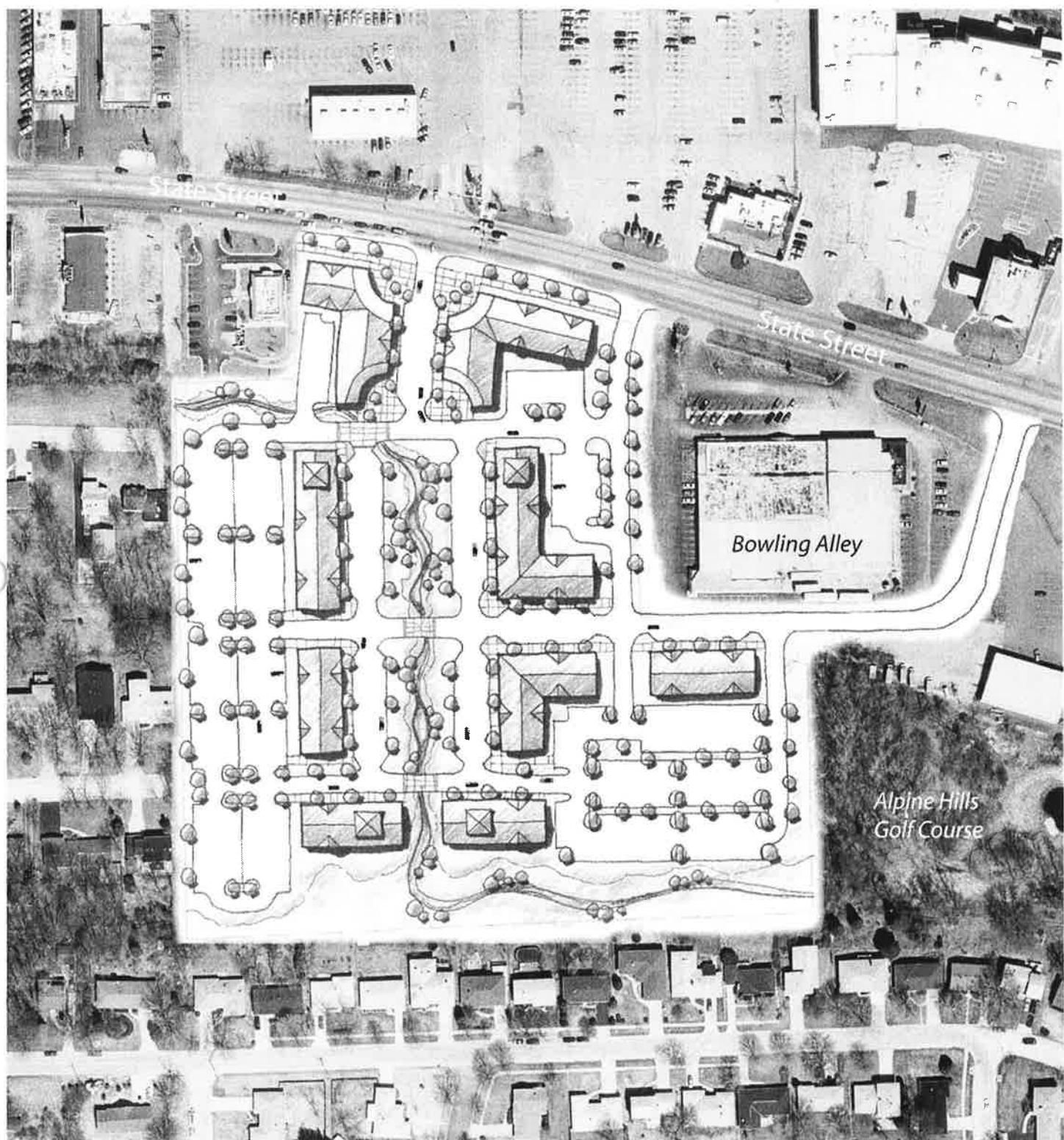
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The Project Area as a whole qualifies as a conservation area according to the criteria established by the Act, based on the fact that more than 50% of the buildings are more than 35 years of age and the predominance and extent of parcels exhibiting the following characteristics:

1. Deterioration of Structures and Surface Improvements
2. Excessive Vacancies
3. Deleterious Land Use/Layout
4. Lack of Community Planning

Each of these factors is present to a significant degree and distributed throughout the Project Area. Further, these factors act in combination with one another, reinforcing the negative effects of the other factors. For example, a property owner may be less likely to invest in maintenance for an obsolete building, which may lead to deterioration, which further inhibits investment. In turn, investment in neighboring properties is inhibited in this environment of decay. Therefore, while not every block exhibits every factor, the combination of the factors throughout the Project Area has significant impact. Due to the negative effect on the public safety and welfare caused by these factors, the Project Area is eligible as a conservation area. All of these characteristics point to the need for this designation to be followed by public intervention in order to foster redevelopment in the Project Area.

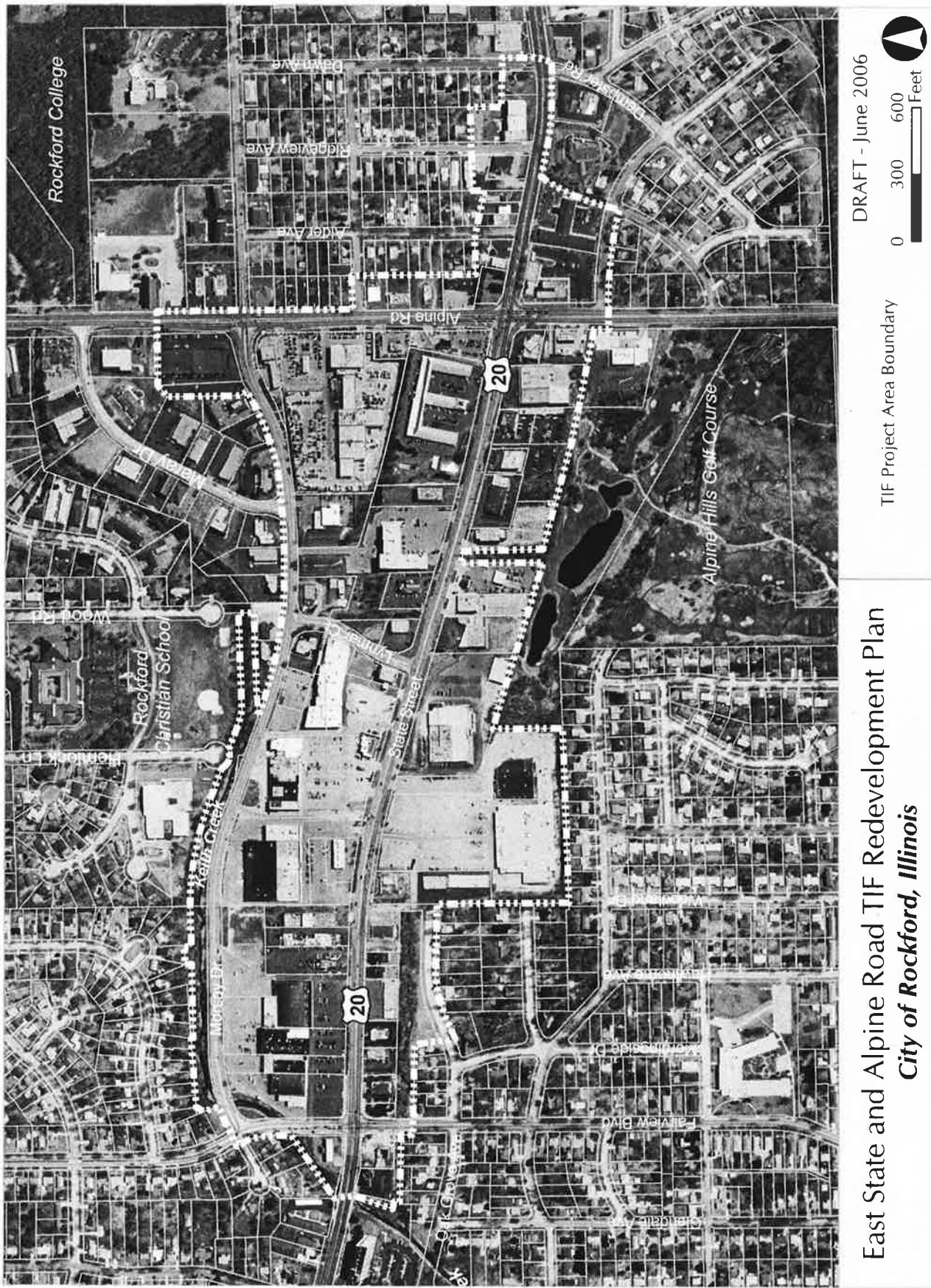
Figure D - Redevelopment Concept A



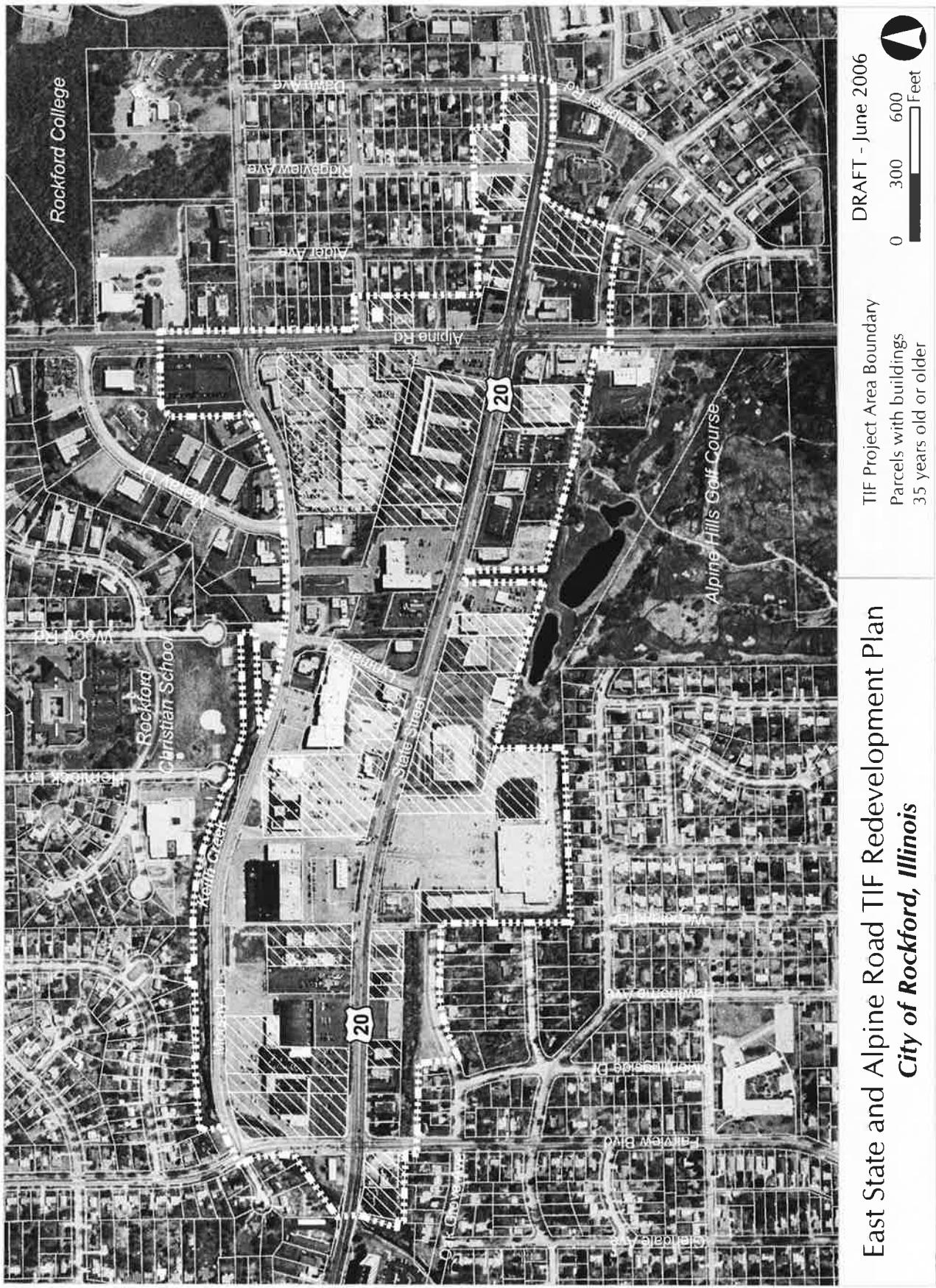
EAST STATE and ALPINE ROAD TIF Redevelopment Plan  
*City of Rockford, Illinois*

Concept for Redevelopment Site A  
Draft - June 2006  
Scale: 1 inch = 165 Feet

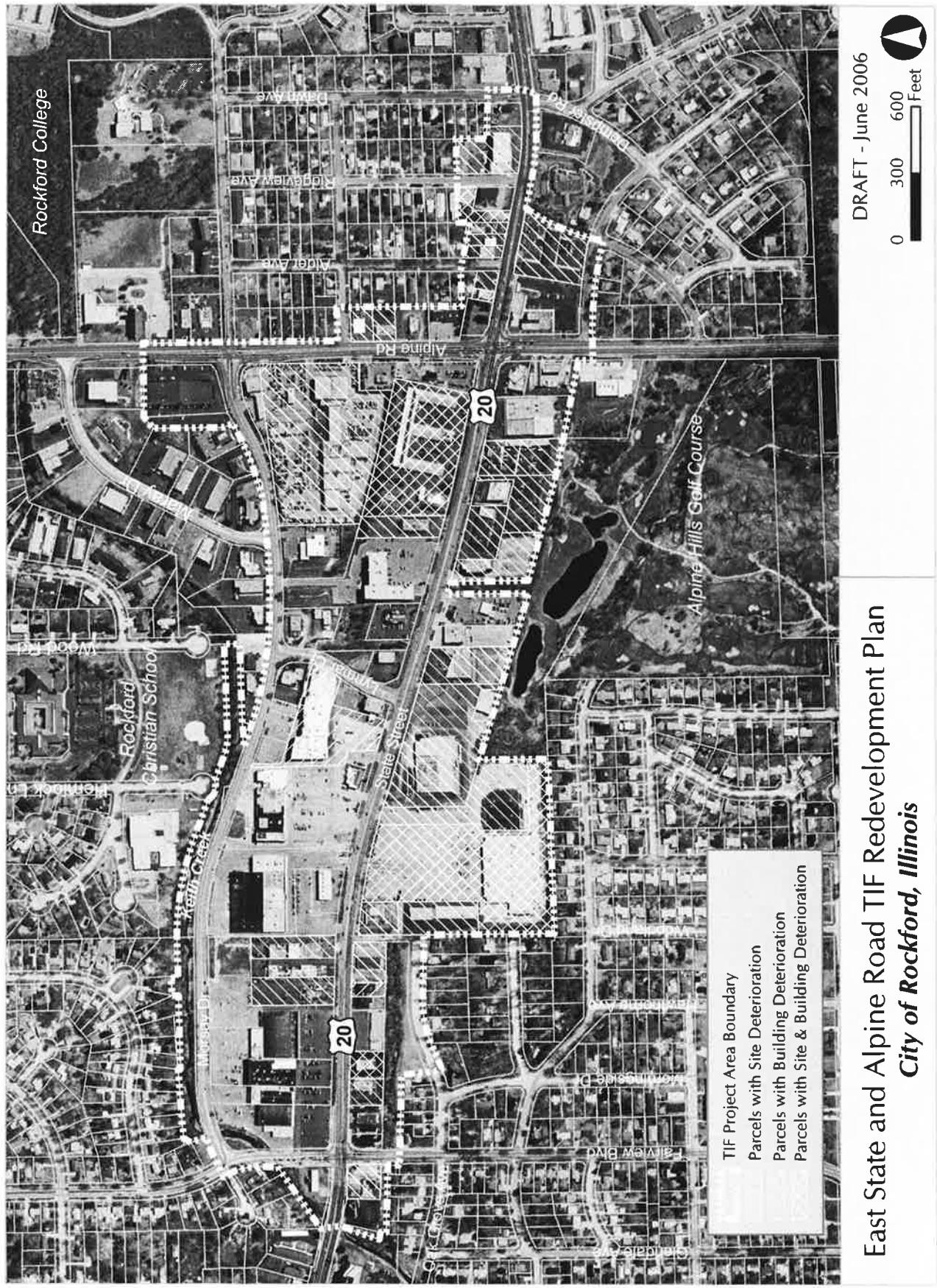
**Figure 1 - Project Area Boundary**



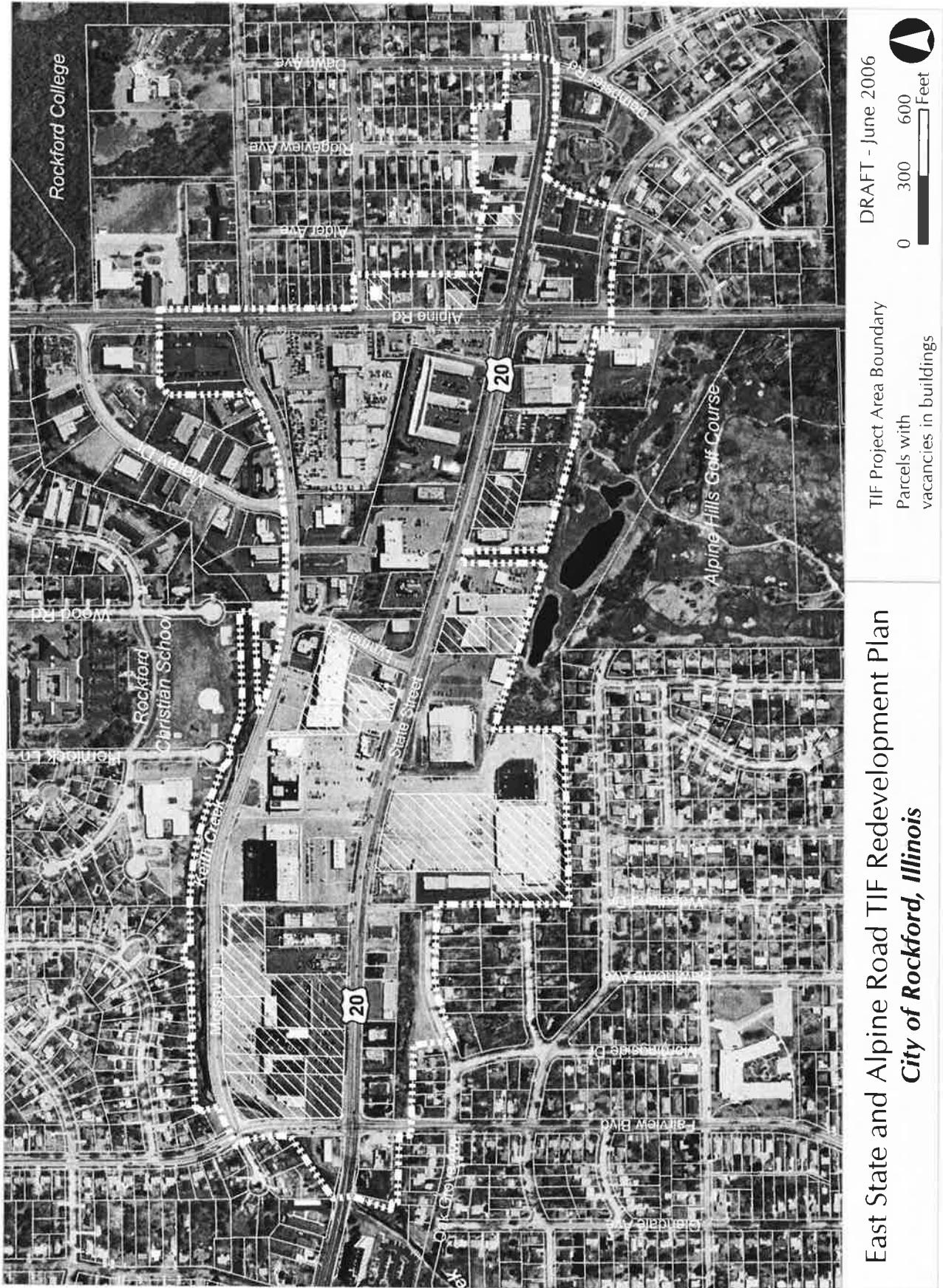
**Figure 2 - Age Over 35 Years**



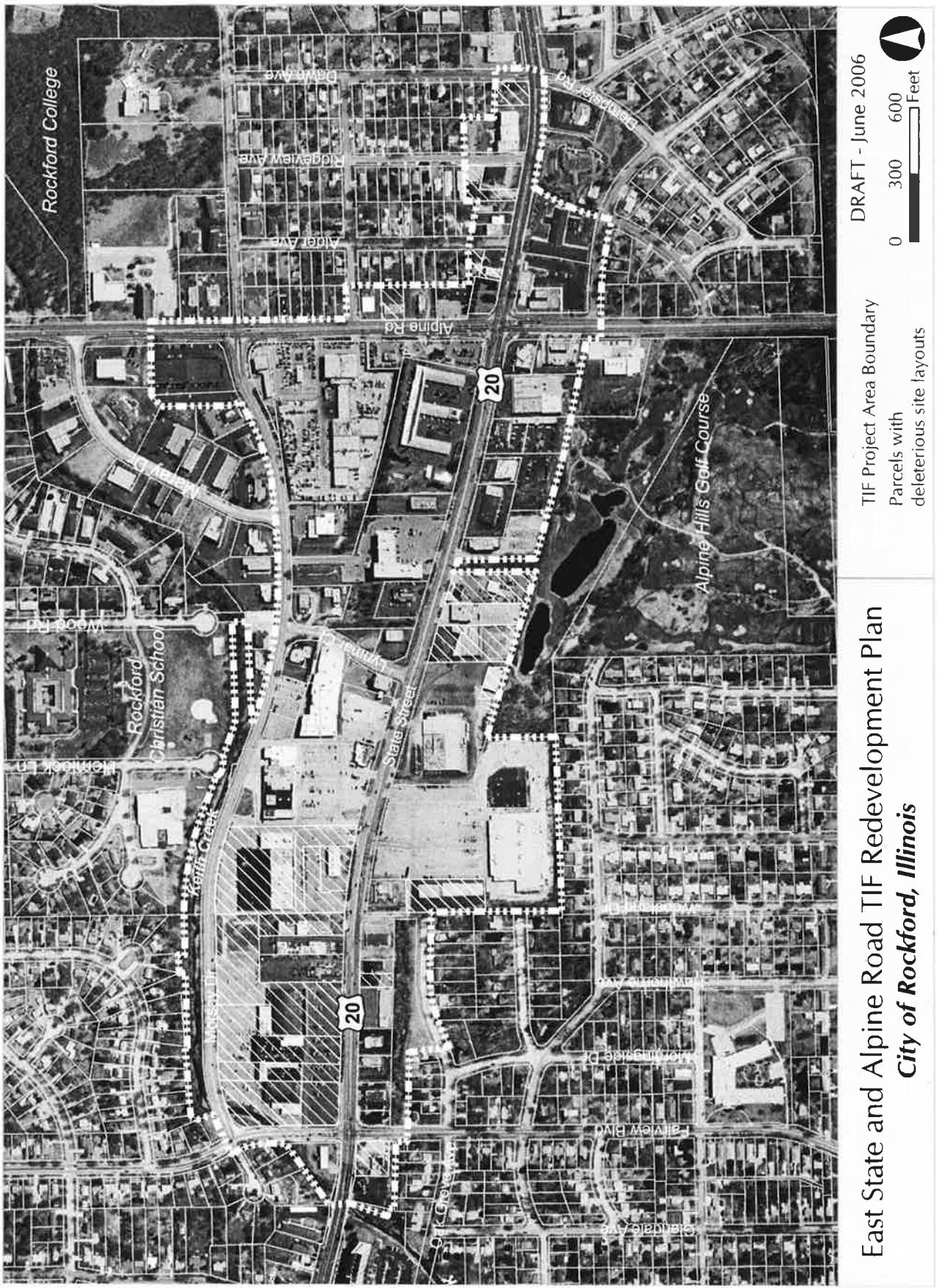
**Figure 3 - Deterioration**



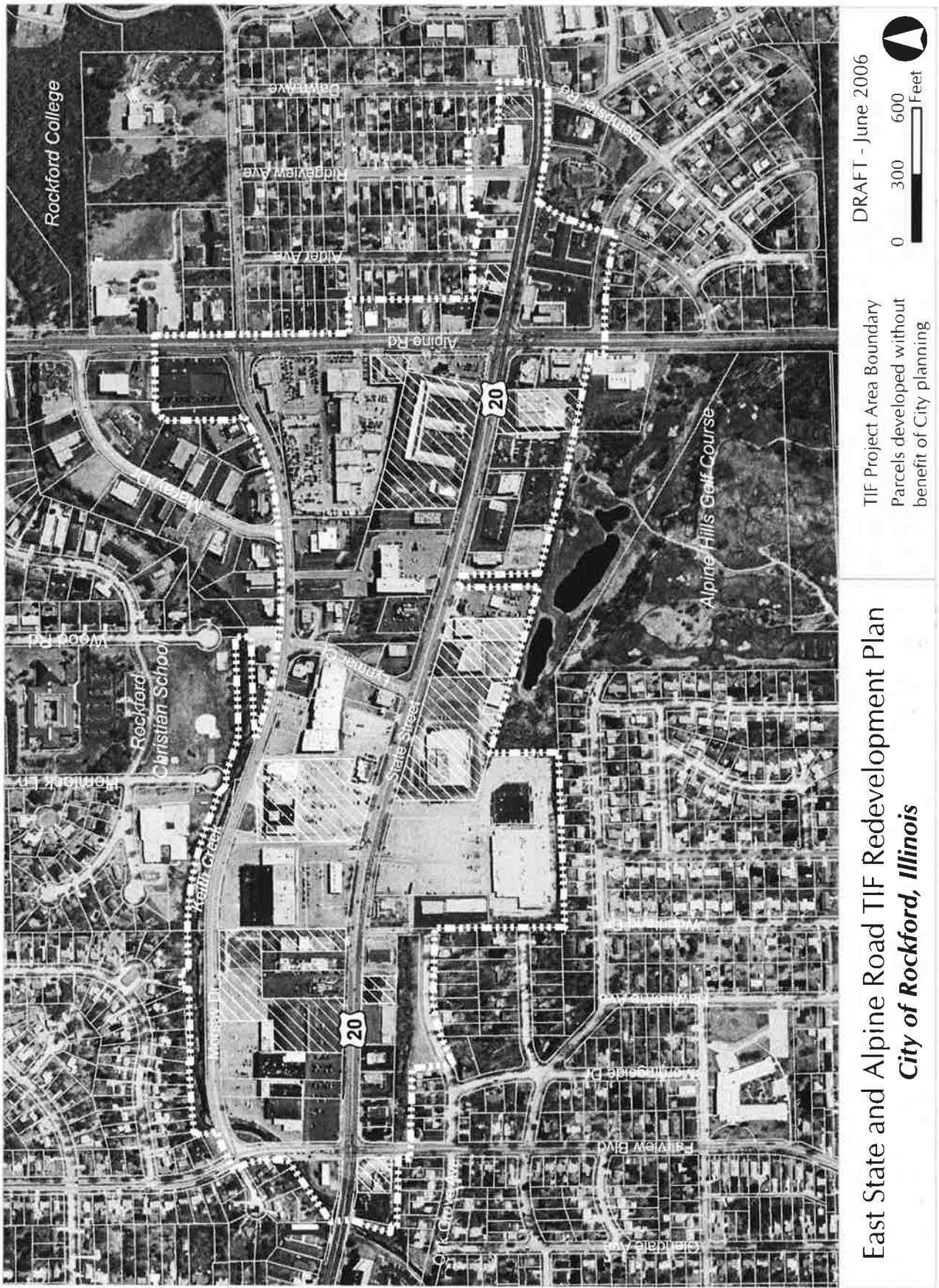
**Figure 4 - Vacancies**



**Figure 5 - Deleterious Site Layout**



**Figure 6 - Lack of Planning**



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF WINNEBAGO )

## **CERTIFICATE OF PUBLICATION IN PAMPHLET FORM**

I, the undersigned, do hereby certify that I am the duly qualified and acting Legal Director and ex officio Keeper of the Records and Seal of the City of Rockford, Winnebago County, Illinois (the "City"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the City and of the City Council (the "City Council") thereof.

I do further certify that on the 11th day of September, 2006, there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance No. **2006-151-0** entitled:

**AN ORDINANCE ADOPTING THE EAST STATE STREET/ALPINE ROAD  
REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT**

and said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number, at my office as Legal Director and ex officio Keeper of the Records and Seal located in the City.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the City, this 11th day of September, 2006.

[SEAL]

  
\_\_\_\_\_  
LEGAL DIRECTOR AND EX OFFICIO  
KEEPER OF THE RECORDS AND SEAL

/gf

C.R. sub: \_\_\_\_\_ C.R. passed: \_\_\_\_\_ C.R. # \_\_\_\_\_

ORDINANCE NO. 2006- 151-0

**AN ORDINANCE ADOPTING THE EAST STATE STREET/ALPINE ROAD  
REDEVELOPMENT PLAN AND REDEVELOPMENT PROJECT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKFORD, ILLINOIS,  
that the East State Street/Alpine Road Redevelopment

WHEREAS, the City Council wishes to adopt the East State Street/Alpine Road Redevelopment Plan and Redevelopment Project (the "Plan") in order to adopt Tax Increment Financing pursuant to the Tax Increment Allocation Redevelopment Act (Ch. 65 Ill. Compiled Stat., para. 5/11-74.4-1 et seq.) ("The Act") for real property taxes in an eligible area; and

WHEREAS, pursuant to paragraph 5/11-74.4-5 of the Act, a public hearing was held relative to the East State Street/Alpine Road Redevelopment Plan on August 7, 2006 in Council Chambers, City Hall, Rockford, Illinois; and

WHEREAS, due notice of this public hearing was given to taxing districts, property tax payers within the proposed Area, and other "interested parties" pursuant to the Act; and

WHEREAS, the East State Street/Alpine Road Redevelopment Plan set forth the factors constituting the need for conservation in the proposed redevelopment area, and the City Council has reviewed testimony concerning such need presented at the public hearing and has reviewed other studies and is generally informed of the conditions in the proposed East State Street/Alpine Road Redevelopment Project Area as said term "conservation" is used in the Act.

WHEREAS, the City Council has reviewed the conditions pertaining to lack of private investment in the proposed East State Street/Alpine Road Redevelopment Project Area to determine whether private development would take place in the proposed East State Street/Alpine Road Redevelopment Project Area as a whole without the adoption of the proposed East State Street/Alpine Road Redevelopment Plan.

WHEREAS, the City Council has reviewed the conditions pertaining to real property in the proposed East State Street/Alpine Road Redevelopment Project area to determine whether contiguous parcels of real property and improvements thereon in the proposed East State Street/Alpine Road Redevelopment Project Area would be substantially benefited by the proposed redevelopment project improvements.

WHEREAS, the City Council has reviewed its proposed East State Street/Alpine Road Redevelopment Plan and Comprehensive Plan for development of the municipality as a whole to determine whether the proposed East State Street/Alpine Road Redevelopment Plan conform to the Comprehensive Plan of the City;

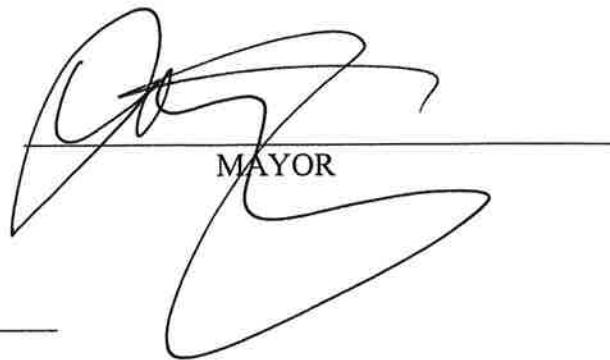
NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKFORD, ILLINOIS, THAT:

1. The City Council hereby makes the following findings:
  - a. The area constituting the proposed East State Street/Alpine Road Redevelopment Project Area in the City of Rockford, Illinois, is described on Exhibit A, attached hereto and made part hereof.
  - b. There exist conditions which cause the area proposed to be designated as a Redevelopment Project Area to be classified as a "conservation" as defined in Section 5/11-74.4-3(b) of the Act.
  - c. The proposed East State Street/Alpine Road Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the East State Street/Alpine Road Redevelopment Plan.
  - d. The North East State Street/Alpine Road Plan and East State Street/Alpine Road Redevelopment Project conforms to the Comprehensive Plan for the development of the municipality as a whole.
  - e. The parcels of real property in the proposed East State Street/Alpine Road Redevelopment Project Area are contiguous and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed improvement are included in the proposed East State Street/Alpine Road Redevelopment Project area.
  - f. The estimated date for final completion of the East State Street/Alpine Road Redevelopment Project is 2029, which is twenty-three (23) years from the effective date of ordinances adopting the East State Street/Alpine Road Redevelopment Project and designating East State Street/Alpine Road Redevelopment Area.
  - g. The estimated date for retirement of obligations incurred to finance the East State Street/Alpine Road Redevelopment Project costs shall be not later than 2029, which is twenty-three (23) years from the effective date of the ordinance adopting the East State Street/Alpine Road Redevelopment Plan and East State Street/Alpine Road Redevelopment Project and designating the East State Street/Alpine Road Redevelopment Area.
2. The East State Street/Alpine Road Redevelopment Plan and East State Street/Alpine Road Redevelopment Project which were the subject matter of the hearing held August 7, 2006, is hereby adopted and approved. A copy of the East State Street/Alpine Road Redevelopment Plan and East State Street/Alpine Road Redevelopment Project marked Exhibit "B" is attached to and made a part of this Ordinance.

All orders, resolutions, or ordinances in conflict herewith are hereby repealed insofar as such conflict exists, and this Ordinance shall take effect immediately upon its passage, approval, and publication, as required by law.

A full, true and complete copy of this Ordinance shall be published within ten (10) days after passage in pamphlet form by and under authority of the Corporate Authorities.

APPROVED:



MAYOR

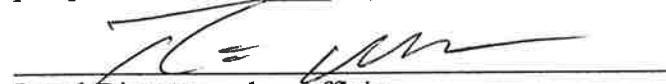
ATTESTED:



LEGAL DIRECTOR

PASSED: 9/5/06 APPROVED: 9/11/06 PUBLISHED: 9/11/06

ATTESTED and FILED in my office this 11th day of September, 2006 and published in pamphlet form this 11th day of September, 2006



Legal Director and ex officio  
Keeper of the Records and Seal

Published in pamphlet form this 11th day of September, 2006 by order of the City Council of the City of Rockford, Illinois.