

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 October, 2005, there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance No. **2005-195-0** 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 October, 2005.

[SEAL]



LEGAL DIRECTOR AND EX OFFICIO
KEEPER OF THE RECORDS AND SEAL

/gf

C.R. sub:

C.R. passed: _____

C.R. # _____

ORDINANCE NO. 2005-195-0

**AN ORDINANCE ADOPTING THE RIVER OAKS REDEVELOPMENT PLAN AND
PROJECT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKFORD, ILLINOIS,
that the River Oaks Redevelopment

WHEREAS, the City Council wishes to adopt the River Oaks 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 River Oaks Redevelopment Plan on September 19, 2005, at Trinity
Learning Center, 207 N. 1st Street, 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 River Oaks 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 River Oaks
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 River Oaks Redevelopment Project Area to determine
whether private development would take place in the River Oaks Redevelopment
Project Area as a whole without the adoption of the proposed River Oaks
Redevelopment Plan.

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

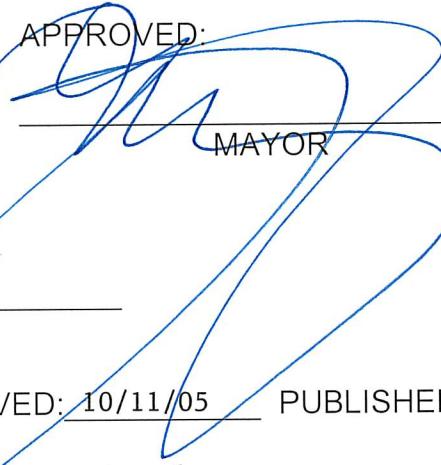
WHEREAS, the City Council has reviewed its River Oaks Redevelopment Plan and
Comprehensive Plan for development of the municipality as a whole to determine
whether the proposed River Oaks Redevelopment Plan conform to the Comprehensive
Plan of the City;

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 River Oaks 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 "blighted" area" as defined in Section 5/11-74.4-3(b) of the Act.
 - c. The proposed River Oaks 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 River Oaks Redevelopment Plan.
 - d. The North River Oaks Redevelopment Plan River Oaks Redevelopment Project conforms to the Comprehensive Plan for the development of the municipality as a whole.
 - e. The parcels of real property in the River Oaks 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 River Oaks Redevelopment Project area.
 - f. The estimated date for final completion of the River Oaks Redevelopment Project is 2028, which is twenty-three (23) years from the effective date of ordinances adopting the River Oaks Redevelopment Project and designating River Oaks Redevelopment Area.
 - g. The estimated date for retirement of obligations incurred to finance the River Oaks Redevelopment Project costs shall be not later than 2028, which is twenty-three (23) years from the effective date of the ordinance adopting the River Oaks Redevelopment Plan and River Oaks Redevelopment Project and designating River Oaks Redevelopment Area.
2. The River Oaks Redevelopment Plan and River Oaks Redevelopment Project which were the subject matter of the hearing held September 19, 2005, is hereby adopted and approved. A copy of the River Oaks Redevelopment Plan and River Oaks 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.

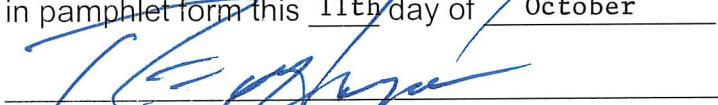
A full, true and complete copy of this Ordinance shall be published within ten (10) days after passage in pamphlet form by and under authority of the Corporate Authorities.

APPROVED: 
MAYOR

ATTESTED: 
LEGAL DIRECTOR

PASSED: 10/3/05 APPROVED: 10/11/05 PUBLISHED: 10/11/05

ATTESTED and FILED in my office this 11th day of October, and published in pamphlet form this 11th day of October, 2005


Legal Director and ex officio
Keeper of the Records and Seal

Published in pamphlet form this 11th day of October, 2005 by order of the City Council of the City of Rockford, Illinois.

EXHIBIT

B

**The
River Oaks Redevelopment Project Plan
of the
City of Rockford, Illinois**

**Prepared by the
Department of Community Development
September, 2005**

**THE
RIVER OAKS
REDEVELOPMENT PLAN
OF THE
CITY OF ROCKFORD, ILLINOIS**

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I. INTRODUCTION

The River Oaks Redevelopment Plan and Project (the "Plan and Project") has been prepared, pursuant to the Tax Increment Allocation Redevelopment Act, Illinois Compiled Statutes, Chapter 65, 5/11-74.4-1 (hereinafter referred to as the "Act"), as a guide for the development and revitalization of an area surrounding the former River Oaks. The River Oaks Redevelopment Project Area (the "RPA") is located in the southwestern quadrant of Rockford, Illinois north of US 20 and on the west side of the Rock River. The major road providing access to the site is South Main Street (IL Route 2), which fronts the project area both to the west and east. The boundaries for the RPA are generally described as follows:

In general on the north by Marchesano, east by the Rock River, south by 2430 South Main Street and to the west by South Main Street which includes the properties facing South Main (a map for the proposed RPA is attached as Appendix I).

The RPA includes the former, and recently demolished, River Oaks Retirement Home site, and the three parcels of land located immediately north of that site. The immediate neighborhood surrounding the RPA is a mixed-use area of commercial retail, single-family residential, and vacant land. Directly to the west is the La Rose Drive-In Market, and further to the south, also on the west side of South Main Street, is a Clark Gas Station/Convenience Store at its intersection with Pond Street. Continuing south toward US 20 is a mixture of vacant land and scattered single-family residential housing. Other commercial developments in the area include {Corey's Bluff}, River View Mobile Home Park, a Shell Gas Station/Convenience Store located at Prairie and South Main Streets south of the site, and the Blackhawk Fire Department. Directly to the north and south of the property are single-family residences and the Rock River.

Until recently demolished, the largest building on the site was the former River Oaks Retirement Home. Prior to being vacated, it was a full service rooming house in which the tenants rented month to month. It was occupied predominately by older retired tenants. This building was originally constructed as the Eastern Star & Masonic Home in 1920, providing housing for widows of housing for the Masonic Temple members. It was one of a chain of such homes built across the country. Checking the city directories for every five years to determine when changes occurred at this location, the name was shortened to simply the Eastern Star Home in 1940 and then changed again in 1950 to the Eastern Star Home for the Aged. This closed in 1978 but was quickly reopened in 1979 as the River Oaks Retirement Home. This is what it remained until it closed in 2001.

Thatcher Blake once occupied a former residence located in the northern portion of the proposed project area. Thatcher Blake was a co-founder of Rockford, along with Germanicus Kent. They were the first permanent Euro-American settlers to the area. Thatcher, his wife and adopted daughter apparently occupied the site in 1851 and until his death on October 8, 1880.

Reference to mounds in the Eastern Star Site located in the northeast corner of the proposed Tax Increment Financing (TIF) District were referenced in an article published by *Rockford Register Republic* on October 22, 1960. Peters and Wackman (University of Wisconsin-Milwaukee) scientifically investigated the site in 1972. They recorded one mound. Tests revealed negative results and no cultural material, human remains, or mounds were observed. A Phase I field investigation was completed on the site with negative results in March 2005. This site will NOT be impacted by the proposed TIF.

The RPA as a whole was first subdivided in 1872 as part of an Assessor's Plat of the entire section. The earliest development on anything other than South Main Street itself was on Pond Street where the Eight Oaks Subdivision was created in 1892, with two homes being listed there in the 1911 city directory. The earliest development to follow on any other street was on Ogilby Road (three homes listed in the 1920 directory) followed by Blackhawk Avenue (three homes in 1925). The latter occurred as part of the Blackhawk Subdivision recorded in 1917, and increased to eight homes in 1930. Based on city directory listings, most of the homes in this area have historically been occupied by working class individuals – janitors, machinists, and store clerks and, in at least two instances, men who worked at Camp Grant. The main exception to this was Park View Terrace where the three homes built in the '30s were occupied by managers and professionals. The homes on this secluded street probably hold the most historical significance based on their construction as an enclave in the 1930s and on their architecture.

Historically, the only non-residential development in the RPA occurred along South Main Street itself. While the 1913 Sanborn map does not extend as far south as the River Oaks site, it does show that the area to the north of it consisted primarily of vacant land and residential housing with a smattering of nonresidential structures such as the Forest City Dairy, S. Burpont's Greenhouse and Dr. Broughton's Sanitarium. The last was on the same site now occupied by the Corpus Christi Monastery and Poor Clare Convent. As early as the 1930s, development along South Main centered around the automobile with at least three service stations in 1935. The 1939 directory lists Jackson's Texaco Trailer Camp and filling station on the west side of South Main Street between Pond and Clifton, making it the first of four trailer camps that were ultimately opened along this stretch of South Main. The Eastern Star Home and the

homes along Park View Terrace were the only significant developments to occur between Main Street and the Rock River until the mid-1950s when additional trailer camps were opened at 2514 (the Shady Nook Trailer Camp) and at 2530 South Main (the Blackhawk Trailer Camp). The Clark Oil Super Station now located at 2439 South Main was originally on the east side of the street at 2630, making the move northward in the early '70s. By 1977, a third trailer camp was listed in the city directory on the east side of the roadway at 2710 South Main.

There is one important facility in the immediate vicinity that lies outside the RPA, just west of South Main Street – Klehm Arboretum. The 155-acre site that the arboretum sits on began as Rockford Nurseries in 1910 under the ownership of William Lincoln Taylor, a landscape architect. Many of the rare trees on the site are a result of experimental plantings by Mr. Taylor. The Klehm family bought the nursery in 1968, maintaining the land until 1985. They donated the land to the Winnebago County Forest Preserve District with the stipulation that it be maintained as an arboretum. Current plans call for modification of the intersection of South Main Street and Clifton Avenue to allow Klehm direct access to South Main Street.

Today, factors such as the increasing physical deterioration and functional obsolescence of buildings and sites within the River Oaks Redevelopment Project Area are evidence to the area's continued decline as a viable residential area.

The River Oaks Redevelopment Project Area and Plan are being created in connection with a proposed two-phase redevelopment of the now vacant land at the River Oaks building site. Phase I would consist of the construction of 63 for-sale condominium townhomes with a river walk path stretching along the west side of the development. In addition, the mobile home park to the west, one 2-family residential structure and one business (not currently included in the RPA) are proposed to be removed at some point in the future. This and a second phase will require either an amendment to this RPA or the creation of a new RPA in the future. The second phase is expected to include the construction of additional homes with public infrastructure improvements. Phase II is expected to require the removal of the mobile home park to the south of the River Oaks site.

The proposed developer has championed the cause to create market-rate residential opportunities in this South Main area. This followed a number of unsuccessful attempts by the Rockford Local Development Corporation over the last several years to find users for the River Oaks site. Because of the building's dilapidated condition and unique configuration, its presented limited options for reuse. Still, the steady traffic counts, the Rock River, as a scenic amenity, and surrounding neighborhood activity for

the area are deemed strong enough to support healthier residential activity. The proposed developer has proposed a redevelopment concept for the former River Oaks site that would not only bring new development into the area but would also be expected to stimulate further redevelopment and rehabilitation of existing occupied and vacant structures within the area.

In order to eliminate the potential blighting conditions as well as to create new and affordable residential opportunities for the southwest quadrant, the City has determined that a project to acquire, clear, and redevelop the former River Oaks property for a residential use development would be in the best interests of the community. The City believes that such a project can only be undertaken by the private sector with public sector assistance. In order to assist in such an effort the City has determined that it will use various powers granted to it under the Act.

The adoption of the River Oaks Redevelopment Project Area and Plan will allow the City to encourage private investments and neighborhood revitalization through a series of redevelopment projects, thereby stabilizing and expanding the tax base for all local taxing bodies.

The River Oaks Redevelopment Project Area has been found to be in part a blighted area" and in part a "conservation area" as defined by the Act. The Act states, "on and after November 1, 1999, "blighted area," means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality, based upon a finding that any five out of a total of thirteen factors as provided by the Act. A "conservation area" means 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 the presence of a combination of 3 or more certain factors would result in its being considered detrimental to the public safety, health, morals or welfare and such an area may become a blighted area. In the River Oaks Redevelopment Project Area, which has been found to contain findings for a combination as both a blighted area and a conservation area, the qualifying factors found in evidence (including certain factors in place prior to the demolition of the former River Oaks Retirement Center) included (but were not limited to): dilapidation; deleterious layout or land use; excessive land coverage and overcrowding; obsolescence; deterioration; lack of community planning; and 50% of the buildings in the RPA have an age of 35-years or more. A summary on the findings found for the RPA is contained within Appendix IV. The City considers it vital that the River Oaks Redevelopment Project Area be revitalized and strengthened to ensure that it will contribute to the economic, physical, and social well being of the Rockford community.

The River Oaks Redevelopment Project Area, on the whole, has not been subject to growth and development through investment by the private sector and would not reasonably be anticipated to be developed without the continued implementation of the Redevelopment Plan. Prior to demolition, the River Oaks Retirement home was functionally obsolescent by current standards for nursing homes/group homes; the cost of acquiring it and of building new housing on it makes it economically impossible to develop without the assistance of a Redevelopment Project Area. The high visibility of deteriorating properties in the area and on this main thoroughfare makes it a priority for City action if successful redevelopment activities are to have a chance to take place.

The Redevelopment Plan is designed to encourage, where feasible, the retention of those existing owner occupants and to stimulate private investment and redevelopment through public actions and commitments. It does not propose to substitute public investment for private investment. Rather, public investment will be used to leverage private investment as a means to transform the River Oaks Redevelopment Project Area into a stable environment that will meet the needs of the adjacent neighborhoods. The City, therefore, commits itself, in the adoption of the Plan, to the implementation of a comprehensive program for the redevelopment of the River Oaks Redevelopment Project Area.

The creation of the River Oaks Redevelopment Project Area is expected to have no meaningful fiscal impacts upon the other taxing districts. The fiscal impact to be caused via the revitalization efforts for the RPA is expected to be wholly carried by the City and the private sector. Also, even though the number of residential units are anticipated to increase within the area as a result of redevelopment activity, the nature and character of the type of units being considered are not expected to result in an increase of new school-aged children into the Rockford school district. Therefore, the potential increase in the number of residential units in the area is not anticipated to result in increased service demands upon the Rockford Public Schools, Rock Valley College, or the Rockford Public Library. No service demand impacts are anticipated for the Rockford Park District, Greater Rockford Airport Authority, Rock River Water Reclamation District, Winnebago County, and Winnebago County Forest Preserve. The other taxing districts may or may not be impacted by at least temporally not participating in the receipt of new tax revenues due to the anticipated incremental growth of equalized assessed values within the River Oaks Redevelopment Project Area; however, it should be noted that without the creation of the River Oaks Redevelopment Project Area to stop and reverse the economic and physical decline evident, the other taxing districts could continue to experience the stagnation or loss of existing tax revenues from this area. In view of the minimal impacts likely to result from the creation of the River Oaks Redevelopment

Project Area, the City of Rockford has determined that no programs to mitigate any impacts upon the other taxing districts will be required, but the City will allow for a contingency in its planned RPA budget to protect the taxing districts from such an eventuality.

To assure that the required public support is forthcoming, the City intends, pursuant to the Act, to create the River Oaks Redevelopment Plan and Project; to define a River Oaks Project Area on the southwest side of Rockford; and to finance the resulting redevelopment costs with proceeds derived from property tax increment revenues and other public resources if necessary. Tax increment financing must assume the lead role in providing a catalyst for private redevelopment by eliminating the adverse conditions that have precluded intensive private investment in the past. The River Oaks Redevelopment Plan and Project enable the City to partner with the private sector in a unified public-private redevelopment effort for the River Oaks Redevelopment Project Area.

The City of Rockford cannot implement this Redevelopment Plan, due to the magnitude of the public investment that is required, without the use of tax increment financing. The ultimate benefit of the Redevelopment Plan and Project will accrue to the City as a whole in the form of a significantly expanded tax base, improved selection of goods and services, and affordable housing and employment opportunities.

Summary

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

It is found and declared by the City that the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to said taxing districts. This is because those taxing districts whose jurisdictions include the Redevelopment

Project Area would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found and certified by the City, in connection to the process required for the adoption of this Plan and Project pursuant to 65 ILCS Section 5/11-74.4.3(n)(5) of the Act, that this Plan and Project will not result in the displacement of ten (10) or more inhabited residential units. Therefore, this Plan and Project does not include a housing impact study since none is required given this finding by the City.

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.

II. RIVER OAKS REDEVELOPMENT PROJECT AREA BOUNDARIES

(Refer to Map attached as Appendix I)

LEGAL DESCRIPTION

LEGAL DESCRIPTION FOR RIVER OAKS PROPOSED TIF AREA:

23xx S. Main St., 11-34-204-001

Part of Lot Twenty-five (25) as designated upon the Assessor's Plat of Sections 34 and 35, Township 44 North, Range 1 East of the 3rd Principal Meridian, bounded and described as follows, to-wit: Beginning at the intersection of the extended South line of Cole Avenue with the West bank of the Rock River; thence West along the extended South line of Cole Avenue to its intersection with the East line of South Main Street; thence North along the East line of South Main Street a distance of 100.0 feet; thence West, parallel with the extended South line of Cole Avenue, to the West bank of the Rock River; thence South along the West bank of the Rock River to the point of beginning; situated in the County of Winnebago and State of Illinois, and;

2318 S. Main Street, 11-34-204-002

Part of the West part of the Northeast fractional quarter of Section 34, Township 44 North, Range 1 East of the 3rd Principal Meridian, bounded and described as follows, to-wit: Beginning on the point of intersection of the Easterly line of South Main Street as now laid out and used, with the South line of Cole Avenue as designated upon the plat of Busky's Subdivision, extended Easterly to the Easterly line of South Main Street; thence Southwesterly along the Easterly line of South Main Street, 146.77 feet, more or less to the Southerly line of premises conveyed by Elizabeth A. Hawkes et al to Mary H. Ogilby by Warranty Deed dated June 16, 1897 and recorded in Book 181 of Deeds on page 273 in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the Southerly line of said premises so conveyed to Mary H. Ogilby as aforesaid to the Westerly bank of Rock River; thence Northerly along the Westerly bank of Rock River to the point of intersection of said River Bank with the South line of Cole Avenue as designated on the plat of Busky's Subdivision extended East to the Westerly bank of Rock River; thence West along the Southerly line of Cole Avenue so extended East to the place of beginning, excepting therefrom that portion deeded to the people of the State of Illinois, Department of Transportation by deed recorded on Microfilm No. 7810-1431 and described as follows: that part of Northeast fractional quarter of Section 34, Township 44 North, Range 1 East of the 3rd Principal Meridian, in Winnebago County, Illinois, described as follows: commencing at the Northeast corner of Lot One (1) of Hultberg & Camlin Subdivision; thence Easterly along the extension of the North line of Lot One (1) of said Hultberg & Camlin subdivision a distance of 85.87 feet to the point of beginning; thence Southwesterly along the arc of a curve to the right having a radius to 1, 153.92 feet, the tangent of which makes an angle of 100 degrees 35 minutes 14 seconds to the right of the prolongation of the last described course at the last described point a distance of 148.57 feet to a point on a line 990 feet due South of the North line of said Section 34; thence West along said line a distance of 7.00 feet, more or less, to the Easterly line of South Main Street; thence Northeasterly along the Easterly line of South Main Street a distance of 146.77 feet, more or less, to said extended North line of Lot 1 of Hultberg & Camlin subdivision; thence Easterly along said North line a distance of 17.48 feet, more or less, to the point of beginning, in Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois, and;

2324 S. Main St., 11-34-204-003

Part of the West part of the Northeast quarter of Section 34, Township 44 North Range 1 East of the 3rd Principal Meridian, bounded as follows, to-wit: Beginning on the Westerly bank of the Rock River, at a point 15 chains due South of the North line of said Section 34, thence West to the East line of South Main Street, thence Southerly along the East line of South Main Street 69.37 feet, thence Southeasterly 104 feet to a point on top of the bank of Rock River, distant 107.6 feet Southerly from the North boundary line of the premises hereby described, thence continuing Southeasterly in a straight line to the Westerly bank of Rock River, thence Northerly along the Westerly bank of the Rock River to the place of beginning; excepting therefrom the following described property, containing 337 square feet, more or less, which was conveyed by Norman M. Bergeson and Rena Bergeson to the people of the State of Illinois for highway purposes, by deed dated January 25, 1978, and recorded March 10, 1978, on Microfilm No. 78-06-0723: that part of the Northeast fractional quarter of Section 34, Township 44 North, Range 1 East of the 3rd Principal Meridian, in Winnebago County, Illinois, described as follows: commencing at the Northeast corner of Lot 1 Hultberg & Camlin subdivision; thence Easterly along the extension of the North line of said Lot 1, a distance of 85.87 feet; thence Southwesterly along the arc of a curve to the right, having a radius of 1,153.92 feet, the tangent of which makes an angle of 100 degrees, 35 minutes, 14 seconds, to the right of the prolongation of the last described course at the last described point, a distance of 148.57 feet to the point of beginning, said point being on a line 990 feet due South of the North line of said Section 34; thence continuing along said curve to the right, a distance of 72.58 feet to the Southerly line of the parcel conveyed by Julia B. Crane to Norman M. Bergeson and Rena Bergeson, as described in document No. 1181737 recorded March 1, 1968, in the County of Winnebago; thence Northwesterly along said Southerly property Line A distance of 3.52 feet, more or less, to the Easterly line of South Main Street; thence Northeasterly along the right of way line of Main Street, a distance of 69.37 feet to a point on a line 990 feet due South of the North line of said Section 34; thence East along said line a distance of 7.00 feet, more or less, to the point of beginning, containing 337 square feet, more or less; all situated in the County of Winnebago and State of Illinois, and more commonly known as 2324 South Main Street, Rockford, Illinois, and;

2400 S. Main St., 11-34-204-005

Part of the North Half (1/2) of Section Thirty-four (34), Township Forty-four (44), North, Range One (1) East of the Third (3rd) Principal Meridian, bounded and described as follows, to-wit: Commencing at the Northwest corner of Parkside Subdivision, the Plat of which Subdivision is recorded in Book 21 of Plats on page 121 in the Recorder's Office of Winnebago County, Illinois; thence North 37 degrees 48'10" East, along said centerline of South Main Street, 470.63 feet to the point of beginning for the following described tract, thence continuing North 37 degrees 48'10" East, along said centerline, 390.71 feet to a point of curve; thence Northeasterly, along said centerline and along a circular curve to the left having a radius of 1,352.86 feet and whose center lies to the Northwest, an arc distance of 155.13 feet (the chord across the last described circular curve course bears North 33 degrees 51'01" East, 155.27 feet); thence South 59 degrees 38'47" East, along the Southwesterly line of premises conveyed by Laforges to Oscar Eck by Deed dated October 2, 1906 and recorded in Book 233, page 74, extended Northwesterly and along said Southwesterly line, a distance of 129.46 feet to its intersection with the West bank of Rock River; thence South 03 degrees 42'49" West, along said West bank, 255.18 feet; thence south 13 degrees 13'53" West, along said West Bank 213.22 feet to its intersection with the Northeasterly line of premises

conveyed by Laforges to Grand Chapter of the Order of the Eastern Star by Warranty deed dated September 26, 1922 and recorded in Book 291, page 13; thence North 76 degrees 24'40" West, along the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Eastern star as aforesaid, 383.16 feet to the point of beginning, EXCEPTING THEREFROM that portion deeded to the People of the State of Illinois Department of Transportation by Warranty Deed recorded on Microfilm No. 7803-0006, situated in the County of Winnebago and State of Illinois.

Part of the North Half (1/2) of Section Thirty-four (34), Township Forty-four (44) North, Range 1 East of the 3rd Principal Meridian, bounded and described as follows, to-wit: Beginning at the Northwest corner of Parkside Subdivision, the Plat of which Subdivision is recorded in Book 21 of Plats on page 127 in the Recorder's Office of Winnebago County, Illinois; thence North 37 degrees 48'10" East, along the centerline of South Main Street, 470.63 feet to its intersection with the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Eastern Star by Warranty Deed dated September 26, 1922 and recorded in Book 291, page 113; thence South 76 degrees 24'40" East, along the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Easter Star as aforesaid, 383.16 feet to its intersection with the West bank of Rock River; thence South 03 degrees 57'07" West, along said West bank, 63.93 feet; thence South 17 degrees 57'14" West, along said West bank, 367.81 feet to its intersection with the Northeasterly line of premises conveyed by Laforges to Ellen Kling by Warranty Deed dated October 3, 1919 and recorded in Book 281, page 146 in said Recorder's office and the Northerly line of said Parkside Subdivision; thence North 76 degrees 21'18" West, along the Northeasterly line of premises conveyed by Laforges to Ellen Kling aforesaid and along the Northerly line of said Parkside Subdivision, 558.90 feet to the point of beginning, EXCEPTING THEREFROM that portion deeded to the People of the State of Illinois Department of Transportation by Warranty Deed recorded on Microfilm No. 7803-0006; situated in the County of Winnebago and State of Illinois.

III. GOALS AND OBJECTIVES OF THE RIVER OAKS REDEVELOPMENT PLAN

1. Create and preserve an environment within the River Oaks Redevelopment Project Area, which will protect the health, safety, and general welfare of the City.
2. Reduce, remove and alleviate detrimental conditions; check decline and deterioration; to prevent the River Oaks Redevelopment Project Area from becoming subject to potential blighting conditions through rehabilitation, adaptive reuse or elimination of substandard and obsolescent buildings which presently detract from the functional unity, aesthetic appearance and economic welfare of this Area; and establish the means to prevent recurrence of such conditions.
3. Enhance and strengthen the economic well-being within the River Oaks Redevelopment Project Area by encouraging private investment and reinvestment, through public financing vehicles, to increase business activity, create new housing and job opportunities, and enhance and restore the tax base of taxing districts extending into the Area.
4. Address the need for economic feasibility, cost efficiency, and economies of scale in development through encouraging coordinated development of functionally and aesthetically integrated projects through prudent appropriate acquisition and assemblage of parcels and structures for rehabilitation, adaptive reuse or clearance.
5. Encourage common management in development projects, which may provide cost efficient maintenance, utilities, and other annual costs; and may also provide coordinated marketing techniques and strategies.
6. Improve appearance of buildings, right-of-ways, and open space, and encourage high standards of design to create an attractive environment, compatible with efficiency of operation and economic relationships.
7. Emphasize and preserve unique features within the River Oaks Redevelopment Project Area to distinguish it from other areas within the City.
8. Establish and maintain adequate and safe vehicular and pedestrian circulation, including street construction, street resurfacing, curbs, gutters, street lighting, signage, and plantings, and adequate off-street parking in locations easily accessible for patrons residents.

IV. COMPREHENSIVE PROGRAM FOR REDEVELOPMENT OF THE RIVER OAKS REDEVELOPMENT PROJECT AREA

A. Redevelopment Project Activities - The following redevelopment project activities shall be implemented to reduce or eliminate those adverse conditions, the existence of which qualified the River Oaks Redevelopment Project Area as a "conservation area". The activities may include, without limitation, the following:

1. Planning and Professional Services - Studies and surveys, plans and specifications; professional services including, but not limited to, architectural, engineering, legal, marketing, financial, appraisal, planning or special services.
2. Acquisition - Property assembly, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land. The City may pay 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.

Properties may be acquired by the City of Rockford and either (1) be sold or leased for private rehabilitation or redevelopment, or, (2) cleared of all improvements and sold or leased for private redevelopment, or, (3) sold, leased or dedicated for construction of public works or improvements. If the City of Rockford makes a determination that certain other properties should be acquired or that certain properties should not be acquired, it may, by resolution, change the acquisition schedule without the necessity of amending this plan.

3. Rehabilitation - Rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures. Rehabilitation programs to improve the physical conditions and appearances of single family and multi-family homes as well as other buildings in the River Oaks Redevelopment Project Area may be made available for a length of time and dollar amount specified by the Rockford City Council. All existing commercial buildings in the project area will be eligible. High standards of design will be encouraged.

The Rockford City Council may go out for proposals for the rehabilitation or redevelopment of any City-owned property in the project area. The City may also choose to participate on a case-by-case basis in the rehabilitation of other properties in

the River Oaks Redevelopment Project Area if determined necessary by the Rockford City Council.

4. Construction – Construction of affordable new single-family homes. The Rockford City Council may go out for proposals for the redevelopment of any City-owned property in the project area. The Rockford City Council may participate in the construction of new single-family homes for low- and moderate-income homebuyers in furtherance of this Plan. The City may also choose to participate on a case-by-case basis in the construction of other properties in the RPA if determined necessary by the Rockford City Council.
5. Public Improvements - Construction of public works or improvements may include, but is not limited to a detention pond for the River Walk Development proposed at the former River Oaks site, street construction, street resurfacing, development and installation of speed and traffic control devices and/or off-street parking lots, new sidewalks, new curbs and gutters, lighting, neighborhood entries, parks and landscaping.
6. Issuance of Obligations - The City may issue obligations to provide for redevelopment project costs. The City may allocate funds from either the issuance of such obligations or the River Oaks Special Tax Allocation Fund to pay 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 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 18 months thereafter, and including reasonable reserves related thereto.
7. Agreements with Other Taxing Districts - The City, to the extent the City by written agreement accepts and approves, may pay all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan. Additionally, under this provision the City may make certain payments to the Rockford School District should any redevelopment project result in increased student population that is new to the district, in the manner prescribed by the Act.
8. Payment In Lieu Of Taxes - The City, to the extent the City by written agreement accepts and approves, may make payment in lieu of taxes to all of the taxing districts to

compensate for temporary decreases in the current equalized assessed value of property within the redevelopment project area from the time of adoption of tax increment financing until the current equalized assessed value exceeds the total initial equalized assessed value of property in the project area.

9. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the proposed developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to the Act then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund; and
 - d) the total of such interest payments paid pursuant to this Act may not exceed 30% of the (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act.
10. Job Training and Retraining Projects - The City may provide for the costs of job training and retraining projects, including the cost of programs implemented by businesses located within the River Oaks Redevelopment Project Area.
11. Redevelopment Project Agreements - Subject to receipt and acceptance of satisfactory project proposals pursuant to Section VI of this plan, the City may acquire or may facilitate the acquisition of properties within the River Oaks Redevelopment Project Area for resale or lease to private developers, development corporations, or other bodies politic.

IV. B. Redevelopment Project Financing

1. Estimated Redevelopment Project Costs - A summary of estimated redevelopment project costs is shown in Table I. "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 this redevelopment plan and redevelopment project. Such costs include, without limitation, the costs for any and all of the redevelopment project activities described in Section IV. A. of this plan.

The City is not subject to or liable for such cost unless the City determines by Ordinance that said cost should be incurred and paid. Table I shows the estimated total project costs to be incurred. The foregoing cost estimates may not take into account the rate of inflation to be experienced during implementation of the redevelopment project and plan. Cost estimates may be increased by the actual rate of inflation pertaining to the nature of the cost to be incurred. The estimate for total project costs, taking into account specific rates of inflation in reference to particular costs to be incurred, is intended to impose a ceiling on total redevelopment project cost. It is also intended, however, that the City may make, by resolution of City Council, adjustments in line categories of cost estimates or establish new categories permitted by the Tax Increment Allocation Redevelopment Act without the necessity of plan amendment.

TABLE I.**RIVER OAKS REDEVELOPMENT PROJECT AREA****Summary of Estimated Redevelopment Project Costs**

	Estimated Total
	Project Costs
	<u>2005-2028 (A)</u>
1. Planning & Professional Expenses	\$ 350,000
2. Acquisition & Related Expenses	\$1,500,000
3. Rehabilitation & Construction	\$ 150,000
4. Public Improvements	\$1,200,000
5. Commercial	\$ 50,000
5. Costs for Issuance of Obligations	\$ 75,000
6. Agreements with Other Taxing Districts	\$ 125,000
7. Interest Costs Pursuant to Act	\$ 100,000
8. Job Training and Retraining	<u>\$ 50,000</u>
TOTAL	\$3,600,000

(A) All project cost estimates are in year 2005 dollars. In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the total amount of payment for eligible Redevelopment Project Costs shall not exceed the amount set forth above, as adjusted pursuant to the Act. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

Pursuant to the TIF Act, the City may utilize net incremental property tax revenues received from other contiguous redevelopment project areas to pay eligible redevelopment project costs, or obligations issued to pay such costs, in these contiguous redevelopment project areas, and vice versa.

2. The Sources of Funds to Pay Redevelopment Project Costs - Four principal sources of funds may be utilized to pay redevelopment project costs. These are: (1) income from the sale or lease of properties to be rehabilitated or redeveloped; (2) real estate tax increment revenues; (3) revenues from federal programs available to the City of Rockford; and (4) other sources of revenue including taxes levied and collected on any and all property in the City of Rockford.

There may be other sources of revenue that the City determines are appropriate to allocate the payment of redevelopment project costs. Funds received from these sources will be deposited in a River Oaks Tax Allocation Fund to pay redevelopment project costs or to retire obligations issued to pay redevelopment project costs. The sources of funds to pay redevelopment project costs are described below.

- a. Property Disposition Proceeds Estimates - Proceeds from the sale or lease of publicly-owned or publicly-acquired properties in the project area may be allocated to the River Oaks Tax Allocation Fund to pay redevelopment project costs or to retire obligations issued to pay redevelopment project costs. However, the disposition of such properties may involve the sale or lease of said properties for less than the fair market value.
- b. Real Estate Tax Increment Revenues - The term "real estate tax increment revenues" as used in this plan refers to those tax revenues resulting from the application of the Act, Section 11-74.4-8(b), to real property in the River Oaks Redevelopment Project Area.

(1) The Equalized Assessed Valuation of the Redevelopment

Project Area. The tax year 2004 equalized assessed value of real estate within the River Oaks Redevelopment Project Area amounted to \$98,704. A summary by blocks of the equalized assessed value in the project area is in Appendix VII.

(2) Anticipated Equalized Assessed Value Upon Completion of the Redevelopment Project. The anticipated Equalized Assessed Value upon completion of the Redevelopment Project is estimated to be \$5.5 million.

- c. Federal Program Funds - The City of Rockford may allocate resources from federal programs it receives or which it may receive. This may include Community Development Block Grant (CDBG) and HOME or American Dream Down payment Initiative (ADDI) funds to assist in the City's efforts to fund redevelopment project costs for the River Oaks Redevelopment Project Area.

d. Other Sources of Revenue - The City may, in addition to obligations secured by the River Oaks Tax Allocation Fund, which is the sum of the allocations from the three revenue sources described above, pledge toward payment of said obligations any part of any combination of the following:

- (1) Net revenues of all or part of any redevelopment project;
- (2) Taxes levied and collected on any or all property in the City;
- (3) The full faith and credit of the City;
- (4) A mortgage on part or all of the redevelopment project; or
- (5) Any other taxes or anticipated receipts that the City may lawfully pledge.

3. Nature and Term of Obligations to be Issued - Without excluding other methods of municipal financing, a source of funding will be obligations secured by the River Oaks Tax Allocation Fund. Such obligations shall have a term not to exceed twenty (20) years. Such obligations may be issued in one or more series. The City may, in addition to obligations secured by the River Oaks Tax Allocation Fund, pledge for a period not greater than the term of said obligations toward payment of said obligations any part of any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the City; (c) the full faith and credit of the City; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the City may lawfully pledge.

V. GENERAL LAND USES TO APPLY IN THE RIVER OAKS REDEVELOPMENT PROJECT AREA

Land uses that currently exist are shown in the map attached as Appendix II and attached as Appendix III is a map that identifies a general land use plan to be effective with the adoption of this plan. This redevelopment plan is consistent with the Year 2020 Plan, the official plan of the City of Rockford. This plan identifies the planned areas as a Residential Area. The following section identifies the major types of land uses that are planned for each of these areas:

A. Residential Area

The River Oaks site is intended to provide a high-quality living environment that will offer new construction rental units and for-sale condominiums units to attract a wide range of income levels.

Residential uses are planned for all of this area. This area includes single-family and multifamily dwellings. Accessory uses include off-street parking. Any future residential development should correspond to the appropriate residential district of the City of Rockford Zoning Ordinance.

B. Other

There is one lot with minor improvements on the extreme north of the RPA. It is expected that this lot will remain as is, but could be combined with adjacent property in the future for residential-related uses.

VI. PROJECT PROPOSALS

The City has authority to negotiate directly with any public or non-profit institutions or private developers for redevelopment of parcels of land and rehabilitation of the buildings to be acquired, as soon as reasonably possible. The sale or lease price of each parcel or building will be subject to negotiation. Proposals should be submitted to the Department of Community Development.

A. Developer's Requirements - Developers will be required by contractual agreement to observe the land-use and building requirements of this redevelopment plan. The contract and the disposition documents will set forth in detail the provisions, standards, and criteria for achieving the objectives and requirements of the redevelopment plan. The City of Rockford will select developers on the basis of their proposals, a determination of the developer's ability to carry out such proposals, and the conformance of the proposals to the redevelopment plan. This may be through fixed-price offerings, through negotiation where the plan objectives are determining factors, or by other means which, in the determination of the City of Rockford, will best assure the attainment of the objectives of the redevelopment plan.

No conveyance, lease, mortgage, disposition of land or other property or agreement, relative to the development of the property shall be made except upon the adoption of an ordinance by the City Council of the City of Rockford. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without making public disclosure of all the terms of such disposition or agreement, and all bids and proposals made in response to the City's request.

Disposition documents will provide for achieving the unified development and maintenance of common areas, service access, walks, utilities, and driveways. The reversionary rights to all existing public right-

of-ways that ultimately may be vacated and that are adjacent to project acquired property may be retained by the City of Rockford in order to assure adequate control over the development and use of such areas.

Developers will not be permitted to defer the start of construction for a period longer than that required for the preparation of architectural plans, the securing of satisfactory financing, and the review and approval of such plans by the City of Rockford in order to establish their conformance with the provisions of the plan and the disposition documents. In addition, the following provisions will be included in the agreement:

1. That the proposed developers will submit to the City of Rockford a plan and a construction schedule for the proposed development.
2. That the purchase of the real property is for the purpose of redevelopment and not for speculation.
3. That the real property will be built upon, improved or rehabilitated in conformity with the objectives and the provisions of the redevelopment plan.
4. That the building of improvements will be commenced and completed within a reasonable time.
5. That the proposed developers, their successor or assigns, agree that there will be no discrimination against any person or group of persons on account of race, sex, creed, color, national origin, marital status, ancestry, or cognitive or physical condition in the sale, lease, sublease, transfer, use, occupancy tenure, or enjoyment of the premises therein conveyed, nor will the proposed developers themselves, or any claiming under or through them, establish or permit such practices of discrimination of segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sublesses, or vendees in the premises therein conveyed.

B. Items Developers Should Include In Proposal

1. Description of Property, including
 - a. Location
 - b. Size
 - c. Characteristics

- d. Access to Property
- e. Utilities
- f. Zoning

2. Project Concept

- a. Nature of Project
- b. Size and Description
- c. Market - type, strength
- d. Timing
- e. Management and Leasing
 - (1) Personnel
 - (2) Experience

3. Design Concept

4. Documented Land Control, where applicable

- a. Types
- b. Outstanding Obligations
- c. Copy of Document for Verification

5. Developer Profile

- a. Overall Experience
- b. Previous Projects
 - (1) Name
 - (2) Location
 - (3) Size
 - (4) Nature of Project
- c. References
- d. Business Financial Statements
- e. Personal Financial Statements

6. Development ProForma Outline

1.0 Cost of Development

- 1.1 Acquisition
- 1.2 Cost of Construction
- 1.3 Fees

- A. Architectural & Engineering
- B. Legal
- C. Surveys
- D. Permits and Inspections
- E. Leasing Commission
- F. Construction Management
- G. Developer's Fee

- 1.4 Construction Financing Interest
- 1.5 Contingency
- 1.6 Total Cost

- 2.0 Financing
 - 2.1 Total Cost of Development
 - 2.2 Conventional Financing
 - 2.3 Equity

- 3.0 Annual Cash Flow Analysis
 - 3.1 Gross Annual Revenue
 - A. Gross Leasable Building Area
 - B. Net Leasable Area
 - C. Annual Rent
 - D. Annual Income
 - E. Vacancy Factor
 - F. Gross Annual Revenue
 - 3.2 Net Income Before Debt Service
 - A. Gross Annual Revenue
 - B. Annual Expenses
 - 1. Management
 - 2. Maintenance
 - 3. Taxes
 - 4. Utilities
 - 5. Insurance
 - C. Net Income Before Debt Service

- 3.3 Annual Debt Service (ADS)
- 3.4 Cash Flow Before Taxes
- 3.5 Return On Investment
- 3.6 Return On Investment After Taxes

VII. CONFLICT OF INTEREST PROVISIONS

In addition to the State of Illinois Compiled Statutes pertaining to the disclosure of economic interests by municipal officials, 5 ILCS 420/4A-101 et seq., the Act (65 ILCS 5/11-74.4(n)) provides that:

If any member of the corporate authority, a member of a commission established pursuant to this Act, or an employee or consultant of the municipality involved in the planning and preparation of a redevelopment plan or project for a redevelopment area or proposed redevelopment area, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the date and terms and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the corporate authorities and entered upon the minute books of the corporate authorities. If an individual holds such an interest then that individual shall refrain from any further official involvement in regard to such redevelopment plan, project or area, from voting on any matter pertaining to such redevelopment plan, project or area, or communicating with other members concerning any matter pertaining to said redevelopment plan, project or area. Furthermore, no such member or employee shall acquire of any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan, project or area, or (b) first public notice of such plan, project or area, whichever occurs first.

Pursuant to the above-cited Statute, the City has requested compliance from such individuals potentially so affected by the conflict of interest provisions.

VIII. TERMINATION DATE

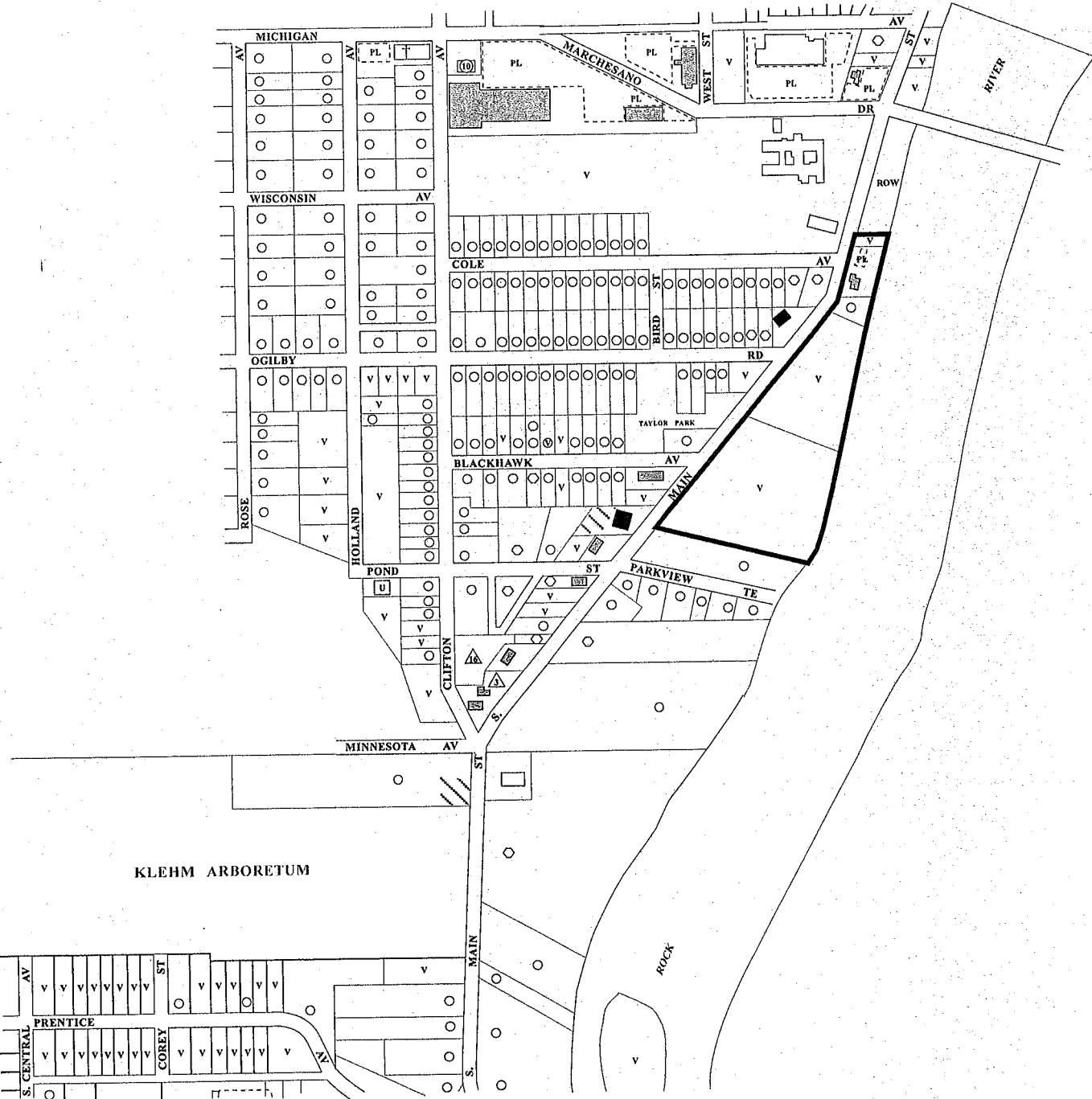
This Redevelopment Plan and Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the River Oaks Redevelopment Project Area. The actual date for the termination of the Plan and Project and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

IX. FAIR EMPLOYMENT AND AFFIRMATIVE ACTION PLAN COMMITMENT

The City of Rockford hereby commits itself to compliance with the provisions of Section 4, Equal Employment Opportunity, of the City of Rockford's Personnel Rules and Regulations, as adopted by City Council on March 13, 1989 and amended on November 25, 1991.

APPENDIX I
RIVER OAKS REDEVELOPMENT PROJECT AREA MAP

APPENDIX II
EXISTING LAND USES MAP

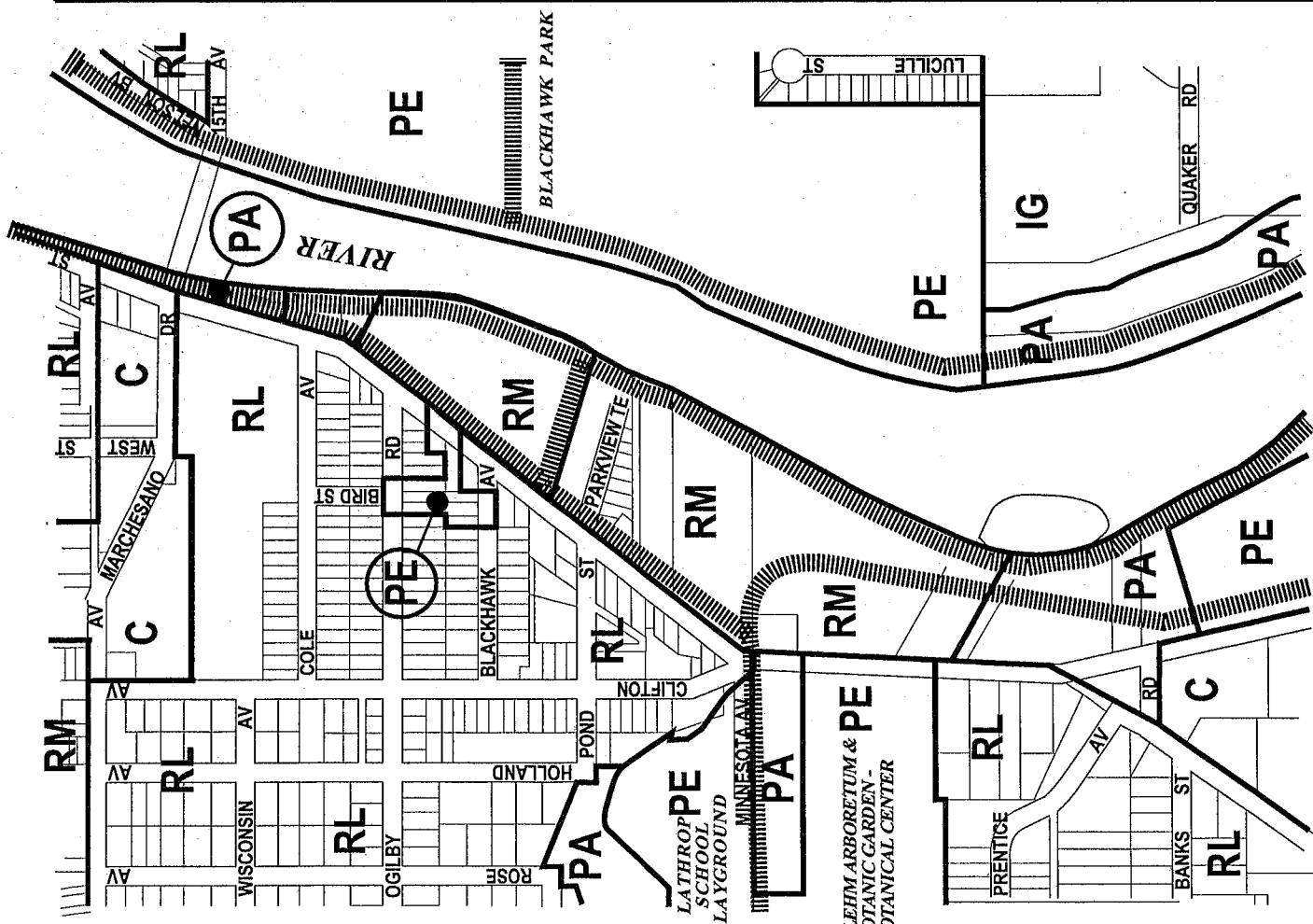
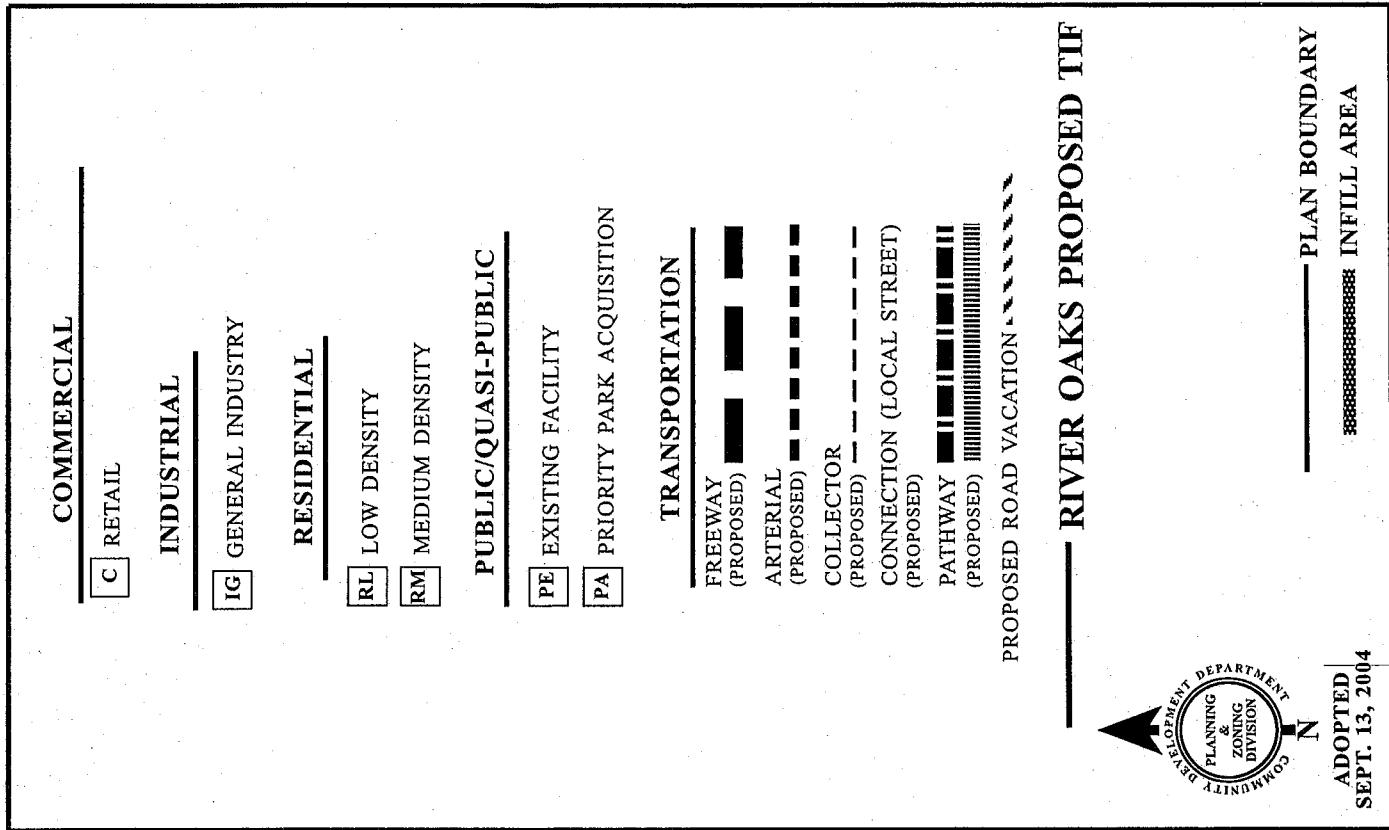


EXISTING LAND USE

PROPOSED RIVER OAKS TIF BOUNDARY

RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PUBLIC & SEMI PUBLIC	OTHER
○ SINGLE FAMILY	□	●	† CHURCH	MOBILE HOME PARK
◇ TWO FAMILY			PARK PARK	AG AGRICULTURE
■ MULTI-FAMILY (NUMBER INDICATES DWELLING UNITS)			SCHOOL SCHOOL	V VACANT
△ MOBILE HOME			SEMI PUBLIC	PL PARKING LOT
			† CEMETERY	U UTILITIES
				LAST LAND USE DATA UPDATE 1995
				LAST BASE MAP UPDATE 1995
				OUTSIDE STORAGE

APPENDIX III
2020 (FUTURE) LAND USES MAP



APPENDIX IV

River Oaks Redevelopment Project Area

Eligibility Report Summary

Introduction and Background

In compliance with Tax Increment Allocation Redevelopment Act, Chapter 65, Illinois Compiled Statutes (the “Act”), 5/11-74.4-1, et. seq, the City of Rockford (the “City”) hereby presents an Eligibility Report Summary for the proposed redevelopment of the River Oaks Redevelopment Project Area (the “RPA”).

The Act sets out specific procedures that must be adhered to in designating a redevelopment project area. By definition, a “Redevelopment Project Area” is:

“an area designated by the municipality, which is not less in the aggregate than 1 ½ 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 area and conservation area.”

The proposed RPA is comprised of a combination of vacant and improved land that is generally described as follows:

In general on the north at a point just south of Marchesano, east by the Rock River, south by 2430 South Main Street and to the west by South Main Street which includes the properties facing South Main.

A boundary map and legal description for the RPA is provided within the River Oaks Redevelopment Plan and Project to which this summary is attached as an appendix.

The City of Rockford (the "City") has determined that the former River Oaks Retirement Home facility ("River Oaks Site"), which was recently demolished and which makes up the majority of the proposed RPA, qualifies as a "blighted area" under the criteria set forth in the Act:

The Act states "on and after November 1, 1999, "blighted area," means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

(1) If improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) 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;" (65 ILCS 5/11-74.4-3(b).

- A) Dilapidation - Dilapidation refers to an "an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed".
- B) Obsolescence - Obsolescence refers to "the condition or process of falling into disuse. Structures have become ill-suited for the original use".
- C) Deterioration - Buildings: "With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia". Surface Improvements: "With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces".
- D) Presence of Structures Below Minimum Code Standards - Presence of Structures Below Minimum Code Standards refers to "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 - Illegal Use of Individual Structures refers to "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 - Excessive Vacancies refers to “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 - Lack of Ventilation, Light, or Sanitary Facilities refers to “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 or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building”.
- H) Inadequate Utilities - Inadequate Utilities refers to “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 - Excessive Land Coverage and Overcrowding of Structures and Community Facilities refers to “the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: 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 the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service”.
- J) Deleterious Land-Use or Layout - Deleterious Land Use or Layout refers to “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”.

K) Environmental Clean-up - Environmental Clean-up refers to "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, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area".

L) Lack of Community Planning - Lack of Community Planning refers to "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) Decline of Equalized Assessed Value of the Proposed Redevelopment Project Area 3 of the last 5 Calendar Years - "The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available".

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) **Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner**

compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

- (B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
- (C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
- (D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
- (E) The area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- (F) The total equalized assessed value 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 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 (5) calendar years prior to the year in which the redevelopment project area is designated.

(3) If vacant, the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains (included in part):

- (A) The area consists of one or more unused quarries, mines or strip mine ponds.
- (B) The area consists of unused railyards, rail tracks or railroad rights-of-way.
- (C) The area, prior to its designation, is subject to chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
- (D) The area consists of an unused or illegal disposal site containing earth, stone, building debris or similar materials that were removed from construction, demolition, excavation or dredge sites.
- (E) Prior to the effective date of this amendatory Act of the 91st General Assembly, the area is not less than fifty (50) nor more than one hundred (100) acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within five (5) years prior to the designation of the redevelopment

project area), and the area meets at least one of the factors itemized in paragraph one (1) of this subsection, the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982 and the area has not been developed for that designated purpose.

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

Additionally, the City has determined that the existing three tax parcels (or the "Improved Parcels") that contain three (3) structures (including a detached garage), and which are located immediately adjacent to River Oaks Site and that constitute the furthermost northern portion of the proposed RPA, qualifies as a "conservation area" within the meaning of the criteria set forth in the Act:

The Act defines a "conservation area" as follows:

"Conservation area" means 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 may be considered as a "conservation 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 and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence

deterioration, including, but 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 one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light

and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

(J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.

(K) 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.

(L) 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, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(M) The total equalized assessed value 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.

The City has determined that the land described herein-and in the Redevelopment Plan and Project that the RPA meets the eligible requirements for designation in part as a

"blighted area" and in part as a "conservation area" pursuant to the Act. More specifically, it has been determined by, methods that include but are not limited to, site surveys and visits, boundary maps, Rockford Township data and Winnebago County data that portion of the proposed RPA made up of the River Oaks Site, as a whole, was deemed vacant land and was found to have evidenced at least eight (8) qualification factors, or four (4) more than the total of five (5) qualification factors required, in support of a finding as a "blighted improved area", as stated in the Act, immediately prior to that site becoming vacant. Additionally, it qualified for such status because there has not been substantial private investment in the immediately surrounding area.

Also, that portion of the proposed RPA that remain as the Improved Parcels, consisting of the three tax parcels located immediately north of the River Oaks Site, have been found, as a whole, to evidence conditions that support their designation as a "conservation area." Such designation is justified by the presence of structures that exceed thirty-five (35) years and age, and the presence of at least three (3) additional factors required under this designation.

The City reserves the right to make additional findings in connection with this report prior to the City's adoption of the TIF District. Thus, the report is subject to additional revisions to the extent that such revisions are allowable prior to any action by the City to designate the RPA (as permitted in the manner cited within the Act).

City Determination of Need for RPA Designation and Summary of Area Findings

The City has determined a need to conduct an analysis of the potential qualification and designation of a Tax Increment Finance (TIF) District for approximately eight (8) acres of properties located in the proposed River Oaks RPA. The City is pursuing the TIF designation as part of its overall strategy to promote the revitalization of primarily older residential and redevelopment of existing commercial properties.

The City has expressed two major motivations in pursuing this potential TIF District. The first is to promote redevelopment of the River Oaks Site to include the construction and occupancy of new residential townhome properties. The second is to put the City in the position to assist current and future owners of the existing residential structures, located within the RPA, to upgrade to and to maintain in good condition those structures, or failing that, to allow developers and/or owners of future opportunities to redevelop those properties for new land uses acceptable to the City.

Overall, the River Oaks Site has experienced a decreased Equalized Assessed Valuation ("EAV") of over 66% from 1999-2004. At the same time, the EAV for the Improved Parcels have lagged behind that for the City as a whole for at least three

out of the last five years. Over the years, the RPA, as well as certain areas adjacent to the RPA, has also been subject to significant economic and physical decline. This, in large part, can be attributed to study and substantial decline of the River Oaks site, but also is a function of the advanced age and economic depreciation of the area as a whole.

The City's major hope to trigger successful redevelopment of the area is based on the need to redevelop the vacant River Oaks Site for use a new residential townhomes development. The River Oaks facility itself had been vacant since 2001. However, prior to its demolition in early 2005, the property was characterized by numerous factors that indicate blight as defined in the Act. These factors include dilapidation, deterioration, economical and functional obsolescence, failure under minimum code standards, illegal use of the structure for residential purposes, lack of ventilation, light, or sanitary facilities, deleterious land use and layout, and excessive vacancies. The combination of these and other factors, including a hope to promote the site's redevelopment, directly led to the decision by the property's current owner, the Rockford Local Development Corporation (the "RLDC"), to allow the demolition of the former River Oaks facility.

The City is concerned that without the potential of public incentives that there is little chance for redevelopment of the site through private sector initiatives alone. Since the demolition of the River Oaks facility in January and February of 2005 occurred prior to the City establishing a TIF, the City has made the finding that the River Oaks property was subject to "blighting" conditions prior to its demolition. The City is also concerned that the negative influence of the River Oaks Site has had an adverse affect on the adjacent Improved Parcels and had determined that the inclusion of that property in the proposed TIF District is the only way to offer assistance to current and future property owners to reverse such negative impact. The City has furthered determined that but-for the establishment of a TIF District, the redevelopment of the entire RPA (including the Improved Parcels) through private investment would not occur without public assistance.

To encourage private investment in the RPA, the City began its analysis in November 2004 to determine if the area would qualify for TIF designation under the Act. By establishing a TIF District, the City could utilize powers under the Act to induce economic revitalization for both the River Oaks Site and the Improved Parcels located within the RPA. As a result, during a period from November 2004 through March 2005 the City has conducted several site visits to the RPA to aid in the preparation of this report. Field surveys and other data collected by City staff have been utilized to test the likelihood of the RPA qualifying for TIF designation under the Act, as herein defined.

Based upon the analysis completed for the RPA, the City has reached the following conclusions and observations regarding the potential TIF qualification in the RPA:

- 1) The City has concluded that the area as a whole qualifies as a RPA in part as a "blighted area" and in part as a "conservation area" under the TIF Act.
- 1) The City has concluded that the one tax parcel that is connected to the River Oaks Site qualifies as a "blighted area" under the TIF Act. This parcel is deemed to evidence sufficient factors that meet the conditions of the criteria pursuant to the Act (that is, prior to becoming a vacant parcel the pre-existing facilities evidenced no less than the required five of the thirteen factors required by the TIF Act). Furthermore, the blighted condition of the property served as a detriment to the overall healthy economic and physical infrastructure development of the Rockford community.
- 2) The City has concluded that the three tax parcels that are located immediately north of the River Oaks Site qualify as a "conservation area" under the TIF Act. These parcels have been adversely impacted by their proximity to the River Oaks Site. In addition, the parcels exhibit their own evidence of deteriorated site improvements, obsolescence (by virtue of their advanced ages and uses that extend beyond their original useful lives), excessive land coverage and overcrowding of structures, as well as lack of community planning. These parcels are not yet blighted but are in danger of becoming so without proactive efforts on the part of the community to prevent their potential fall into blight.
- 3) The existence of the qualifying conditions found within the RPA presents a serious barrier to the RPA's successful redevelopment. This is because the factors that have created these conditions also negatively impact coordinated and significant private sector investment to promote such redevelopment. It has become apparent to the City that without its active involvement in planning for the RPA, and use of economic development resources in eliminating the blighting factors, there exists little or no incentive for private sector investment. The City has concluded that without the use of public incentives to induce such private sector investment, the desired redevelopment for the RPA is not economically feasible.
- 4) The City believes that there are sufficient reasons to expect that the redevelopment of the RPA has the potential to produce incremental property tax revenue in amounts sufficient to help it stimulate private sector investment and/or reinvestment for the area.
- 5) To eliminate the potential blighting conditions (thereby promoting the economic viability of the entire RPA), and to promote private sector investment and redevelopment efforts, the City has decided to proceed with the formal TIF designation process for the entire RPA.

Statutory Findings by City Pursuant to the Act

The following is a summary of relevant qualification findings required under the Act:

- 1) The area is contiguous and is greater than 1 and 1/2 acres in size.
- 2) The area can be categorized as a combination of a "blighted area" and a "conservation area." Factors necessary to make these findings are present to a meaningful extent and are reasonably distributed throughout the RPA.
- 3) All property in the area would benefit by any redevelopment project improvements.
- 4) The sound growth of the taxing districts that are applicable to this area, including the City of Rockford, has been impaired by the factors found to be present in the area.
- 5) The area as a whole would not be subject to redevelopment without the establishment of an RPA, and investment of public funds, including property tax increments.

Blighted Area Qualification Factors Found within the RPA

As noted, the River Oaks Site is found to be "blighted vacant" parcel within the meaning of the TIF Act. Under this standard, the site qualified as a "blighted improved" area immediately prior to becoming vacant in early 2005. The following is an evaluation and statement of findings on the presence of certain factors, as defined herein, for the River Oaks Site due to its location within RPA.

1. Dilapidation:

Dilapidation refers to an "an advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed".

Prior to its demolition, the River Oaks facility was in an advanced state of disrepair. For example, the condition of the roof was in dilapidated condition and in need of replacement as of 2000. It was in 2000 that a portion of the roof actually failed with the collapse of a ceiling into a hallway and occupied rooming area. No effective repairs were ever made to the roof after this event due to excessive costs and a lack of funding to cover those costs. The poor condition of the roof was so advanced that after sustained attempts (and failures) to locate grant funds to replace the roof the owners of the facility was eventually forced to accept foreclosure of the facility by 2001. At that point the RLDC, which had help the operators of the then adult living center to purchase the facility in 1999, took over ownership of the structure. The RLDC reports that the dilapidated condition of the roof was a key contributor to its failures to find new ownership to acquire, renovate and operate the facility residential use. Contributing to the problem was not only the high cost for roof replacement (and other building components), but the advanced age and physical layout of the structure also made it both functionally and economically obsolete for reuse. By 2004, the RLDC abandoned efforts to seek buyers interested in renovating and reusing the existing structure and began to market the site itself for new development. Then in early 2005, working with a potential developer for the site, the RLDC permitted the River Oaks facility to be demolished thereby rendering the site as vacant land.

2. Obsolescence:

Obsolescence refers to "the condition or process of falling into disuse. Structures have become ill-suited for the original use".

Prior to its demolition, the River Oaks facility had fallen into disuse and had become both functionally and economically obsolescent. The last time the building functioned as a residential use was in 2001. The reason that the facility was vacated for that use was that by that time it had fallen into such an advanced state of deterioration that it could no longer be operated for human habitation. The most direct cause of this was roof component failures, but other factors also contributed to both the facility's functional and economic obsolescence. The RLDC reports that it and perspective buyers commissioned several construction experts to examine the facility for potential reuse. The consensus was that renovation of the 1920's facility for its former or new residential use was not feasible due in part to its obsolete layout and in part to the excessive costs for its recovery. For example, one reason the facility could not function in its previous use was that it was defined by a series of narrow hallways and corridors that could not be modified to meet modern ADA and other building and safety codes. Additionally, attempting to modify the facility for an alternative use such as a condominium or apartment building would be cost prohibitive due to a need to totally overhaul the 1920's structure so that it could meet today's market demand for such uses. There was no consensus that a conversion of this sort was possible given the layout and nature of the facility, or if it could be done that such a conversion would be cost effective. Given these reports, the RLDC was ultimately unable to find a buyer for the old facility and it was concluded that the site had higher value as a vacant development site.

3. Deterioration:

Buildings:

“With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia”.

Surface Improvements:

“With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces”.

City and RLDC records revealed evidence of deterioration of buildings and/or site improvements connected to both the River Oaks facility itself and to its site improvements. Photographic documentation demonstrates extensive evidence of deteriorated conditions throughout the proposed RPA that can be generally described by the following characteristics:

- ◆ Defects to window and door frame components;
- Failing eaves and fascia elements;
- Defects to building gutters and downspouts;
- Cracked and damaged concrete steps and porches
- Damaged curbs and gutter, cracked asphalt paving, and potholes in lots and/or right-of-ways
- Severe surface cracking of extensive areas of pavement;
- Cracked concrete driveway areas;
- Crumbling areas of sub-base gravel areas;
- Areas of loose paving materials;
- Presence of pot holes and other depressions;
- Weed growth protruding through cracked pavement areas.

These characteristics seemed to have evolved over an extended period of time as evidenced by the advanced age of the structure and adjacent improvements, and by lack of the ongoing investments required to keep up with the relatively high level of maintenance demanded by an older, decaying facilities.

4. Presence of Structures Below Minimum Code Standards:

“All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.”

After actual and ongoing threats of fire, the City’s Fire Department was extremely concerned about the vacant River Oaks facility’s extremely poor status below minimum fire and other City-related codes. The Fire Department in particular was concerned that unauthorized access to the structure was too easy and that the deteriorating conditions associated with the facility was too conducive to fire threats and possible loss of life.

5. Illegal Use of Individual Structures:

“The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards to property, but not including housing and property maintenance codes.”

After its vacation in 2001, unauthorized access and residency in the River Oaks facility was contrary City law. Yet, the RLDC reports that there was repeated evidence of individuals seeking unlawful shelter in the facility. Additionally, evidence was found to indicate that individuals were using the facility as a location to promote drug use and

other illicit activities. Over time, the RLDC became so concerned about the illegal use of the structure, as well as other adverse conditions, as a legal liability threat that it actively agreed to the removal of the facility.

6. Lack of Ventilation, Light, or Sanitary Facilities:

Lack of Ventilation, Light, or Sanitary Facilities refers to: "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".

After the River Oaks facility was vacated in 2001, all ventilation, water and sanitary facilities were disconnected. This had the effect of making the facility unfit for human habitation. Yet, the RLDC reported numerous incidents that pointed to individuals using the existing building for human shelter. The presence of individuals attempting to live in the building created unsafe and unsanitary conditions that the RLDC and the City continue to fight until the demolition and removal of the River Oaks facility in early 2005.

7. Deleterious Land Use and Layout

Deleterious Land Use and Lay is defined as: "The existence of incompatible land use relationships, buildings occupied by inappropriate mixed-uses, or uses unsuitable for the surrounding area."

Prior to its vacation and demolition, the River Oaks facility had evolved into a condition that made it unsuitable for the surrounding area. The facility became a magnet for illicit uses, a proven fire hazard and target for numerous thefts and burglaries. Abuses associated with the property was the cause of repeated subpoenas being issued on the RLDC in a role in which it was forced to defend the facility from trespassers and criminal thefts. The facility became a growing threat to the safety and well-being of the area as a whole and that threat was only removed with the demolition of the structure in early 2005.

8. Excessive Vacancies:

Excessive Vacancies refers to “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”.

As previously noted, the River Oaks facility was vacated in 2001 and remained vacant until its demolition in early 2005. After its vacancy the facility became a major target to vandalism and theft. Between the time of its vacancy and demolition in early 2005, the RLDC reports that every single window in the facility had been broken and that the facility had been a frequent target for fire arson. Additionally, thefts had resulted in the stripping of the facility of its key interior components. The attraction of these elements, combined with the subsequent illegal use of the property as shelter, rendered the vacant building as an adverse influence on the surrounding neighborhood.

Conservation Area Qualification Factors Found within the Proposed RPA

The following is an evaluation and statement of findings on the presence of certain factors, as defined herein, for the Improved Parcels located within proposed RPA.

1. Age:

Based upon data collected from the Rockford Township Assessor's Office, it has been determined that all three (3) structures located within the improved area of the RPA were of an age in excess of 35-years or older. The earliest was originally constructed in 1900, and the most recent in 1930.

OTHER CONSERVATION AREA FACTORS (MUST INCLUDE THREE OR MORE) ADDITIONAL FACTORS)

2. Obsolescence:

Obsolescence refers to "the condition or process of falling into disuse. Structures have become ill-suited for the original use". (65 ILCS 5/11-74.4-3(b)(2).

The maximum useful life of a typical residential structure is considered to be 70 years of age. By this determination, all of the existing structures located within the proposed RPA are in excess of 70-years of age and are, therefore, beyond their original useful life, with all of the structures falling within an actual age range between 75 to over 100 years of age. This places these structures in a category of being in an ongoing condition or process of falling into disuse. This continuing process has only been delayed through ongoing rehabilitative efforts by the building owners over the years. In spite of these efforts, however, the age of the structures and the limitation of the sites that they are located on place them in a state of obsolescence due to outmoded designs, dated construction and undersized, non-existent set backs, and/or irregular lot sizes.

The economic obsolescence of these structures has only been mitigated by a series of grandfathered governmental building, zoning and environmental regulations since the application of modern laws, standards and regulations would render them too costly to maintain and kept suitable for occupancy. In addition to obsolescence that is a consequent of advanced age, at least one of the structures has long been converted to uses that are ill-suited for their original use. This is because these older structures were originally designed and constructed for either single-family or two-family use. However, of this structure has been modified to function as residential property of a higher density. Such conversions tend to be motivated by economic factors because of the difficulty and cost that is associated with operating the structures for a less dense residential use versus the income that is achieved by occupancy as multi-family units.

This problem is only aggravated by the presence of negative other RPA influences connected to conditions such as dilapidating and deteriorating structures and site improvements. Prominent in this respect was the long-term presence of the deteriorated and vacant River Oaks facility. The poor condition and high profile of that property was a major detriment to the area and as such is a primary target for redevelopment by the City and the RLDC.

3. **Deterioration:**

Buildings:

“With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia”. (65 ILCS 5/11-74.4-3(b)(3).

Surface Improvements:

“With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces”. (65 ILCS 5/11-74.4-3(b)(3).

All three (3) Improved Parcels reveal evidence of deterioration of site improvements. Photographic documentation demonstrates this evidence of deteriorated conditions that can be generally described by the following characteristics:

- Severe surface cracking of extensive areas of pavement;
- Buckled and caved in areas of asphalt;
- Cracked driveway areas;
- Crumbling areas of sub-base gravel areas;
- Areas of loose paving materials;
- Presence of pot holes and other depressions;
- Weed growth protruding through cracked pavement areas.

These characteristics seemed to have evolved over an extended period of time as evidenced by the advanced age of the structures in the area, and by lack of the ongoing investments required to keep up with the relatively high level of maintenance demanded by older neighborhoods and infrastructure.

4. Excessive Land Coverage and Overcrowding of Structures and Community Facilities:

Excessive Land Coverage and Overcrowding of Structures and Community Facilities refer to “the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: 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 the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking, or inadequate provision for loading and service”. (65 ILCS 5/11-74.4-3(b)(9).

The area exhibits that one of the three Improved Parcels operates as a multi-family dwelling; therefore, creating a relatively high ratio of buildings sq. ft to total lot size. Parking associated with the property seems limited and it appears that safe automobile egress and ingress for that parcel is only safely achieved via utilization with the separate (and apparently separately own) parcel located to the immediate north. The proposed developer selected by the RLDC for the River Oaks site indicates that existing single-family use, located immediately north of the River Oaks site, has encroached upon that site as part of that residential lot's preferred configuration. Additionally, the structure appears to have limited setback against the Rock River, which abuts the property on the east. Given the volume of traffic along South Main Street, which abuts all lots on the west, the limited lot setbacks and relatively poor access points create a concern for adequate access to the public right-of-way.

5. Lack of Community Planning:

Lack of Community Planning refers to “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". (65 ILCS 5/11-74.4-3(b)(11).

The City's first comprehensive plan was adopted decades after the proposed RPA was developed as one of the City's earliest neighborhood. As a result, the proposed RPA developed without the benefit or guidance of an effective community plan, and in actuality developed at a time prior to such plans gaining a popular following by American communities. Original platting for the area extends back to 1892, with no substantial updates to the platting for land in the area since that time. The result of this is most evident in improper subdivision of parcels that were permitted to become developed, along the riverfront, in inadequate shapes and sizes compared to modern development standards. This problem has been compounded by the evolution of one of the residential structures from single-family or two-family use up to a multi-family use on a parcel not well suited for more intense use. It is believed that this use has forced the users of that property to inappropriately utilize an adjacent parcel to alleviate the adverse conditions caused by the higher use.

6. Lag in Equalized Assessed Valuation (EAV) Growth

Declining or Lagging Equalized Assessed Valuation means: "The total equalized assessed value 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."

The following findings are made in connection to this factor:

The EAV of the Improved Parcels has grown at a rate slower than the balance of the City for three (3) of the last five (5) calendar years.

Percent	Improved Parcels		Percent	Balance of	
	Year	EAV	Change	Village EAV(1)	Change
	2004	\$ 26,283	5.63%	\$1,716,834,142	1.25%
	2003	\$24,882	24.54%	\$1,695,655,598	4.31%
	2002	\$ 19,979	3.31%	\$1,625,648,080	3.40%

2001	\$ 19,338	-0.66%	\$1,572,260,348	5.55%
2000	\$ 19,466	0.00%	\$1,489,587,154	2.90%
1999	\$ 19,466	--	\$1,447,631,729	--

(1) Less: Improved Parcels EAV.

APPENDIX V

HOUSING IMPACT STUDY DETERMINATION

In compliance with 65 ILCS 5/11-74.4-3(n)(j)(5), the City of Rockford hereby presents its determination regarding the need to prepare a Housing Impact Study:

65 ILCS 5/11-74.4-3 (n)(j)(5) - Housing Impact Study requirements

On and after November 1, 1999, if the redevelopment plan will not result in displacement of residents from inhabited units, and the municipality certifies in the plan that displacement will not result from the plan, a housing impact study need not be performed. If, however, the redevelopment plan would result in the displacement of residents from 10 or more inhabited residential units, or if the redevelopment project area contains 75 or more inhabited residential units and no certification is made, then the municipality shall prepare, as part of the separate feasibility report required by subsection (a) of Section 11-74.4-5, a housing impact study.

Based upon visual inspection of the Redevelopment Project Area and verification using the most recent City Directory listing, the City of Rockford has identified a total of only four (4) potential inhabited residential units within the proposed Redevelopment Project Area. Although the proposed Redevelopment Plan and Project may in the future call for the acquisition and demolition of such residential units, as well as the relocation of the tenants in conformance with the requirements set forth in the Act, such impact will be to fewer than 10 inhabited residential units. **The City hereby determines that a Housing Impact Study is not required as part of the River Oaks Redevelopment Plan Project.**

Appendix VII

2004 Equalized Assessed Values of RPA

PIN	2004 EAV
11-34-204-001	0
11-34-204-005	72,421
11-34-204-003	11,239
11-34-204-002	15,044
TOTAL	98,704

Appendix VI

RIVER OAKS REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

LEGAL DESCRIPTION

LEGAL DESCRIPTION FOR RIVER OAKS PROPOSED TIF AREA:

23xx S. Main St., 11-34-204-001

Part of Lot Twenty-five (25) as designated upon the Assessor's Plat of Sections 34 and 35, Township 44 North, Range 1 East of the 3rd Principal Meridian, bounded and described as follows, to-wit: Beginning at the intersection of the extended South line of Cole Avenue with the West bank of the Rock River; thence West along the extended South line of Cole Avenue to its intersection with the East line of South Main Street; thence North along the East line of South Main Street a distance of 100.0 feet; thence West, parallel with the extended South line of Cole Avenue, to the West bank of the Rock River; thence South along the West bank of the Rock River to the point of beginning; situated in the County of Winnebago and State of Illinois, and;

2318 S. Main Street, 11-34-204-002

Part of the West part of the Northeast fractional quarter of Section 34, Township 44 North, Range 1 East of the 3rd Principal Meridian, bounded and described as follows, to-wit: Beginning on the point of intersection of the Easterly line of South Main Street as now laid out and used, with the South line of Cole Avenue as designated upon the plat of Busky's Subdivision, extended Easterly to the Easterly line of South Main Street; thence Southwesterly along the Easterly line of South Main Street, 146.77 feet, more or less to the Southerly line of premises conveyed by Elizabeth A. Hawkes et al to Mary H. Ogilby by Warranty Deed dated June 16, 1897 and recorded in Book 181 of Deeds on page 273 in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the Southerly line of said premises so conveyed to Mary H. Ogilby as aforesaid to the Westerly bank of Rock River; thence Northerly along the Westerly bank of Rock River to the point of intersection of said River Bank with the South line of Cole Avenue as designated on the plat of Busky's Subdivision extended East to the Westerly bank of Rock River; thence West along the Southerly line of Cole Avenue so extended East to the place of beginning, excepting therefrom that portion deeded to the people of the State of Illinois, Department of Transportation by deed recorded on Microfilm No. 7810-1431 and described as follows: that part of Northeast fractional quarter of Section 34, Township 44 North, Range 1 East of the 3rd Principal Meridian, in Winnebago County, Illinois, described as follows: commencing at the Northeast corner of Lot One (1) of Hultberg & Camlin Subdivision; thence Easterly along the extension of the North line of Lot One (1) of said Hultberg & Camlin subdivision a distance of 85.87 feet to the point of beginning; thence Southwesterly along the arc of a curve to the right having a radius to 1,

153.92 feet, the tangent of which makes an angle of 100 degrees 35 minutes 14 seconds to the right of the prolongation of the last described course at the last described point a distance of 148.57 feet to a point on a line 990 feet due South of the North line of said Section 34; thence West along said line a distance of 7.00 feet, more or less, to the Easterly line of South Main Street; thence Northeasterly along the Easterly line of South Main Street a distance of 146.77 feet, more or less, to said extended North line of Lot 1 of Hultberg & Camlin subdivision; thence Easterly along said North line a distance of 17.48 feet, more or less, to the point of beginning, in Winnebago County, Illinois; situated in the County of Winnebago and State of Illinois, and;

2324 S. Main St., 11-34-204-003

Part of the West part of the Northeast quarter of Section 34, Township 44 North Range 1 East of the 3rd Principal Meridian, bounded as follows, to-wit: Beginning on the Westerly bank of the Rock River, at a point 15 chains due South of the North line of said Section 34, thence West to the East line of South Main Street, thence Southerly along the East line of South Main Street 69.37 feet, thence Southeasterly 104 feet to a point on top of the bank of Rock River, distant 107.6 feet Southerly from the North boundary line of the premises hereby described, thence continuing Southeasterly in a straight line to the Westerly bank of Rock River, thence Northerly along the Westerly bank of the Rock River to the place of beginning; excepting therefrom the following described property, containing 337 square feet, more or less, which was conveyed by Norman M. Bergeson and Rena Bergeson to the people of the State of Illinois for highway purposes, by deed dated January 25, 1978, and recorded March 10, 1978, on Microfilm No. 78-06-0723: that part of the Northeast fractional quarter of Section 34, Township 44 North, Range 1 East of the 3rd Principal Meridian, in Winnebago County, Illinois, described as follows: commencing at the Northeast corner of Lot 1 Hultberg & Camlin subdivision; thence Easterly along the extension of the North line of said Lot 1, a distance of 85.87 feet; thence Southwesterly along the arc of a curve to the right, having a radius of 1,153.92 feet, the tangent of which makes an angle of 100 degrees, 35 minutes, 14 seconds, to the right of the prolongation of the last described course at the last described point, a distance of 148.57 feet to the point of beginning, said point being on a line 990 feet due South of the North line of said Section 34; thence continuing along said curve to the right, a distance of 72.58 feet to the Southerly line of the parcel conveyed by Julia B. Crane to Norman M. Bergeson and Rena Bergeson, as described in document No. 1181737 recorded March 1, 1968, in the County of Winnebago; thence Northwesterly along said Southerly property Line A distance of 3.52 feet, more or less, to the Easterly line of South Main Street; thence Northeasterly along the right of way line of Main Street, a distance of 69.37 feet to a point on a line 990 feet due South of the North line of said Section 34; thence East along said line a distance of 7.00 feet, more or less, to the point of beginning, containing 337 square feet, more or less; all situated in the County of Winnebago and State of Illinois, and more commonly known as 2324 South Main Street, Rockford, Illinois, and;

2400 S. Main St., 11-34-204-005

Part of the North Half (1/2) of Section Thirty-four (34), Township Forty-four (44), North, Range One (1) East of the Third (3rd) Principal Meridian, bounded and described as follows, to-wit: Commencing at the Northwest corner of Parkside Subdivision, the Plat of which Subdivision is recorded in Book 21 of Plats on page 121 in the Recorder's Office of Winnebago County, Illinois; thence North 37 degrees 48'10" East, along said centerline of South Main Street, 470.63 feet to the point of beginning for the following described tract, thence continuing North 37 degrees 48'10" East, along said centerline, 390.71 feet to a point of curve; thence Northeasterly, along said centerline and along a circular curve to the left having a radius of 1,352.86 feet and whose center lies to the Northwest, an arc distance of 155.13 feet (the chord across the last described circular curve course bears North 33 degrees 51'01" East, 155.27 feet); thence South 59 degrees 38'47" East, along the Southwesterly line of premises conveyed by Laforges to Oscar Eck by Deed dated October 2, 1906 and recorded in Book 233, page 74, extended Northwesterly and along said Southwesterly line, a distance of 129.46 feet to its intersection with the West bank of Rock River; thence South 03 degrees 42'49" West, along said West bank, 255.18 feet; thence south 13 degrees 13'53" West, along said West Bank 213.22 feet to its intersection with the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Eastern Star by Warranty deed dated September 26, 1922 and recorded in Book 291, page 13; thence North 76 degrees 24'40" West, along the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Eastern star as aforesaid, 383.16 feet to the point of beginning, EXCEPTING THEREFROM that portion deeded to the People of the State of Illinois Department of Transportation by Warranty Deed recorded on Microfilm No. 7803-0006, situated in the County of Winnebago and State of Illinois.

Part of the North Half (1/2) of Section Thirty-four (34), Township Forty-four (44) North, Range 1 East of the 3rd Principal Meridian, bounded and described as follows, to-wit: Beginning at the Northwest corner of Parkside Subdivision, the Plat of which Subdivision is recorded in Book 21 of Plats on page 127 in the Recorder's Office of Winnebago County, Illinois; thence North 37 degrees 48'10" East, along the centerline of South Main Street, 470.63 feet to its intersection with the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Eastern Star by Warranty Deed dated September 26, 1922 and recorded in Book 291, page 113; thence South 76 degrees 24'40" East, along the Northeasterly line of premises conveyed by Laforges to Grand Chapter of the Order of the Easter Star as aforesaid, 383.16 feet to its intersection with the West bank of Rock River; thence South 03 degrees 57'07" West, along said West bank, 63.93 feet; thence South 17 degrees 57'14" West, along said West bank, 367.81 feet to its intersection with the Northeasterly line of premises conveyed by Laforges to Ellen Kling by Warranty Deed dated October 3, 1919 and recorded in Book 281, page 146 in said Recorder's office and the Northerly line of said Parkside Subdivision; thence North 76 degrees 21'18" West, along the Northeasterly line of premises conveyed by Laforges to Ellen Kling aforesaid and along the Northerly line of said Parkside Subdivision, 558.90 feet to the point of beginning, EXCEPTING THEREFROM that portion deeded to the People of the State of Illinois Department of Transportation by Warranty Deed recorded on Microfilm No. 7803-0006; situated in the County of Winnebago and State of Illinois.

