

Main/Whitman Redevelopment Project Area
Tax Increment Financing District
Eligibility Study, Redevelopment Plan and Project

City of Rockford

July 17, 2008

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1. Executive Summary

In February 2008, *S. B. Friedman & Company* was engaged by the City of Rockford (the “City”) to conduct a Tax Increment Financing Eligibility Study and prepare a Redevelopment Plan and Project (the “Redevelopment Plan”). This report details the eligibility factors found within the Main/Whitman Redevelopment Project Area (the “Main/Whitman RPA” or “Study Area”) Tax Increment Financing (“TIF”) District in support of its designation as a “conservation area” within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the “Act”). This report also contains the Redevelopment Plan and Project for the Main/Whitman RPA.

The Main/Whitman RPA consists of two (2) tax parcels and two (2) buildings located less than one mile north of downtown Rockford. The site covers approximately 2.12 acres and lies on the east side of the intersection of North Main and Whitman streets, including the right-of-way (Whitman Street) between the two parcels. The RPA is located wholly within the City of Rockford.

Determination of Eligibility

This report concludes that the Main/Whitman RPA is eligible for TIF designation as a “conservation area” because 50 percent or more of the structures in the area are 35 years old or older, and because the following three eligibility factors for improved land have been found to be present to a major extent:

- Deterioration;
- Obsolescence; and
- Lack of Growth in EAV.

Redevelopment Plan Goals, Objectives, and Strategies

Goal. The overall goal of the Redevelopment Plan is to reduce or eliminate conditions that qualify the Main/Whitman RPA as a conservation area. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Five (5) broad objectives support the overall goal of area-wide revitalization of the Main/Whitman RPA. These include:

1. Strengthen the Main/Whitman RPA as a residential district by providing resources for the rehabilitation of existing residential structures that will add to the variety and quality of housing in the Churchill’s Grove neighborhood;
2. Improve traffic flow, safety, and area access within the RPA by providing street improvements (possibly including conversion of Main Street to a two-way street), traffic signals, coordinated curb-cuts, signage, landscaping, and pedestrian amenities such as

sidewalks and crosswalks where needed;

3. Expand public access to the Rock River by providing riverfront access for bicycles and pedestrians on the west side of the river, with particular emphasis placed on connections to the adjacent museum campus;
4. Support the goals and objectives of other overlapping plans, including the City's *Consolidated Plan for Housing and Community Development*, *Rockford's 2020 Plan: Entering the 21st Century*, the *River District Framework Plan*, and the *Mayor's Downtown Task Force Recommendations*; and
5. Provide opportunities for locally owned, woman-owned, and minority-owned businesses to share in the job and construction opportunities associated with the redevelopment of the Main/Whitman RPA.

Strategies. These objectives will be implemented through three specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the Main/Whitman RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement, and not replace, existing funding sources for public improvements in the RPA.

These improvements may include improvement or development of curbs, sidewalks, corresponding lighting, and other streetscaping elements; public rights-of-way and alleyways; underground water and sewer infrastructure; parks or open space, including along the riverfront; and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

2. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

3. **Facilitate Property Assembly, as Necessary.** To meet the goals of this Redevelopment

Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program, or other programs, and may be for the purpose of (a) sale, lease, or conveyance to private developers or (b) sale, lease, conveyance, or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its powers to acquire real property, including the exercise of the power of eminent domain, in implementing this Redevelopment Plan and Project, the City will comply with all applicable state and local regulations governing the execution of such acquisitions. This includes the Illinois Eminent Domain Act (SB 3086), which became effective January 1, 2007. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the city may be provided with relocation advisory and/or financial assistance as determined by the City.

Required Findings

The required conditions for the adoption of a Redevelopment Plan and Project are found to be present within the Study Area.

First, the City is required to evaluate whether or not the Study Area has been subject to growth through private investment and must substantiate a finding of lack of such investment prior to establishing a TIF district.

Taken as a whole, the Study Area has not been subject to widespread growth and development through investment by private enterprise. The growth of equalized assessed valuation ("EAV"), which is the value of property from which property taxes are based in the Study Area, has been negative for two of the previous five years and has grown at a rate less than that of the balance of the City for three out of the previous five years (2002 through 2007). Overall, the compound annual growth rate of EAV for the Study Area was 4.6 percent between 2002 and 2007. In comparison, the compound annual growth rate of EAV was 4.8 percent for the balance of the City of Rockford over the same period of time.

Second, the City is required to find that, but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the Study Area.

Without the support of public resources, the Redevelopment Plan Goals and Objectives for the Study Area would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the Study Area as a healthy residential district are extensive and costly, and the private market on its own has shown little ability to absorb all of these costs. Public resources to assist with public infrastructure improvements and

project-specific development costs are needed to leverage private investment and facilitate area-wide redevelopment. TIF funds can be used to fund both infrastructure improvements and building rehabilitation. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area- and City-wide redevelopment, are unlikely to occur.

Finally, the Study Area includes only those contiguous parcels of real property that are expected to benefit substantially from the proposed improvements.

2. Introduction

The Study Area

This document serves as the eligibility study (“Eligibility Study”) and Redevelopment Plan for the Main/Whitman RPA. The Main/Whitman RPA is located in central Rockford, less than one mile north of downtown. In February 2008, *S. B. Friedman & Company* was engaged by the City to conduct a study of certain properties in this area to determine whether the area containing these properties would qualify for status as a “blighted area” and/or “conservation area” under the Act.

The community context of the Main/Whitman RPA is detailed on Map 1.

The Main/Whitman RPA consists of two (2) tax parcels with two (2) buildings. The Main/Whitman RPA generally includes the two parcels on the east side of the intersection of North Main and Whitman streets and the public rights-of-way between and immediately adjacent to the two parcels. The Study Area is approximately 2.12 acres in size, and is composed entirely of residential uses.

Map 2 details the boundary of the Main/Whitman RPA which includes only those contiguous parcels of real property that are expected to benefit substantially from the Redevelopment Plan improvements discussed herein. The boundaries encompass a residential area that, as a whole, suffers from a lack of investment that has led to deterioration of buildings and associated infrastructure, obsolescence of existing structures, and a lack of growth in property values. Without a comprehensive approach to address these issues, the Main/Whitman RPA could continue its decline, thereby discouraging future development opportunities. The Redevelopment Plan addresses these issues by providing resources for rehabilitation and improvements to the area’s infrastructure and public facilities, and for the assemblage of land as needed to achieve the goal and objectives of the Redevelopment Plan.

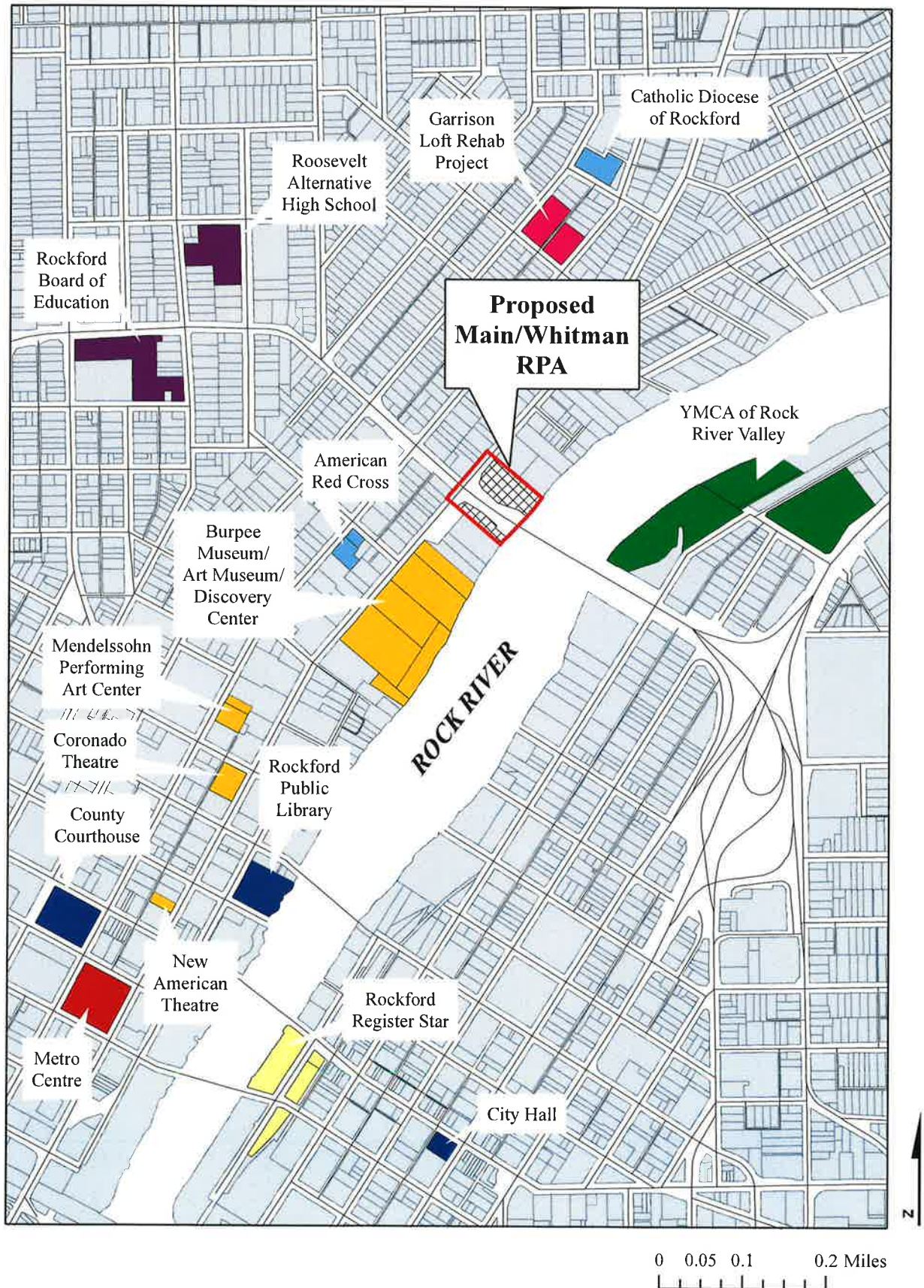
Appendix 1 contains the legal description of the Main/Whitman RPA.

The Eligibility Study covers events and conditions that existed and that were determined to support the designation of the Main/Whitman RPA as a “conservation area” under the Act at the completion of our research on March 12, 2008, and not thereafter. Events or conditions, such as governmental actions and additional developments occurring after that date, are excluded from the analysis.

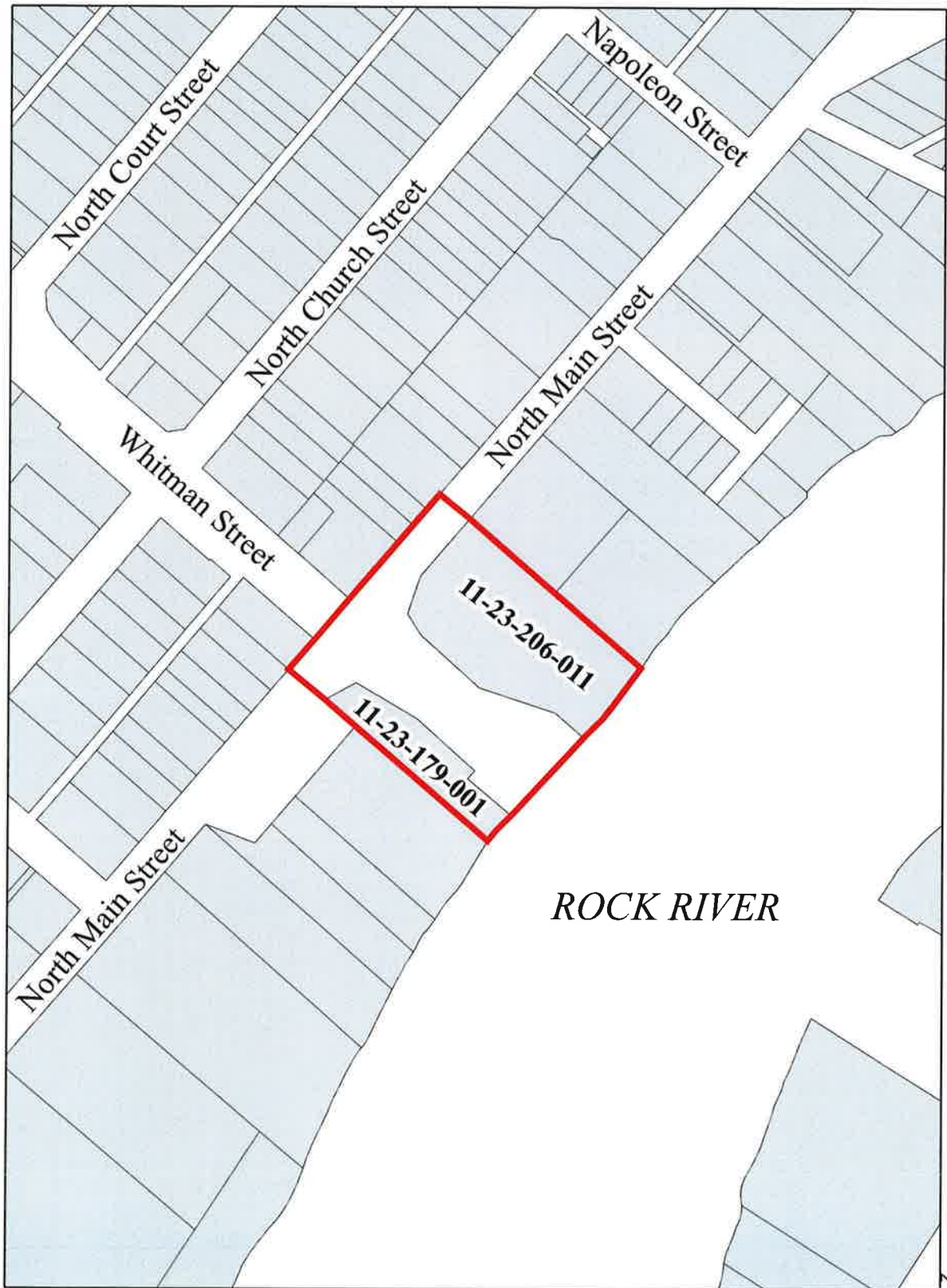
This Eligibility Study and Redevelopment Plan summarize the analysis and findings of the consultant’s work which, unless otherwise noted, is solely the responsibility of *S. B. Friedman & Company*. The City is entitled to rely on the findings and conclusions of the Redevelopment Plan in designating the Main/Whitman RPA as a redevelopment project area under the Act. *S. B. Friedman & Company* has prepared this Redevelopment Plan with the understanding that the City would rely (1) on the findings and conclusions of the Redevelopment Plan in proceeding with the designation of the Main/Whitman RPA and the adoption and implementation of the Redevelopment Plan, and (2) on the fact that *S. B. Friedman & Company* has obtained the


necessary information including, without limitation, information relating to the EAV of parcels comprising the Main/Whitman RPA, so that the Redevelopment Plan will comply with the Act, and so that the Main/Whitman RPA can be designated as a redevelopment project area in compliance with the Act.

Map 1: Community Context of Main/Whitman RPA



Map 2: Main/Whitman RPA Boundary



 Proposed TIF Boundary

0 0.025 0.05 0.1 Miles

History of Area

From as early as the mid-nineteenth century through the mid-twentieth century, the portion of North Main Street surrounding the Main/Whitman RPA was historically home to some of the City of Rockford's most prominent business leaders.

Whitman Street did not exist east of Main Street prior to 1960, at which point construction of the Whitman Street Bridge began, changing the character of the area dramatically. More than 100 homes were razed both east and west of the Rock River to create the Whitman Street right-of-way and provide for Illinois Route 251. Among these was the house formerly located at 913 North Main Street. After its demolition, the Rock River Tower apartments were built on the excess land not needed for the bridge or its approaches. The bridge was put into service in 1962.

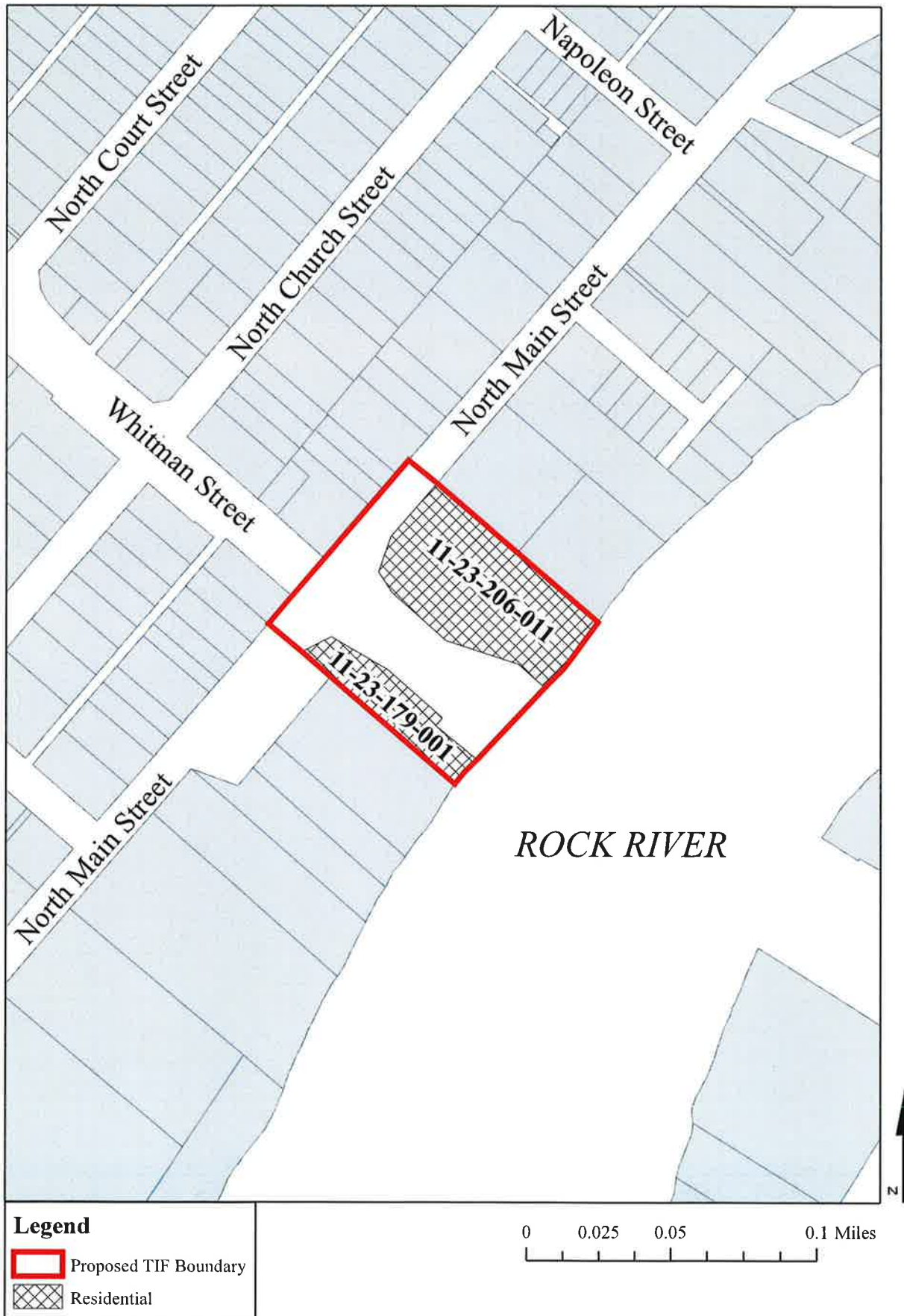
Construction of the Whitman Street Bridge created a connection between the neighborhood surrounding North Main Street and portions of the City east of the Rock River. Attractions on North Main Street immediately south of the Main/Whitman RPA have drawn increasing numbers of visitors since its construction. For example, the Burpee Museum of Natural History has expanded its public areas, growing its annual visitor base from approximately 10,000 to more than 135,000 since the mid-1990s. Enhancements to the cultural and tourism environment have been in part facilitated by the connection that the Whitman Street Bridge provides.

The intersection of North Main and Whitman streets serves as the gateway for those entering the neighborhood from the east, including visitors to the two museum campus. The properties at the northeast and southeast corners of the intersection have not seen meaningful change or improvement since the construction of the bridge. Creation of the Main/Whitman TIF district will facilitate their improvement, provide needed infrastructure improvements and access to the Rock River, and enhance the image of the broader neighborhood to the many individuals crossing the Whitman Street Bridge on a daily basis.

Existing Land Use

Based upon *S. B. Friedman & Company's* research, both parcels that comprise the Main/Whitman RPA are of residential land use (see Map 3 on the following page). There is one multi-family residential property (northern parcel) and one single-family residential property (southern parcel) within the Main/Whitman RPA.

Map 3: Existing Land Use



3. Eligibility Analysis

Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the Main/Whitman RPA at the completion of *S. B. Friedman & Company's* research, it has been determined that the Main/Whitman RPA meets the eligibility requirements of the Act as a "conservation area." The following outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility of an area to permit the use of tax increment financing for area redevelopment: declaring an area as a "blighted area" or a "conservation area," or a combination of both.

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals, or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "blighted area" or "conservation area," or a combination of both based upon evidentiary findings of certain eligibility factors listed in the Act. These factors are identical for each designation.

According to the Act, "blighted areas" must have a combination of five or more of these eligibility factors acting in concert which threaten the health, safety, morals, or welfare of the proposed district. "Conservation areas" must have a minimum of 50 percent of the total structures within the area aged 35 years or older, plus a combination of three or more additional eligibility factors which are detrimental to the public safety, health, morals, or welfare, and which could result in such an area becoming a blighted area.

Factors for Improved Property

The 13 factors are listed at 65 ILCS 5/11-74.4-3 (a) and (b) and are defined in the Act as follows:

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

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

Deterioration. With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration including,

but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

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.

Illegal Use of Individual Structures. The use of structures in violation of the applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

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.

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.

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.

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

Deleterious Land Use or Lay-Out. 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.

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.

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.

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the previous five 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 of the previous five 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 of the previous five calendar years prior to the year in which the redevelopment project area is designated.

As explained, "blighted areas" must have a combination of five or more of these eligibility factors and "conservation areas" must have a minimum of 50% of the total structures within the area aged 35 years or older, plus a combination of three or more additional eligibility factors.

Factors for Vacant Land

Under the provisions of the "blighted area" section of the Act, if the land is vacant, a combination of two or more of the following six factors may also be identified which combine to impact the sound growth in tax base for the proposed district.

Obsolete Platting of Vacant Land. This is where parcels of limited or narrow size or configurations of parcels of irregular size or shape make it difficult to develop on a planned basis, and in a manner compatible with contemporary standards and requirements, or where platting has failed to create rights-of-ways for streets or alleys or has created inadequate right-of-way widths for streets, alleys, or other public rights-of-way, or has omitted easements for public utilities.

Diversity of Ownership. Diversity of ownership is when adjacent properties are owned by multiple parties. This factor applies when the number of owners of parcels of vacant land is sufficient to retard or impede the ability to assemble the land for development.

Tax and Special Assessment Delinquencies. This factor is present when tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the previous five years.

Deterioration of Structures or Site Improvements in Neighboring Areas Adjacent to the Vacant Land. Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

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

Lack of Growth in Equalized Assessed Value. The total equalized assessed value of the proposed redevelopment project area has declined for three of the previous five 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 of the previous five 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 of the previous five calendar years prior to the year in which the redevelopment project area is designated.

Additionally, under the “blighted area” section of the Act, eligibility may be established for those vacant areas that would have qualified as a blighted area immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five or more of the 13 “blighted area” eligibility factors were present immediately prior to demolition of the area’s structures.

The vacant “blighted area” section includes six other tests for establishing eligibility, but none of these are relevant to the conditions within the Main/Whitman RPA.

Methodology Overview and Determination of Eligibility

Analysis of eligibility factors was done through research involving an extensive exterior survey of the properties within the Main/Whitman RPA, as well as a review of building and property records. Property records include building code violation citations and assessor information. Our survey of the area established that there are two (2) buildings within the Main/Whitman RPA. In addition, to verify the age for the area buildings, field observations were compared to the recorded age of the buildings in property records obtained from the Rockford Township Assessor’s office.

The areas located within the Main/Whitman RPA are characterized by residential structures. All properties were examined for qualification factors consistent with either “blighted area” or

“conservation area” requirements of the Act. Based upon these criteria, the properties within the Main/Whitman RPA qualify for designation as a TIF redevelopment project area as a “conservation area” as defined by the Act.

To arrive at this designation, *S. B. Friedman & Company* calculated the number of eligibility factors present on a building-by-building or parcel-by-parcel basis and analyzed the distribution of the eligibility factors within the Main/Whitman RPA. When appropriate, we calculated the presence of eligibility factors on infrastructure associated with the structures. The eligibility factors were correlated to buildings using property files created from field observations and record searches. This information was then graphically plotted on a tax parcel map of the Main/Whitman RPA to establish the distribution of eligibility factors, and to determine which factors were present to a major or minor extent.

Major factors are used to establish eligibility. These factors are present to a meaningful extent on a majority of the parcels, and reasonably distributed throughout the Main/Whitman RPA. Minor factors are supporting factors present to a meaningful extent on some of the parcels, or on a scattered basis. Their presence suggests that the area is at risk of experiencing more extensive deterioration and disinvestment.

Conservation Area Findings

As required by the Act, within a conservation area, at least 50 percent of the buildings must be 35 years of age and older, and at least three of the thirteen eligibility factors for improved property must be found to be present to a major extent within the Main/Whitman RPA.

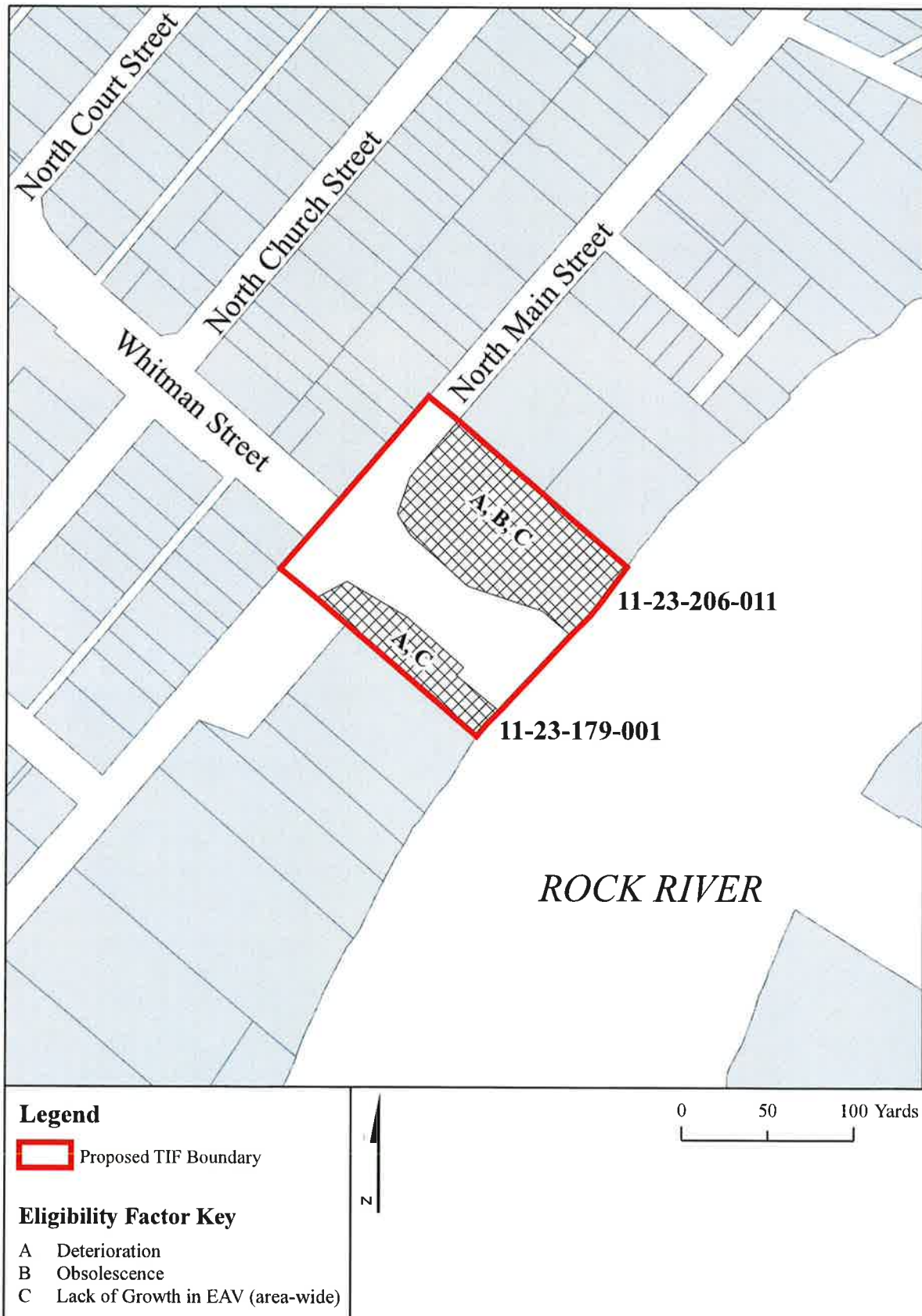
Our research has revealed that both of the buildings are 35 years of age and older, and that the following three factors for improved property are present to a major extent:

- Deterioration;
- Obsolescence; and
- Lack of growth in EAV.

Based on the presence of these factors, the Main/Whitman RPA meets the requirements of a “conservation area” under the Act.

Map 4 illustrates the distribution of eligibility factors found to be present to a major extent by highlighting each parcel where the respective factors were found to be present to a meaningful degree. The following sections summarize our field research as it pertains to each of the identified eligibility factors found within the Main/Whitman RPA.

Map 4: Presence of Eligibility Factors



IMPROVED PROPERTY FACTORS**A. Deterioration**

Both of the parcels (**100 percent**) within the Study Area demonstrate a material level of deterioration. Catalogued deterioration included the occurrence of structural defects in primary and secondary building components and surface infrastructure serving these properties. Cataloged surface deterioration includes cracked and potholed surface parking areas, cracked and crumbling walkways, crumbling patio concrete, broken curbs, and pits and divots along sidewalks. Noted building deterioration including cracked steps, rusted piping, broken and/or crumbling facades, peeling roof shingles, and warped wooden window frames were also observed on these properties.

This building deterioration, coupled with deterioration of parking facilities, is indicative of an area that is at risk of becoming blighted unless there is direct intervention.

B. Obsolescence

The northern building in the study area (located on parcel 11-23-206-011) demonstrates obsolescence of a functional and economic nature. Due to outdated building components, mechanical systems, and amenities, the property is no longer competitive with new residential projects in the greater Rockford housing market. The following elements fall below the standard to which new properties are currently built:

- Windows – single-pane, un-insulated glass resulting in energy inefficiency; existing windows often frost on the surfaces during cold weather months.
- Elevators (2) – DC motors; original (1963), non-computerized control mechanisms; outdated fire and light safety systems
- Other building systems – no sprinkler system (outside of the 1st floor hallway), alarm panel, and other fire safety systems; inability to access communications systems serving the general area (high-speed internet access, digital cable service), original plumbing and boiler systems
- Parking – insufficient parking to provide each residence with at least 1.5 parking spaces, per Rockford’s zoning code and market expectations
- Building amenities – lacks amenities that potential residents would expect at this location and for the rent levels necessary to maintain the building, including common areas and convenient access to the adjacent riverfront.

This factor was found to be present to a meaningful extent on **50 percent** of the buildings in the RPA. This represents 72 percent of the land area and nearly 100 percent (108 of 109 units) of the residential units in the RPA.

C. Lack of Growth in EAV (area-wide)

The total EAV is a measure of the property value in the Study Area. The EAV history of the tax parcels in the Study Area was tabulated for the previous six years (five periods) for which information is currently available. A lack of growth in EAV has been found for the Study Area in that the rate of growth in property values (as measured by EAV) of the Study Area has been negative for two years and less than that of the balance of the City for three out of five years (2002 through 2007). The basis for this finding is summarized in Table 1. The lack of growth in EAV within the area is one of the strongest indicators that the area as a whole is beginning to fall into decline.

Table 1: Percent Change in Annual Equalized Assessed Valuation (EAV)*

Percent Change in EAV						Compound Annual Growth Rate (CAGR)
Period	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2002-2007
TIF Study Area	-3.0%	5.9%	5.5%	16.0%	-0.3%	4.6%
City of Rockford (Balance Of)	4.4%	1.5%	5.7%	6.2%	6.38%	4.8%
CPI Growth Rate [1]	2.1%	2.7%	3.4%	2.4%	4.1%	2.9%

[1] CPI for Midwest Size B/C (50,000 - 1.5 million population), All Urban Consumers, All Items, Not Seasonally Adjusted (December 1996 = 100).

Source: Winnebago County Clerk's Office, Winnebago County Supervisor of Assessments, Winnebago County Treasurer, and S. B. Friedman & Company

*Qualifying years are highlighted in gray.

4. Redevelopment Plan and Project

Redevelopment Needs of the Main/Whitman RPA

The existing physical conditions in the Main/Whitman RPA suggest three redevelopment needs for the area:

1. Resources for rehabilitation;
2. Streetscape and infrastructure improvements; and
3. Riverfront improvements.

The Redevelopment Plan and Project identifies the tools the City will use to guide redevelopment in the Main/Whitman RPA, to promote and sustain it as a vibrant riverfront residential district.

The goals, objectives, and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the Main/Whitman RPA. Public improvements, including those related to the riverfront and streetscape, will help to create an environment conducive to private investment and redevelopment within the RPA. To support specific projects and encourage future investment in the RPA, public resources, including tax increment financing, may be used to: facilitate property assembly, demolition, site preparation, and/or rehabilitation; and improve or repair RPA public facilities and/or infrastructure. In addition, tax increment financing may be used to subsidize developer interest costs related to redevelopment projects.

Goals, Objectives, and Strategies

Goal. The overall goal of the Redevelopment Plan is to reduce or eliminate conditions that qualify the Main/Whitman RPA as a conservation area, and to provide the mechanisms necessary to support public and private development and improvements in the RPA. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate additional private investment.

Objectives. Five (5) broad objectives support the overall goal of revitalization of the Main/Whitman RPA. These include:

1. Strengthen the Main/Whitman RPA as a residential district by providing resources for the rehabilitation of existing residential structures that will add to the variety and quality of housing in the Churchill's Grove neighborhood;
2. Improve traffic flow, safety, and area access within the RPA by providing street improvements (possibly including conversion of Main Street to a two-way street), traffic signals, coordinated curb-cuts, signage, landscaping, and pedestrian amenities such as sidewalks and crosswalks where needed;

3. Expand public access to the Rock River by providing riverfront access for bicycles and pedestrians on the west side of the river, with particular emphasis placed on connections to the adjacent museum campus;
4. Support the goals and objectives of other overlapping plans, including the City's *Consolidated Plan for Housing and Community Development, Rockford's 2020 Plan: Entering the 21st Century*, the *River District Framework Plan*, and the *Mayor's Downtown Task Force Recommendations*; and
5. Provide opportunities for locally owned businesses to share in the job and construction opportunities associated with the redevelopment of the Main/Whitman RPA.

Strategies. These objectives will be implemented through three specific and integrated strategies. These include:

1. **Implement Public Improvements.** A series of public improvements throughout the Main/Whitman RPA may be designed and implemented to help define and create an identity for the area, prepare sites for anticipated private investment, and create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement, and not replace, existing funding sources for public improvements in the RPA.

These improvements may include improvement or development of curbs, sidewalks, corresponding lighting, and other streetscaping elements; public rights-of-way and alleyways; underground water and sewer infrastructure; parks or open space, including along the riverfront; and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation, or restoration of public improvements on one or more parcels.

2. **Encourage Private Sector Activities and Support New Development.** Through the creation and support of public-private partnerships, or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners to undertake rehabilitation and redevelopment projects and other improvements that are consistent with the goals of this Redevelopment Plan and Project.

The City may enter into redevelopment agreements or intergovernmental agreements with private entities or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (collectively referred to as "Redevelopment Projects").

3. **Facilitate Property Assembly, as Necessary.** To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, through the Tax Reactivation Program, or other programs, and may be for the purpose of

(a) sale, lease, or conveyance to private developers or (b) sale, lease, conveyance, or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the City exercising its powers to acquire real property, including the exercise of the power of eminent domain, in implementing this Redevelopment Plan and Project, the City will comply with all applicable state and local regulations governing the execution of such acquisitions. This includes the Illinois Eminent Domain Act (SB 3086), which became effective January 1, 2007. Relocation assistance may be provided to facilitate redevelopment of portions of the RPA, and to meet other City objectives. Businesses or households legally occupying properties to be acquired by the city may be provided with relocation advisory and/or financial assistance as determined by the City.

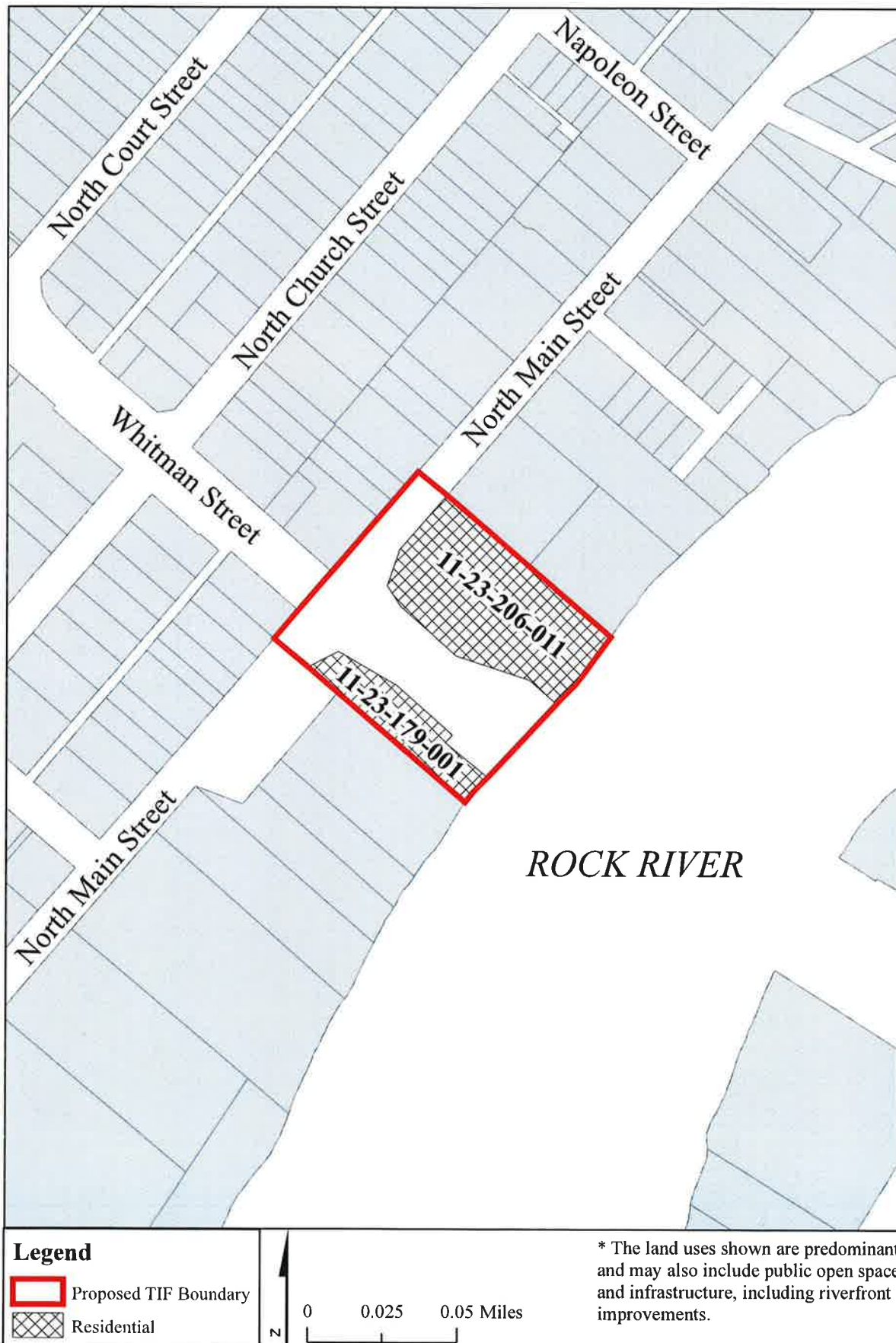
These activities are representative of the types of projects contemplated to be undertaken during the life of the Main/Whitman RPA. Market forces are critical to the completion of these projects. Phasing of projects will depend on the interests and resources of both public and private sector parties. Not all projects will necessarily be undertaken. Furthermore, additional projects may be identified throughout the life of the Main/Whitman RPA. To the extent that these projects meet the goals, objectives, and strategies of this Redevelopment Plan and Project and the requirements of the Act and budget outlined in the next section, these projects may be considered for tax increment funding.

Proposed Future Land Use

The proposed predominant future land use of the Main/Whitman RPA reflects the objectives of the Redevelopment Plan, which works to support the improvement of the Main/Whitman RPA as a vibrant riverfront residential district, and to support public improvements such as infrastructure and streetscape that serve the redevelopment interests of the local community and the City.

The proposed predominant future land use within the RPA is residential, as show on Map 5. As noted on Map 5, the use listed is predominant, and may also include public open space and infrastructure, including riverfront improvements.

Map 5: Proposed Predominant Future Land Use



Assessment of Housing Impact

As set forth in the Act, if the Redevelopment Plan for the Redevelopment Project Area 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 a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

Currently, the Main/Whitman RPA has 109 primary residential units within its boundary, of which 97 units were estimated to be occupied as of June 1, 2008. Although the proposed RPA contains 75 or more inhabited units, the City hereby certifies that the Eligibility Study and Redevelopment Plan will not result in the displacement of any residents. Therefore, a housing impact study is not required.

5. Financial Plan

Eligible Costs

The Act outlines several categories of expenditures that can be funded using tax increment financing. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this plan pursuant to the Act. The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including, but not limited to, tax increment financing, and by undertaking certain activities and incurring certain costs. Some of the costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan, including but not limited to, staff and professional service costs for architectural engineering, legal, marketing sites within the area to prospective businesses, developers, and investors, financial, planning or other services, related hard and soft costs, and other related expenses; provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, and clearing and grading of land, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings or fixtures and leasehold improvements;
4. Costs of the construction of public works or improvements consistent with the Act, including the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of job training and retraining projects including the costs of welfare to work programs implemented by businesses located within the redevelopment project area;
6. Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto and interest accruing during a construction period;

7. 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 and project, to the extent the municipality by written agreement accepts and approves such costs;
8. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act;
9. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law, or under the Act;
10. Payment in lieu of taxes;
11. Costs of job training, retraining, advanced vocational education or career education, including, but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and taxing district(s), which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act as cited in the Act and by the school districts of cost pursuant to Section 10-22.20a and 10-23.3a of the School Code as cited in the Act.
12. Interest costs incurred by a developer related to the construction, renovation, or rehabilitation of a redevelopment project provided that:
 - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b. Such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the development project during that year;
 - c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (12) then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

- d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of (i) cost paid or incurred by the developer for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and
 - e. The percentage increases from thirty percent (30%) to seventy-five percent (75%) for the interest cost incurred by a redeveloper for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act.
 - f. Instead of the interest costs described above in paragraphs 12b. and 12d., a municipality may pay from tax incremental revenues up to fifty percent (50%) of the cost of construction, renovation, and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;
13. Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

Estimated Redevelopment Project Costs

The estimated eligible costs of this Redevelopment Plan are shown in Table 2. The total eligible cost provides an upper limit on expenditures that may be funded using incremental property tax revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Other sources of funds may also be used to defray costs within the district. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan. Additional funding including, but not limited to, State and Federal grants, private developers' contributions, land sales, sales taxes, and other outside sources may be pursued and used by the City as a means of financing improvements and facilities within the RPA. These expenditures may be in addition to those funded from tax increment revenues and may be in addition to the budget shown in Table 2, which limits expenditure of incremental property tax only.

Table 2: Estimated Redevelopment Project Costs

Project/Improvements	Estimated Project Costs
Professional Services	\$100,000
Property Assembly: incl. land acquisition, site preparation, and environmental remediation	\$300,000
Rehabilitation Costs	\$2,500,000
Eligible Construction Costs: Affordable Housing	\$5,000
Public Works or Improvements [1]	\$1,275,000
Relocation	\$5,000
Job Training	\$5,000
Interest Costs	\$5,000
Day Care	\$5,000
TOTAL REDEVELOPMENT COSTS [2], [3], [4]	\$4,200,000

[1] This category also may include paying for or reimbursing (i) an elementary, secondary, or unit school district's increased costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the RPA. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment projected necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Plan.

[2] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, costs of issuance, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

[3] The amount of the Total Redevelopment Project Costs that can be incurred in the RPA will be reduced by the amount of Redevelopment Project Costs incurred in contiguous RPAs, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the RPA, but will not be reduced by the amount of Redevelopment Project Costs incurred in the RPA which are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

[4] All costs are in 2008 dollars and may be increased by five percent (5%) after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Midwest – Size Class B/C Urban Areas (population 50,000 to 1,500,000), published by the U.S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in Table 2 are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental 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 limit on the described expenditures. Adjustments may be made in line items, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs; provided, however, that any such adjustments shall not exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

In the event the Act is amended after the date of the approval of this Redevelopment Plan by the City Council to (a) include new eligible redevelopment project costs, or (b) expand the scope or

increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded, or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 2, or otherwise adjust the line items in Table 2 without amendment to this Redevelopment Plan. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

Phasing and Scheduling of the Redevelopment

Certain projects within the Main/Whitman RPA shall be governed by the terms of written redevelopment agreements entered into between a designated developer and the City. Other projects will consist of City reimbursements of the specified eligible redevelopment costs of applicants who qualify under various programs developed by the City and approved by the City Council.

Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31st of the year in which the payment to the City Revenue Manager as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2032, if the ordinances establishing the Main/Whitman RPA are adopted in 2008).

Sources of Funds to Pay Costs

Funds necessary to pay for redevelopment project costs and/or municipal obligations which may be issued or incurred to pay for such costs are to be derived principally from tax increment revenues and/or proceeds from municipal obligations which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves, and/or other forms of security made available by private sector developers. The City may incur Redevelopment Project Costs which are paid from City funds other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. In addition, the City may utilize other funding sources as discussed above to pay for costs within the district, in addition to those funded by incremental property tax revenues.

The tax increment revenue which will be used to fund tax increment obligations and eligible redevelopment project costs shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase of the current EAV of each taxable lot, block, tract, or parcel of real property in the RPA over and above the certified initial EAV of each such property. Without the use of such incremental revenues, the RPA is not likely to redevelop.

Other sources of funds which may be used to pay for development costs and associated obligations issued or incurred include land disposition proceeds, state and federal grants, sales taxes, investment income, private investor and financial institution funds, and other sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

The Main/Whitman RPA may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment areas created under the Act. The City may utilize net incremental property tax revenues received from the Main/Whitman RPA to pay eligible redevelopment project costs or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the Main/Whitman RPA made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Main/Whitman RPA, shall not exceed the total Redevelopment Project Costs described in Table 2 (Estimated Redevelopment Project Costs) of this Redevelopment Plan.

The Main/Whitman RPA may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois Industrial Jobs Recovery Law, (65 ILCS 5/11-74.61-1 et. seq.). If the City finds that the goals, objectives, and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the Main/Whitman RPA, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the Main/Whitman RPA be made available to support any such redevelopment project areas, and vice versa. The City, therefore, proposes to utilize net incremental revenues received from the Main/Whitman RPA to pay eligible redevelopment project costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the Main/Whitman RPA and such areas. The amount of revenue from the Main/Whitman RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the Main/Whitman RPA, or other areas as described in the preceding paragraph, shall not exceed the total Redevelopment Project Costs described in Table 2 of this Redevelopment Plan.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended as applicable to add appropriate and parallel language to allow for sharing of revenues between such districts.

Issuance of Obligations

To finance project costs, the City may issue bonds or obligations secured by the anticipated tax increment revenue generated within the Main/Whitman RPA, or such other bonds or obligations as the City may deem as appropriate. The City may require the utilization of guarantees, deposits, or other forms of security made available by private sector developers to secure such obligations. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within the timeframe described under “Phasing and Scheduling of the Redevelopment” above. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund, or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, and for reserves, and bond sinking funds. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked, or designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to area taxing districts in the manner provided by the Act.

Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the Main/Whitman RPA is to provide an estimate of the initial EAV which the Winnebago County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Main/Whitman RPA. The 2007 EAV of all taxable parcels in the Main/Whitman RPA is approximately \$934,012. The total EAV is subject to verification by the Winnebago County Clerk. After verification, the final figure shall be certified by the Winnebago County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Winnebago County. The total EAV amounts by PIN for the Main/Whitman RPA are summarized in Appendix 2.

Anticipated Equalized Assessed Valuation

By 2031, the EAV for the Main/Whitman RPA is anticipated to be approximately \$3,029,000. This estimate is based on several key assumptions, including: (1) an inflation factor of 2.5% per year on the EAV of all properties within the Main/Whitman RPA, (2) an equalization factor of 1.000, and (3) that residential rehabilitation occurs only on the northern parcel within the Main/Whitman RPA (11-23-206-011-0000) as proposed. Depending on actual redevelopment, EAV may be a higher or lower amount than indicated above.

6. Required Findings and Tests

Lack of Growth and Private Investment

The City is required under the Act to evaluate whether or not the Main/Whitman RPA has been subject to growth and private investment, and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

New investment that occurred in the Study Area during the past five years mostly consists of minor renovations. Taken as a whole, the Study Area has not been subject to widespread growth and development through investment by private enterprise. The compound annual growth rate of EAV for the Study Area was 4.62 percent between 2002 and 2007. In comparison, the compound annual growth rate of EAV was 4.81 percent for the balance of the City of Rockford over the same period of time.

Finding: The Main/Whitman RPA on the whole has not been subject to growth and development through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan.

But for...

The City is required to find that, but for the designation of the TIF district and the use of tax increment financing, it is unlikely that significant investment will occur in the Main/Whitman RPA.

Without the support of public resources, the redevelopment objectives for the Study Area would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the Study Area are extensive and costly, and the private market, on its own, has shown little ability to absorb all of these costs. Public resources to assist with public infrastructure improvements are needed to leverage private investment and facilitate area-wide redevelopment. TIF funds can be used to fund infrastructure improvements and building rehabilitation. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur without TIF designation for the Main/Whitman RPA.

Finding: But for the adoption of this Redevelopment Plan, critical resources will be lacking that would otherwise support the redevelopment of the Main/Whitman RPA, and the Main/Whitman RPA would not reasonably be anticipated to be developed.

Conformance to the Plans of the City

The Redevelopment Plan must conform to the City's comprehensive plan (*Rockford's 2020 Plan: Entering the 21st Century*), conform to the City's strategic economic development plans, or include land uses that have been approved by the City.

Based on a review of City plans, the Redevelopment Plan for the Main/Whitman RPA conforms to and proposes predominant land uses that are consistent with to the City's comprehensive plan, Rockford's *Plan for Housing and Community Development*, the *River District Framework Plan*, and the *Mayor's Downtown Task Force Recommendations*.

Dates of Completion

The dates of completion of the project and retirement of obligations are described under "Phasing and Scheduling of the Redevelopment" in Section 5 above.

Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Redevelopment Plan and tax increment financing, the Main/Whitman RPA is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that conditions found to qualify the Main/Whitman RPA as a conservation area under the Act will continue to exist and spread, and that the entire area will become a less attractive place to maintain and improve existing buildings and sites. The relative decline of property values within the Main/Whitman RPA may continue and may also lead to a decline of property values in surrounding areas, and could lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. The redevelopment program will be staged gradually over the life of the Main/Whitman RPA. If a redevelopment project is successful, various new projects will be undertaken that will assist in alleviating the conditions found to qualify the Main/Whitman RPA as a conservation area under the Act, creating new jobs, and promoting rehabilitation and development in the Main/Whitman RPA.

This Redevelopment Plan is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when tax increment financing is utilized, real estate tax increment revenues from the increases in EAV over and above the certified initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the Main/Whitman RPA. At the time when the Main/Whitman RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the Main/Whitman RPA will be distributed to all taxing districts levying taxes against property located in the Main/Whitman RPA. These revenues will then be available for use by the affected taxing districts.

Demand on Taxing District Services and Program to Address Financial and Service Impact

The following major taxing districts presently levy taxes on properties within the Main/Whitman RPA:

- Winnebago County
- Winnebago County Forest Preserve
- Rockford Township
- City of Rockford
- City of Rockford Park District
- Rock River Water Reclamation District
- City of Rockford Public Library
- Greater Rockford Airport
- Rockford School District 205
- Community College District 511
- Rockford Township Roads

The nature of the redevelopment which is likely to occur as a result of the implementation of the Redevelopment Plan consists exclusively of residential uses. The properties in the proposed RPA are currently 100 percent residential land use, and the proposed redevelopment of the multi-family building includes rehabilitation of said structure for continued residential use.

Therefore, while redevelopment activities in the RPA may have an impact on the School Districts or other taxing districts, no significant impacts are currently anticipated. The City intends to monitor development in the area and, with the cooperation of the affected taxing districts, will attempt to ensure that any increased needs are addressed in connection with any particular development. Should service demands increase, the City will work with the affected taxing districts to determine what, if any, programs are necessary to provide adequate services.

7. Provisions for Amending Redevelopment Plan and Project

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

8. Commitment to Fair Employment Practices and Affirmative Action Plan

The City is an equal opportunity employer. As part of this Redevelopment Project and Plan, the City will work with any developers who assist in the redevelopment of the Main/Whitman RPA to implement an effective affirmative action program that conforms to City policies and practices.

This program will ensure equal opportunity for all personnel regardless of race, color, religion, sex, age, marital status, handicapped status, nation of origin, sexual preference, creed, or ancestry. All entities involved are responsible for conformance to the policy that is put in place.

Appendix 1:
Boundary and Legal Description

MAIN/WHITMAN TIF DISTRICT

That part of the North $\frac{1}{2}$ (West of the Rock River) of Section 23, Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows, to-wit: Beginning at the point of intersection of the Easterly line of North Main Street with the Southerly line of the premises conveying to Charles E. Barnes in Deed recorded December 11, 1950 in Book 731, Recorder's Office of Winnebago County, page 455: (the Westerly extension of said Southerly line intersecting the centerline of North Main Street at a point 859.90 feet South of the North line of said Section 23, as measured along said center line); thence Southeasterly along said Southerly line of premises conveyed to Charles E. Barnes, 385.49 feet to the West bank of the Rock River; thence Southwesterly along the West bank of the Rock River to a line parallel to the Southerly line of premises deeded by Allen Gibson and Wife, to Thomas D. Robertson by Warranty Deed dated June 10, 1869 and Recorded in Book of Deeds on Page 439 in the Recorder's Office of Winnebago County, Illinois; thence Northwesterly, parallel with the Southerly line of said premises so conveyed to Thomas D. Robertson as aforesaid to a point on the Easterly line of North Main Street, twenty-four and five tenths (24.5) feet, Northerly forty-two (42) degrees East from Said Southerly line conveyed to Thomas D. Robertson as aforesaid, thence continuing Northwesterly, parallel with the Southerly line of said premises so conveyed to Thomas D. Robertson as aforesaid, to its intersection with the Westerly Right-Of-Way line of North Main Street; thence Northeasterly along said Westerly Right-Of-Way line of said north Main Street to its intersection with the extension of said Southerly line of premises conveyed to Charles E. Barnes as aforesaid; thence Southeasterly, along said Southerly line so extended to the point of beginning, situated in the City of Rockford, County of Winnebago and State of Illinois.

Appendix 2
Summary of EAV by PIN

SUMMARY OF 2007 EQUALIZED ASSESSED VALUE BY PERMANENT INDEX NUMBER (PIN)

No.	PIN	2007 Equalized Assessed Value
1	11-23-206-011	\$845,661
2	11-23-179-001	\$88,351
	Total	\$934,012

Source: Winnebago County Clerk