

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 27th day of December, 2005, there was published in pamphlet form, by authority of the City Council, a true, correct and complete copy of Ordinance No. **2005-269-0** 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 27th day of December, 2005.

[SEAL]



LEGAL DIRECTOR AND EX OFFICIO  
KEEPER OF THE RECORDS AND SEAL

ORDINANCE NO. 2005- 269 -O

**AN ORDINANCE ADOPTING THE HOPE VI REDEVELOPMENT PLAN AND  
REDEVELOPMENT PROJECT**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ROCKFORD, ILLINOIS,  
that:

WHEREAS, the City Council wishes to adopt the Hope VI 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 Plan on November 17, 2005 at the Washington Park Christian Church located at 801 Concord Avenue, 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 Plan set forth the factors constituting the need for conservation in the proposed redevelopment area, and the City Council has reviewed testimony concerning such need presented at the public hearing and has reviewed other studies and is generally informed of the conditions in the proposed Hope VI Redevelopment Project Area as said term "blighted" is used in the Act.

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

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

WHEREAS, the City Council has reviewed its proposed Plan and Comprehensive Plan for development of the municipality as a whole to determine whether the proposed 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 Hope VI 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 Hope VI Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.
  - d. The Plan conforms to the Comprehensive Plan for the development of the municipality as a whole.
  - e. The parcels of real property in the proposed Hope VI 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 Hope VI Redevelopment Project Area.
  - f. The estimated date for final completion of Hope VI Redevelopment Project Area is 2028, which is twenty-three (23) years from the effective date of ordinances adopting the Hope VI Redevelopment Project and designating Hope VI Redevelopment Project Area.
  - g. The estimated date for retirement of obligations incurred to finance the Hope VI Redevelopment Project costs shall be not later than 2028, which is twenty-three (23) years from the effective date of the ordinance adopting the Plan and designating the Hope VI Redevelopment Project Area.
2. The Plan which were the subject matter of the hearing held November 17, 2005, is hereby adopted and approved. A copy of the Plan 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:

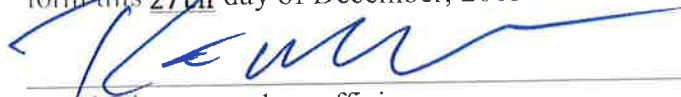
  
MAYOR

ATTESTED:

  
LEGAL DIRECTOR

PASSED: 12/19/05 APPROVED: 12/27/05 PUBLISHED: 12/27/05

ATTESTED and FILED in my office this 27th day of December, and published in pamphlet form this 27th day of December, 2005

  
Legal Director and ex officio  
Keeper of the Records and Seal

Published in pamphlet form this 27th day of December, 2005 by order of the City Council of the City of Rockford, Illinois.

Property ID Number	Owner	Property Address	City, State	Zip
11-20-255-001	Larry Lyons	8372 Springcreek	Rockford, IL	61114
11-20-255-002	Daniel Edna	P.O. Box 14022	Rockford, IL	61105
11-20-255-003	Larry Moore	308 McClain Ave.	Rockford, IL	61102
11-20-255-004	Larry Moore	308 McClain Ave.	Rockford, IL	61102
11-20-255-005	Building Enterprises Vision LLC	2901 Searles Ave.	Rockford, IL	61101
11-20-255-006	Building Enterprises Vision LLC	2901 Searles Ave.	Rockford, IL	61101
11-20-255-007	Larry Lyons	8372 Spring Creek Rd.	Rockford, IL	61114
11-20-255-008	Larry Lyons	8372 Spring Creek Rd.	Rockford, IL	61114
11-20-255-009	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-255-010	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-255-011	Building Enterprises Vision LLC	2901 Searles Ave.	Rockford, IL	61101
11-20-402-001	Building Enterprises Vision LLC	2901 Searles Ave.	Rockford, IL	61108
11-20-402-002	Geraldine Bakunowicz	1581 Powderhorn Dr.	Rockford, IL	61104
11-20-402-003	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-004	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-008	Melba Marchetti	404 McClain St.	Rockford, IL	61102
11-20-402-009	Dennis Scace	P.O. Box 116	Shirland, IL	61079-0116
11-20-402-010	Property Recovery Systems	906 W. State St.	Rockford, IL	61102
11-20-402-013	Ronald Kennedy	3915 Delaware St. St.	Rockford, IL	61102
11-20-402-014	Ronald Kennedy	3915 Delaware St. St.	Rockford, IL	61102
11-20-402-015	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-016	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-017	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-018	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-019	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-020	Barbara Fell	Goldenrod Trust 410 S Third St.	Rockford, IL	61104
11-20-402-021	Georgia Waters	18000 Rock Grove Rd.	Davis, IL	61019
11-20-402-022	Bennie Thompson	3911 Delaware St. St.	Rockford, IL	61102
11-20-402-023	Bennie Thompson	3911 Delaware St. St.	Rockford, IL	61102
11-20-402-024	Melvin & Darlene Berger	324 McClain Ave.	Rockford, IL	61102
11-20-402-025	Kevin Bowman	1040 South Central Ave.	Rockford, IL	61102
11-20-402-026	Building Enterprises Vision LLC	2901 Searles Ave.	Rockford, IL	61101
11-20-403-001	Winnebago CTY Housing Authority	2901 Searles Ave.	Rockford, IL	61101
11-20-403-002	Richard Campbell	P.O.Box 330	Chicago, IL	60601-0330
11-20-403-003	Rockford Park District	1401 N. 2nd St.	Rockford, IL	61107
11-20-404-001	Winnebago County Board	404 Elm St 5th Floor	Rockford, IL	61101
11-20-404-007	Rob Ellis	3908 Delaware St.	Rockford, IL	61102
11-20-404-008	Rob Ellis	3908 Delaware St.	Rockford, IL	61102

11-20-404-009	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-404-010	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-404-011	Jessica Meyers	4141 River Rd.	Cherry Valley, IL	61016
11-20-404-012	Winnebago County Board	404 Elm St 5th Floor	Rockford, IL	61101
11-20-404-013	Winnebago County Board	404 Elm St 5th Floor	Rockford, IL	61101
11-20-404-014	Winnebago County Board	404 Elm St 5th Floor	Rockford, IL	61101
11-20-404-015	Winnebago County Board	404 Elm St 5th Floor	Rockford, IL	61101
11-20-404-017	Otis Walker	4003 Preston St.	Rockford, IL	61102
11-20-404-018	Marcus Harwell	3617 Preston St.	Rockford, IL	61102
11-20-404-019	Donnell Boles	604 Concord Ave.	Rockford, IL	61102
11-20-404-020	Donnell Boles	604 Concord Ave.	Rockford, IL	61102
11-20-404-021	Lashon Walker	604 Concord Ave.	Rockford, IL	61102
11-20-404-022	Curleese Walker	4003 Preston St.	Rockford, IL	61102
11-20-404-023	Winnebago County Board	404 Elm St 5th Floor	Rockford, IL	61101
11-20-404-024	Matilda Moore	3924 Delaware St.	Rockford, IL	61102
11-20-404-025	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-405-001	Herron Thompson	3816 Delaware St.	Rockford, IL	61102
11-20-405-002	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-405-003	Herron Thompson	3816 Delaware St.	Rockford, IL	61102
11-20-405-004	Rosie Williams	509 Newport Ave.	Rockford, IL	61102
11-20-405-005	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-405-006	Joyce Thompson	3816 Delaware St.	Rockford, IL	61102
11-20-405-007	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-405-008	Willie Clark	518 Trenton Ave.	Rockford, IL	61102
11-20-405-009	Willie Clark	518 Trenton Ave.	Rockford, IL	61102
11-20-405-010	Michael Nielson	108 Lincoln Park Blvd.	Rockford, IL	61102
11-20-405-011	Herron Thompson	3816 Delaware St.	Rockford, IL	61102
11-20-405-012	Carlene Coleman	515 Newport Ave.	Rockford, IL	61102
11-20-405-013	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-405-014	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-405-015	Harold Johnson	712 Alliance St.	Rockford, IL	61101
11-20-405-016	Jessie Howell	3426 N. Rockton Ave.	Rockford, IL	61103
11-20-405-017	Jessie Howell	3426 N. Rockton Ave.	Rockford, IL	61103
11-20-405-018	Jessie Howell	3426 N. Rockton Ave.	Rockford, IL	61103
11-20-405-021	Harold Johnson	712 Alliance St.	Rockford, IL	61101
11-20-405-022	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101
11-20-406-002	Bonnie Edgeston	3712 Delaware St.	Rockford, IL	61102
11-20-406-003	Earl Rucker	2025 Elm St.	Rockford, IL	61102
11-20-406-007	Cornelia Tyson	196 Elmwood Ave.	Roosevelt, NY	11575
11-20-406-008	Building Enterprises Vision LLC	2901 Seattles Ave.	Rockford, IL	61101

11-20-	406-	011	Building Enterprises Vision LLC	2901 Seates Ave.	Rockford, IL	61101
11-20-	406-	012	Building Enterprises Vision LLC	2901 Seates Ave.	Rockford, IL	61101
11-20-	406-	013	Building Enterprises Vision LLC	2901 Seates Ave.	Rockford, IL	61101
11-20-	406-	014	Associates Finance, Inc.	300 Decker Dr., Suite 300	Irving, TX	75062
11-20-	406-	015	C & W Investments	P.O. Box 6853	Rockford, IL	61125-6853
11-20-	406-	016	Mattie Robinson	3707 Preston St.	Rockford, IL	61102
11-20-	406-	017	Willie Jarrett	3705 Preston St.	Rockford, IL	61102
11-20-	406-	018	Luther Rainer	3703 Preston St.	Rockford, IL	61102
11-20-	406-	019	Willie Clark	3716 Delaware St.	Rockford, IL	61102
11-20-	406-	020	Lee Addison	514 Newport Ave.	Rockford, IL	61102
11-20-	406-	021	Building Enterprises Vision LLC	2901 Seates Ave.	Rockford, IL	61101
11-20-	406-	022	Building Enterprises Vision LLC	2901 Seates Ave.	Rockford, IL	61101
11-20-	428-	001	Willie Clark	3716 Delaware St.	Rockford, IL	61102
11-20-	428-	002	Crotee Leach	3716 Delaware St.	Rockford, IL	61102
11-20-	428-	003	Crotee Leach	3718 Del	Rockford, IL	61102

Hope VI TIF District

Legal Description:

Part of the East Half (1/2) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the south line of Delaware Street with the centerline of Pierpont Avenue as both are now laid out and used; thence South along the centerline of said Pierpont Avenue to the easterly extension of the northerly line of Liberty Street as now laid out and used; thence westerly along said easterly extension and along the northerly line of Liberty Street and along the south line of the Replat of part of Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois and the westerly extension of said line to the easterly line of Springfield Avenue as now laid out and used; thence northerly along the easterly line of said Springfield Avenue to the westerly extension of the centerline of Chestnut Street as now laid out and used; thence easterly along said westerly extension and along the centerline of Chestnut Street to the centerline of Ashley Avenue as now laid out and used; thence northerly along the centerline of Ashley Avenue to the westerly extension of the southerly line of Lot 13 in Block 2 as designated upon Hartman Subdivision, the plat of which is recorded in Book 20 of Plats on page 68 in said recorder's office; thence easterly along said westerly extension and along the southerly line of said Lot 13 to the southeast corner thereof; thence northerly along the easterly line of said Block 2 to the south line of Lot 12 as designated upon Alexander Subdivision, the plat of which is recorded in Book 14 of Plats on page 171 in said recorder's office; thence easterly along the southerly line of said Lot 12 and along the easterly extension of said line to the centerline of Cameron Avenue as now laid out and used; thence southerly along the centerline of said Cameron Avenue and the southerly extension of said line to the northerly line of Delaware Street as now laid out and used; thence easterly along the northerly line of said Delaware Street and along the easterly extension thereof to the easterly line of Concord Avenue as now laid out and used; thence southerly along the easterly line of said Concord Avenue to the south line of said Delaware Street; thence easterly along the southerly line of said Delaware Street to the point of beginning. EXCEPTING THEREFROM Lots 191, 192, 193, 194, 195, 361, 362, 376, 377, 378, 379, 380, 381, 396, 397, 398, 399, 400, 419, 420 and the south 14 feet of Lot 360, all as designated upon the replat of part of Washington Park Subdivision, the replat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois. ALSO EXCEPTING THEREFROM Lots 4, 5, 6, and 15 in Block 13 and Lot 13 in Block 19 as designated upon Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 16 in said Recorder's Office. Situated in the County of Winnebago and the State of Illinois. Containing 125 acres plus or minus.

Dated: December 5, 2005



## Hope VI TIF District

### Legal Description:

Part of the East Half (1/2) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the south line of Delaware Street with the centerline of Pierpont Avenue as both are now laid out and used; thence South along the centerline of said Pierpont Avenue to the easterly extension of the northerly line of Liberty Street as now laid out and used; thence westerly along said easterly extension and along the northerly line of Liberty Street and along the south line of the Replat of part of Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois and the westerly extension of said line to the easterly line of Springfield Avenue as now laid out and used; thence northerly along the easterly line of said Springfield Avenue to the westerly extension of the centerline of Chestnut Street as now laid out and used; thence easterly along said westerly extension and along the centerline of Chestnut Street to the centerline of Ashley Avenue as now laid out and used; thence northerly along the centerline of Ashley Avenue to the westerly extension of the southerly line of Lot 13 in Block 2 as designated upon Hartman Subdivision, the plat of which is recorded in Book 20 of Plats on page 68 in said recorder's office; thence easterly along said westerly extension and along the southerly line of said Lot 13 to the southeast corner thereof; thence northerly along the easterly line of said Block 2 to the south line of Lot 12 as designated upon Alexander Subdivision, the plat of which is recorded in Book 14 of Plats on page 171 in said recorder's office; thence easterly along the southerly line of said Lot 12 and along the easterly extension of said line to the centerline of Cameron Avenue as now laid out and used; thence southerly along the centerline of said Cameron Avenue and the southerly extension of said line to the northerly line of Delaware Street as now laid out and used; thence easterly along the northerly line of said Delaware Street and along the easterly extension thereof to the easterly line of Concord Avenue as now laid out and used; thence southerly along the easterly line of said Concord Avenue to the south line of said Delaware Street; thence easterly along the southerly line of said Delaware Street to the point of beginning. EXCEPTING THEREFROM Lots 191, 192, 193, 194, 195, 361, 362, 376, 377, 378, 379, 380, 381, 396, 397, 398, 399, 400, 419, 420 and the south 14 feet of Lot 360, all as designated upon the replat of part of Washington Park Subdivision, the replat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois. ALSO EXCEPTING THEREFROM Lots 4, 5, 6, and 15 in Block 13 and Lot 13 in Block 19 as designated upon Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 16 in said Recorder's Office. Situated in the County of Winnebago and the State of Illinois. Containing 1 $\overline{2}$  acres plus or minus.

Dated: December 5, 2005

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CITY OF ROCKFORD  
HOPE VI TIF DISTRICT  
REDEVELOPMENT PLAN AND PROJECT

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

Prepared For: City of Rockford, Illinois

Prepared By: Kane, McKenna and Associates, Inc.

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December 2005

**EXHIBIT**

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## I. INTRODUCTION

The City of Rockford (the "City") is a mature community located in Winnebago County, Illinois, approximately ninety (90) miles northwest of the City of Chicago's "Loop". The City lies adjacent to the municipalities of Belvidere and Cherry Valley on the east, Loves Park and Machesney Park on the north, Winnebago and Pecatonica to the east, and is connected to Interstate 39 that takes travelers south to Rochelle and other communities.

For purposes of establishing a Tax Increment Financing ("TIF") district, otherwise known as the Redevelopment Project Area ("RPA") the City is completing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, et. seq., as amended.

The Act has been established to assist Illinois municipalities "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas". (65 ILCS 5/11-74.4-2(b)).

In the context of planning for the RPA within the boundaries, as described, the City has authorized the study of the Plan within the boundaries to determine whether it qualifies for consideration as a TIF District. Kane, McKenna and Associates, Inc. ("KMA"), has agreed to undertake the study of the RPA. This Redevelopment Plan and Project (the "Plan") contains the results of KMA's initial study. Based on this study, KMA is prepared to make conditional recommendations for the establishment of a TIF District, which would need to be supplemented by review and approval of City staff and officials.

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

The RPA is generally bound by Chestnut Street and Washington Park on the north, Liberty Street on the south, Pierpont Avenue on the east, and Springfield Avenue on the west. The RPA includes several vacant residential lots that are anticipated to be redeveloped so a new residential community can be built. Additionally, the RPA contains several parcels that are, or were, located in an unincorporated area of the City; however, all such parcels are subject to review and annexation by the City, prior to the Redevelopment Project and Plan's final adoption. A boundary map of the RPA is attached in Exhibit 2

Given limited opportunities for redevelopment, the City is focusing attention on areas that can provide increases to the local property tax base with the ability to provide non-residential revenues (including sales taxes) to the community.

Overall, the City intends to attract and encourage residential, commercial and industrial users to locate, upgrade, expand and/or modernize their facilities within the City as part of its ongoing and comprehensive economic development planning.

Currently, vacant residential lots, deteriorating structures, and inadequate utilities characterize the RPA; to the point, that the RPA is no longer suitable for private investment without public assistance. These areas and building conditions are minimizing the value of future residential development and negatively impact the potential for future retail and commercial development; thereby, limiting employment and growth opportunities and contributing to the lack of new investment in the area.

The RPA is residential in nature but contains some mixed residential uses. Many of the existing structures were constructed from the 1950's to the 1970's, and as such, show conditions associated with age, obsolescence, and deterioration. The RPA is also subject to excessive vacancies, lack of community planning, and inadequate utilities, which are evidenced throughout the RPA and are documented pursuant to site visits and City records.

Other sources of potential concern regarding the RPA include ingress and egress coordination of in certain areas of the RPA, visible interior/exterior deterioration of the improvements and underutilized properties. The combination of these factors tends to limit the opportunities for residential reuse within the RPA and potential retail and commercial development of areas surrounding the RPA.

The RPA has lost its initial attractiveness for residential reuse due to the vacant condition of many properties and the overall physical condition of the area. The RPA may be suitable for new residential development if there is coordination of uses and layout by the City. The City has undertaken an initiative, through the designation of the RPA, to redevelop key areas within the City and, in doing so, stabilizing and expanding benefits to the community and affected taxing districts.

#### The Redevelopment Plan

The City recognizes the need for implementation of a strategy to revitalize residential properties and development within the boundaries of the RPA and to stimulate and enhance private development. Residential attraction created by new housing opportunities and phased expansions of the corporate boundaries of the City are key components of the redevelopment strategy for the RPA. At the time of this Plan, many residential properties are located outside the corporate boundaries of the City, so the City will need to complete the annexation of those properties into the City limits, prior to the establishment of the RPA.

The needed private investment may only be possible if TIF is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Plan will benefit the City and all the taxing districts, which encompass the area in the form of a significantly expanded tax base.

The designation of the area as an RPA will allow the City to address area inadequacies including (but not limited to):

- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement adjacent current and/ or future residential and commercial opportunities, and other City redevelopments within the RPA and/ or surrounding area.
- Creation of quality affordable housing for community residents.
- Provision of roadway and traffic improvements within the area, including a comprehensive review of ingress and egress requirements that satisfy area circulation, parking and connections to major arterials;
- Entering into redevelopment agreements in order to include the redevelopment of blighted property and/or to induce new development to locate within the RPA.
- Coordinating and providing adequate parking for all redevelopments;
- Improving area appearance through rehabilitation of structures, landscape, streetscape and signage programs;
- Coordinating land and/or building assembly/demolition in order to provide sites for more modern redevelopment plans; and
- Providing infrastructure that is adequate in relation to redevelopment plans.

The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of a Plan. The City, in cooperation with Champion Park Partners, LLC and with the assistance of KMA, has commissioned this Plan to use TIF in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to operation of viable residential uses within the RPA and set the stage for future retail and commercial uses surrounding the area.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres. A boundary map of the RPA is included in Exhibit 2 of this Plan.

Through this Plan, the City will serve as the central influence for the coordination and assembly of the assets and investments of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Plan will benefit the City and all the taxing districts, which encompass the RPA in the form of a stabilized and expanded tax base, retention of existing businesses in need of expanding their operations and creation of new employment opportunities within the City as a result of new private development in the area as well as rehabilitation of existing structures.

#### Summary

It is found and declared by the City, though 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 the RPA taxing districts. This is because these taxing districts whose jurisdictions include in the RPA 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 pursuant to the Act, will result in the displacement of 10 or more inhabited residential units, and that the RPA contains more than 75 inhabited residential units. Therefore, this Plan will include a housing impact study. The housing impact study is attached in Exhibit 4.

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. RPA LEGAL DESCRIPTION**

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



### III. RPA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's Zoning Ordinance and comprehensive planning process (including any amendments thereto). The Plan also will conform to the Year 2020 Plan, the official plan of the City, upon its completion.

#### General Goals of the City

- To provide for implementation of economic development and redevelopment strategies that benefits the City and its residents.
- To provide public infrastructure improvements within the City to promote growth.
- To encourage positive and feasible redevelopment of vacant sites and/or underutilized facilities.
- To strengthen the property tax base of the City and overlapping tax districts.
- To create new jobs and retain existing jobs for City and area residents.
- To coordinate all redevelopment within the City in a comprehensive manner, avoiding land use conflicts and negative community impacts with attracted users.
- To create a cooperative partnership between City and users.

#### Specific Objectives for the RPA

- Encourage residential development by facilitating the assembly, preparation and marketing of improved and vacant sites, and assisting private developers to assemble suitable sites for modern development needs;
- Produces quality affordable housing units for community residents.
- Facilitate the remediation of environmental problems to provide additional land for new residential development, as appropriate;
- Foster the replacement, repair, and/or improvement of infrastructure, where needed, including sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new residential development as well as the rehabilitation of existing residential and public properties within the RPA;
- Support the goals and objectives of the Year 2020 Plan, the official plan of the City;
- Facilitate the provision of adequate on and off street parking for residents within the RPA.
- Develop the area in relationship to the traffic system for improved accessibility to the area.

- Coordinate redevelopment efforts throughout the neighboring area thus improving the surrounding environment.
- Provide assistance to existing businesses to encourage expansion of current operations or upgrades to facilities within the neighboring area.

#### Redevelopment Objectives

The purpose of the RPA TIF designation should allow the City to:

- Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal;
- Reduce or eliminate blight or other negative factors present within the area;
- Accomplish redevelopment over a reasonable time period;
- Provide for high quality development within the RPA; and
- Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Project will serve to improve the physical appearance of the RPA and contribute to the economic development of the area. The implementation of the RPA will provide new employment opportunities for community and City residents.

IV. **EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS**

A. **Evidence of the Lack of Development and Growth Within the RPA**

As documented in Exhibit 5 of this Plan, the RPA has suffered from the lack of development. The area has not in recent history benefited from significant private investment and/or development, but instead has suffered from long-term physical decline. As a result, is not likely to gain in value without encouragement by the City.

Components of the properties evidence economic and structural obsolescence, lack of community planning, excessive vacancies, inadequate utilities, and deterioration. These various conditions are indicators of physical and economic decline with the RPA and work to depress economic growth by discouraging private sector investment in the housing market and other business enterprises.

B. **Assessment of Fiscal Impact on Affected Taxing Districts**

It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a positive impact on the affected taxing districts by arresting potential assessed valuation declines.

It is not anticipated that the RPA will require increased services from any affected taxing districts except by the City. Though strategies will be encouraged to promote growth via private investment within the area, specific objectives are geared to stabilize the RPA's existing strengths and revitalize the RPA's redevelopment potential. Should the City achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the City will consider the declaration of sufficient surplus funds, which funds are neither expended or obligated, as provided by the Act, to assist affected taxing districts in paying the costs for the increased services.

Any surplus Special Tax Allocation Funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the City, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act. The exception to this provision will be to the extent that the City utilizes TIF funding to assist in the redevelopment of residential units. In such cases, the City will provide for the cost incurred by eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act.

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT  
PROJECT AREA

Findings

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under the Act. Refer to the TIF Qualification/Designation Report, attached as Exhibit 5 in this Plan.

Eligibility Survey

Representatives of KMA and City staff evaluated the RPA in February, March and April 2005. Analysis was aided by certain reports obtained from the City, aerial photographs, on site due diligence and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for the establishment of a TIF district.

## VI. REDEVELOPMENT PROJECT

### A. Redevelopment Plan and Project Objectives

The City proposes to realize its goals and objectives of encouraging the development of the RPA and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the retention and expansion of existing businesses, and the attraction of users to redevelop vacant land and buildings that are available within the RPA.
- 2) By constructing public improvements which may include (if necessary):
  - Street and sidewalk improvements (including new street construction and widening of current streets)
  - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation)
  - Signalization, traffic control and lighting
  - Off-street parking (if applicable)
  - Landscaping and beautification
- 3) By entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of interest rate subsidy as allowed under the Act.
- 4) By providing for site preparation, clearance, and demolition, including grading and excavation.
- 5) By the redevelopment of existing building inventory through necessary rehabilitation and improvement of structures.
- 6) Exploration and review of job training programs in coordination with any City, federal, state, and county programs.

### B. Redevelopment Activities

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions, including, but not limited to, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary.

#### Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

### Land Assembly and Relocation

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites. The City may also undertake relocation activities.

### Public Improvements

The City may, but is not required to provide, public improvements in the RPA to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems; and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

### Rehabilitation

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

### Interest Rate Write-Down

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

### Job Training

The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs;
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

C. General Land Use Plan

Existing land use generally consists of a mix of residential uses. Existing land uses are shown in Exhibit 3, attached hereto and made a part of this Plan. Exhibit 3, attached hereto and made a part of this Plan designates intended general land uses in the Redevelopment Project Area that include residential. The land uses will conform to the Zoning Ordinance and the Year 2020 Plan, the official plan of the City, as either may be amended from time to time.

D. Additional Design and Control Standards

The appropriate design controls including any Planned Unit Developments, as set forth in the City's Zoning Ordinance, shall apply to the RPA.

E. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, as provided in the TIF statute, and any such costs incidental to this Plan. Private investments, which supplement "Redevelopment Project Costs", are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act, which may be pertinent to this Plan, include:

- (1) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
- (1.5) After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;

- (1.6) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- (2) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- (3) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- (4) Costs of the construction of public works or improvements, except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
- (5) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) Financing costs, 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;
- (7) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project.
- (7.5) For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the



redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows: (A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act. (C) For any school district in a municipality with a population in excess of 1,000,000, the following restrictions shall apply to the reimbursement of increased costs under this paragraph (7.5): (i) no

increased costs shall be reimbursed unless the school district certifies that each of the schools affected by the assisted housing project is at or over its student capacity; (ii) the amount reimbursable shall be reduced by the value of any land donated to the school district by the municipality or developer, and by the value of any physical improvements made to the schools by the municipality or developer; and (iii) the amount reimbursed may not affect amounts otherwise obligated by the terms of any bonds, notes, or other funding instruments, or the terms of any redevelopment agreement. Any school district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph (7.5). By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

- (8) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n); of the Act;
- (9) Payment in lieu of taxes;
- (10) 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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
- (11) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that: (A) such costs are to be paid directly from the special tax allocation fund established pursuant to this Act; (B) such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year; (C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (11) then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; (D) the total of such interest payments paid pursuant to this Act may not exceed 30% of the

total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to this Act; and (E) the cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D) of paragraph (11). (F) Instead of the eligible costs provided by subparagraphs (B) and (D) of paragraph (11), as modified by this subparagraph, and notwithstanding any other provisions of this Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under this Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) of paragraph (11) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F) of paragraph (11). The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

- (11.5) If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county, or regional median income are

determined from time to time by the United States Department of Housing and Urban Development.

- (12) Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.
- (13) After November 1, 1999 (the effective date of Public Act 91-478), none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman. If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by this Act.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan.

### HOPE VI TIF - REDEVELOPMENT PROJECT AREA ESTIMATED PROJECT COSTS

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
Land Acquisition and Assembly Costs including Demolition	\$1,500,000
Site Preparation	\$1,500,000
Utility Improvements including, but not limited to, sanitary sewer, the service of public facilities, and road improvements	\$25,000,000
Rehabilitation of Existing Structures and Affordable Housing	\$2,500,000
Interest Costs Pursuant to the Act	\$1,000,000
Planning, Legal, Engineering, Administrative, Marketing and Other Professional Service Costs	\$5,000,000
Job Training and Required School District Reimbursements (if any)	<u>\$100,000</u>
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b><u>\$36,600,000</u></b>

(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 RPA's to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas and vice-versa.

F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Plan.

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

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2004 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate.

Furthermore, the Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

#### **G. Nature and Term of Obligations to be Issued**

The City may issue obligations secured by the tax increment Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

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

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the City may determine.

**H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area**

The most recent equalized assessed valuation ("EAV") for the RPA is based on the 2004 EAV, and is estimated to be \$1,286,788. It is anticipated the estimated Base EAV for establishment of the RPA is the 2004 EAV.

**I. Anticipated Equalized Assessed Valuation (EAV)**

Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA will be approximately \$4,500,000.



## VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

### A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses are conformant with City zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition and Site Preparation: The existing improvements located within the northern portion of the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition on parcels located to the southeast of the site may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects.

Rehabilitation: The City may assist in the rehabilitation of buildings or site improvements located within the RPA.

Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The City may also undertake the provision of necessary detention or retention ponds.

Roadway/Street/Parking Improvements: Widening of existing road improvements and/or vacation of roads may be undertaken by the City. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.



Interest Costs Coverage: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

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

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

With respect to the public/private development's internal operations, both entities will pursue employment practices, which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and the compliance requirements of applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year in which the ordinance approving the RPA is adopted. Actual construction activities for expected projects are anticipated to be completed within approximately three (3) to five (5) years.

**VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT  
PLAN AND PROJECT**

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

**EXHIBIT 1: Legal Description of Project Area**

**AS PROVIDED BY CHAMPION PARK PARTNERS**

## Hope VI TIF District

### Legal Description:

Part of the East Half (1/2) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the south line of Delaware Street with the centerline of Pierpont Avenue as both are now laid out and used; thence South along the centerline of said Pierpont Avenue to the easterly extension of the northerly line of Liberty Street as now laid out and used; thence westerly along said easterly extension and along the northerly line of Liberty Street and along the south line of the Replat of part of Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois and the westerly extension of said line to the easterly line of Springfield Avenue as now laid out and used; thence northerly along the easterly line of said Springfield Avenue to the westerly extension of the centerline of Chestnut Street as now laid out and used; thence easterly along said westerly extension and along the centerline of Chestnut Street to the centerline of Ashley Avenue as now laid out and used; thence northerly along the centerline of Ashley Avenue to the westerly extension of the southerly line of Lot 13 in Block 2 as designated upon Hartman Subdivision, the plat of which is recorded in Book 20 of Plats on page 68 in said recorder's office; thence easterly along said westerly extension and along the southerly line of said Lot 13 to the southeast corner thereof; thence northerly along the easterly line of said Block 2 to the south line of Lot 12 as designated upon Alexander Subdivision, the plat of which is recorded in Book 14 of Plats on page 171 in said recorder's office; thence easterly along the southerly line of said Lot 12 and along the easterly extension of said line to the centerline of Cameron Avenue as now laid out and used; thence southerly along the centerline of said Cameron Avenue and the southerly extension of said line to the northerly line of Delaware Street as now laid out and used; thence easterly along the northerly line of said Delaware Street and along the easterly extension thereof to the easterly line of Concord Avenue as now laid out and used; thence southerly along the easterly line of said Concord Avenue to the south line of said Delaware Street; thence easterly along the southerly line of said Delaware Street to the point of beginning. EXCEPTING THEREFROM Lots 191, 192, 193, 194, 195, 361, 362, 376, 377, 378, 379, 380, 381, 396, 397, 398, 399, 400, 419, 420 and the south 14 feet of Lot 360, all as designated upon the replat of part of Washington Park Subdivision, the replat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois. ALSO EXCEPTING THEREFROM Lots 4, 5, 6, and 15 in Block 13 and Lot 13 in Block 19 as designated upon Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 16 in said Recorder's Office. Situated in the County of Winnebago and the State of Illinois. Containing 125 acres plus or minus.

Dated: December 5, 2005

**EXHIBIT 2: Boundary Map of RPA**

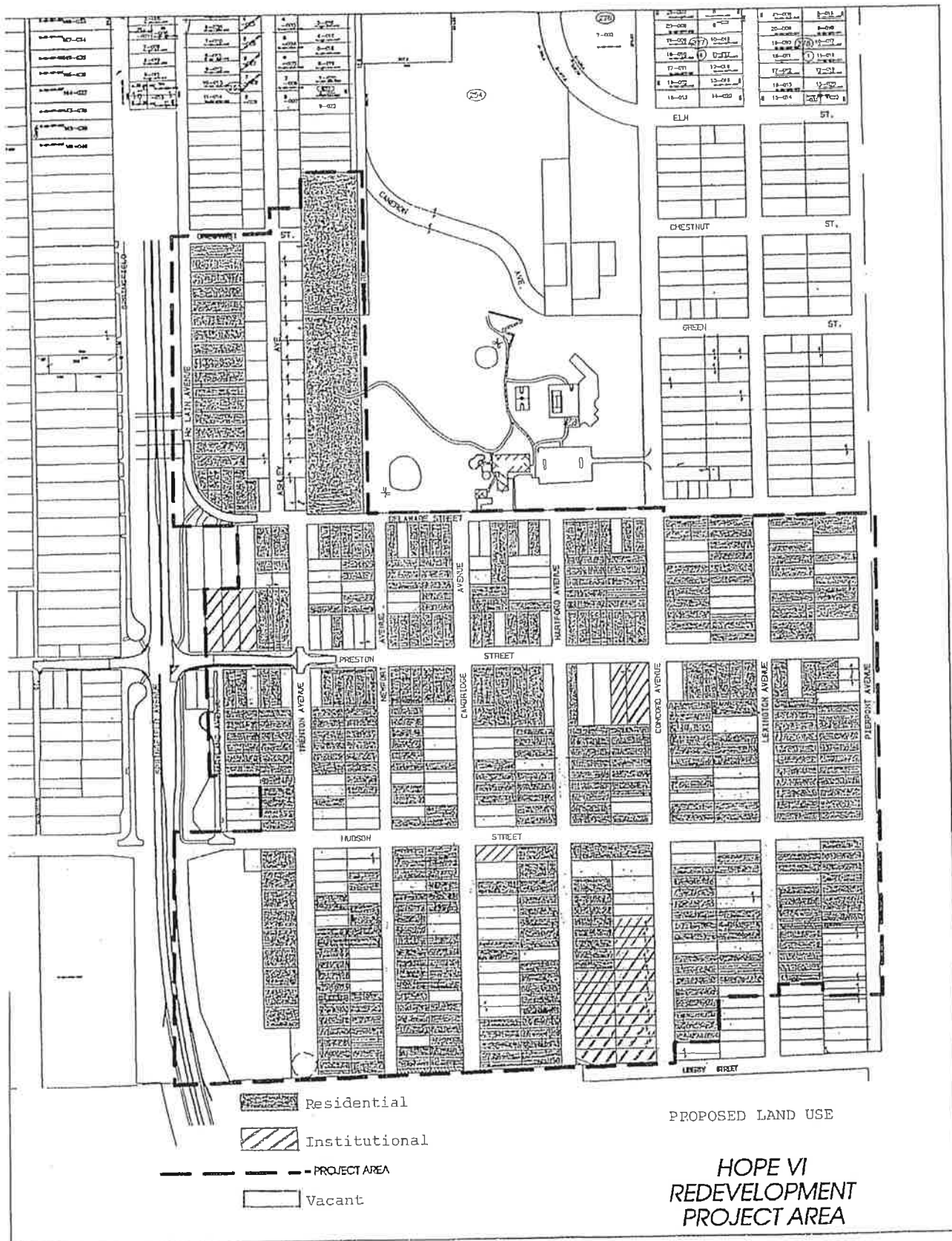
**AS PREPARED BY CHAMPION PARK PARTNERS**

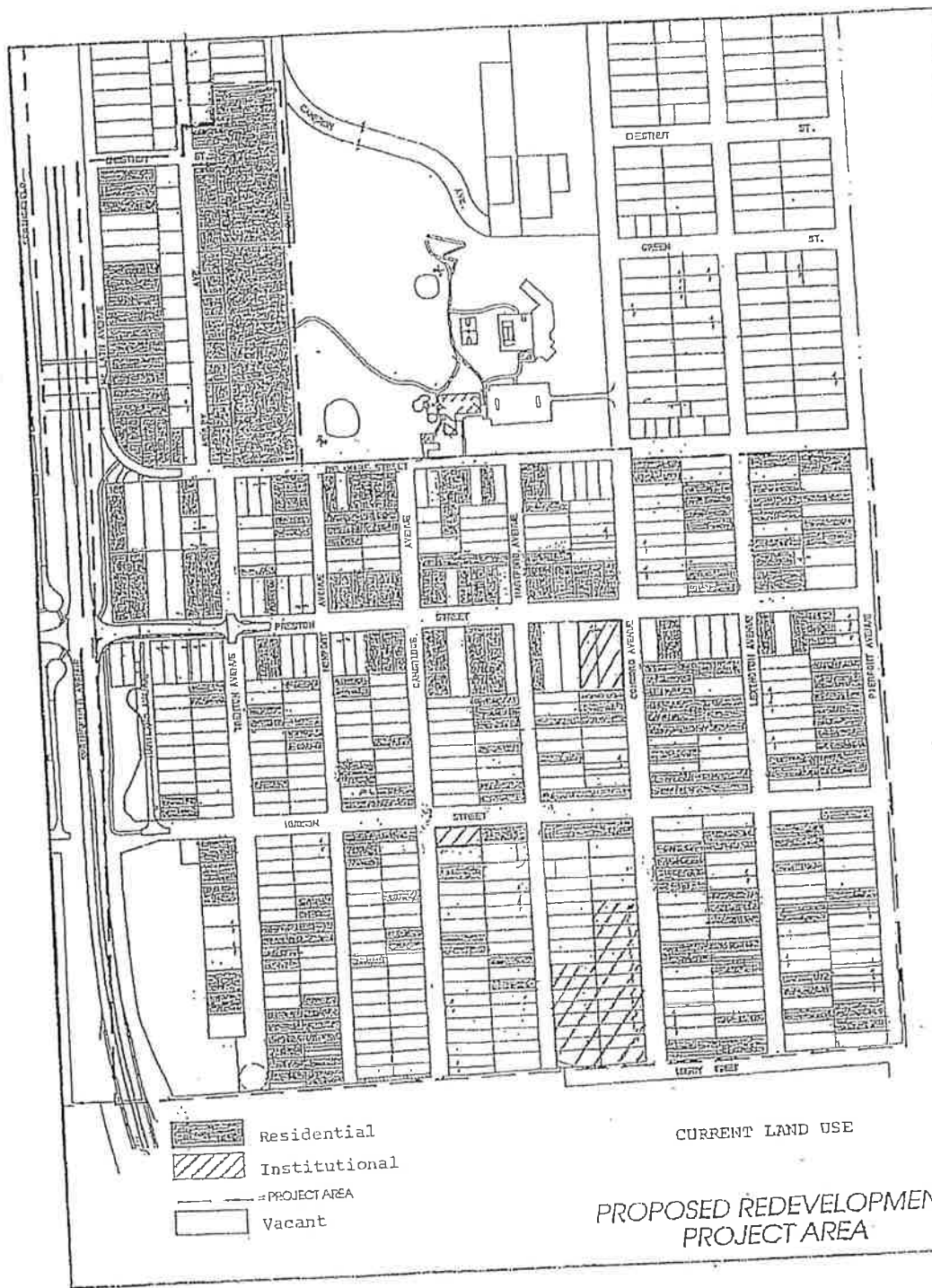


**EXHIBIT 3: Existing and Future Land Use Map of RPA**

**AS PREPARED BY CHAMPION PARK PARTNERS**







CURRENT LAND USE

PROPOSED REDEVELOPMENT  
PROJECT AREA

**EXHIBIT 4: Housing Impact Study**

**PREPARED BY KANE MCKENNA AND ASSOCIATES**

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**CITY OF ROCKFORD  
HOUSING IMPACT STUDY  
HOPE VI TIF DISTRICT**

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**A study undertaken by the City of Rockford pursuant to the  
requirements of the Tax Increment Allocation Redevelopment Act  
65 ILCS 5/11-74.4-3, et. seq. (as amended).**

**Prepared For: City of Rockford, Illinois**

**Prepared By: Kane, McKenna and Associates, Inc.**

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**December 2005**

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## I. RESIDENTIAL UNIT DATA

### A) Introduction and Background

Pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS, Section 5/11-74.4-3 et seq. of the Illinois Compiled Statutes as amended (the "TIF Act"), if a redevelopment plan would result in the displacement of residents from ten (10) or more inhabited residential units, or if the redevelopment project contains seventy-five (75) or more inhabited residential units and no certification stating that displacement will not occur, then a Housing Impact Study ("Impact Study") must be prepared.

Based upon site survey and information provided by City of Rockford (the "City") staff, Champion Park Partners ("CPP") and additional research and review performed by Kane McKenna and Associates, Inc. ("KMA"), from February to July 2005, there are approximately 192 residential addresses located within the Redevelopment Project Area ("RPA"). There is the potential that many of these residential units may be displaced during the overall redevelopment of the area. KMA has prepared this Impact Study with assistance from City staff and CPP in order to conform to the provisions of the TIF Act.

The City and CPP propose to redevelop the area promoting new residential development. Upgrades to the current infrastructure including sewer, water, roadways, electrical lines and improved ingress and egress to the area are planned.

### B) Type of Units

The TIF Act requires that data regarding the nature of the housing, whether single-unit or multi-unit is examined and a finding be placed in the Impact Study. According to the 2000 U.S. Census, the following Census Block Groups encompass the RPA, and include the following single and multi-family dwellings:

	<u>Single Family</u>	<u>Multi-Family</u>	<u>Total</u>
Census Block 1	362	250	612
Census Block 3	226	17	243
<b>Total</b>	<b>588</b>	<b>267</b>	<b>855</b>

The information regarding the type of housing was not available for the RPA specifically. Listed above is an analysis by Census Block Group, detailing the type of housing in the Census Block Group. Please note that the RPA encompasses only a portion of the Census Block Group. As a result, the Census Block Group data includes areas that are larger than the RPA. Source: 2000 U.S. Census

C) Unit Breakdown

The TIF Act requires that a breakdown of the number and type of unit be made, if available.

The information regarding the type of room was not available for the RPA specifically. Listed in Exhibit III is an analysis by Census Block Group, detailing the number of bedrooms in the Census Block Group. **Please note that the RPA encompasses only a portion of the Census Block Group. As a result, the Census Block Group data includes areas that are larger than the RPA.** Source: 2000 U.S. Census

D) Status of Units

The TIF Act requires that a determination be made regarding the status of each unit's habitation no less than forty-five (45) days before the date that the ordinance or resolution establishing the public hearing.

KMA and the City have reviewed the area and estimates as of August 23, 2005 that the area contains approximately 180 residential addresses. Please refer to the attached map of the area in Exhibit I. This information will be updated as required by the TIF Act.

E) Ethnic Composition of Residents

The TIF Act requires that the ethnic composition of the residents in the inhabited residential units be identified. Pursuant to the TIF Act, the most recent 2000 U.S. Census data was used to identify racial and ethnic makeup.

Pursuant to the TIF Act, the data requirement as to the racial and ethnic composition of the residents in the inhabited residential units shall be deemed to be fully satisfied by data from the most recent federal Census.

Exhibit I defines the Census Blocks encompassing the RPA. Exhibit II provides a breakdown of the residents in the two (2) Census Block Groups that are located within the RPA. **Please note that the RPA encompasses only a portion of the Census Block Group. As a result, the Census Block Group data includes areas that are larger than the RPA.** Source: 2000 U.S. Census

## II. REDEVELOPMENT PLAN AND RELOCATION ASSISTANCE

### A) Identification of Units That may be Slated for Displacement

The TIF Act requires that the housing impact study identify those units, by location and number that will or may be removed because of the redevelopment plan.

As stated earlier, there are up to 192 residential addresses, which may be slated for displacement. See Exhibit I for the location and description of these units.

### B) City's Plans for Relocation Assistance

The TIF Act requires that the municipality outline a plan for relocation assistance for those units that will be removed because of the redevelopment of the RPA.

The City will utilize the Housing and Urban Development ("HUD") Community Development Block Grant ("CDBG") Guidelines as the basis for its relocation plan for those units that will be displaced because of the redevelopment effort.

### C) Identification of Replacement Housing Alternatives

The TIF Act states that the municipality shall identify the availability of replacement housing for those residents whose residences are to be removed and shall identify the type, location and costs of the housing.

Utilizing information from the 2000 U.S. Census and the Multiple Listing Service (the "MLS") maintained by local realtors for the City of Rockford and Winnebago County as a preliminary examination of available housing units. Included in Exhibit V is a listing of single-family and multi-family buildings and locations, within the City, that range in price up to \$75,000.

Information regarding the median rent data for properties located within the RPA, based upon the 2000 U.S. Census is located in Exhibit VI.

**THE INFORMATION CONTAINED IN EXHIBIT V AND VI ARE NOT INTENDED TO BE EXHAUSTIVE, BUT SERVES AS AN EXAMPLE OF ALTERNATIVE HOUSING AVAILABLE WITHIN THE CITY IN PRICE RANGES REFLECTED IN THE RPA.**



D) Details of Relocation Assistance

The TIF Act states that the type and extent of relocation assistance to be provided by the municipality must be identified. The City plans on providing relocation assistance to those individuals who qualify under the TIF Act. The City will utilize the Housing and Urban Development Community Development Block Grant Guidelines as the basis for its relocation assistance where appropriate.

### III. REQUIREMENTS FOR VERY LOW AND LOW-INCOME RESIDENTS

As per the TIF Act, no redevelopment plan shall remove residential housing that are occupied by households of low-income and very low-income persons unless the plan provides, with respect to inhabited housing that are to be removed for households of low-income and very low-income persons, affordable housing and relocation assistance not less than that which would be provided under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under the Act. The municipality shall make a good faith effort to ensure that this affordable housing is located on or near the redevelopment project area within the municipality.

If the City does displace residents within the RPA, the City will need to determine if those residents fall into the low-income and very low-income category. At that point, the City will act appropriately and provide relocation assistance to those residents that would be displaced pursuant to the requirements of the TIF Act.

EXHIBIT I: AREA MAPS

23.01

Service Rd

US Hwy 20 (Bus)

Park Lane Blvd.

Lincoln Park Blvd.

Albion, IL

Rockford, IL 61105

Ashley Ave.

Ashley Ct

21

Wentworth

Lexington Ave.

Delaware St.

Pleasant Ave.

Chestnut St.

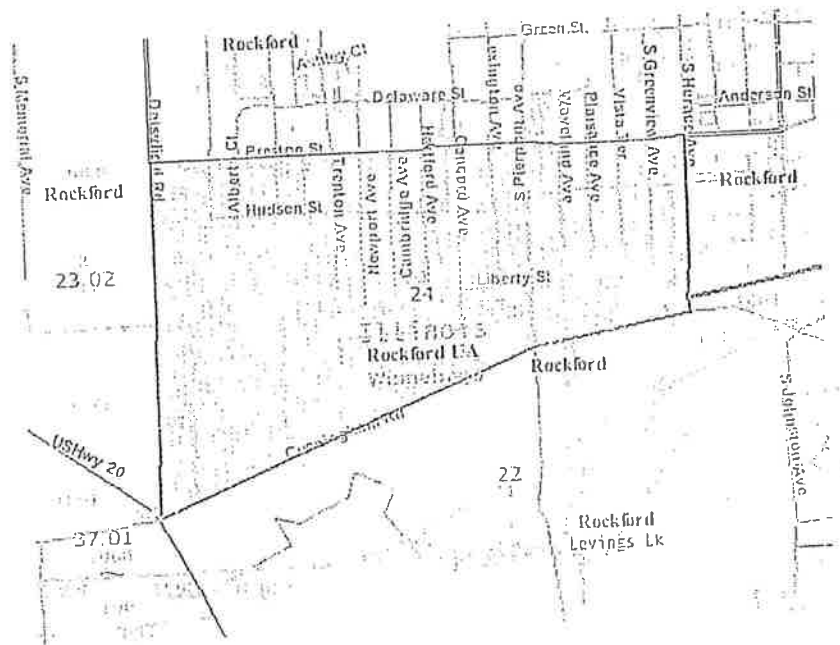
Green St.

Elm St.

Rockford

23.01

# Block Group 3



## EXHIBIT II: POPULATION COMPOSITION

Housing Impact Study  
 Hope VI Redevelopment Project Area  
 Population of Area

Block Group Blocks		Hispanic or Latino		White		Black	
		Persons	%	Persons	%	Persons	%
1	1018	0	0.0%	2	5.9%	24	9.0%
	1019	0	0.0%	5	14.7%	12	4.5%
	1020	0	0.0%	1	2.9%	5	1.9%
	1021	0	0.0%	0	0.0%	0	0.0%
	1022	0	0.0%	6	17.6%	14	5.3%
	1023	0	0.0%	7	20.6%	114	42.9%
	1024	1	16.7%	3	8.8%	14	5.3%
	1025	0	0.0%	0	0.0%	21	7.9%
	1026	5	33.3%	9	26.5%	4	1.5%
	1027	0	0.0%	0	0.0%	2	0.8%
	1028	0	0.0%	0	0.0%	0	0.0%
	1029	0	0.0%	0	0.0%	16	6.0%
	1036	0	0.0%	1	2.9%	27	10.2%
	1037	0	0.0%	0	0.0%	1	0.4%
	1038	0	0.0%	0	0.0%	12	4.5%
	Total Block Group 1	6		34		266	
3	3006	0	0.0%	0	0.0%	35	13.2%
	3016	0	0.0%	14	35.0%	62	23.4%
	3017	0	0.0%	10	25.0%	23	8.7%
	3018	0	0.0%	0	0.0%	33	12.5%
	3019	0	0.0%	0	0.0%	8	3.0%
	3020	0	0.0%	0	0.0%	4	1.5%
	3021	0	0.0%	4	10.0%	14	5.3%
	3022	1	100.0%	2	5.0%	0	0.0%
	3023	0	0.0%	2	5.0%	0	0.0%
	3024	0	0.0%	1	2.5%	10	3.8%
	3025	0	0.0%	3	7.5%	8	3.0%
	3028	0	0.0%	3	7.5%	21	7.9%
	3030	0	0.0%	0	0.0%	5	1.9%
	3031	0	0.0%	0	0.0%	7	2.6%
	3032	0	0.0%	0	0.0%	15	5.7%
	3033	0	0.0%	0	0.0%	1	0.4%
	3034	0	0.0%	1	2.5%	19	7.2%
	Total Block Group 3	1		40		265	
TOTAL RESIDENTS		7		74		531	

Source: U.S. Census Bureau; Census 2000

Housing Impact Study  
 Hope VI Redevelopment Project Area  
 Population of Area

Population of Area		Asian		AIAN		Other		Total Residents	
		Persons		Persons		Persons		Persons	
		Persons	%	Persons	%	Persons	%	Persons	%
Block Group Blocks	1								
	1018	0	0.0%	0	0.0%	0	0.0%	26	8.3%
	1019	0	0.0%	0	0.0%	0	0.0%	17	5.4%
	1020	0	0.0%	0	0.0%	0	0.0%	6	1.9%
	1021	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	1022	0	0.0%	0	0.0%	0	0.0%	20	6.4%
	1023	0	0.0%	0	0.0%	5	62.5%	126	40.1%
	1024	0	0.0%	0	0.0%	0	0.0%	18	5.7%
	1025	0	0.0%	0	0.0%	0	0.0%	21	6.7%
	1026	0	0.0%	0	0.0%	0	0.0%	18	5.7%
	1027	0	0.0%	0	0.0%	0	0.0%	2	0.6%
	1028	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	1029	0	0.0%	0	0.0%	0	0.0%	16	5.1%
	1036	0	0.0%	0	0.0%	3	37.5%	31	9.9%
	1037	0	0.0%	0	0.0%	0	0.0%	1	0.3%
	1038	0	0.0%	0	0.0%	0	0.0%	12	3.8%
Total Block Group 1		0		0		8		314	100.0%
Block Group Blocks	3								
	3006	0	0.0%	0	0.0%	0	0.0%	35	11.3%
	3016	0	0.0%	0	0.0%	0	0.0%	76	24.6%
	3017	0	0.0%	0	0.0%	0	0.0%	33	10.7%
	3018	0	0.0%	0	0.0%	0	0.0%	33	10.7%
	3019	0	0.0%	0	0.0%	0	0.0%	8	2.6%
	3020	0	0.0%	0	0.0%	1	33.3%	5	1.6%
	3021	0	0.0%	0	0.0%	0	0.0%	19	6.1%
	3022	0	0.0%	0	0.0%	2	66.7%	4	1.3%
	3023	0	0.0%	0	0.0%	0	0.0%	2	0.6%
	3024	0	0.0%	0	0.0%	0	0.0%	11	3.6%
	3025	0	0.0%	0	0.0%	0	0.0%	11	3.6%
	3028	0	0.0%	0	0.0%	0	0.0%	24	7.8%
	3030	0	0.0%	0	0.0%	0	0.0%	5	1.6%
	3031	0	0.0%	0	0.0%	0	0.0%	7	2.3%
	3032	0	0.0%	0	0.0%	0	0.0%	15	4.9%
	3033	0	0.0%	0	0.0%	0	0.0%	1	0.3%
	3034	0	0.0%	0	0.0%	0	0.0%	20	6.5%
Total Block Group 3		0		0		3		309	100.0%
TOTAL RESIDENTS		0		0		11		623	

Source: U.S. Census Bureau; Census 2000



EXHIBIT III: BEDROOM DATA

**Housing Impact Study**  
 Hope VI Redevelopment Project Area  
 Bedroom Analysis

	Block Group 1		Block Group 3		Total	
	Rooms	%	Rooms	%	Rooms	%
No bedrooms	0	0.0%	11	4.5%	11	1.3%
1 bedroom	31	5.1%	37	15.2%	68	8.0%
2 bedrooms	364	59.5%	63	25.9%	427	49.9%
3 bedrooms	144	23.5%	109	44.9%	253	29.6%
4 bedrooms	61	10.0%	23	9.5%	84	9.8%
5 or more bedrooms	12	2.0%	0	0.0%	12	1.4%
Total:	612		243		855	100.0%

Source: U S Census Bureau; Census 2000

**EXHIBIT IV: NUMBER OF UNITS DATA**

## **EXHIBIT V: SINGLE AND MULTI-HOUSING STOCK**

- As of December 2005 there are approximately 365 single and multi-housing units available in the City of Rockford.

## EXHIBIT VI: UNIT RENT TREND ANALYSIS

Housing Impact Study  
 Hope VI Redevelopment Project Area  
 Monthly Contract Rent

	Block Group 1		Block Group 3		Total	
	Rent	%	Rent	%	Rent	%
Less than \$100	46	15.6%	0	0.0%	46	12.6%
\$100 to \$149	27	9.2%	0	0.0%	27	7.4%
\$150 to \$199	0	0.0%	7	10.1%	7	1.9%
\$200 to \$249	14	4.7%	0	0.0%	14	3.8%
\$250 to \$299	19	6.4%	9	13.0%	28	7.7%
\$300 to \$349	50	16.9%	6	8.7%	56	15.4%
\$350 to \$399	45	15.3%	0	0.0%	45	12.4%
\$400 to \$449	0	0.0%	8	11.6%	8	2.2%
\$450 to \$499	0	0.0%	0	0.0%	0	0.0%
\$500 to \$549	31	10.5%	0	0.0%	31	8.5%
\$550 to \$599	0	0.0%	10	14.5%	10	2.7%
\$600 to \$649	0	0.0%	0	0.0%	0	0.0%
\$650 to \$699	16	5.4%	0	0.0%	16	4.4%
\$700 to \$749	0	0.0%	0	0.0%	0	0.0%
\$750 to \$799	0	0.0%	0	0.0%	0	0.0%
\$800 to \$899	0	0.0%	0	0.0%	0	0.0%
\$900 to \$999	0	0.0%	0	0.0%	0	0.0%
\$1,000 to \$1,499	0	0.0%	0	0.0%	0	0.0%
\$1,500 to \$1,999	0	0.0%	0	0.0%	0	0.0%
\$2,000 or more	0	0.0%	0	0.0%	0	0.0%
No cash rent	47	15.9%	29	42.0%	76	20.9%
	295		69		364	100.0%

Median Monthly Rent	\$ 318	\$ 333
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Source: U S Census Bureau; Census 2000

**EXHIBIT 5: TIF Qualification/Designation Report**

**PREPARED BY KANE MCKENNA AND ASSOCIATES**

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CITY OF ROCKFORD  
TIF QUALIFICATION/DESIGNATION REPORT  
HOPE VI TIF DISTRICT

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A study to determine whether all or a portion of an area located in the City of Rockford qualifies as combination of a "blighted improved area" and a "blighted vacant area" as set forth in the definitions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.

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## I. INTRODUCTION AND BACKGROUND

The purpose of this Eligibility Report is to evaluate the criteria for establishing a Redevelopment Project Area ("RPA") by means of a Blighted Area as defined by the Tax Increment Allocation Redevelopment Act (the "Act") (65 ILCS 5/11-74.4-1, et seq.).

The Act has been established to assist Illinois municipalities "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas". (65 ILCS 5/11-74.4-2(b)).

In the context of planning for the Redevelopment Project Area (the "RPA") within the boundaries described in the map attached hereto, the City of Rockford (the "City") has authorized the study of the RPA in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing District (the "TIF"). Kane, McKenna and Associates, Inc. ("KMA"), has agreed to undertake the study of the RPA. This TIF Eligibility Study contains the results of KMA's initial study. Based on this study, KMA is prepared to make conditional recommendations for the establishment of a TIF District, which would need to be supplemented by review and approval of City staff, officials and provisional information.

The RPA is generally bound by Chestnut Street and Washington Park on the north, Liberty Street on the south, Pierpont Avenue on the east, and Springfield Avenue on the west and includes five hundred eighty-nine (589) Property Identification Numbers ("PIN's"). The RPA includes a substantial number of vacant residential lots that will be redeveloped and a number of unincorporated parcels that must be annexed by the City prior to RPA's designation by the City.

The current boundaries of the RPA reflect an area that includes a number of unincorporated parcels that must be annexed into the City prior to their eligibility for final inclusion within the TIF District. As a result, the RPA and this TIF Eligibility Study are subject to revision at any point prior to the adoption of a TIF District for the purpose of excluding any parcels that are not annexed into the City by the time such TIF District is adopting by the City. In that event, the City will follow all required notice provisions, pursuant to the Act, in connection to the related changes to the RPA and this TIF Eligibility Report.

The RPA as a whole also suffers from a lack of community planning. The area did not have the benefit of developing under the guidelines of either a comprehensive plan or an economic development plan, mostly due to the fact that the RPA contains several parcels that are, or were, located in an unincorporated area of the City; however, all such parcels are subject to review and annexation by the City, prior to TIF adoption by City Council. The qualification factors discussed within this Report qualify the RPA as a "blighted area", as that term is hereinafter defined pursuant to 65 ILCS 5/11-74.4-3 et seq., as amended.

The RPA also possesses the need for various infrastructure improvements. Site preparation and demolition of existing structures may also be required. In order to accommodate new or increased uses within the area, upgrades and re-routing of utility services would be needed. The

area's roadways, walkways and ingress and egress also need improvement in order for redevelopment to occur. The City believes that a TIF District designation will be essential as part of the strategy to address these issues.

A majority of the site improvements within the RPA were found to have varying degrees of deterioration. This lack of proper upkeep resulted in many structures suffering from many of the detrimental effects related to advanced aging. Sidewalks and public-rights of way, throughout the area were faulty and in need of replacement and the surrounding roadways provide limited access to the RPA, in some cases. The RPA also suffers from deficiencies in public infrastructure, including inadequate water and sewer services. Additionally, the many vacant parcels within the area are made difficult to redevelop due to obsolete platting issues and a large diversity in ownership. Overall, such conditions present a challenge for future coordinated development for the RPA, especially since the RPA is part of an area of the community that has a hodgepodge of properties mixed within the City and in unincorporated areas. This situation points to a lack of community planning for the area dating back to the early 1900's.

In order for the neighborhood to compete for new residential and commercial developments, the City needs to provide adequate water, storm and sanitary sewer infrastructure and roadway improvements, as well as site preparation for potential users. The City also needs to help potential developers overcome substantial land planning issues related to appropriate zoning and building practices, as well as curing issues related to annexation needs.

The property within the RPA is evaluated in part as an improved property and in part as vacant property as defined within the TIF Act.

### **OBJECTIVES**

Several objectives support the overall goal of area-wide revitalization of the RPA, including:

- 1) Encourage affordable housing and commercial development by facilitating the assembly, preparation and marketing of improved and vacant sites (leading to increased population more attractive to commercial development), and assisting private developers to assemble suitable sites for quality affordable housing and more modern, including updated utilities and other infrastructure, development needs.
- 2) Facilitate the remediation of environmental problems to provide additional land for new residential and commercial development, as appropriate.
- 3) Foster the replacement, repair, and/or improvement of infrastructure, where needed, including sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new residential and commercial development as well as the rehabilitation of existing residential, commercial, and public properties within the RPA.
- 4) Support additional goals and objectives of the Year 2020 Plan, the official plan of the City.
- 5) Facilitate the provision of adequate on and off street parking for residents and visitors within the RPA.

- 6) Strengthen the economic well being of the RPA by providing resources for other development types within the RPA as appropriate.
- 7) Create an environment for recreational and other institutional facilities where needed and in accordance with the Redevelopment Plan.
- 8) Develop the area in relationship to the traffic system for improved accessibility into and around the area.
- 9) Coordinate redevelopment efforts throughout the neighboring area thus improving the surrounding environment.
- 10) Provide assistance to existing business interests to encourage expansion of current operations or upgrades to facilities within the neighboring area.

Given City goals for its comprehensive planning process and the conditions briefly described above, the City has made a determination that it is highly desirable to promote the redevelopment of the RPA. Without an implementation plan for redevelopment, City officials believe current conditions may worsen. The City intends to create and implement such a plan in order to increase tax revenues associated with the RPA and to increase the community's tax base.

Given the conditions of the RPA and the redevelopment of the existing TIF District, the City is favorably disposed toward supporting redevelopment efforts. However, the City is determined that redevelopment takes place through the benefit and guidance of comprehensive economic planning by the City. Through this coordinated effort, the area is expected to improve. Development barriers, inherent with current conditions, which impede economic growth under existing market standards, are expected to be eliminated.

The City has determined that redevelopment currently planned for the RPA may only be feasible with public financial assistance. The creation and utilization of a TIF District redevelopment plan is intended by the City to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the area.

The use of TIF relies upon induced private redevelopment in the RPA creating higher real estate value, that would otherwise decline or stagnate without such investment, leading to increased property taxes compared to the previous land-use (or lack of use). In this way the existing tax base for all tax districts is protected and a portion of future increased taxes are pledged to attract the needed private investment.

## II. QUALIFICATION CRITERIA USED

With the assistance of City staff, KMA examined the RPA periodically from February through September 2005 and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Act. The relevant sections of the Act, for this RPA, include in the following.

The Act sets out specific procedures, which 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 Act states "on and after November 1, 1999, "blighted area" means any 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 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(a).

(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) Environmental Clean-Up: The 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: The 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) The total equalized assessed value of the 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.

(2) If vacant, the sound growth of the redevelopment project area is impaired by a combination of 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 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 redevelopment project area has declined for 3 of the last 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 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the 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:

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

(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 November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or City 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 area" immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.



The entire RPA was examined as improved property under the "blighted area" definition of the Act. The detailed definition of blighted conditions for both improved and vacant property is located at the beginning of Section II. The improved property when evaluated on the whole was found to evidence at least five (5) of the thirteen (13) factors dictated by the Act for qualification as a "blighted improved area". The vacant property within the area when evaluated on the whole was found to evidence at least two (2) of the six (6) factors cited under the first standard for such property as provided by the Act. It was further found that that the required qualifying factors are reasonably distributed throughout the RPA. The area contains at least six (6) of thirteen (13) "blighted improved area" qualifying factors, and three (3) of the six (6) factors for the first standard of the "blighted vacant area" qualifying factors.

KMA and the City reserve the right to make additional findings in connection with this and subsequent reports. Thus, it is subject to additional revisions to the extent such revisions are allowable prior to any action by the City to adopt the TIF District, as permitted in the manner cited within the Act.

The presence of these qualifying factors are reasonably distributed throughout the RPA. KMA and the City reserve the right to make additional findings in connection to this TIF Eligibility Report. Thus, it is subject to additional revisions to the extent such revisions are allowable prior to any action by the City to adopt the TIF District, as permitted in the manner cited within the Act.

### III. THE RPA

The RPA is generally bound by Chestnut Street and Washington Park on the north, Liberty Street on the south, Pierpont Avenue on the east, and Springfield Avenue on the west. The RPA includes a diverse mix of both improved and vacant parcels. Improved parcels make up approximately forty-five percent of the area, while the vacant parcels make up approximately remaining fifty-five percent of the area. Many of the vacant lots in the area are of a shape and/or dimension that would make their redevelopment difficult due issues related to obsolete platting and subdivisions.

The RPA consist of mostly vacant residential lots, and for the majority of buildings that are currently in the RPA, they are approximately thirty-five (35) to one hundred (100) years of age.

#### IV. METHODOLOGY OF EVALUATION

In evaluating the RPA's potential qualification as a TIF District, KMA reviewed the area in its entirety and utilized the following methodology:

- 1) Site surveys of the RPA were undertaken by representatives from KMA. Site surveys were completed for each tract of land (based upon Sidwell blocks), within the area.
- 2) Exterior evaluation of structures, noting such conditions as depreciation, obsolescence and deleterious layout and land-use was completed. Additionally, tax levy years 1999 through 2004 Equalized Assessed Valuation ("EAV") information from the Winnebago County Clerk's Office, official parcel tax maps, historical series of aerial photos, site data, local history (discussions with City officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, deleterious land-use and layout, obsolete platting, ownership patterns, etc.). City redevelopment goals and objectives for the area were also reviewed with City officials. A serialized photograph analysis of the area was conducted and was used to aid this evaluation.
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, criteria factors of specific structures and site conditions on the parcels. The area was studied in relation to review of available economic development planning reports, City ordinances, tax levy years 1999 through 2004 EAV information from the Winnebago County Clerk's Office and City data base records, official parcels tax maps, aerial photos, site data, local history (discussions with City officials and staff), and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, deleterious land-use and layout, obsolete platting, etc.). City redevelopment goals and objectives for the area were also reviewed with City officials.
- 4) The RPA was examined to assess the applicability of the different factors, required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. Improved property within the RPA was examined to determine the applicability of the thirteen (13) different blighting factors for qualification for TIF designation under the Act. Vacant property within the RPA was examined to determine the applicability of any of seven overall qualifying criteria to determine if such property met any of the conditions required for TIF designation.

## V. QUALIFICATION OF RPA/ FINDINGS OF ELIGIBILITY

As a result of KMA's evaluation of each parcel in the TIF District, an analysis of each of the eligibility factors summarized in Section II, it has been determined that the following factors are present to support qualification of the RPA as a "blighted area" for an improved property area.

### IMPROVED AREA FACTORS

The RPA is found to qualify as a "blighted area" for an improved property area in the Act. The following provides a brief summary of the "blighted area" factors as well as the qualification of the RPA as by the Vacant Area factor.

#### *1) 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(a)(1)(B)).

Over 75% of structures in the RPA were constructed in a time period stretching from the early 1900's through the late 1950's. As a result, many of the improved parcels within the RPA suffer from area-wide functional obsolescence connected in part to the factors of deleterious layout, obsolete platting, and advanced age.

The maximum useful life of a typical residential structure is considered to be 70 years of age. By this determination, over 78% of the approximately 180 existing residential structures located within the RPA are in at or near of 70-years of age and are, therefore, either beyond or very near the end of their original useful life. These structures fall within an actual age range between 65 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. In most cases this continuing process has only been delayed through ongoing rehabilitative efforts by a number of building owners, many other residential structures over the years have been demolished in part due to advanced deterioration and age. Other structures are either already condemned and/or vacant with little prospect of being placed back into useful life, while a significant number suffer from poor maintenance that is often associated with a high degree of absentee ownership. Although the majority of these structures continue to function for continued residential use, many are in need of substantial repair or replacement with more modern residential structures. Efforts to modernize the existing housing stock would be difficult given limitation of the lots that most are located on. The existing lots contribute to this state of obsolescence due to outmoded designs, dated construction and undersized platted lots.

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 most of the existing residential structures as too costly to bring into compliance in a manner that would keep them suitable for occupancy. In addition to obsolescence that is a consequent of advanced age, according to County records many of the older structures within the RPA are burdened with asbestos-related materials as part of their core building components. The presence of such material adds to both the functional and economic obsolescence of these structures.

The problem of obsolescence that occurs with age is only aggravated by the presence of negative neighborhood influences connected to conditions such as dilapidating and deteriorating structures and site improvements, as well as inadequate or non-existing utilities, in some cases. Prominent in this respect is the presence throughout the area of dilapidated, condemned and/or abandoned properties. The poor condition and high profile of such property is a major detriment to the neighborhood and as such must become a primary target for redevelopment by the City.

## **2) Deterioration**

### **Building Improvements**

With respect to buildings deterioration is defined as defects in secondary building components. With respect to surface improvements, deterioration is evidenced by surface cracking, crumbling, potholes, loose paving and weed growth.

### **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(a)(1)(C)).

Deterioration of buildings and site improvements were evidenced within the improved properties throughout the RPA. Of the approximate 225 improved parcels located within the RPA, approximately 203 parcels (or approximately 90%), and many of the approximately 265 structures (inclusive of garages) exhibited deteriorated conditions to either the structures or site improvements (and in many cases both). These conditions of deteriorations were characterized by occurrences that included the following:

- Buckling exterior brick and siding walls;
- 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;
- Buckled and caved in areas of asphalt;
- 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.

In summary, a majority of parcels of the parcels located within the RPA exhibited various degrees of deterioration to both structures and site improvements.

## **3) Excessive Vacancies**

Excessive Vacancies refers to the "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". (65 ILCS 5/11-74.4-3(a)(1)(F))

Structures frequently become vacant in the area and these often become long-term vacancies. A significant number of structures within the RPA were either unoccupied or under-utilized. The presences of such structures pose a significant public safety risk for the area as a whole. This problem is evident by the history of fire damage structures that have existed in the area over the years. Such structures must eventually be condemned and demolished to eliminate the risk to public safety. According to County records, the area has a history of properties that fall into forecloses and delinquent tax sale circumstances. An ongoing problem with the eventual elimination of such structures is that a large number of unsightly vacant lots are generated, and such lots have historically had a poor chance for re-use for new residential. This problem is highlighted by the fact that, until recent efforts associated with this redevelopment analysis, there has been no significant new home construction in the area since the 1970's. Although in many cases this problem of excessive vacant lots is somewhat alleviated by the acquisition of adjacent parcels by remaining homeowners (to eliminate blight and to effectively create larger home sites), the frequent demolitions tend to leave large gaps in the area's streetscape and often add to blighted conditions for the neighborhood.

#### *4) 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". (65 ILCS 5/11-74.4-3(a)(1)(H)).

The existing water distribution system and the storm water management system within the RPA are of insufficient capacity to accommodate a major redevelopment effort. The inadequacy of these utilities is aggravated by the fact that many of the residential properties that are included in the RPA are located in unincorporated areas outside of the City's limits. Many of these residential properties are not on the City's water and sewer systems. Plans for new residential development in the area is hindered by the inadequate utilities and part to the efforts associated with this redevelopment analysis is to help provide the City with the resources to modernize, and in many cases put in place, water, sewer and street utilities as a means to improve the quality of life for existing residents, and to provide essential services as a means to support new residential development for the RPA.

#### *5) Deleterious Land-Use of 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". (65 ILCS 5/11-74.4-3(a)(1)(J)).

According to County and Township records, much of the improvements found within the Study Area occurred during a period 35 to 100 years ago. This applies to more than 90% of the buildings in the area. As a result, these properties were developed during a period before the

City and the County had in place an effective community planning process and before the location of infrastructure improvements needed to adequately service a residential area. Properties were developed in a piecemeal fashion both inside and outside of the City with little regard for the strain that future development would cause on the resources in place. In addition, the tendency of the area to experience frequent and prolonged vacant property uses lead to blighted conditions that are noxious, offensive and unsuitable for the surrounding area. This problem is evidenced by the historical condemnation and demolition of properties throughout the area. The removal of such structures is part of an effort to relieve the area of unsafe, offensive and unsuitable properties. The continued existence of such conditions contributes to the finding of deleterious layout and land use for the improved land within the RPA.

#### **6) Lack of Community Planning**

Lack of Community Planning refers to "the 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(a)(1)(L)).

The City's first comprehensive plan was adopted decades after the RPA was developed as a residential area. This circumstance is complicated by the fact that significant portions of the RPA developed outside of the City limits and did so under codes and regulations that may not have been permissible had the properties developed within the City. As a result, the 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. The result of this is most evident in improper and obsolete subdivision of parcels that were permitted to become developed in inadequate shapes and sizes compared to modern development standards. Modern land use practices would not permit the existence of the narrow lots that still persist in much of the area and that is now only curable with the application of more up to date land use techniques as the area redevelops.

#### **VACANT AREA FACTOR**

The RPA is found to also qualify as a "blighted area" for a vacant property area as defined in the Act.

If vacant, the sound growth of the redevelopment project area is impaired by a combination of 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 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 redevelopment project area has declined for 3 of the last 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 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

The propose RPA includes vacant property that is surrounded by deteriorated structures and site improvements. Additionally, the over 380 vacant parcels within had over 50 different owners, which constitutes a diversified ownership. Such ownership patterns complicate any efforts by the City and private developers to assemble land needed for substantial redevelopment efforts to replenish quality, affordable housing for the neighborhood. Finally, the parcels in the area suffer from obsolete platting that date back several decades. This problem has been partially managed in recent years by spot plat updates based on actions by homeowners, on their own, seeking to expand narrow lots into larger home sites by the acquisition, clean up and maintenance of vacant or abandoned lots adjacent to their existing homes. A more systematic updating of the platting in the area will be needed to allow for larger scale programs to put in place replacement housing and to eliminate many of the unused vacant parcels that exist within the RPA.



## **VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION**

The following is a summary of relevant qualification findings as it relates to the establishment of a TIF District by the City:

1. The area is contiguous and is greater than 1½ acres in size.
2. The area qualifies as a "blighted area". A detailed analysis of the qualification findings are outlined in Section V.
3. All property in the area would substantially benefit by the redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

### **Conclusion**

These findings, in the judgment of KMA, provide the City with sufficient justification to consider designation of the RPA as a TIF District.

The area has not benefited from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to new residential construction as well as the coordination of redevelopment efforts for the neighboring area. These efforts will be important to the area's continued improvement and preservation of tax base.

The eligibility findings indicate that the area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well being of the City, and that the redevelopment project meets the criteria to be designated a "blighted area" under the Act. Factors indicate the area has not been subject to sound growth and development through investment by private enterprise, and is not likely to be developed but for the assistance of TIF through the establishment of the RPA.

These findings, in the judgment of KMA, provide the City with sufficient justification to consider designation of the subject area as a TIF District.

**EXHIBIT 1: Legal Description of Project Area**

**AS PROVIDED BY CHAMPION PARK PARTNERS**

Hope VI TIF District

Legal Description:

Part of the East Half (1/2) of Section 20, Township 44 North, Range 1 East of the Third Principal Meridian, bounded and described as follows: Beginning at the intersection of the south line of Delaware Street with the centerline of Pierpont Avenue as both are now laid out and used; thence South along the centerline of said Pierpont Avenue to the easterly extension of the northerly line of Liberty Street as now laid out and used; thence westerly along said easterly extension and along the northerly line of Liberty Street and along the south line of the Replat of part of Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois and the westerly extension of said line to the easterly line of Springfield Avenue as now laid out and used; thence northerly along the easterly line of said Springfield Avenue to the westerly extension of the centerline of Chestnut Street as now laid out and used; thence easterly along said westerly extension and along the centerline of Chestnut Street to the centerline of Ashley Avenue as now laid out and used; thence northerly along the centerline of Ashley Avenue to the westerly extension of the southerly line of Lot 13 in Block 2 as designated upon Hartman Subdivision, the plat of which is recorded in Book 20 of Plats on page 68 in said recorder's office; thence easterly along said westerly extension and along the southerly line of said Lot 13 to the southeast corner thereof; thence northerly along the easterly line of said Block 2 to the south line of Lot 12 as designated upon Alexander Subdivision, the plat of which is recorded in Book 14 of Plats on page 171 in said recorder's office; thence easterly along the southerly line of said Lot 12 and along the easterly extension of said line to the centerline of Cameron Avenue as now laid out and used; thence southerly along the centerline of said Cameron Avenue and the southerly extension of said line to the northerly line of Delaware Street as now laid out and used; thence easterly along the northerly line of said Delaware Street and along the easterly extension thereof to the easterly line of Concord Avenue as now laid out and used; thence southerly along the easterly line of said Concord Avenue to the south line of said Delaware Street; thence easterly along the southerly line of said Delaware Street to the point of beginning. EXCEPTING THEREFROM Lots 191, 192, 193, 194, 195, 361, 362, 376, 377, 378, 379, 380, 381, 396, 397, 398, 399, 400, 419, 420 and the south 14 feet of Lot 360, all as designated upon the replat of part of Washington Park Subdivision, the replat of which is recorded in Book 13 of Plats on page 32 in the Recorder's Office of Winnebago County, Illinois. ALSO EXCEPTING THEREFROM Lots 4, 5, 6, and 15 in Block 13 and Lot 13 in Block 19 as designated upon Washington Park Subdivision, the plat of which is recorded in Book 13 of Plats on page 16 in said Recorder's Office. Situated in the County of Winnebago and the State of Illinois. Containing 1 $\overline{2}$  acres plus or minus.

Dated: December 5, 2005

**EXHIBIT 2: Boundary Map of RPA**

**AS PREPARED BY CHAMPION PARK PARTNERS**



— — — — — PROJECT AREA

HOPE VI  
REDEVELOPMENT  
PROJECT AREA