



ANNEXATION POLICIES



COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT

SEPTEMBER 2022

INTRODUCTION & HISTORY

The City of Rockford first adopted annexation policies in 1984. At the Mayor's direction, a team of key personnel from different city departments was assembled, headed by the Community Development Department. Their task was to establish policies that were designed to achieve the following objectives:

- Establish Ultimate City Boundaries. It is within this area that all other policies would be applied to the full extent possible.
- Give top priority to annexing land necessary for the City's economic development and the islands, and making City boundaries less irregular.
- Ensure the ability to expand urban public improvements and services throughout the Ultimate Annexation Area in the years ahead.
- Ensure consistency in the City's treatment of all pre-annexation and annexation requests and all development proposals within the 1 ½ mile extraterritorial jurisdiction.

Over the years following the first adopted policies, an Annexation Team was established with representatives from various departments. They continued to meet bi-monthly and their cooperative efforts provided a great benefit to the growth of the City. In 1993, they convened to assess what impact their policies had on the growth and development of the City. Numerous annexation and pre-annexation agreements had been negotiated and executed, and all water connections now required an annexation or a pre-annexation agreement. The success of the established policies was evident by the increase in sales tax revenue and capturing high-growth and development areas but over time, the policies became dated.

In 1993, the City of Rockford revisited the policies established in 1984 and created recommendations for new policies. Those recommendations included: priority annexation areas; annexation boundary agreements; a revised Ultimate Boundary; enforcement of City subdivision regulations; annexing surrounded areas of less than 60 acres; extension of City water service; public improvement payments; inspection of structures prior to annexation; tax-exempt properties; time during which there will be no City initiated annexations; and notifications to property owners of annexation. These policies were largely considered successful and the City is still employing these policies today.

The adoption of the revised policies in 1993 was greatly enhanced by the annexation boundary agreements signed with the City of Loves Park and the Village of Cherry Valley. Prior to the boundary agreements, there was fierce competition between the municipalities as to who was closer to the proposed annexation, who could extend services and utilities the fastest, and, most importantly, who could give the greatest incentives. The price paid by the competing

communities was high but, ultimately, the boundary agreements provided a calming mechanism to the communities involved as it prevented a bidding war amongst those involved.

One of the recommendations of the City's 2020 Comprehensive Plan (updated in 2003) is to update annexation policies. These policies are vital for not only ensuring Rockford stays competitive in the region, but more importantly that we plan for and have the capabilities of providing city services, such as public water supply and fire protection, in the ultimate annexation boundary. The 2020 Plan called for special attention to the following issues:

- How and when incentives and subsidies will be available.
- Acceptable timing for pre-annexation agreements in areas where there is not a threat to annex to another municipality and where development is premature.
- Revision of the priority annexation areas and the Ultimate Annexation Boundary.

The 2020 Plan also refers to other annexation related recommendations the City should work on over the next 20 years. Although the annexation policies have been reviewed from time to time and administrative processes have changed based on revised state statutes and other factors, a formal policy update has not been approved by City Council since 1993

ACHIEVEMENTS

Major annexations that occurred in the last 20 years include: Lowes Distribution Center, Walmart (East State), Hope VI Area, Sandy Hollow Quarry, Edson Road-South Bend Road, Kelly Meadows, Wesley Willows, Redington Chase, Stevens Ridge, Winterberry Park, Samuelson Road Parcels, Bell School/Spring Creek/I-90, Mercyhealth Hospital on East Riverside and the SW corner of Bypass 20 and South Main Street.

Islands eliminated – Bradley Heights (Spring Creek & Bradley), Glenny View (City View & Rockton), Guilford Crossings (Guilford & Alpine), Meadows of Spring Brook (Spring Brook & Springwheat), Country Oaks (Lyford & Cloverdale) and Larwinn (Bell School/Meander & Lyford/Conehill).

| <u>Boundary Agreements</u> | <u>Expiration Date</u> | <u>Status</u> |
|-----------------------------------|-------------------------------|---------------------------|
| Cherry Valley | August 13, 2031 | Agreement Renewed in 2011 |
| Loves Park | December 31, 2035 | Agreement Renewed in 2017 |
| Machesney Park | July 27, 2030 | Agreement Renewed in 2020 |
| Rockton | November 3, 2028 | Agreement Signed in 2008 |
| Davis Junction | November 9, 2030 | Agreement Signed in 2010 |

CHALLENGES

- Inability to make better inroads in eliminating the larger islands, especially the two remaining Northeast islands.
- Inability to reach boundary agreements with Belvidere, New Milford and Winnebago.
- Lack of state legislative changes in annexation policy to help assist in the elimination of the islands. The current policy allows for a municipality to annex land of 60 acres or less if they are surrounded by that city.
- Annexation of Land into Ogle County.
- Lack of cooperative effort with the Forest Preserve District to annex land when it is contiguous with the City of Rockford boundaries.

NEXT STEP

Annexations are often considered a vital part of a city's growth. Many citizens believe that if a city is not annexing property, then it is not growing. While this is not true, we understand the importance of expanding the corporate limits when necessary. Much has changed in the last 19 years since the annexation policies were last evaluated. The City boundaries continued to expand outward. The City annexed land in Ogle County paving the way for large industrial development on the southern border of the airport. The Boundary Agreements were extended with Machesney Park until 2030 and Cherry Valley until 2031. In addition, Boundary Agreements were secured and signed with the Village of Rockton and the Village of Davis Junction.

At the end of 2008, the real estate development and housing industry collapsed and fell into a great recession. Annexation of land on the periphery of the city halted as a result of the collapse. The economy has been slow to recover; however, there has been a renewed effort to redevelop the urban core and grow from within. Now that we are seeing signs of renewal, the time has come to evaluate the annexation policies of the City. We need to evaluate all the successes, failures and challenges that the City has encountered over the last 15 to 20 years and find ways to promote annexation and development to the areas most beneficial to the City. Priorities should be given to elimination of islands, ultimate annexation boundaries, boundary agreements, enforcement of orderly development via our subdivision and zoning ordinances and municipal services. With the pending effort to update the Year 2020 Plan, the timing could not be better to re-evaluate the current annexation strategies.

ANNEXATION POLICIES

The following are recommended as the 2022 Annexation Policies:

POLICY ONE – PRIORITY ANNEXATION AREAS

Islands - Islands should be priority number one for annexations. We should place a high priority on annexing properties, especially those that already have City water and sanitary sewer. These properties are urbanized and should be within the urbanized boundary of the City.

Existing Agreements – Efforts should be made to bring in all existing properties with Pre-annexation agreements especially those that are sales tax producing properties.

Eleventh Street – The completion of the annexations of a few parcels of land along the east side of Eleventh Street from Airport Drive to Blackhawk Road that remain unincorporated.

Rock River Fire District – This is a defunct fire protection district that only collects about \$2,000 a year in tax revenue yet the City of Rockford Fire Department is charged with providing service in these areas. Bringing this area into the City would increase tax revenues and eliminate the inequitable situation that is mandated to our Fire Department. This area is the unincorporated areas east of 11th Street, south of Sandy Hollow, west of 20th Street and about one-half mile south of Samuelson Road.

West State Street – Efforts to annex the land along this corridor from the existing corporate limits to Meridian Road and Weldon Road are recommended to compliment the investment in the installation of public water main to Meridian Road and north to Porter Road. Additionally, it would allow greater City control over development of undeveloped land as well as cleaning up some of the blight that has perpetuated this area.

West Side – Continue to work on closing up the gap in the area bounded by Cunningham Road, Memorial Boulevard and West State Street.

Southwest/Bypass 20 Corridor – Continue to work with landowners on annexation efforts where sanitary sewer and water are readily available.

Northwest Side – Efforts are needed within the Springfield-West Riverside Boulevard corridor area especially where sanitary sewer is available.

East side gaps – There are just three pockets left along Perryville Road where it forms the border agreement with Cherry Valley. There is potential to annex these in the near future as public utilities are needed.

Sanitary Sewer projects – Wherever major sanitary sewer projects are proposed within the ultimate boundary area, annexation agreements should be required for any property connecting to these new facilities if the City is a fiduciary partner with the sewer district.

POLICY TWO – BOUNDARY AGREEMENTS

Boundary Agreement Renewal – Renegotiate existing agreements when there is no more than 2 years remaining on the agreement. The agreement with the Village of Machesney Park was recently passed in 2020 by both municipalities and it was extended for an additional ten (10) years.

New Boundary Agreements – Negotiate agreements with Belvidere, New Milford and Winnebago.

Rationale – Boundary Agreements help pave the way for orderly annexation and development and eliminate potential border wars. Current agreements have encouraged friendly competition for business without competing for territory. The lack of boundary agreements can often lead to territorial competition placing the property owners and developers in a much stronger position to extract financial inducements from the municipalities.

POLICY THREE – ULTIMATE BOUNDARIES

Ultimate Annexation Boundary – Review and revise the Ultimate Annexation Boundary. This would be devised from existing and planned infrastructure, boundary agreements and areas where we have pre-annexation agreements. This should also coincide with the Future Urban Development Area as shown on the Official Comprehensive Plan.

Extraterritorial Review and Enforcement – The City will continue to use its extraterritorial powers to ensure development within 1 ½ miles of the corporate limits of Rockford is developed with full City-standard improvements as specified in the Subdivision Ordinance. All City regulations, especially zoning and subdivision ordinances, will be enforced within the Ultimate Annexation Boundary to ensure orderly development. The only exceptions will be:

- a) Proposed developments on the other side of the existing Boundary Agreements where the City has no jurisdiction.
- b) Proposed developments within the 1 ½ mile area but outside the Ultimate Boundary, where the City Council will determine whether or not City standards will be required.

Rationale – Adoption of an Ultimate Boundary will provide the City with a basis from which to make decisions concerning annexations on the perimeter, the extension of water main beyond current City limits, regulation of development within the 1 ½ mile extraterritorial area, providing and planning for police and fire protection and development of the long-range capital improvement plan.

POLICY FOUR – FUTURE DEVELOPMENT AGREEMENTS/PRE-ANNEXATION AGREEMENTS

Peripheral Pre-Annexations – The City should continue to look into opportunities where we would like to control development on the periphery of the City and determine if some property owners are “city friendly” and discuss pre-annexation with those owners. We should also work with realtors and developers to secure key parcels for future development. This would be for parcels that are still premature for development but it would commit them to the city in the future when the utilities and services are available.

Pre-Annexation Agreements – In accordance with existing provisions of the City Code, Pre-annexation Agreements shall reflect the property owner’s primary responsibility for paying for public improvements. All Pre-annexation Agreements should include the following:

- a) Zoning designation of the site to be annexed.
- b) Development of the site, including platting, public improvements, building regulations and fiduciary responsibilities.
- c) Incentives if the site is in an eligible area.

Rationale – If we can secure pre-annexation agreements with property owners to designate their land for future development to the City, especially in areas where we lack boundary agreements, this will help protect our borders, enable us to adequately plan for future infrastructure and provide a sound fiscal plan for providing city services.

POLICY FIVE – MUNICIPAL SERVICES

Municipal Services – The City will not extend municipal services or participate in the extension of municipal services unless the adjacent land is annexing to the City or signing a pre-annexation agreement to obtain those services. The services include City of Rockford water as well as Four Rivers Sanitation Authority (fka Rock River Water Reclamation District) sanitary sewer. The City should work with the County on amending the distance requirements to discourage private wells and septic systems within the Ultimate Boundary Area.

Water – The City will allow the extension of water service outside of its boundaries only upon passage of a Pre-annexation Agreement. Such extensions must be paid for by the party seeking the water. The City will allow connections to existing water mains only with signed annexation or pre-annexation agreements in exchange for the water service. Additionally, the Water Division should have the right to approve all well permits within the Ultimate Annexation Boundary prior to issuance by the County Health Department.

Rationale – Adoption and Implementation of this Policy will ensure that:

- a) The City will not extend water beyond the Ultimate Annexation Boundary.

- b) Water is not extended without an agreement to annex
- c) The City does not sign a pre-annexation agreement for a property without also reaching an agreement on the provision of all local improvements.
- d) Individual property owners are not allowed to hook up to City Water without first signing an agreement to annex.

POLICY SIX - INCENTIVES

Annexation Incentives – Incentives should only be provided to assist with development in the priority areas. Infrastructure, Sales Tax Rebates, Property Tax Incentives and Zoning Enhancements are possible ways to provide incentives. Financial participation must be researched as to the long-term benefit of the City and proven that it is vital for the development to occur. Preference should be given to the areas critical to balanced growth. No annexation incentives will be provided to assist development outside of the priority areas.

Rationale – To achieve balanced growth, some incentive preference should be given to priority areas within the west, southwest and northwest sides as well as some of the islands so they can be eliminated once and for all. This would also eliminate financial assistance to developers in corridors where growth is naturally occurring as a part of the development market unless the investment is vital to the overall infrastructure of the city.

POLICY SEVEN – TAX EXEMPT PROPERTIES

Tax-exempt properties – The City will actively pursue annexation or pre-annexation of tax-exempt properties within the Ultimate Annexation Boundary. This would include all churches, educational institutions, government owned land and any other not-for-profit, tax-exempt parcels. A high priority should be placed on those parcels that are currently contiguous to the City or within one of the islands.

Rationale – Within islands, annexation of tax-exempt properties can serve to reduce the overall acreage to less than 60 acres. In the fringe areas, their annexation can preclude the creation of new islands or of blockages to orderly annexation.

POLICY EIGHT – ANNEXATION AGREEMENTS

Negotiated Annexation Agreements – Annexation Agreements will specify the responsible party for paying for public improvements whether for developed or undeveloped land. In accordance with existing provisions of the City Code, Annexation Agreements shall reflect the property owner's primary responsibility for paying for public improvements. All Annexation Agreements should include the following:

- a) An inventory of all existing public improvements.

- b) A statement of what public improvements, if any, the City will pay for.
- c) A statement of what public improvements, if any, the property owners will pay for.
- d) A timeframe for all specified improvements to be completed.
- e) The means by which improvements will be financed.

To ensure orderly development and to achieve balanced growth, City investment in public utilities may be necessary. All agreements should include a two-year pay back by either the developer or the tax revenue produced as a result of the development.

Rationale – Since the developer normally pays for the installation of all public improvements in new developments, this will place all City residents on an equal footing in terms of who pays for improvements. It will also ensure that both sides, the City and the property owners, are aware of the costs of development and that these costs will be dealt with in a straightforward manner.

POLICY NINE – CITY INITIATED/SURROUNDMENT ANNEXATION

City Initiated Annexations – The City will annex all previously platted unincorporated areas located within the priority annexation areas or within the future boundary based on the following conditions:

- a) A Pre-annexation Agreement for water or sanitary sewer service already exists between the City and the property owners.
- b) The area is completely surrounded by municipal boundary consistent with state statute, (current state statute allows for annexation for tract(s) 60 acres or less in size).

Only in the case of a surrounded area shall an annexation occur without an Annexation Agreement between the City of Rockford and the property owners. In this case, the property owners will receive a letter which details the City services that will be received.

All city initiated annexations will be zoned R-1, Single-family Residential. Those properties that would require a zoning change to bring their land into compliance with the City's Zoning Ordinance would be permitted to apply for a zoning petition with a 50 percent reduction in the fee if made within 6 months of the annexation. Staff will only endorse zoning requests in accordance with the uses as designated on the Official Comprehensive Plan. City Initiated annexations will be evaluated to determine the most effective date taking into consideration 1 of 2 options, the first option having an effective date of the annexation January 1 of the following year. The second option would be to have the annexation date effective immediately but prorate the taxes based on the date of the annexation per state statute.

Rationale – The intent of this Policy is to ensure that:

- a) All property owners will have a written understanding with the City of the services to be provided by the City.
- b) All properties which have agreed to annex to the City upon becoming contiguous do annex.
- c) Pre-annexation and Annexation Agreements are negotiated to ensure orderly development adjacent to and beyond the current City boundaries.

POLICY TEN – BUILDING INSPECTIONS

The City will make every effort to inspect existing multifamily, commercial and industrial structures prior to annexation or execution of an existing Pre-annexation Agreement for applicability of City Codes. This would not apply to single-family homes and duplexes (2-family structures).

Rationale – The intent of this Policy is to establish a benchmark for future applicability of City Codes and minimize the possibilities of a serious fire in buildings which could result in a substantial loss of life.

POLICY ELEVEN– NOTICE TO ANNEXEES

Notice – Property owners will receive written notification of the pending annexation at least one week before the matter comes up before the Code and Regulation Committee. In cases of city initiated annexations or annexations resulting from executing old agreements, current property owners will be notified in writing of the pending annexation at least one week before the matter as well. However, that notification should include the following:

- a) The date and time of the Code and Regulation Committee meeting when the annexation will be voted on.
- b) The effective date of the annexation when City services will begin.
- c) General information concerning City services, garbage collection, etc.
- d) A copy of the letter should be provided to the Alderman of the Ward.

The City will not be responsible for any errors in the County's records for the property owner information listed and for post office delivery.

Rationale – This will provide the property owners will detailed information on the services provided by the City and the effective date on which those services will begin.

POLICY TWELVE– ANNEXATION AGREEMENTS AND PETITIONS FOR ANNEXATION

A standard statement concerning the City's responsibilities for public improvements shall be included in all Annexation Agreements and Petitions for Annexation. All Annexation

Agreements shall address City's responsibility via development of the site, water service, sanitary sewer service or any other section which would establish a fiduciary responsibility. Include with all Petitions for Annexation a standard statement that reads as follows:

- a) The Petitioner hereby acknowledges that the City of Rockford is under no obligation to provide additional public improvements (curb, gutter, sidewalks, storm or sanitary sewer, etc.) by reason of annexation.

To ensure that property owners are aware of this Policy, all annexees will receive a letter from the City which includes the above standard statement.

Rationale – The intent of this Policy is to make clear to property owners who are annexing without an Annexation Agreement the City is under no immediate financial responsibility to provide additional public improvements and bring these areas up to urban standards with curbs, gutters, sidewalks, etc. Staff recognizes situations where a comprehensive Annexation Agreement would not exist, especially in the case of single-family residences with existing water agreements only, and in cases of City initiated annexation by surroundment.

POLICY THIRTEEN– IMPLEMENTATION & JUSTIFICATION

Implementation of New Policies – Staff will implement policies through prioritizing the areas which we can annex through cooperative agreements. Furthermore, justification behind policies is listed below as a summary of the overall policy.

Rationale – Prioritizing and setting goals on how to implement the policies will be the key to their success. It is great to have a plan but even more important to follow that plan and achieve the intended results of adopting that plan.

JUSTIFYING THESE POLICY GOALS

- 1) Eliminating the duplication of services with other governmental entities. This would include police, fire, public works, etc.
- 2) Control of the planning, zoning and platting (subdividing) of areas within the ultimate City boundaries.
- 3) Better planning for road maintenance, i.e., snow plowing, street sweeping, patching, re-surfacing, etc.
- 4) Long-term capital improvements such as drainage, sanitary sewer and water and road re-construction would be easier to plan for in the future.
- 5) Eliminate the need for intergovernmental agreements on paving and road projects where the City boundaries are uneven along roadways.

- 6) Garbage & Recycling would be uniform in these areas. In some of these areas, there can be as many as 10 different haulers all coming on different days and all damaging the roads. It would also eliminate the neighbor that does not pay for garbage but throws his garbage in with the neighbor that is in the city. This could also provide incentive for many people to recycle and compost where it is not provided. This would benefit the region as well since material would be recycled, waste would be diverted from area landfills and open burning would be significantly reduced.
- 7) Better code enforcement and uniformity.
- 8) Increase the tax base. The populace within the islands surrounded by the city is already using city roads and the minimal cost to provide basic services within these areas could be offset by having these folks pay their fair share. It would also increase the city's share of State Motor Fuel Tax and State Income Tax.
- 9) Control city expenditures related to annexation agreements by limiting city incentives to priority annexation areas.

APPENDICES

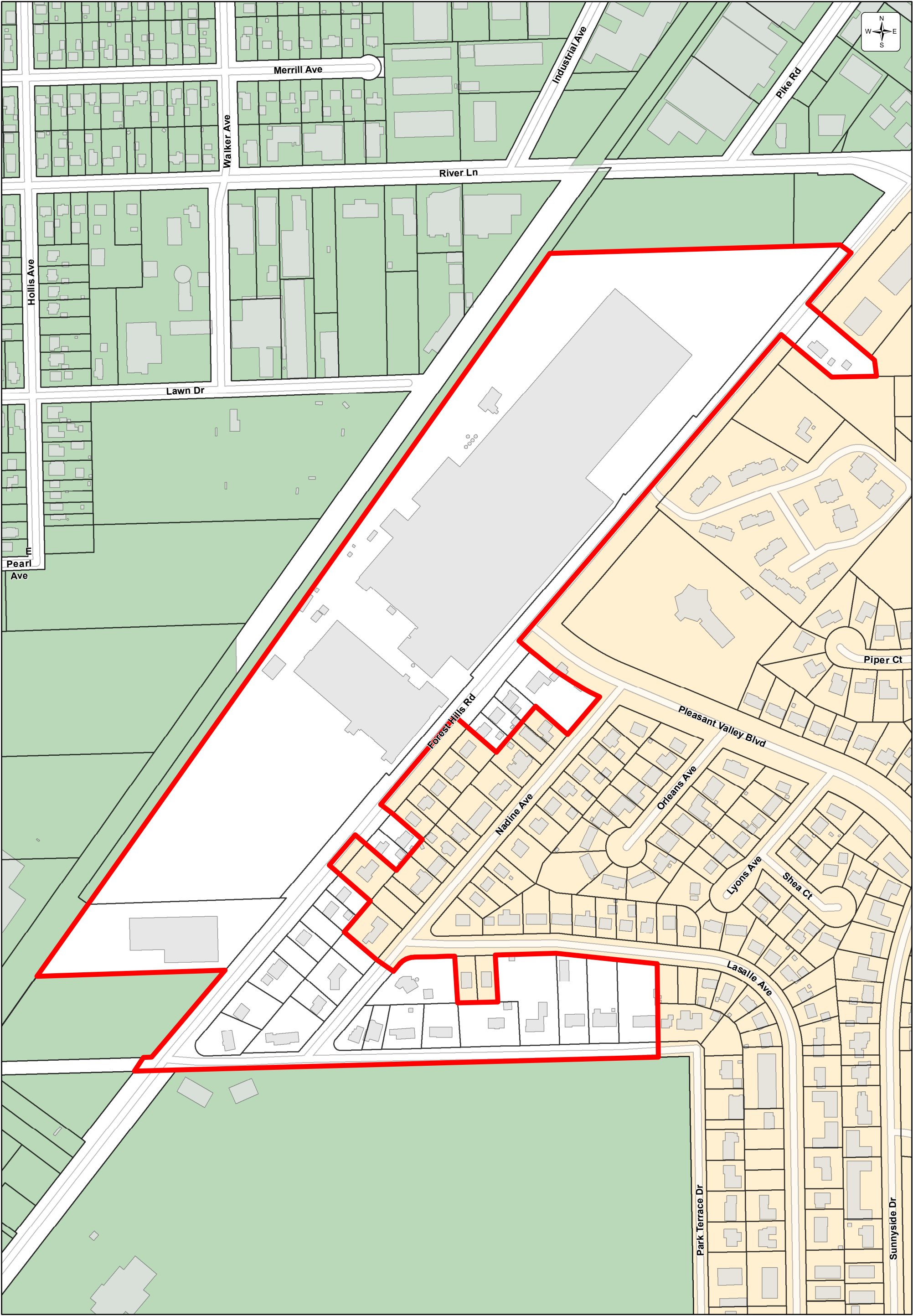
A) Maps of Islands surrounded by City boundaries

1. Forest Hills
2. Sherwood Forest
3. Preston & Pierpont
4. Cherry Valley
5. 20th Street & Samuelson
6. New Milford
7. Bypass 20 & 20th Street
8. Charles Street
9. Lincoln Park Blvd.
10. Spring Creek & Alpine
11. Guilford & Mulford
12. Montague & Ogilby
13. Alpine & Sandy Hollow

B) Map of Municipal limits and Boundary Agreements

C) Map of Ultimate Planning Boundary

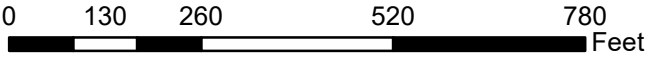
APPENDIX A



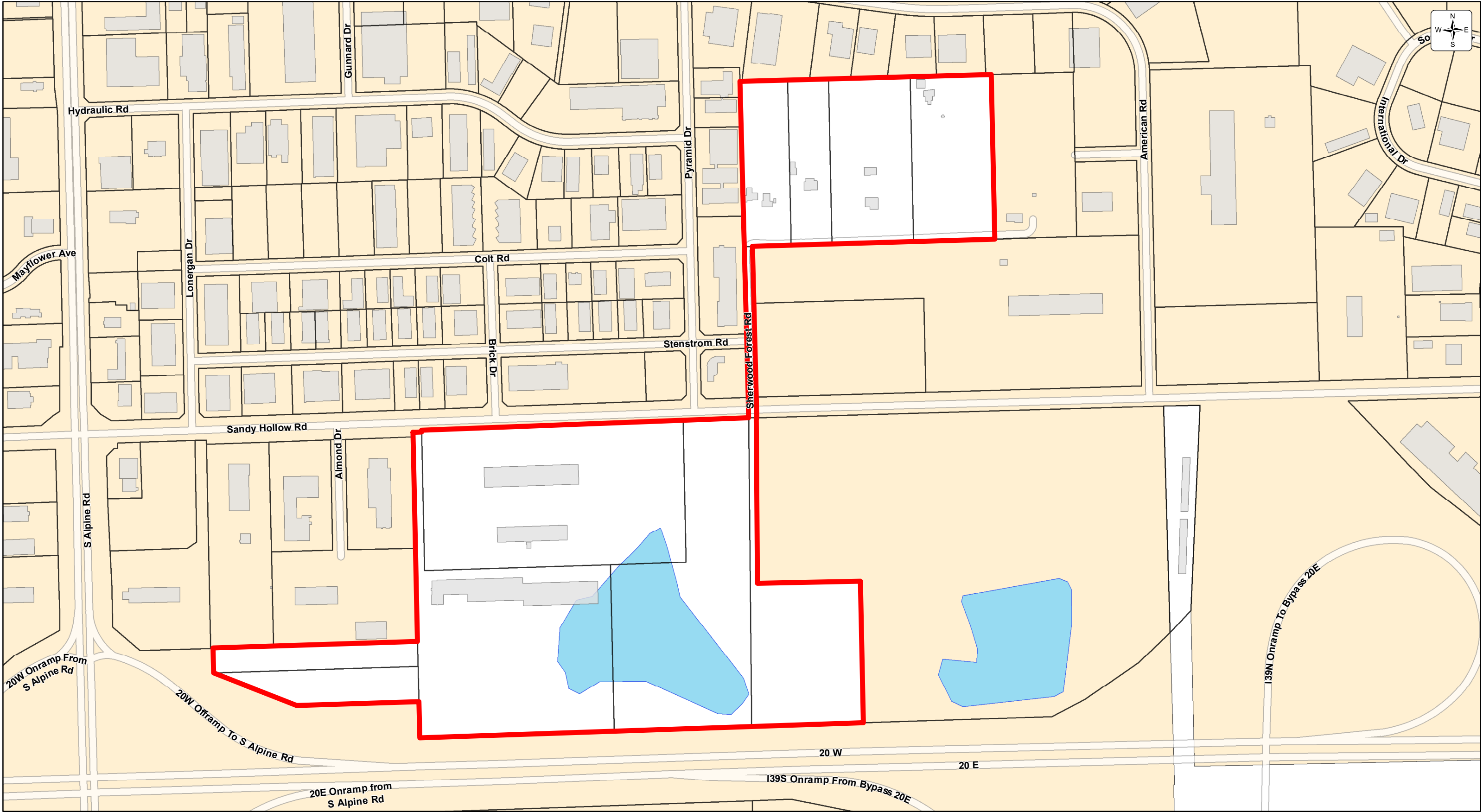
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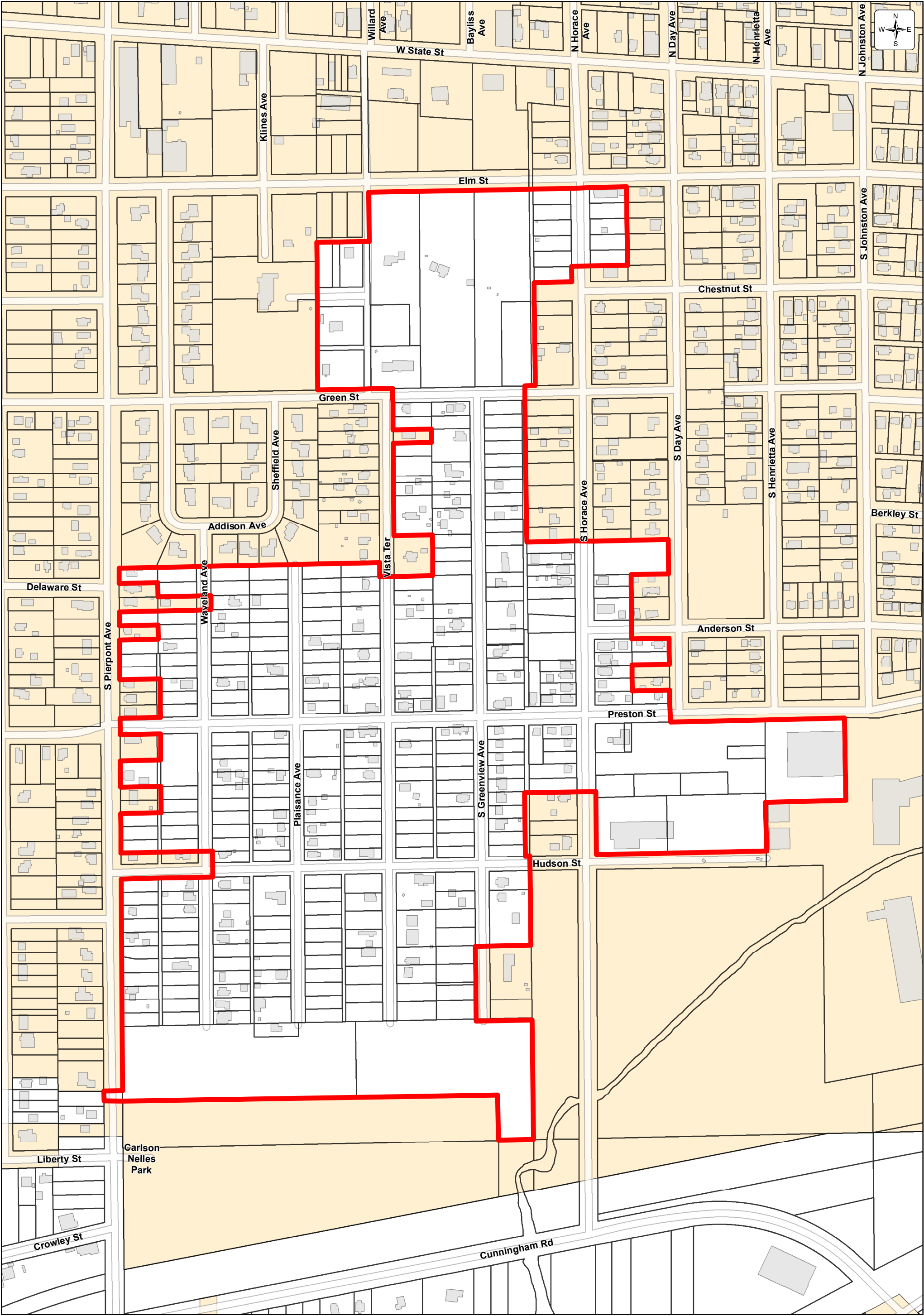
Forest Hills Island

1 inch = 260 feet



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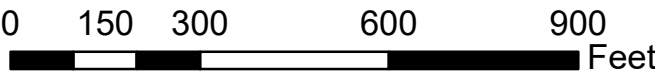




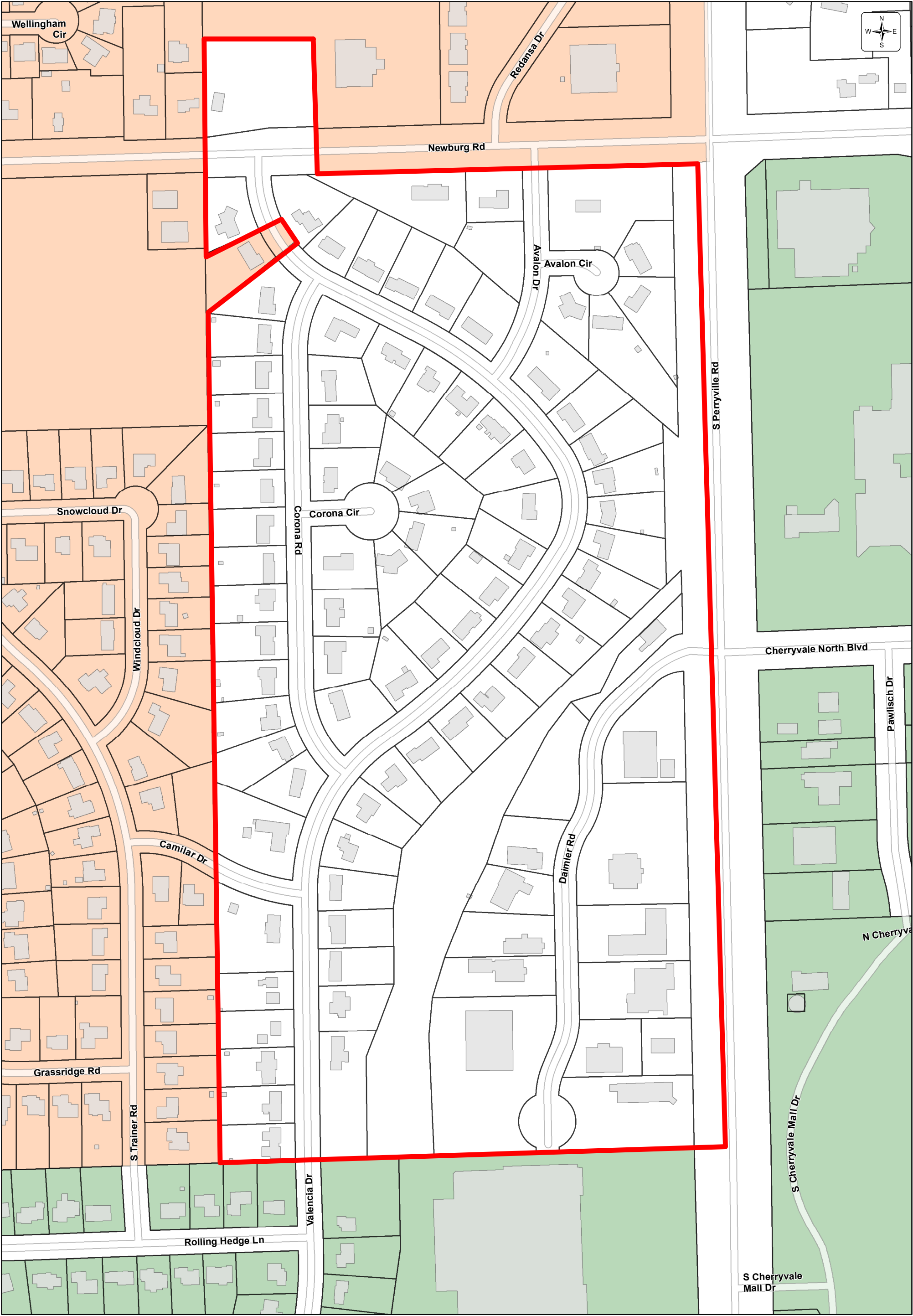
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Preston & Pierpont Island

1 inch = 304 feet



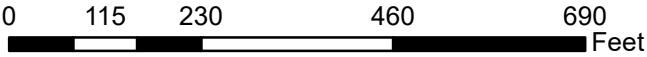
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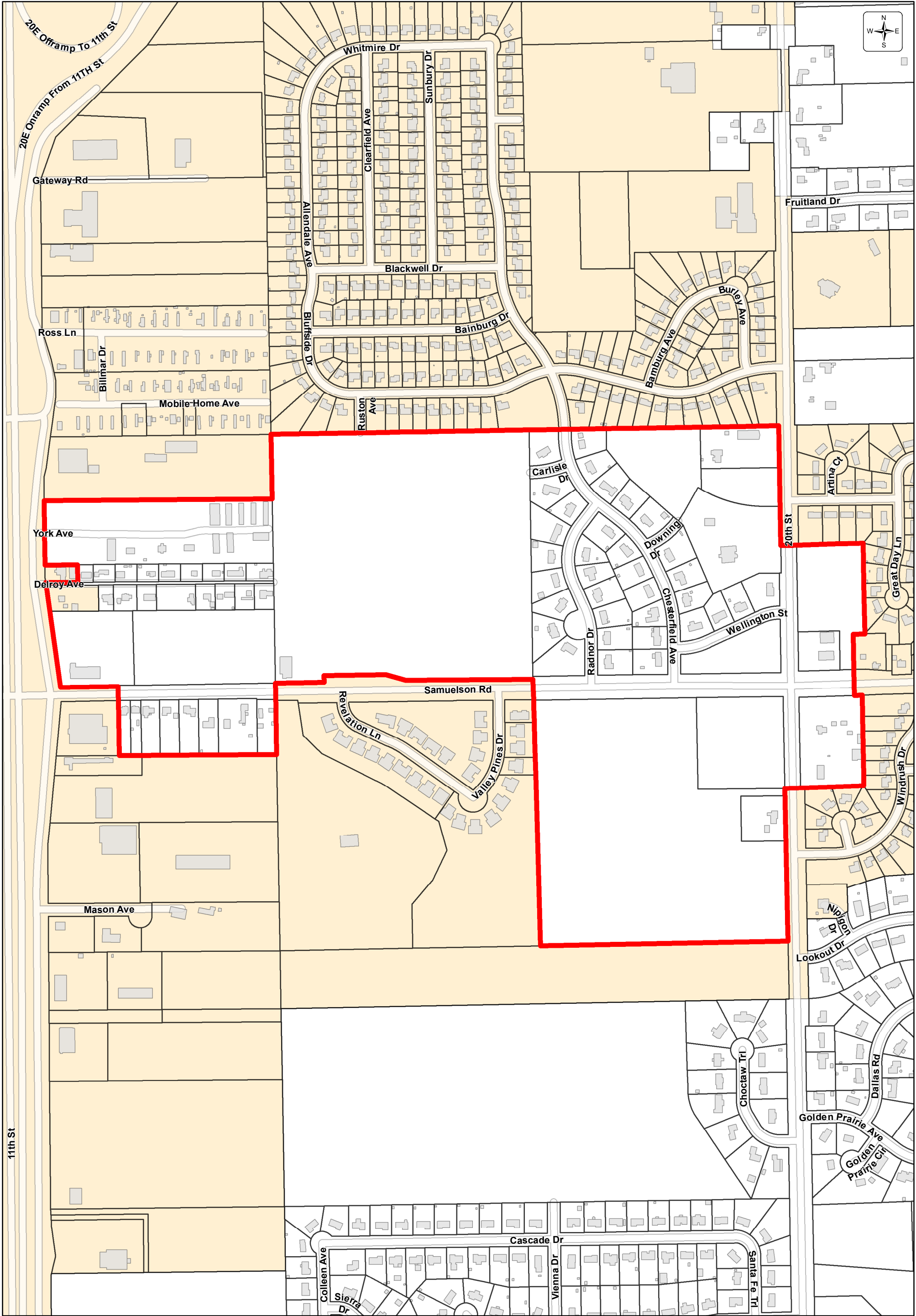
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Cherry Valley Island

1 inch = 230 feet



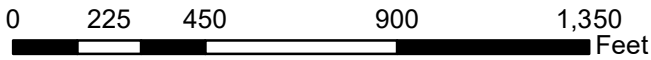
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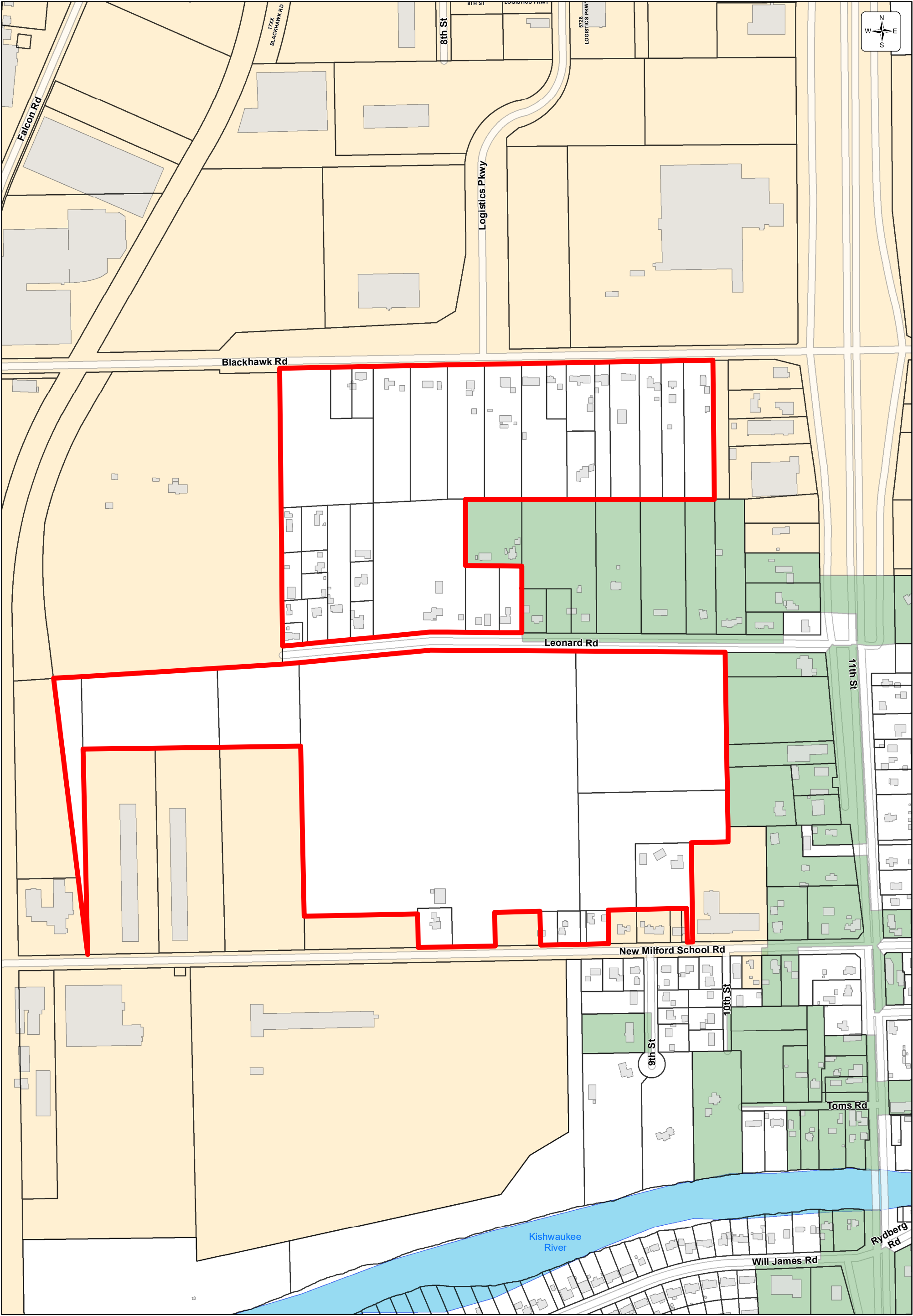
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20th St & Samuelson Island

1 inch = 450 feet

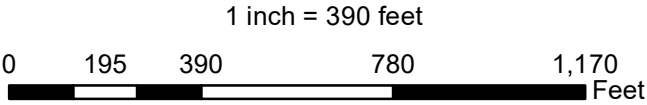


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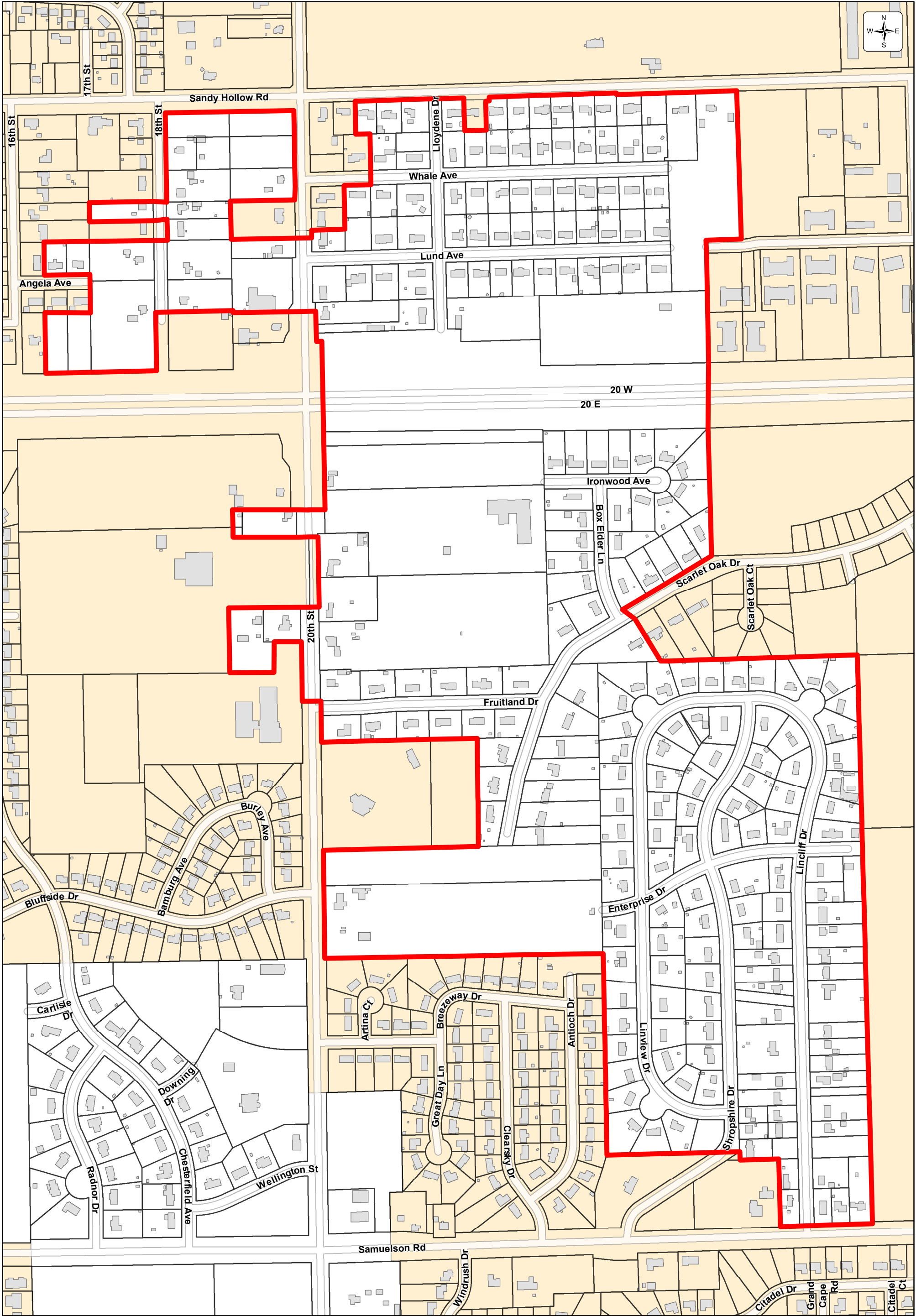


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New Milford Island



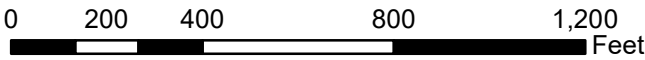
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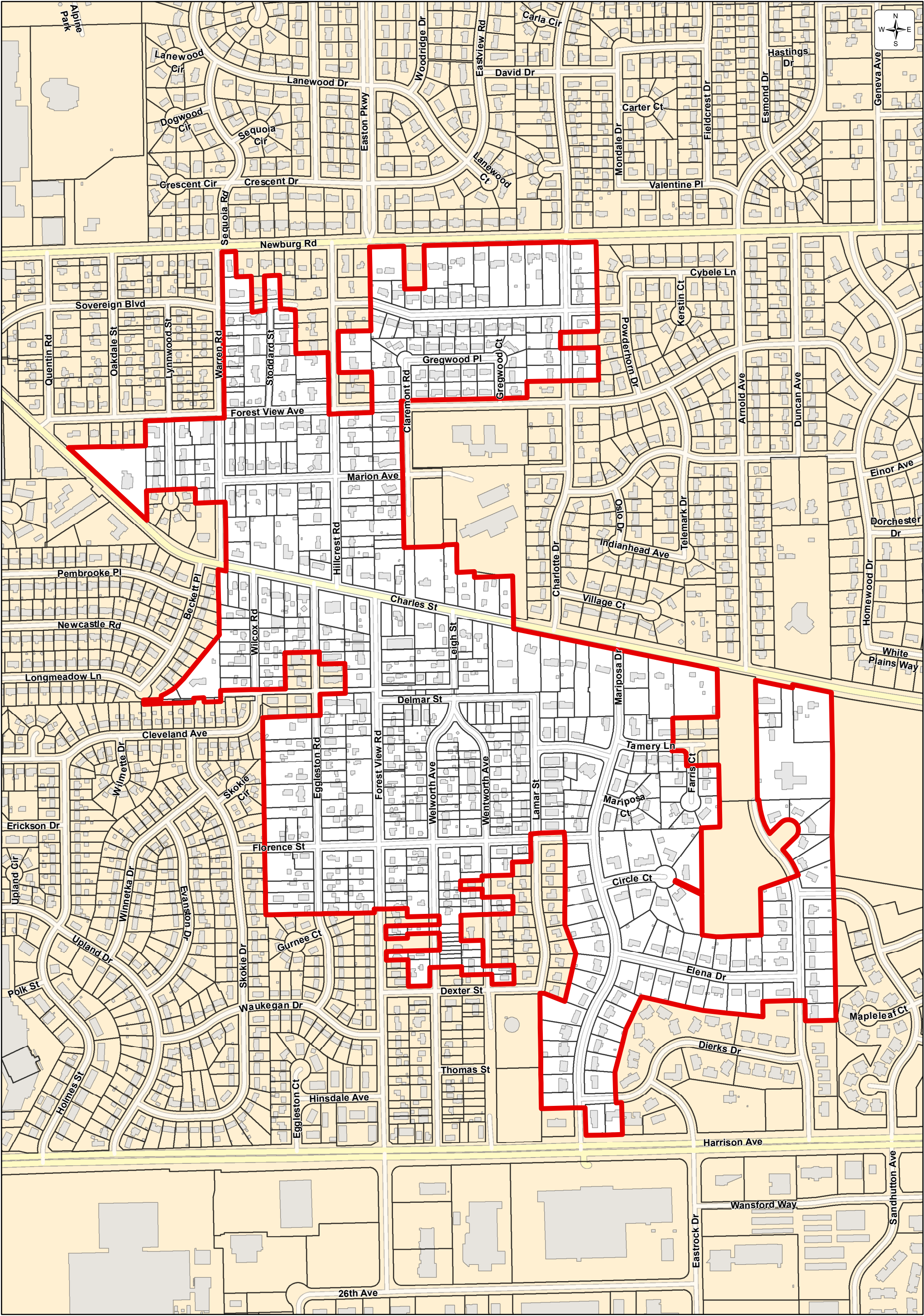
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Bypass 20 & 20TH St Island

1 inch = 402 feet



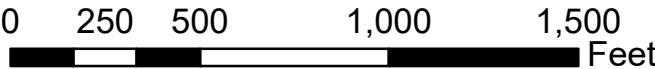
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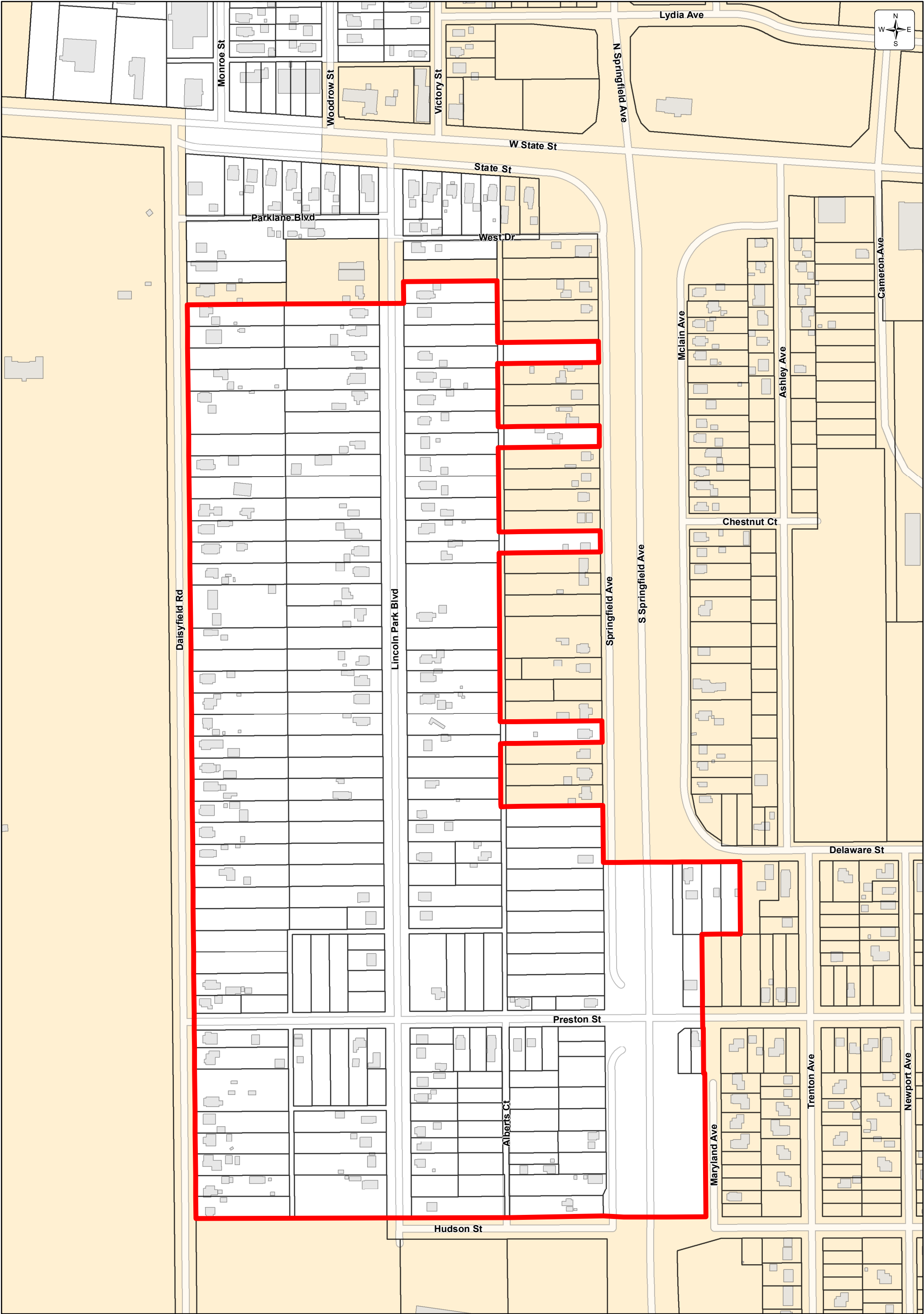
Charles Street Island

1 inch = 507 feet

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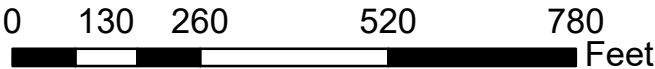
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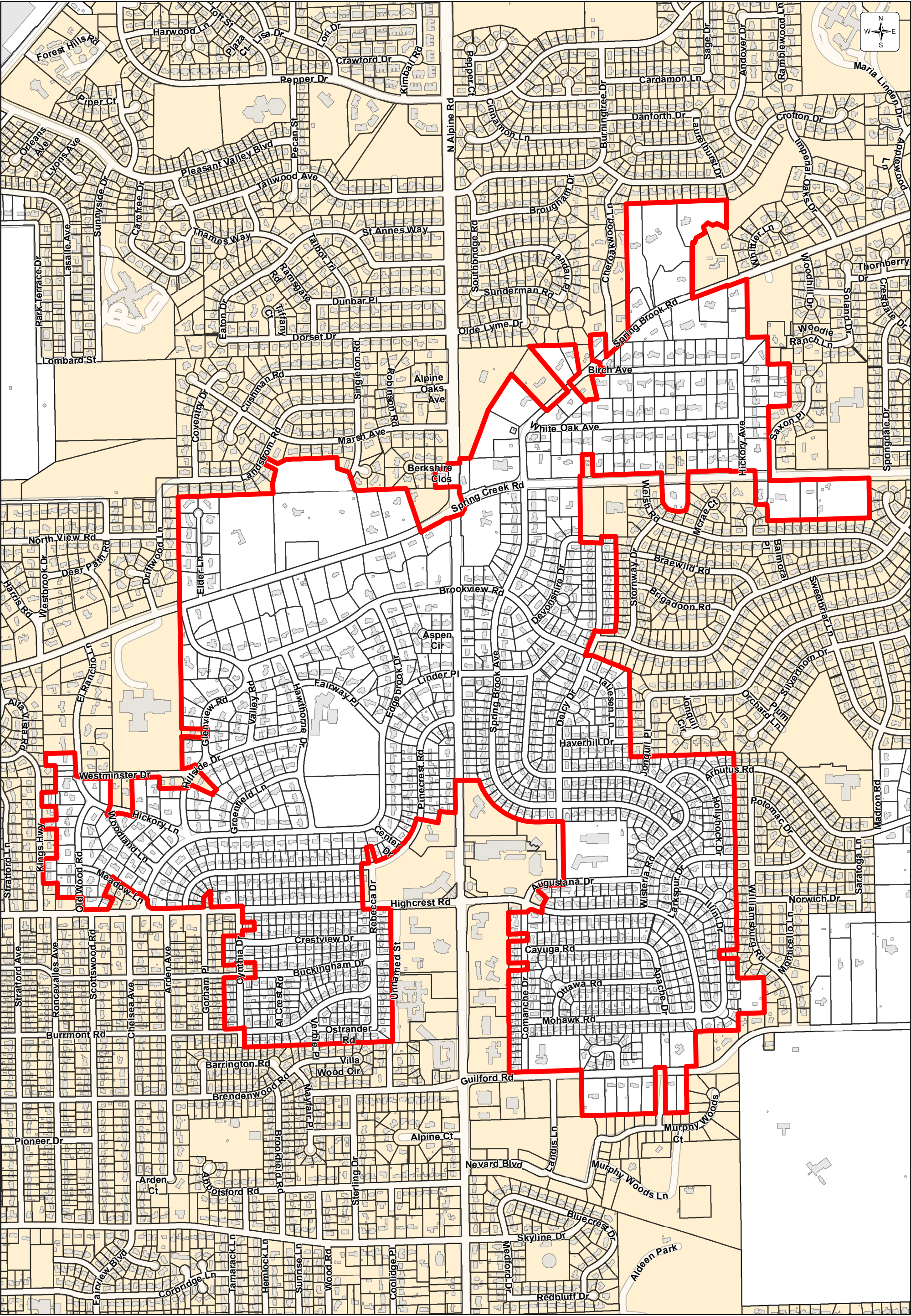
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Lincoln Park Blvd Island

1 inch = 266 feet



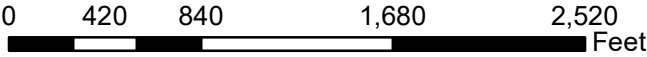
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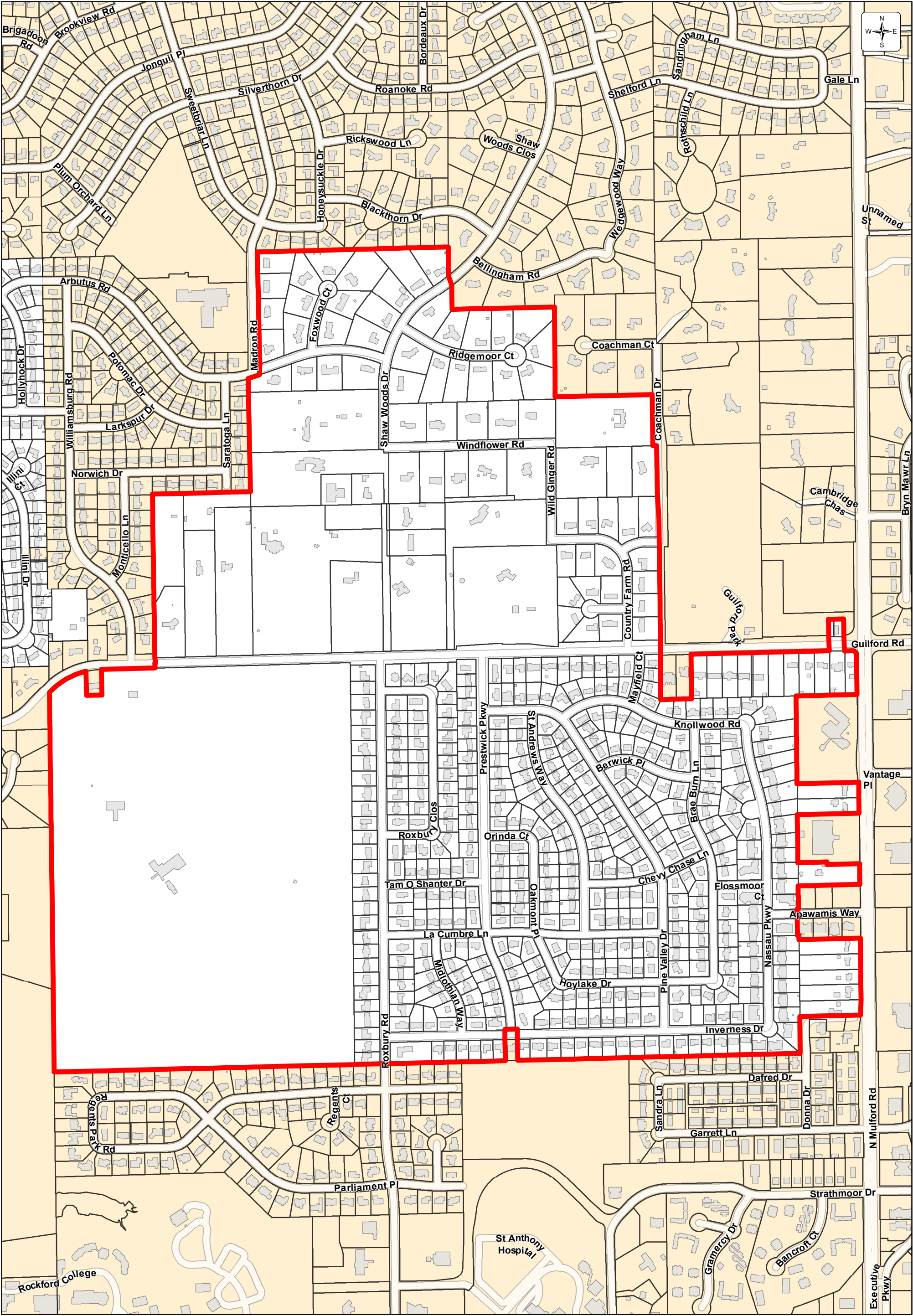
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Spring Creek & Alpine Island

1 inch = 840 feet



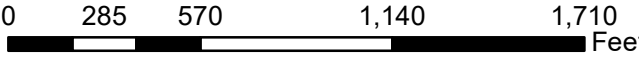
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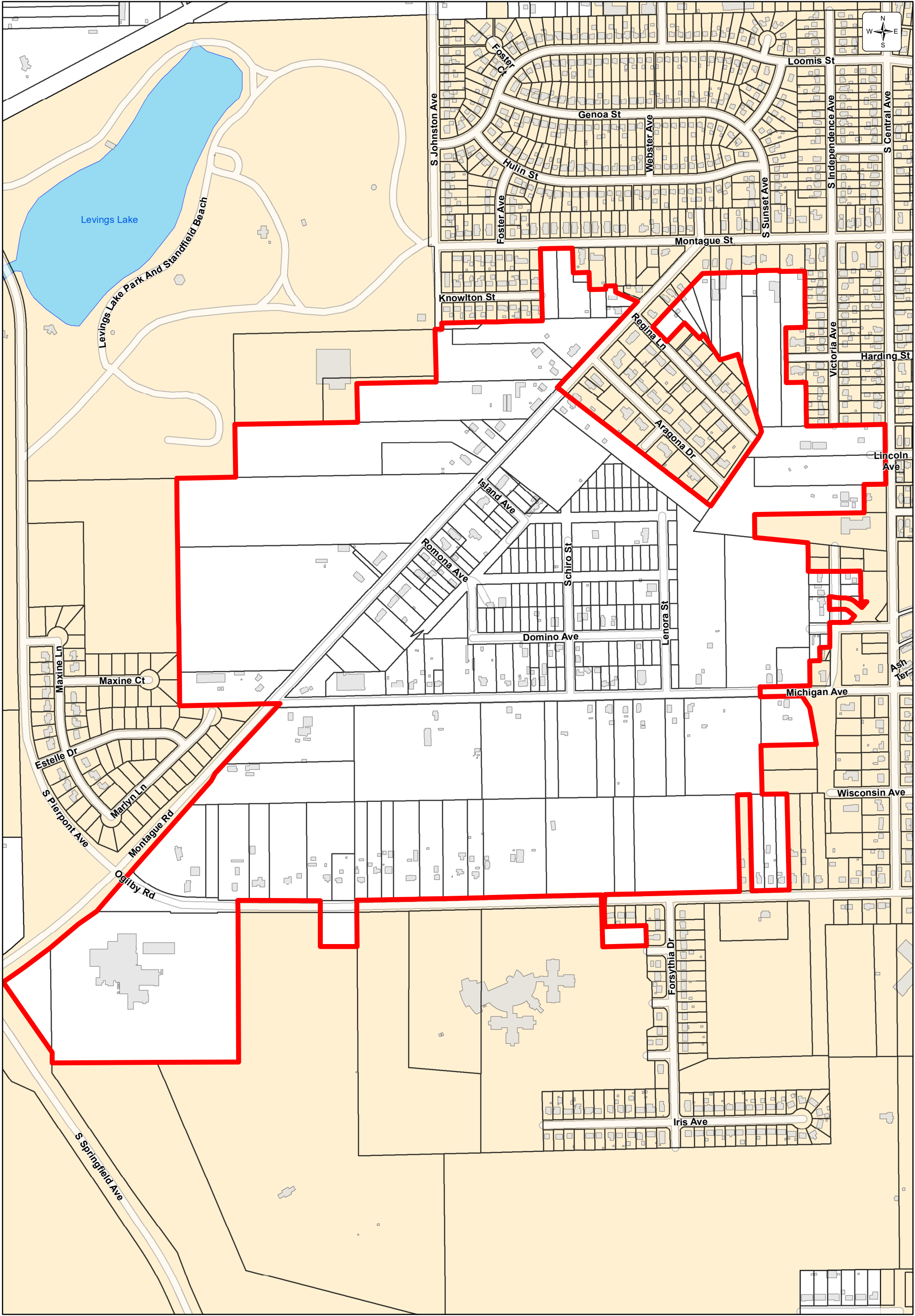
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Guilford & Mulford Island

1 inch = 570 feet

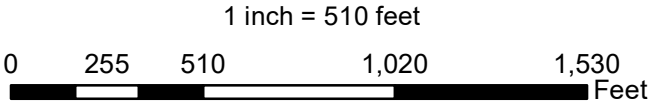


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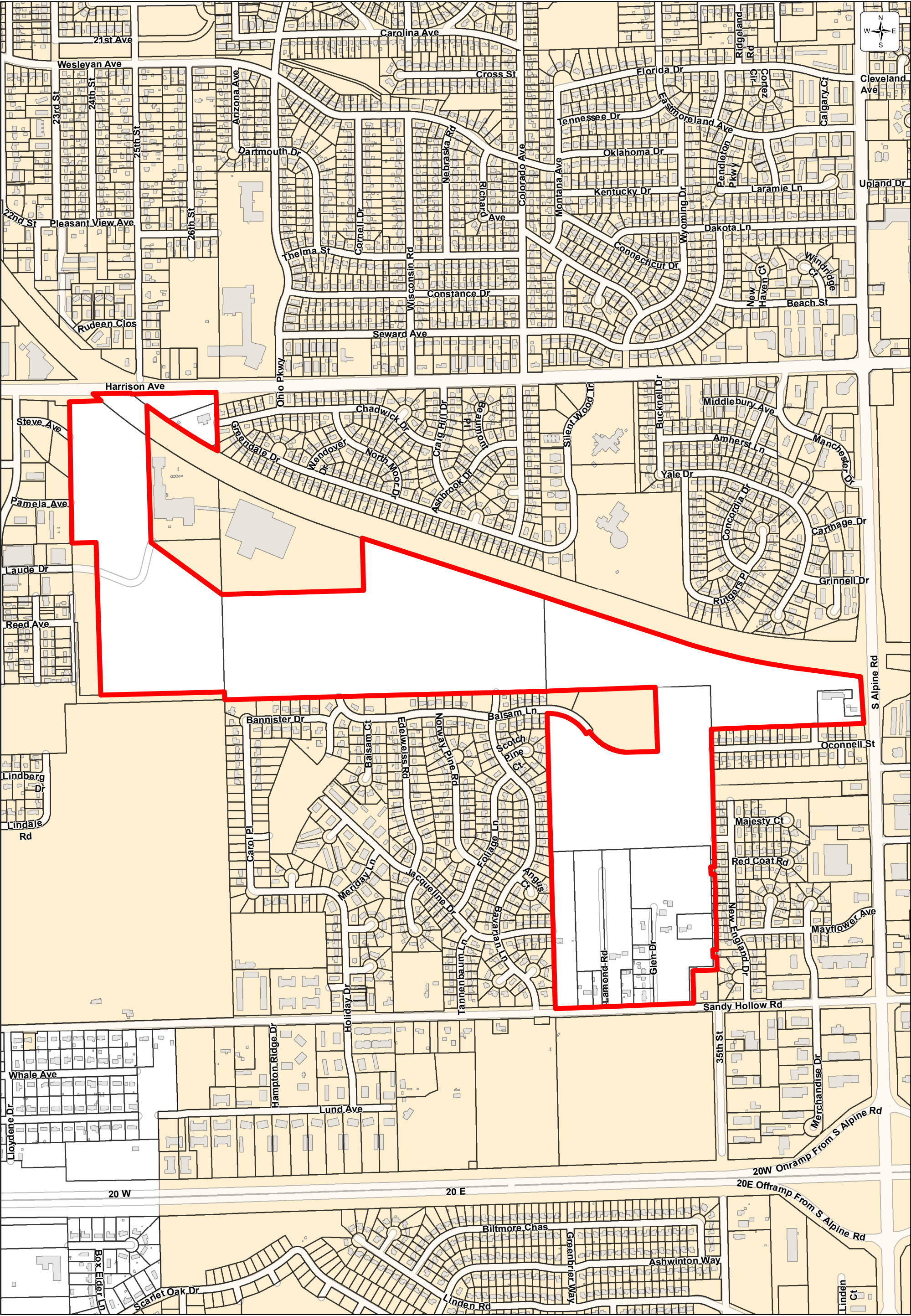


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Montague & Ogilby Island

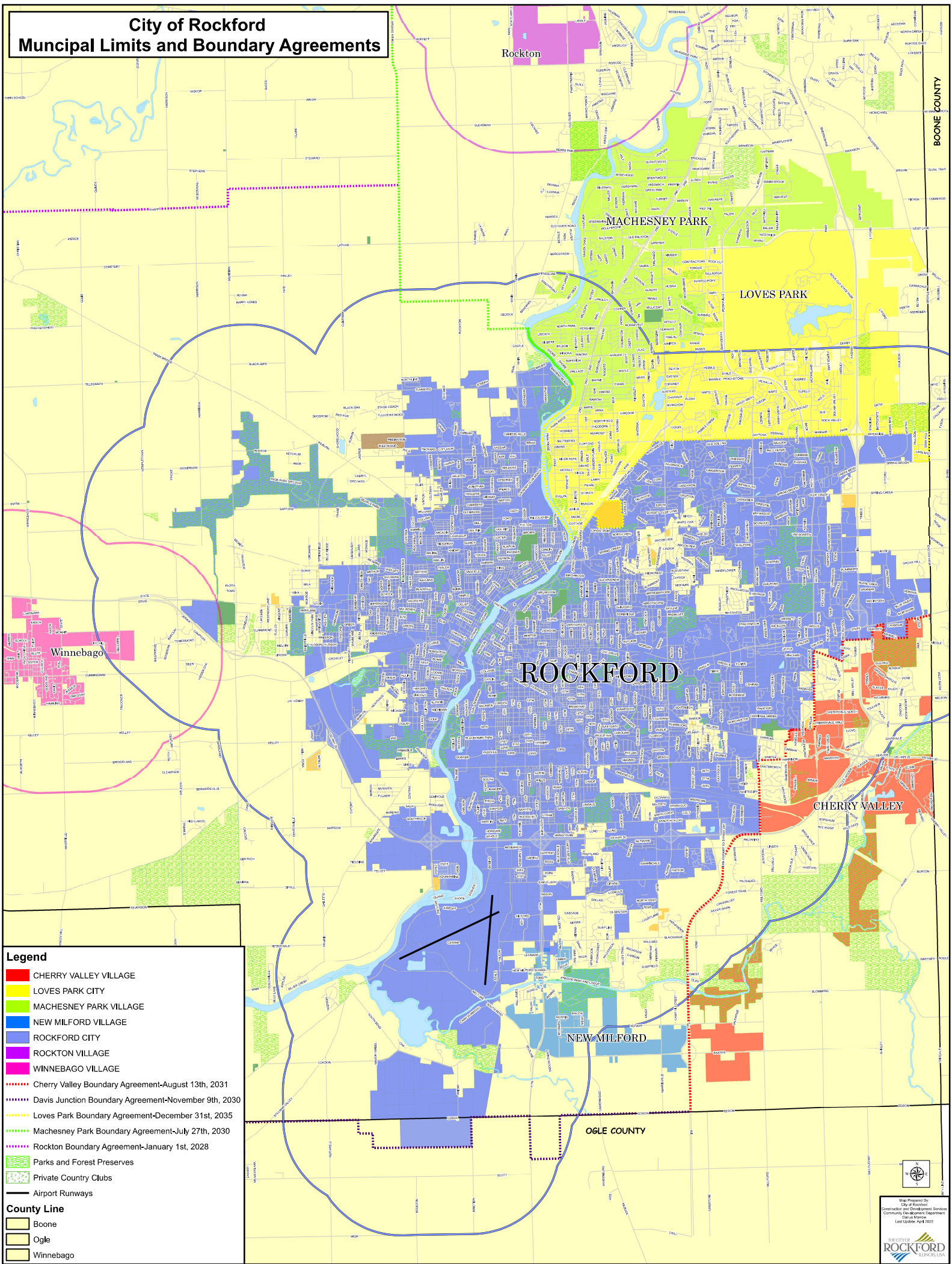


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GIS Asset Management Section



APPENDIX B

City of Rockford Municipal Limits and Boundary Agreements



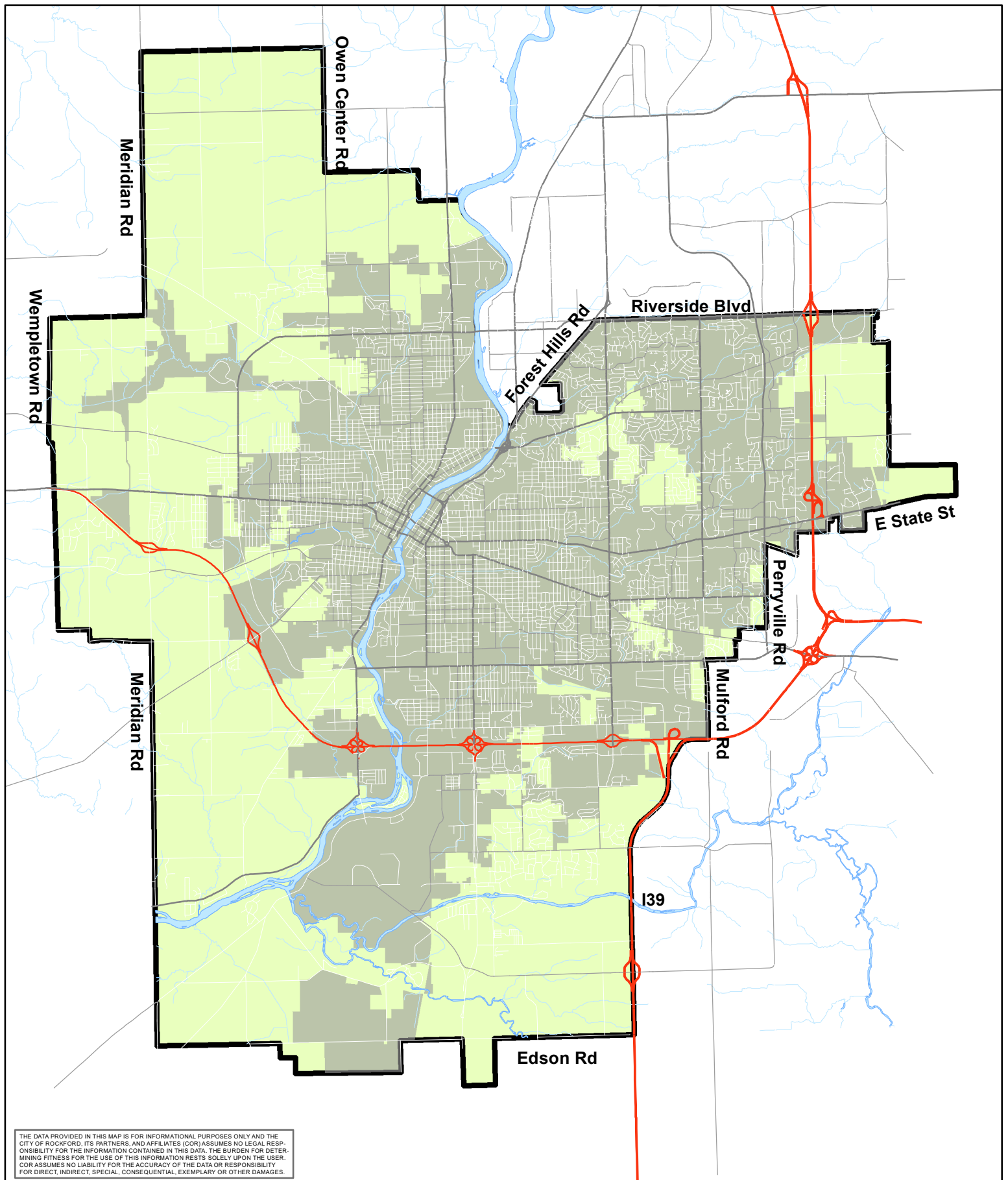
Legend

- CHERRY VALLEY VILLAGE
- LOVES PARK CITY
- MACHESNEY PARK VILLAGE
- NEW MILFORD VILLAGE
- ROCKFORD CITY
- ROCKTON VILLAGE
- WINNEBAGO VILLAGE
- - - Cherry Valley Boundary Agreement-August 13th, 2031
- - - Davis Junction Boundary Agreement-November 9th, 2030
- - - Loves Park Boundary Agreement-December 31st, 2035
- - - Machesney Park Boundary Agreement-July 27th, 2030
- - - Rockton Boundary Agreement-January 1st, 2028
- ▨ Parks and Forest Preserves
- ▨ Private Country Clubs
- Airport Runways

County Line

- Boone
- Ogle
- Winnebago

APPENDIX C



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City of Rockford

Ultimate Planning Boundary 2022

Map Produced: March 2022

