

**NORTH MAIN AND AUBURN STREET
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROGRAM**

City of Rockford, Illinois

DRAFT – June 2006

**Prepared by:
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INTRODUCTION

The North Main and Auburn Street Redevelopment Project Area is located approximately 1.5 miles northeast of downtown Rockford and comprises a mix of commercial and residential land uses in various stages of development and redevelopment. The City would like to foster redevelopment in this area in order to bring about successful revitalization to this formerly vibrant business district. The Redevelopment Project Area contains 88 parcels and is approximately 26.9 acres in area. Currently, there are numerous building vacancies, buildings in various states of disrepair, and numerous cases of deleterious site improvements, site uses and layouts.

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

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

REDEVELOPMENT PROJECT AREA DESCRIPTION

The Project Area is centered on the intersection of North Main Street and Auburn Street. From this center point, the district stretches north along Main Street to Wagner Avenue and stretches south along Main Street to Reynolds Street. The western boundary includes those parcels along the west side of Latham Street between King Street and Vernon Street; north of Vernon Street, the Project Area includes those parcels on the west side of North Main Street. The eastern boundary stretches to the intersection of Auburn Street and Sheridan Street, encompassing those parcels south of Auburn Street, west of Sheridan Street and north of Myott Avenue. The eastern part of the Project Area also includes six parcels on the south side of Myott Avenue and on the east side of North Main Street north of Boilvin Avenue. Consisting of 88 parcels that cover 15.01 acres, with a total of 78 structures, and approximately 11.89 acres of right-of-way, the Project Area supports a mixture of land use types including residential, commercial, institutional, and office uses. Figure A illustrates the boundaries of the 26.9 acre total Project Area.

The Project Area has always had a mix of uses but is primarily commercial in nature in its core and predominantly residential in the peripheral areas surrounding the core. Many parcels throughout the Project Area remain underutilized and vacant. Substantial revenue generation through significant reinvestment has not occurred in the Project Area.

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

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

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

1. Deterioration of structures and surface improvements
2. Excessive vacancies
3. deleterious use and layout
4. Lack of community planning
5. Lag in growth of EAV

The legal description of the Project Area boundary follows.

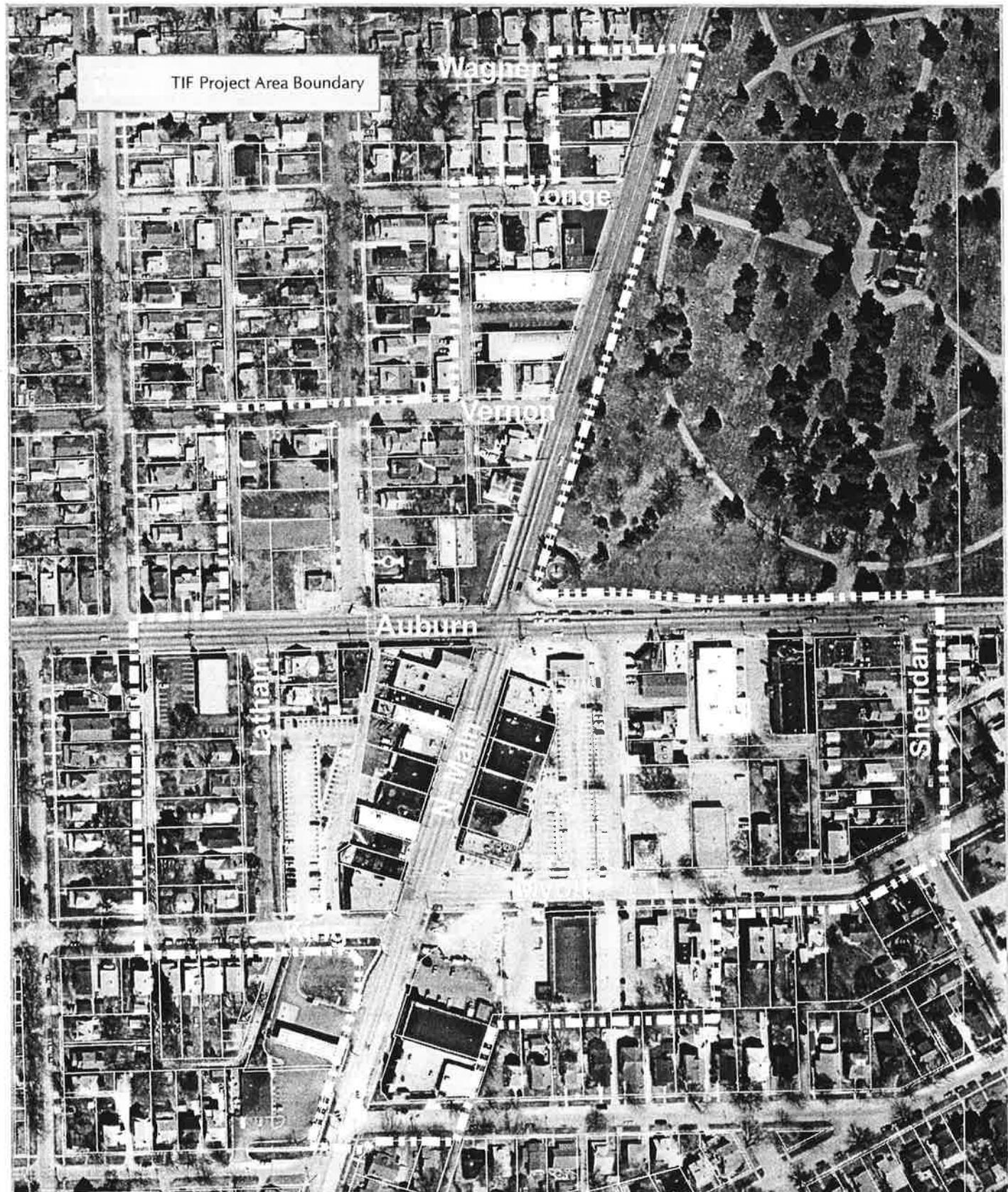
Legal Description

Part of the East Half of Section 14, Township 44 North, Range 1 East of the Third Principal Meridian, Winnebago County, Illinois, described as follows:

Beginning at the Southwest corner of Lot 6 in Block 5 of C. E. Sovereign's Auburndale Subdivision, said point also being in the North line of Auburn Street; thence East on the South line of said Lot 6 in said Block 5, a distance of 150 feet more or less to the Southeast corner thereof said point also being the West line of the public Alley running North and South through said Block 5; thence North on the West line of said public Alley and the Northerly extension of said West line, a distance of 350 feet more or less to the Southeast corner of Lot 6 in Block 4 of said C. E. Sovereign's Auburndale Subdivision; thence East on the South line of said Lot 6 in said Block 4 and the Easterly extension of the South line of said Lot 6 in said Block 4, a distance of 384 feet more or less to the Southeast corner of Lot 6 in Block 2 of said C. E. Sovereign's Auburndale Subdivision, said point also being the West line of a public Alley running North and South through said Block 2; thence North on the West line of said public Alley and the Northerly extension of said West line, a distance of 350 feet more or less to the North line of Yonge Street, said point also being the South line of Block 3 of said C. E. Sovereign's Auburndale Subdivision; thence East on the North line of said Yonge Street and the Easterly extension of the North line of said Yonge Street, a distance of 335.4 feet more or less to the Easterly line of North Main Street; thence Southwesterly on the Easterly line of said North Main Street, a distance of 699.5 feet more or less; thence continuing Southeasterly on the Easterly line of said North Main Street, a distance of 25.3 feet more or less to the North line of said Auburn Street; thence East on the North line of said Auburn Street, a distance of 115.7 feet more or less; thence Southeasterly on the North line of said Auburn Street, a distance of 160.8 feet more or less; thence East on the North line of said Auburn Street, a distance of 368.3 feet more or less to the Northerly extension of the East line of Sheridan Street; thence South on the Northerly extension of the East line, the East line and the Southerly extension of the East line of said Sheridan Street, a distance of 430 feet more or less to the Northwest corner of Block 19 of Riverside Addition to the City of Rockford, said point also being in the South line of Myott Avenue; thence Southwesterly on the Northeasterly extension of the South line and the South line of said Myott Avenue, a distance of 173.5 feet more or less to an angle point in the South line of said Myott Avenue; thence West on the South line of said Myott Avenue, a distance of 232.2 feet more or less; thence South, a distance of 167.6 feet more or less to the North line of Block 22 of said Riverside Addition to the City of Rockford; thence East on the North line of said Block 22, a distance of 346.3 feet more or less to the Westerly line of a public Alley running Northeasterly and Southwesterly through said Block 22; thence Southwesterly on the Easterly line and the Southwesterly extension of the Easterly line of said public Alley, a distance of 212.7 feet more or less to the South line of Boilvin Avenue; thence West on the South line of said Boilvin Avenue, a distance of 138.5 feet more or less to the East line of said North Main Street; thence Southwesterly on the East line of said North Main Street, a distance of 9.6 feet more or less to the Easterly extension of the North line of Reynolds Street; thence West on the Easterly extension of the North line of said Reynolds Street, a distance of 143 feet more or less to the West line of said North Main Street; thence Northeasterly on the West line of said North Main Street, a distance of 20 feet more or less; thence continuing northeasterly on the West line of said North Main Street, a distance of 25 feet more or less; thence continuing Northeasterly on the West line of said North Main Street, a distance of 20 feet more or less; thence continuing Northeasterly on the West line of said North Main Street, a distance of 242.1 feet more or less; thence continuing North on the West line of said North Main Street, a

distance of 35 feet more or less; thence continuing North on the West line of said North Main Street, a distance of 15 feet more or less; thence continuing Northwesterly on the West line of said North Main Street, a distance of 17.5 feet more or less to the South line of King Street; thence West on the South line of said King Street, a distance of 320.7 feet more or less to the Southerly extension of the West line of a public Alley running North and South through Block 2 of The North End Addition to the City of Rockford; thence North on the Southerly extension of the West line and the West line of said public Alley, a distance of 496.3 feet more or less to the South line of said Auburn Street; thence North, a distance of 66 feet more or less to the Point of Beginning, containing 25.5 acres, more or less.

Figure A - Project Area Boundary



North Main and Auburn TIF Redevelopment Plan

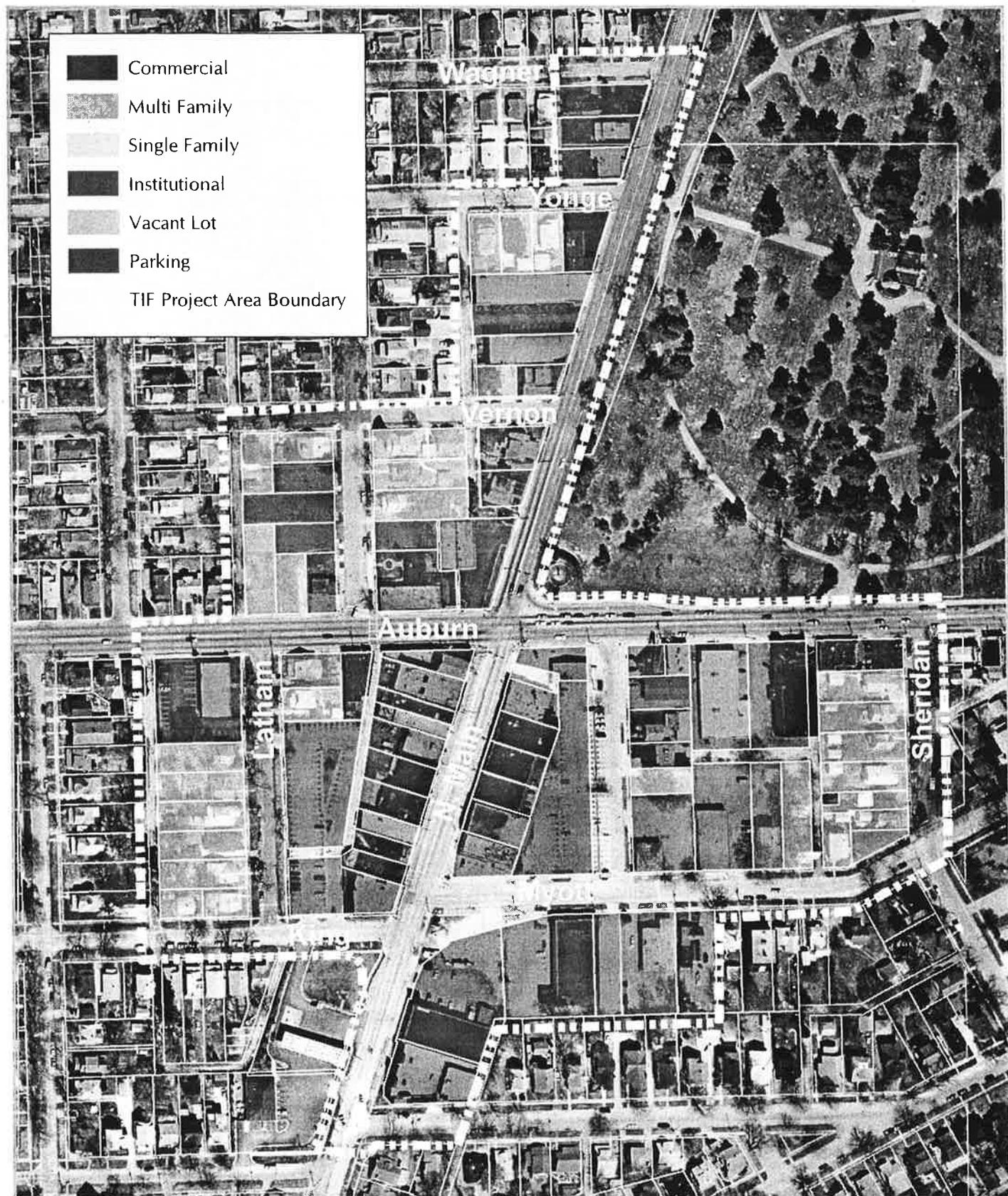
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Figure B - Existing Land Use



North Main and Auburn TIF Redevelopment Plan

City of Rockford, Illinois

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REDEVELOPMENT GOALS AND OBJECTIVES

These overall goals and objectives are intended to guide redevelopment decisions within the Project Area. The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act as well as those stated in the Strategic Revitalization Plan for the North Main and Auburn Business District that are applicable to the Redevelopment Project Area. They are summarized below:

- *Transform the North Main and Auburn Business District into an active retail and business district.*
- *Ensure that the businesses within this district serve neighborhood and community needs.*
- *Make the district market driven, i.e., attractive to businesses and activities that will invest in it, that will be supported by sufficient sales to support that investment, and that will be sustainable over time without disproportionate or continuing subsidy from public investment.*
- *Ensure that there is no radical shift in the neighborhood-friendly scale and the "fit" within the community.*
- *Accommodate local needs for comfortable accessibility to the site.*
- *Make the district as pedestrian-friendly as possible.*
- *Promote, retain, and attract businesses that provide a diverse base of employment opportunities.*

REDEVELOPMENT PLAN

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

The Act describes the Redevelopment Plan as "the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment project area as a blighted area or conservation area, and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area."

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

Purpose of the Redevelopment Plan

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

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

The focus of the Project Area redevelopment is the creation of new commercial and residential uses that compliment the existing area. The TIF will allow for the redevelopment and revitalization of the North Main and Auburn Business District by stimulating new market-driven retail projects, mixing new development with rehabilitation activity, promoting business development, enhancing the district's physical conditions, enhancing the market economics of the area, enhancing transportation and pedestrian safety, encouraging public private partnerships, and establishing sustainable redevelopment capacity. Overall, the following redevelopment activities will contribute to the long-term economic health and vitality of the North Main and Auburn Business District.

Future Land Use and Redevelopment Project Activities

The intent of the Future Land Use plan for the Project Area is to enhance the existing businesses and revitalize the mix of uses at the core of the North Main and Auburn neighborhood creating a new center of activity for the future. The existing conditions and desired vision for the properties within the Project Area has resulted in a dynamic mix of uses designated throughout the Project Area with commercial-retail concentrated in the heart of the district. The following describes the primary vision for the proposed future land use categories and correspond to the land use designations identified in Figure C. These designations and categories are intended to promote the primary objectives of the Strategic Revitalization Plan for the North Main and Auburn Business District while acknowledging and allowing market needs to guide the specific mix of uses that will be created within the Project Area.

Commercial Preservation and Rehabilitation – A primary objective of the Redevelopment Plan is the creation of a vibrant and active retail district. The most effective way to create this retail district is by preserving and promoting those existing businesses which have the greatest potential for prolonged success, future growth, and providing desired goods and services to the retail market. The existing businesses located on the west side of Main Street, south of Auburn Street are designated as commercial preservation/rehabilitation land uses. Redevelopment project activities should be focused on providing these existing businesses with the appropriate enhancements to public infrastructure and other activities which will remove existing impediments to continued viability. Aesthetic enhancements, such as façade improvement grants and streetscape elements, and site layout enhancements, such as the redevelopment of the existing vehicular access and parking system, are some of the redevelopment project activities that would advance toward creating the strong foundation of a vibrant retail district.

Commercial and/or Residential Redevelopment – The majority of the land within the Project Area is designated for the creation of a mix of both new and redeveloped commercial businesses and residential structures that are appropriate in scale and intensity to the adjacent residential neighborhoods (See Figure C). As identified within the Strategic Revitalization Plan, the proposed commercial and/or residential uses should be between one and three stories, oriented toward the street, and enhanced with site layouts and streetscape elements that create a pedestrian friendly environment that ‘fits’ into the neighborhood. Large scale commercial developments which clear entire blocks for a single big-box user are prohibited.

However, given the vagaries of the commercial and residential market, the future land use plan does not designate the specific number of business or residences which should be constructed within the Project Area. Rather, the Redevelopment Plan identifies the type and scale of businesses and residencies which are compatible with the neighborhood while creating an environment conducive to creating those future uses. The potential mix of residences and business which would be compatible and appropriate for the Project Area covers a wide range of opportunities. The Strategic Revitalization Plan reflects this fact. While three alternatives are specifically identified, the potential combination of businesses and residences within those three alternatives creates many more opportunities. The Commercial and/or Residential Redevelopment future land use designation will allow for the maximum number of opportunities for the market to create a mix of uses that is appropriate in scale and compatibility with the adjacent neighborhood helping to create a unique, vibrant, active core for the Main and Auburn neighborhood.

Roundabout Related Redevelopment – A primary focus of the Strategic Revitalization Plan was to address the traffic service failures that would occur at the Main and Auburn intersection if no action was taken in the immediate future. As a result of that study, it was determined that a modern roundabout created at the intersection would enhance the level of service provided, ensuring that the intersection would continue to function adequately and not become an impediment to the redevelopment of the Project Area. The construction of the roundabout will be fundamental to the future viability of the neighborhood and will help in the creation of a functioning, unique, vibrant neighborhood.

The creation of the modern roundabout will require additional land to the northwest and south of the intersection and affect several existing parcels and buildings, which are identified on Figure C as Roundabout Related Redevelopment. Some parcels will only be partially affected by the roundabout construction but as a result will need to be either incorporated in the redevelopment of adjacent parcels or redeveloped individually. The level of redevelopment will be related to how much each parcel is affected and whether a viable site is still available upon completion of the roundabout. Once final engineering is complete and it is known how much adjacent property will be affected, the appropriate redevelopment opportunities should be determined.

It must be noted that the redevelopment opportunities within the Project Area include projects that may require assemblage of property, the demolition of existing buildings, rehabilitation of existing structures and/or the construction of new buildings. In addition, the Redevelopment Land Use Plan is intended to serve as a guideline for the Project Area. Adjustments may be made in response to market conditions and other key factors as long as they remain consistent with the City's overall goals and objectives. The Strategic Revitalization Plan has been used as a foundation for the redevelopment activities and the Redevelopment Plan reflects the latest interpretations of the desired goals for the Project Area.

Figure C - Future Land Use



North Main and Auburn TIF Redevelopment Plan

City of Rockford, Illinois

DRAFT - June 2006

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Eligible Project Costs

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

1. Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;
2. The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
3. Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction, repair, or remodeling of existing private or public buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
5. Costs of the construction of public works or improvements;
6. Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of advanced vocational or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, as provided in the Act;
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. To the extent the City by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan;
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units as provided in the Act;
10. Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;

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

Acquisition and Clearance

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

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

Land Disposition

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

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

Public Improvements

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

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

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

Phasing of Project

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

Estimated Project Costs

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

Table 1: Estimated Redevelopment Project Costs

Expense Categories	Amount
Property assembly and acquisition	\$ 1,750,000
TIF Administration	\$250,000
Environmental and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$ 250,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures through loans, grants, interest subsidy or other financial assistance	\$ 1,750,000
Construction or improvement of public improvements	\$ 3,000,000
Total Estimated Project Costs	\$ 7,000,000

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

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

Sources of Funds

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

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

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

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

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

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

Nature and Term of Obligations to Be Issued

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

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

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

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

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

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

Equalized Assessed Valuation

Table 2 lists the most recent (2005) equalized assessed valuation of properties in the Project Area by block. The total 2005 equalized assessed valuation of the Project Area is \$2,523,732.

Table 2: Project Area EAVs

Section- Block	2005 Equalized Assessed Value
11-14-278	\$ 89,707
11-14-280	\$ 253,723
11-14-281	\$ 72,373
11-14-282	\$ 272,772
11-14-404	\$ 275,933
11-14-426	\$ 400,087
11-14-427	\$ 259,701
11-14-428	\$ 569,642
11-14-430	\$ 329,794
Total	\$ 2,523,732

Upon the completion of the Redevelopment Project it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of **\$10.5 million** in 2005 dollars. This figure is calculated by capitalizing a 9% appreciation rate every third year over the life space of the TIF and including an estimated increase in value for the rehabilitation and redevelopment projects that are anticipated within the first six years of the Redevelopment Program.

Affirmative Action

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

Payment in Lieu of Taxes

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

Provision for Amending the Redevelopment Plan Objectives and Project

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

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

On the basis of the North Main and Auburn Street Redevelopment Project Area Eligibility Report and this Redevelopment Plan, the City Council of Rockford, Illinois, can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

Project Area Not Subject to Growth

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

- As described in the Eligibility Study, the physical condition of the Project Area testifies to the lack of maintenance and improvement activities. In particular, the Eligibility Study identifies a prevalence of deterioration both of buildings and surface improvements. Such deterioration is a direct consequence of a lack of investment in the Project Area. While each individual property may not be deteriorated, the Project Area as a whole is characterized by a reasonable extent and meaningful distribution of this lack of investment.
- The total Equalized Assessed Value (EAV) of the Project Area has consistently lagged that of the balance of the City of Rockford in 2000, 2001, and 2003. Relative to the immediate surroundings, the Project Area has not experienced appropriate growth in the tax base or shown evidence of private investment which increases the value of properties.

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

Conformance with Comprehensive Plan

This Redevelopment Plan and Program conforms to the City of Rockford's 2020 Comprehensive Plan. The goals and principles stated in the 2020 Plan include a commitment to Smart Growth, a suitable living environment, a robust and diverse economic environment, stable or improving neighborhoods, safeguarding and improving environmental features, promoting sustainable urban development, promoting revitalization and a good quality of life, improving aesthetics and neighborhoods, and engaging the public through community outreach activities. These goals and principles have helped guide many of the redevelopment efforts identified in this Redevelopment Plan.

Date of Completion

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

FINANCIAL IMPACT OF REDEVELOPMENT

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

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

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

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

Impact on Rockford Township

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

Impact on Rockford Township Road District

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

Impact on Greater Rockford Airport Authority

The Greater Rockford Airport Authority oversees the Northwest Chicagoland International Airport at Rockford. The Redevelopment Project is not expected to increase demands for the services provided by the Greater Rockford Airport Authority. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact on Rockford Park District

The increased demands for recreational services resultant from the anticipated commercial and office development should have minimal impacts on the Park District – any increase would only account for a small percentage of the total demands required of the District. As a result of new residential development in the Project Area, the Park District may experience increased demand for services. However, it is anticipated that the recreational opportunities within close proximity to the Project Area will meet the general recreational needs for any new residents. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact on Rockford Public Library District

Whereas new mixed-use development may increase demand for facilities and programs offered by the Library, this increased demand is only related to a small percentage of the total population served by the Library District. While new residential development will increase the number of residents within the District, it is not anticipated to have a substantial impact on the District. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact on Rock River Water Reclamation District

The Rock River Water Reclamation District provides wastewater reclamation services to most of Rockford. The Redevelopment Project is not expected to increase significantly demands for the services provided by the Rock River Water Reclamation District. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact on Rock Valley Community College District #511

New adult residents would live in the Project Area if residential development occurs. Given the nature and type of residential development proposed, the impact on College District #511 will be incidental, as it is likely that a majority of these residents already have obtained the skills they require for their foreseeable future. While a minority of the proposed residences may be geared towards young adults, the existence of educational opportunities within the Project Area should offset any increase in demand. No program is set forth in the Redevelopment Plan.

Impact on Winnebago County

As a result of new residential development in the Project Area, Winnebago County may experience increased demand for services. This increased demand should not be so substantial that, on its own, warrants the hiring of additional staff or the need to increase services. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact on Winnebago County Forest Preserve District

As a result of new residential development in the Project Area, the Winnebago County Conservation District may experience increased demand for services. However, it is anticipated that the recreational opportunities located within close proximity to the Project Area will meet the general recreational needs for any new residents. Any impacts on the Winnebago County

Conservation District will be incidental. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Impact on Rockford School District #205

New school-aged children may live in the Project Area if residential development occurs. Given the potential build-out rate for residential development over 12 years, the number of school age children introduced into the school district is not anticipated to have a significant impact. If the school district provides reasonable evidence to support a claim for reimbursement as required under Section 11-74.4-3.q.(7.5) the appropriate level of reimbursement will be provided from the collected tax increment as required by the Act. No specific program is set forth in the Redevelopment Plan.

Impact on City Of Rockford

As a result of new development in the Project Area, the City of Rockford may experience increased demand for services such as police protection and fire protection. This increased demand should not be so substantial that, on its own, warrants the hiring of additional police officers or the purchasing of additional fire trucks and related equipment. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

APPENDIX I:

**NORTH MAIN AND AUBURN STREET
TAX INCREMENT FINANCING
ELIGIBILITY REPORT**

City of Rockford, Illinois

DRAFT – June 2006

Prepared by:
Teska Associates, Inc.

INTRODUCTION

The North Main and Auburn Street Redevelopment Project Area is located approximately 1.5 miles northeast of downtown Rockford and comprises a mix of commercial and residential land uses in various stages of development and redevelopment. The City would like to foster redevelopment in this area in order to bring about successful revitalization to this formerly vibrant business district. The Redevelopment Project Area contains 88 parcels and is approximately 25.5 acres in area. Currently, there are numerous building vacancies, buildings in various states of disrepair, and numerous cases of building deterioration, deleterious site improvements, site uses and layouts.

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

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

Tax Increment Financing

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

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

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

"...an area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a

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

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

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

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

Description of the Project Area

The Project Area contains 88 parcels and is centered on the intersection of North Main Street and Auburn Street. From this center point, the district stretches north along Main Street to Wagner Avenue and stretches south along Main Street to Reynolds Street. The western boundary includes those parcels along the west side of Latham Street between King Street and Vernon Street. The eastern boundary stretches to the intersection of Auburn Street and Sheridan Street, encompassing those parcels south of Auburn Street, west of Sheridan Street and north of Myott Avenue. The eastern part of the Project Area also includes six parcels on the south side of Myott Avenue and on the east side of North Main Street north of Boilvin Avenue. (See *Figure 1*)

Statement of Designation

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

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

ELIGIBILITY FINDINGS

Teska Associates, Inc. conducted a field survey of every property in the Project Area on March 9 and 10, 2006. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. Photographs further documented the observed conditions. Field observations were further supplemented with information provided by City Staff.

Age of Building Eligibility Factor

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

Based on the observed style and construction methods of the buildings within the Project Area as well as historic records provided by the City of Rockford, 71 of the 88 parcels (81%) have buildings over 35 years old. This exceeds the statutory requirement that at least 50% of the buildings in a conservation area must be 35 years of age or older. These buildings are well-distributed throughout the district as a whole (See *Figure 2*). Therefore, age is a contributing factor in the eligibility of the Project Area as a TIF District.

Additional Eligibility Factors

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

DILAPIDATION

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

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

OBSOLESCENCE

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

DETERIORATION OF STRUCTURES AND SURFACE IMPROVEMENTS

State statute defines deterioration as "defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, 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."

TAI's field survey found building deterioration on 19 of the 88 parcels (22%) in the Project Area; these buildings contain defects that cannot be corrected with normal maintenance. Of the 78 buildings within the Project Area, 19 exhibited signs of deterioration, which represents approximately 24% of all structures. With approximately 1 in 4 buildings showing some signs of deterioration the probability that a building is within close proximity to a structure that is in a state of deterioration is high. Such buildings create a visible environment of deterioration throughout the Project Area, causing owners of other nearby properties to be less inclined to invest in their own buildings.

Deteriorated surface improvements were observed on approximately 14% (12 of 88) of the total parcels within the Project Area. Such noted instances include depressions in the gravel parking lots and access roads, potholes, unkempt vacant parcels with trash and litter, cracked asphalt, unkempt, unscreened and scattered outdoor storage.

Deterioration of structures and surface improvements occur throughout the Project Area (28 of 88 parcels, or 32% (See *Figure 3*). More importantly, such deterioration has depressing effects on investment in neighboring properties, to a much greater extent than the proportion of properties exhibiting this factor might suggest. Therefore, deterioration is a contributing factor in the designation of the Project Area as a conservation area.

PRESENCE OF STRUCTURES BELOW MINIMUM CODE STANDARDS

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

Until data from the City is submitted for review, we cannot verify building code compliance or the lack thereof. As a result, at this time, the presence of structures below minimum code standards is not known and is therefore not a contributing factor to the designation of the district as a conservation area.

ILLEGAL USE OF INDIVIDUAL STRUCTURES

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

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

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

EXCESSIVE VACANCIES

Per State statute, excessive vacancy is defined as "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." This criterion includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Out of the 88 parcels in the Project Area, 14 host vacant buildings, representing 16% of all parcels (See *Figure 4*). In addition, there are four vacant parcels in the Project Area, representing about 4.4% of all parcels. The presence of vacancies and vacant parcels are concentrated along the primary commercial corridor on North Main Street in the heart of the Project Area. The presence and high visibility of vacant structures is a minor contributing factor to the designation of the district as a conservation area.

LACK OF VENTILATION, LIGHT OR SANITARY FACILITIES

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. State statute defines this criteria in the following way: "the absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light

and ventilation means the absence or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities 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 buildings." Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees, or visitors.

None of the properties identified in the Project Area were obviously inadequately lit or ventilated. As a result, this factor does not significantly contribute to the eligibility of the Project Area as a whole.

INADEQUATE UTILITIES

The presence of inadequate utilities is characterized, by statute, as "underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electrical services that are shown to be inadequate. Inadequate utilities are those that are (i) of insufficient capacity to serve the uses in the redevelopment project area, (ii) deteriorated, antiquated, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area." As no formal plans for updating these systems have been made that would indicate an immediate adverse influence on the project area, this factor does not contribute to the eligibility of the Project Area as a conservation area.

EXCESSIVE LAND COVERAGE and OVERCROWDING OF STRUCTURES/COMMUNITY FACILITIES

State statute defines excessive land coverage and overcrowding of structures and community facilities as:

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

Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development; however, this was not identified in the Project Area. As a result of the lack of this occurrence, excessive site coverage is therefore not a factor in the designation of the Project Area as a conservation area.

DELETERIOUS LAND USE/LAYOUT

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

Eight parcels (9% of all parcels) are characterized by deleterious land use or layout. Over the years some residential parcels adjacent to the commercial uses along Main Street were converted to commercial uses. As the need for off-street parking became more prevalent for the commercial uses they attempted to provide spaces on their own property. This practice resulted in small parking stalls with inadequate traffic aisles being placed on previously residential lots. These parking layouts also require drivers to reverse into the public right-of-way to exit some lots and thus pose circulation and safety hazards in the immediate vicinity. Due to the presence of these circulation problems in some portions of the Project Area, deleterious land use and layout is a minor contributing factor in the designation of the Project Area as a conservation area. (See Figure 5)

LACK OF COMMUNITY PLANNING

Lack of community planning may be evident, according to statute, "when the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, development standards, or other evidence demonstrating an absence of effective community planning."

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

The City of Rockford's first plan relevant to the Project Area was adopted in 1963. Most (70 out of 88 parcels) of the parcels were developed prior to the 1963 planning document (Figure 6). The most problematic results of this situation are the use of lots platted for residences being used for commercial purposes and the inadequate street layout attempting to serve those commercial uses. The lack of planning has resulted in the circulation and safety hazards that limit redevelopment potential by today's standards. Nearly 80% of the parcels show evidence of a lack of community planning either because of potential land use conflicts or because of constrained site arrangements due to poor or awkward lot configuration. As such, a lack of community planning is a major contributing factor to the Project Area's designation as a conservation area.

ENVIRONMENTAL CLEAN-UP

This factor is relevant, per State statute, "when the area has incurred Illinois Environmental Protection Agency or United States Environmental Protection remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental

remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area."

Most of the properties in the Project Area are not known to display an obvious need for environmental clean-up; however, two sites have been cited by the Illinois EPA as being former LUST sites, that is, as having leaking underground storage tanks. Fortunately, these sites have since been remediated. Additional environmental audits, however, should be performed prior to significant redevelopment. At this time, this factor does not contribute to the designation of the Project Area as a conservation area.

DECLINE IN EQUALIZED ASSESSED VALUE (EAV)

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

Table 1: EAV Trends, Project Area and City comparisons

CITY OF ROCKFORD EAV DATA: YEARS 2000 - 2005						
Year	2004	2003	2002	2001	2000	1999
Total Equalized Assessed Value of the Project Area	\$2,400,247	\$2,296,780	\$2,268,543	\$2,169,592	\$2,189,034	\$2,173,617
Percent Change in Project Area EAV from Prior Year	4.51%	1.25%	4.56%	-0.88%	0.71%	-
Equalized Assessed Value of the City of Rockford (excluding Project Area)	\$1,714,264,178	\$1,693,191,063	\$1,623,360,001	\$1,557,351,990	\$1,487,351,990	\$1,445,477,578
Percent Change in City EAV from Prior Year	1.25%	4.30%	4.24%	4.70%	2.90%	-
Growth Less than City?	No	Yes	No	Yes	Yes	-

Overall, the EAV of the Project Area does not indicate substantial growth or investment. Most significantly, the percent changes in the EAV of the Project Area were less than the percent changes in the EAV of the balance of the City of Rockford in 2000, 2001, and 2003. Generally, the Project Area has not experienced appropriate growth to the tax base or shown evidence of private investment which increases the value of properties. Since the Project Area does meet the minimum qualifications for the EAV factor in three of the last five years, a lag in growth of EAV is a major contributing factor to the designation of the area as a conservation area.

CONCLUSION

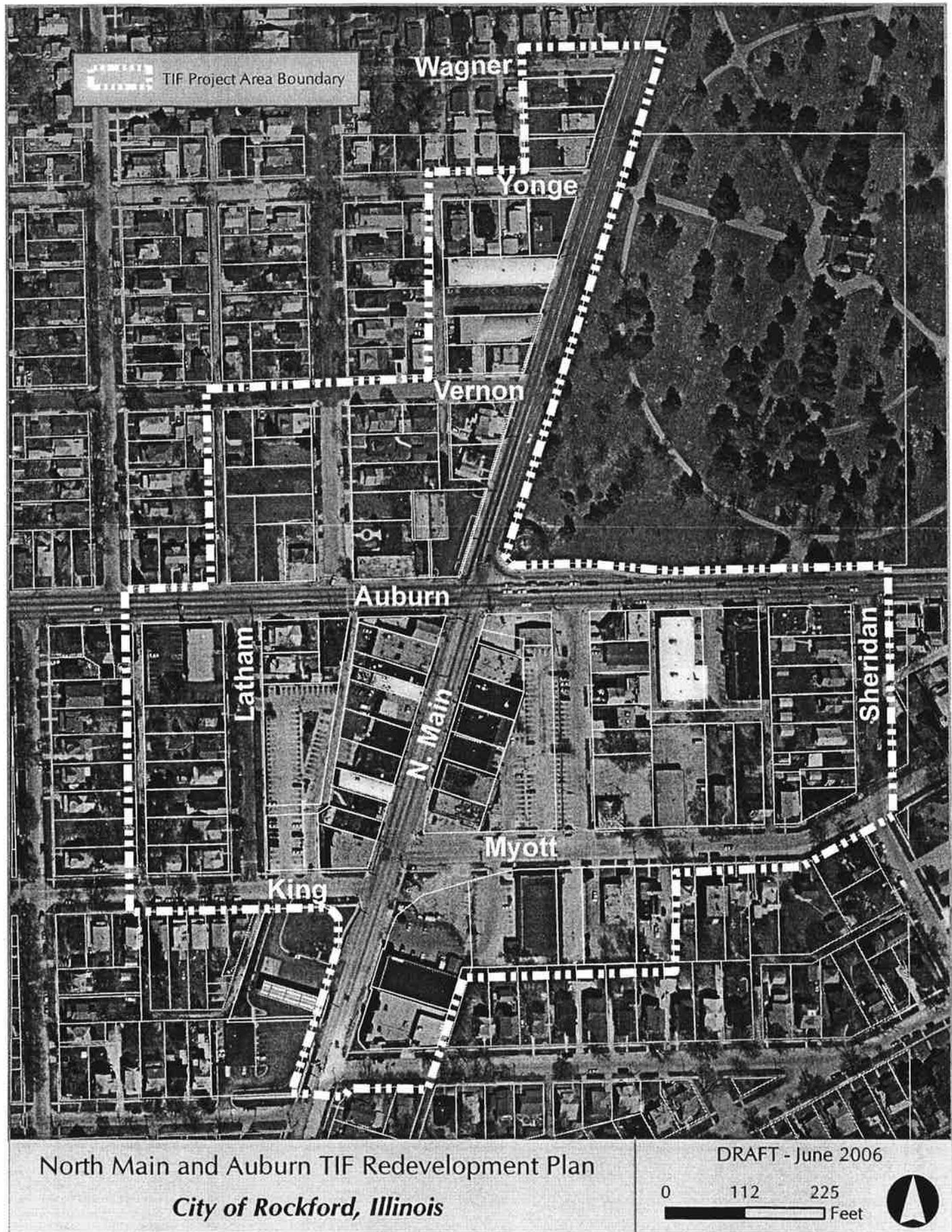
The Project Area as a whole qualifies as a conservation area according to the criteria established by the Act, based on the fact that more than 50% of the buildings are more than 35 years of age and the predominance and extent of parcels exhibiting the following characteristics:

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

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

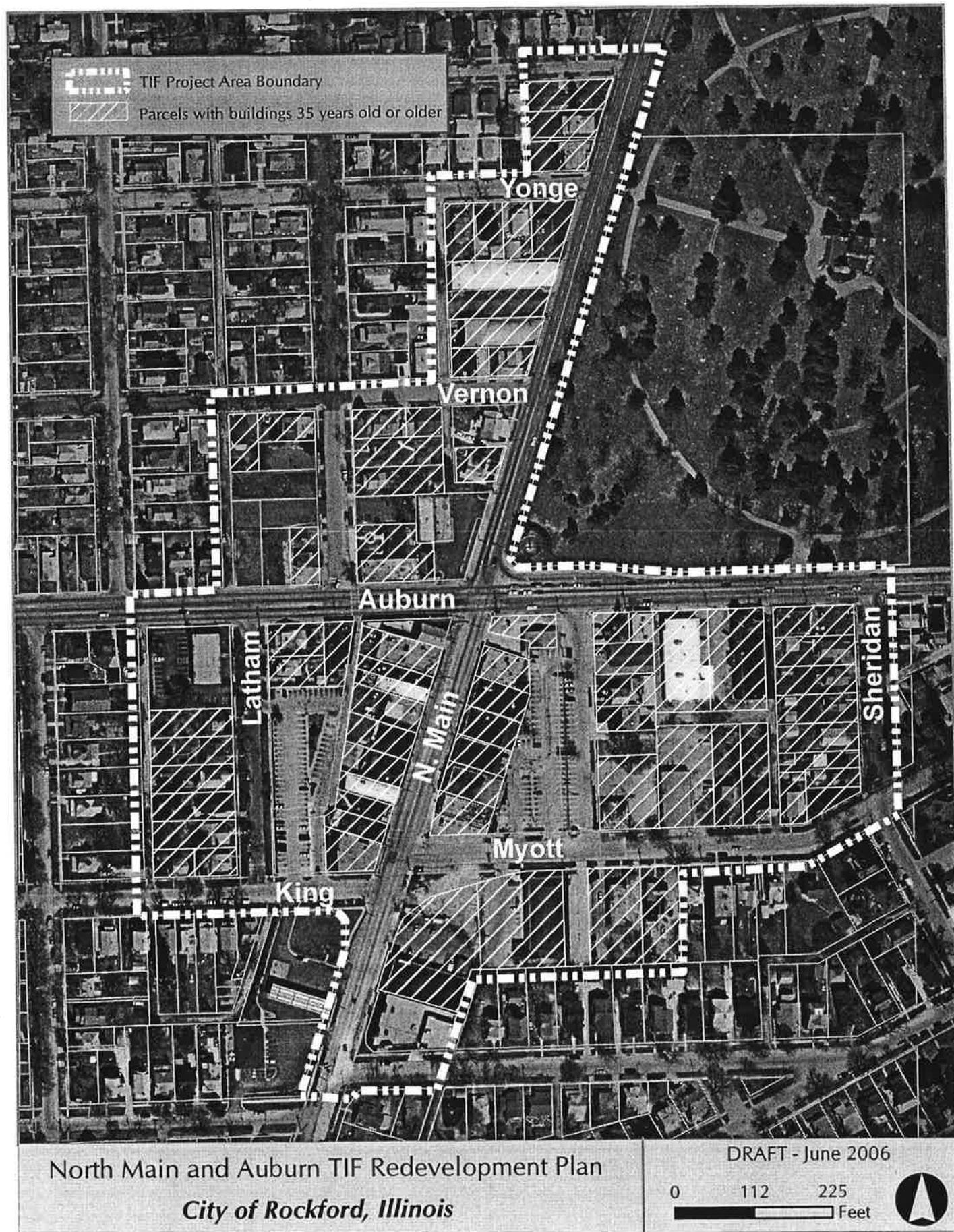
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Figure 1 - Project Area Boundary



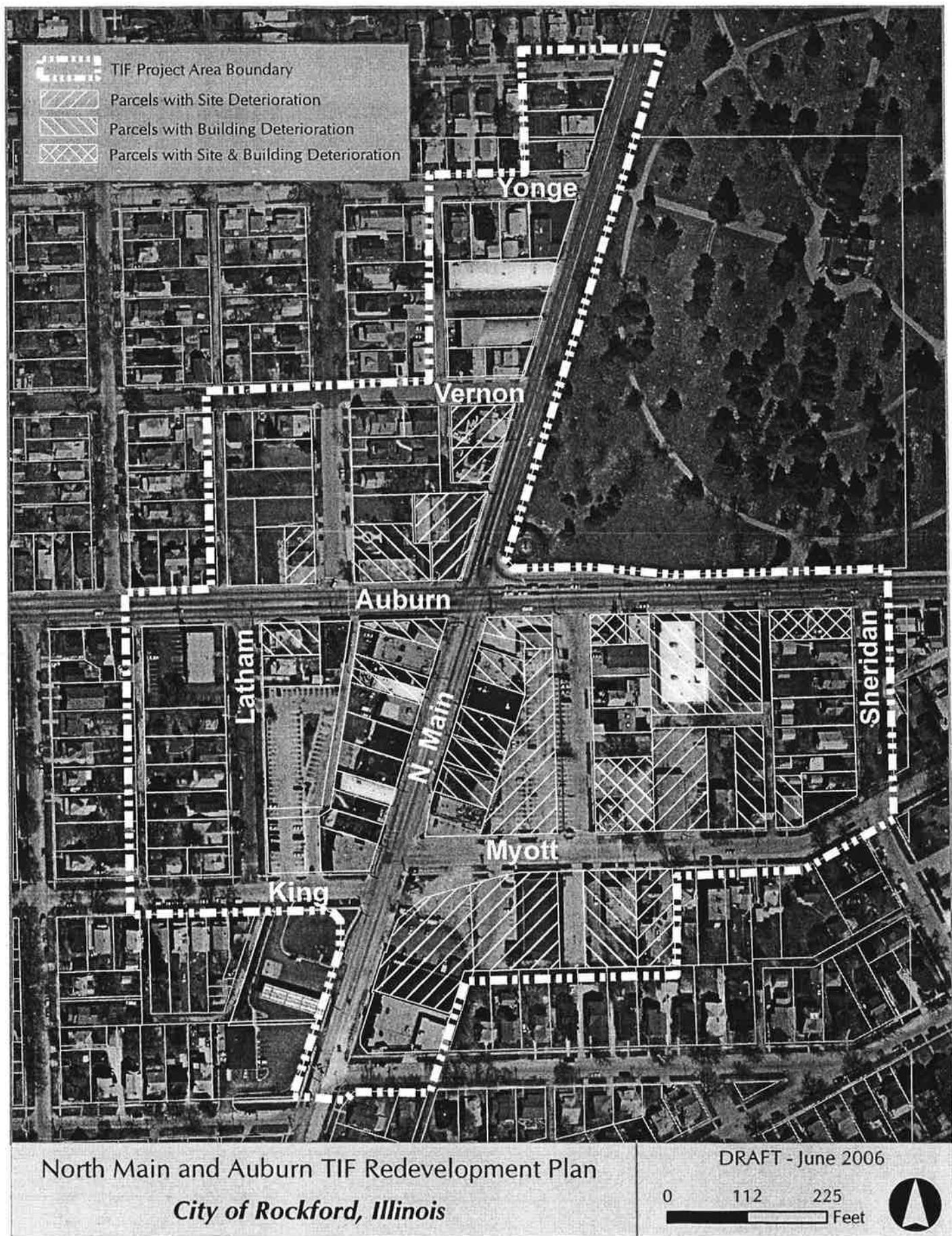
Insert Figure 2

Figure 2 - Age Over 35 Years



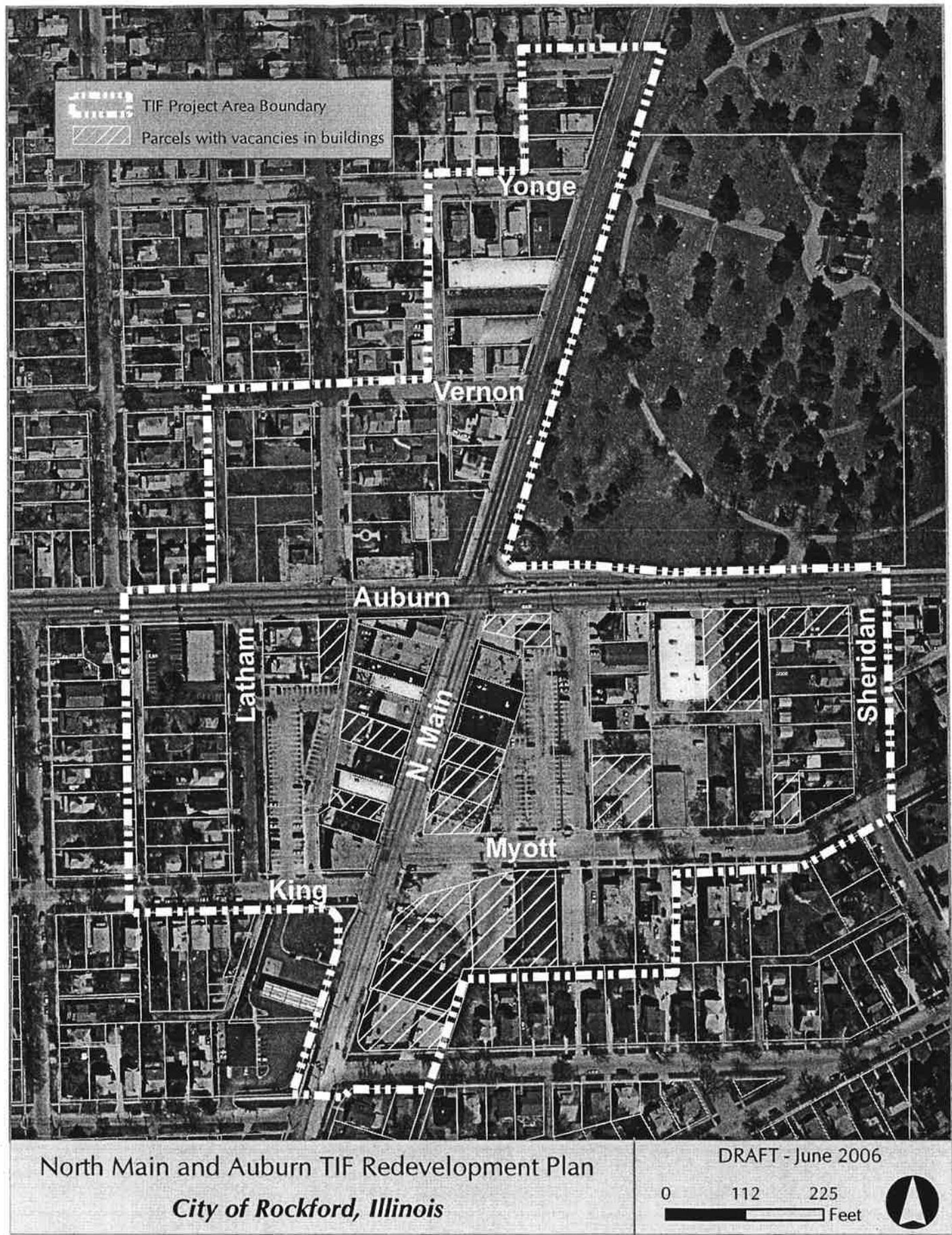
Insert Figure 3

Figure 3 - Deterioration



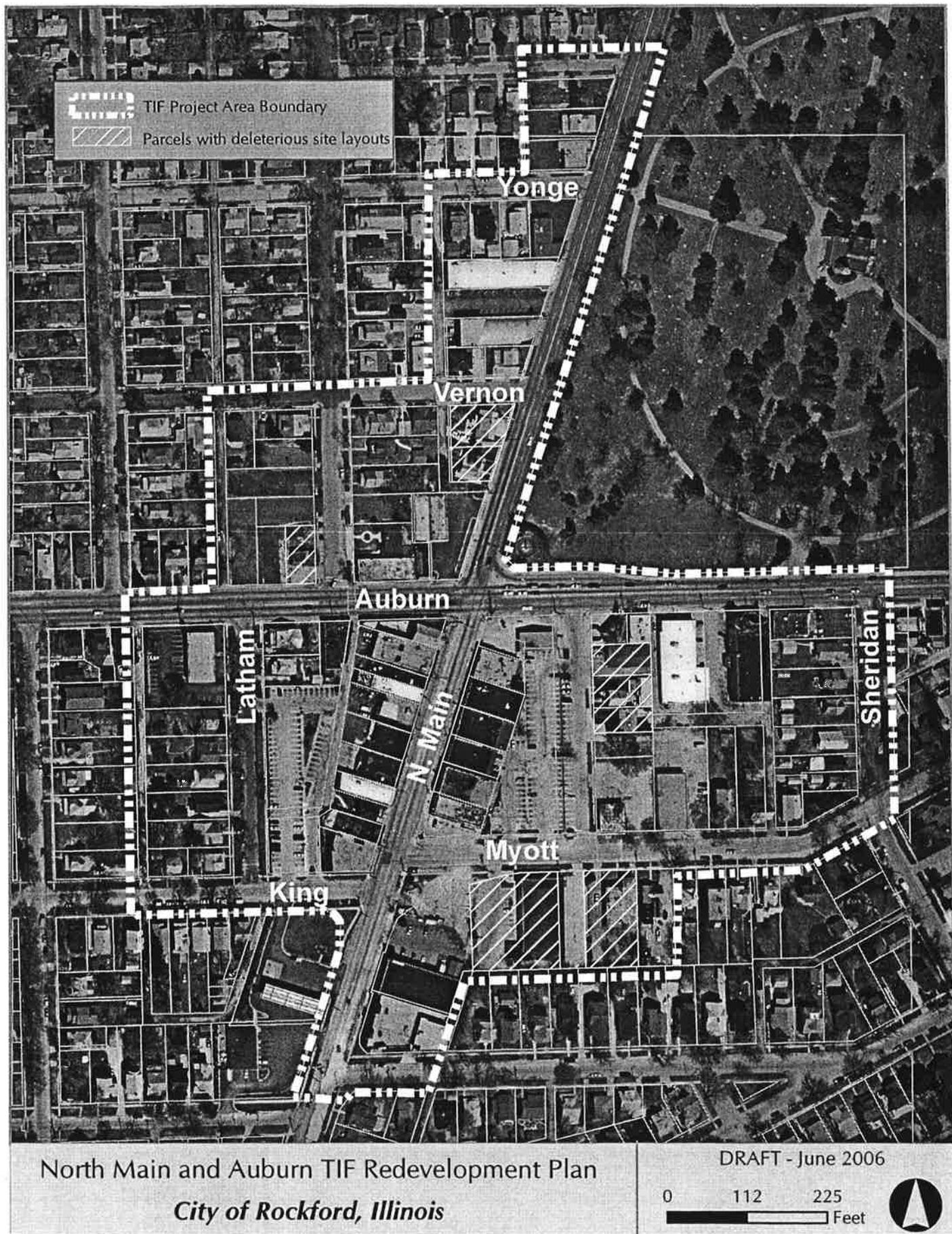
Insert Figure 4

Figure 4 - Vacancies



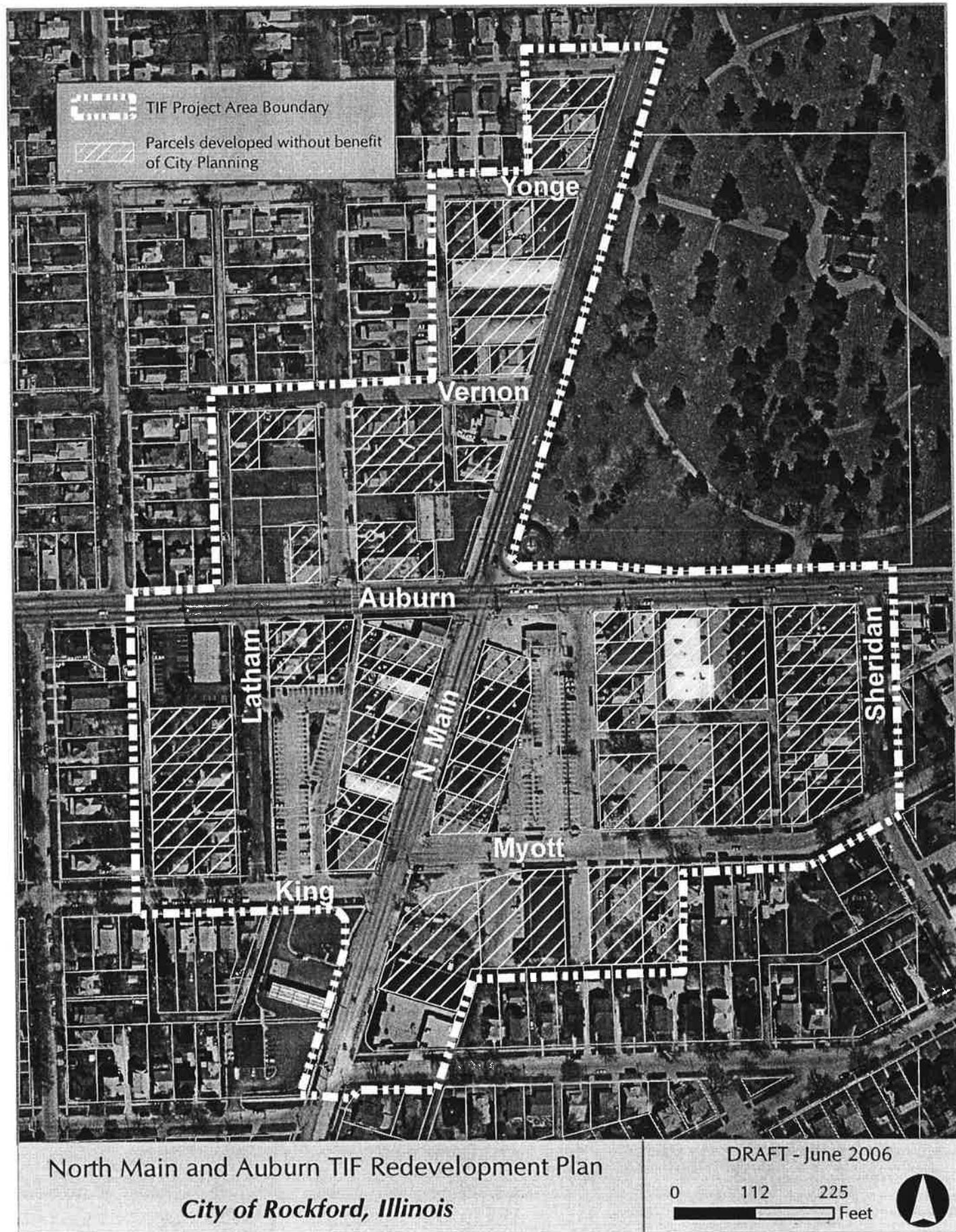
Insert Figure 5

Figure 5 - Deleterious Site Layout



Insert Figure 6

Figure 6 - Lack of Planning

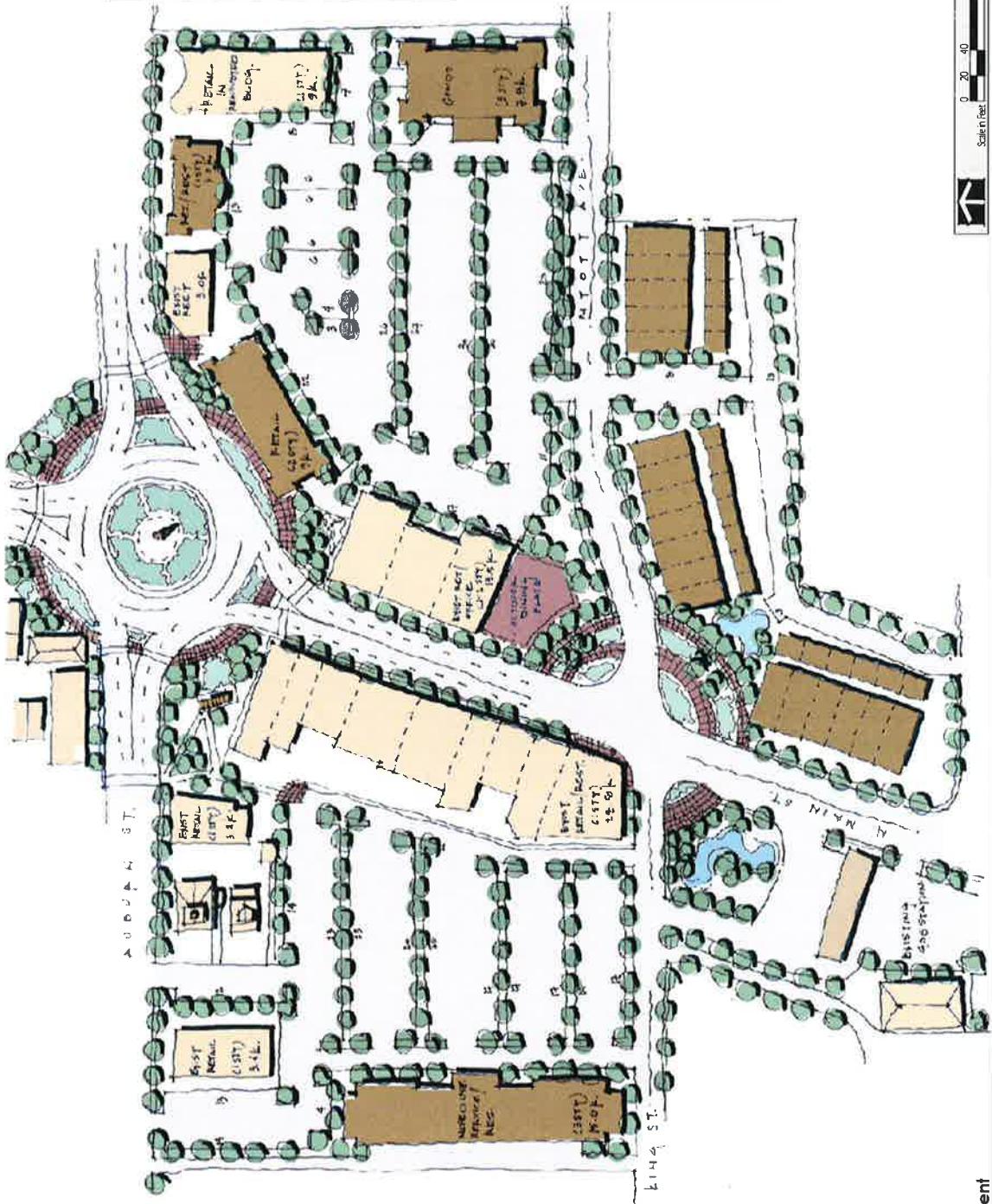


APPENDIX II:

**CONCEPTUAL SITE PLANS
FROM THE
MAIN AND AUBURN
STRATEGIC REVITALIZATION PLAN**

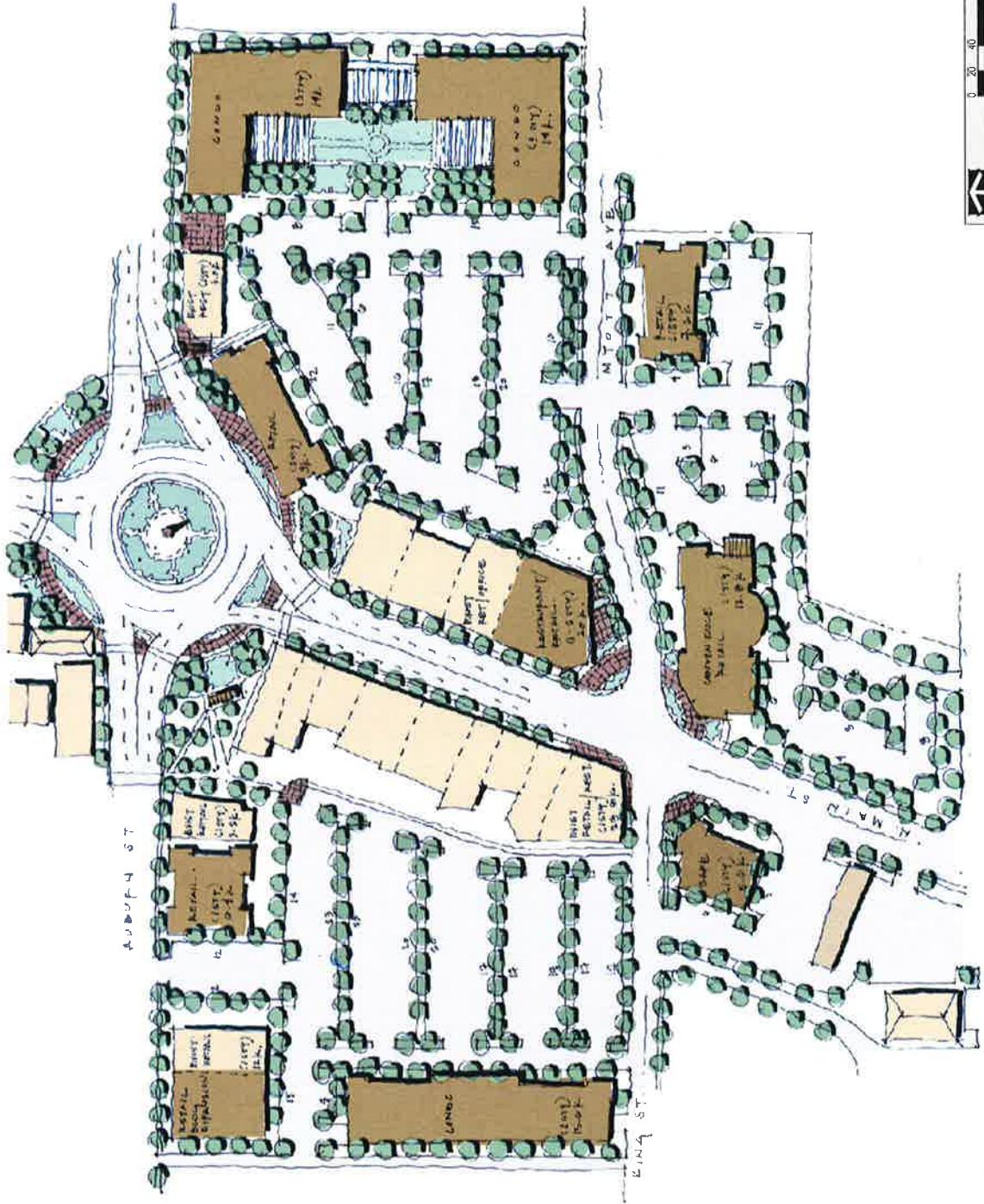
Insert Figure 7

Insert Figure 8



11/23/2004
ME-10

Insert Figure 9



CONCEPT 3A
Concept Development

N. Main St. and Auburn Intersection Improvement Study
City of Rockford, IL



11/23/2004

APPENDIX III:

ESTIMATED TIF INCREMENT CAPTURE TABLE

Insert TIF Increment Table

Estimated TIF Increment Capture and Final EAV
North Main and Auburn TIF
City of Rockford, IL

Base Year EAV =	\$2,523,732						
Appreciation	9.0%						
Tax Rates	7.0000						
Main and Auburn - Rockford							
TIF District							
INCREMENTAL EAV CALCULATION							
YEAR	JAN 1 EAV	APPRECIATION IN EAV	NEW PROJECT INCREMENTAL EAV	DEC 31 EAV	TOTAL PROPERTY TAX REVENUE BILL'D	INCREMENTAL EAV	INCREMENTAL PROPERTY TAX REVENUE REC'D
0	\$0	\$0	\$0	\$2,523,732	\$0	\$0	\$0
1	\$2,523,732	\$0	\$0	\$2,523,732	\$176,661	\$0	\$0
2	\$2,523,732	\$227,136	\$0	\$2,750,868	\$176,661	\$227,136	\$0
3	\$2,750,868	\$0	\$1,500,000	\$4,250,868	\$192,561	\$1,727,136	\$15,900
4	\$4,250,868	\$0	\$1,500,000	\$5,750,868	\$297,561	\$3,227,136	\$120,900
5	\$5,750,868	\$517,578	\$0	\$6,268,446	\$402,561	\$3,744,714	\$225,900
6	\$6,268,446	\$0	\$0	\$6,268,446	\$438,791	\$3,744,714	\$262,130
7	\$6,268,446	\$0	\$0	\$6,268,446	\$438,791	\$3,744,714	\$262,130
8	\$6,268,446	\$564,160	\$0	\$6,832,606	\$438,791	\$4,308,874	\$262,130
9	\$6,832,606	\$0	\$0	\$6,832,606	\$478,282	\$4,308,874	\$301,621
10	\$6,832,606	\$0	\$0	\$6,832,606	\$478,282	\$4,308,874	\$301,621
11	\$6,832,606	\$614,935	\$0	\$7,447,541	\$478,282	\$4,923,809	\$301,621
12	\$7,447,541	\$0	\$0	\$7,447,541	\$521,328	\$4,923,809	\$344,667
13	\$7,447,541	\$0	\$0	\$7,447,541	\$521,328	\$4,923,809	\$344,667
14	\$7,447,541	\$670,279	\$0	\$8,117,819	\$521,328	\$5,594,087	\$344,667
15	\$8,117,819	\$0	\$0	\$8,117,819	\$568,247	\$5,594,087	\$391,586
16	\$8,117,819	\$0	\$0	\$8,117,819	\$568,247	\$5,594,087	\$391,586
17	\$8,117,819	\$730,604	\$0	\$8,848,423	\$568,247	\$6,324,691	\$391,586
18	\$8,848,423	\$0	\$0	\$8,848,423	\$619,390	\$6,324,691	\$442,728
19	\$8,848,423	\$0	\$0	\$8,848,423	\$619,390	\$6,324,691	\$442,728
20	\$8,848,423	\$796,358	\$0	\$9,644,781	\$619,390	\$7,121,049	\$442,728
21	\$9,644,781	\$0	\$0	\$9,644,781	\$675,135	\$7,121,049	\$498,473
22	\$9,644,781	\$0	\$0	\$9,644,781	\$675,135	\$7,121,049	\$498,473
23	\$9,644,781	\$868,030	\$0	\$10,512,811	\$675,135	\$7,989,079	\$498,473
						Total:	\$7,086,316
						NPV OF INCREMENTAL PROPERTY TAX =	\$2,751,569
Assumes a 9.0% appreciation rate, calculated every 3rd year							
Assumes a 7.04% tax rate							
Assumes a 7.0% discount rate							