



**CITY OF AURORA
REDEVELOPMENT PLAN AND PROJECT
CROSS STREET TIF**

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

*Prepared by the City of Aurora, Illinois
in conjunction with
Kane, McKenna and Associates, Inc.*

April 2023

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LIST OF EXHIBITS

EXHIBITS

- Exhibit 1 - Legal Description
- Exhibit 2 - Boundary Map
- Exhibit 3 - Existing Land Use Map
- Exhibit 4 - Proposed Land Use Map
- Exhibit 5 - TIF Qualification Report

I. INTRODUCTION

The City of Aurora (the “City”) is a community located in DuPage, Kane, Kendall and Will Counties, approximately forty (40) miles west of the City of Chicago’s “Loop”. The City is generally bounded by the municipalities of Sugar Grove on the west, Batavia and North Aurora on the north, Naperville to the east, and Montgomery to the south. The City is situated proximate to major access points and regional land uses (i.e. the Fox River, State Highway 31, Interstate I-88).

The City was incorporated in 1857. The municipality developed from a river town in the 1800s to a community that contains retailing, office, research and development, manufacturing, distribution and entertainment uses with a population of 183,493 residents according to U.S. Census data reported in 2020. Up until the onset of the highway system, when the emphasis on rail transport moved to roadway transportation, the City has historically been one of the largest commercial and industrial communities in the State of Illinois, producing thousands of manufacturing jobs and preserving the industrial tax base for the City and other taxing districts.

Today, however the City’s overall population growth has slightly declined in a manner similar to the State of Illinois overall. As a result, the City is in an increasingly difficult competitive market for the attraction of commercial and mixed-use developments. Consequently, to remain competitive the City must continue to sharpen its strategies to redevelop previously developed areas that have fallen into disuse or underutilization.

The City of Aurora updated its Comprehensive Plan in 1984 (the “Comprehensive Plan”). In 2017, the City also adopted its 2017 Downtown Master Plan (the “Downtown Master Plan”). The comprehensive plan is intended to guide Aurora’s overall evolution and development, while the Downtown Master Plan for Downtown Aurora establishes the City’s vision for the future of its downtown area. As a crucial part of the City’s vision of the ongoing revitalization of the downtown area, the City has targeted certain vacant and/or underutilized buildings and facilities for adaptive redevelopment. Included for this purpose are certain targeted properties that are located along River Road, and adjacent to the west bank of the Fox River.

A key site included for this redevelopment strategy, and the subject for this proposed TIF plan and project (the “TIF Plan” or the “Plan”), is certain property located at the southwest intersection of River Street and Cross Street. It is anticipated that this redevelopment of this area as the proposed Cross Street TIF District will attract much needed new development and tax revenue generating activities to the City in general, and downtown in particular; and thus, helping to diversify and increase the City’s tax base.

TIF Plan Requirements

The City is preparing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the "Act") 65 ILCS 5/11-74.4-3, et. seq., as amended. To establish a TIF district (also known as a Redevelopment Project Area ("RPA")), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and a TIF Qualification Report.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: "promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas" (65 ILCS 5/11-74.4-2(b)).

By definition, a TIF "Redevelopment Plan" means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a "blighted area," "conservation area" (or combination thereof), or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

The City has authorized Kane, McKenna and Associates, Inc. ("KMA"), to study of the RPA to determine whether it qualifies for consideration as a TIF district. Exhibit 5 contains the results of KMA's study conducted on behalf of the City. Based on this study, KMA is prepared to make certain recommendations for the establishment of a TIF district, which would need to be supplemented by review by overlapping taxing districts and the public; as well as review and approval by City staff, and ultimately the City Council.

As a result of KMA's evaluation of each parcel in the TIF district, but based on the area as a whole, an analysis of each of the TIF Qualification criteria were reviewed and the City has determined that the RPA qualifies as a "conservation area" for an improved property area, according to definitions described in the Act.

The Proposed TIF District

The RPA includes portions of the City's Downtown area generally bordered by Cross Street to the north, the Middle Avenue to the west, just north of Gale Street to the south, and South River Street to the east (the proposed TIF District is currently located

within the City's existing TIF # 3). The area location along the Fox River has been identified by the Downtown Master Plan as a focal point part of the "heart of Downtown" and is part of an area desired as a "vibrant designation with mixed use development, family friendly activities and nightlife entertainment".

Rationale for Redevelopment Plan

The City recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment would only be possible if a TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions and economic conditions that have discouraged intensive private investment in the past will be eliminated. Ultimately, the implementation of the Plan will benefit both the City and surrounding taxing districts, by virtue of the expected expansion of the tax base.

The City has determined that the area as a whole would not be developed in a coordinated manner without the adoption of the TIF Redevelopment Plan. The City, with the assistance of KMA, has therefore commissioned this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment and land assembly, the RPA will become a more viable area that will attract private investment. The public investment and land assembly will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future residential, commercial and retail/mixed-use opportunities in the area.

The designation of the area as an RPA will allow the City to pursue the following beneficial strategies:

- Undertaking site preparation and infrastructure development that supports the redevelopment plan for the RPA, as promoted by the Downtown Master Plan;
- Entering into redevelopment agreements in order to redevelop existing property and/or to induce new development to locate within the RPA;
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future commercial opportunities and City redevelopment projects within the RPA and/or surrounding area; and

- Enhancing area appearance through improvements to landscape, streetscape and signage.
- Undertaking site preparation and infrastructure development that supports the redevelopment plan for the RPA;
- Entering into redevelopment agreements in order to redevelop existing property and/or to induce new development to locate within the RPA;
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future commercial opportunities and City redevelopment projects within the RPA and/or surrounding area; and
- Enhancing area appearance through improvements to landscape, streetscape and signage.

Through this Plan, in a manner consistent with both the Comprehensive Plan and the Downtown Master Plan, the City will direct the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits are expected to accrue to the area: entry of new businesses; new employment opportunities; and physical and aesthetic improvements. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing districts serving the RPA, (c) residents and property owners within the RPA, and (d) existing and new businesses.

The findings in this Plan are conditioned the targeted parcels being removed from the City's Downtown Tax Increment Financing District 3, prior to designation of the Study Area as a TIF District.

City Findings

The City, through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;

- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That without the development focus and resources provided for under the Act and as set forth in this Plan, growth and redevelopment would not reasonably be expected to be achieved;
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and
- That the TIF Redevelopment Plan conforms to the City of Aurora’s most recent Comprehensive Plan (1984), as detailed in Section III of this report.

It is further found, and certified by the City, in connection to the process required for the adoption of this Plan pursuant to the Act, that the projected redevelopment of the RPA will not result in the displacement of ten (10) inhabited residential units or more, and that the RPA contains less than seventy-five (75) inhabited residential units. Therefore, this plan does not include a Housing Impact Study as would otherwise be required.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

II. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

The legal description for the RPA is attached in Exhibit 1.

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The City has established a number of economic development goals, objectives, and strategies which would determine the kinds of activities to be undertaken within the RPA.

Important underlying planning documents are the Comprehensive Plan and the Downtown Master Plan which, as elements of the planning process, describe the overall vision for the City and its downtown, and are the foundation for City initiatives such as the proposed Cross Street TIF District. These overarching planning documents influence all other City planning processes for the downtown area, such as the TIF planning process.

General Economic Development Goals of the City

Establishment of the proposed Cross Street RPA supports several goals described in the Comprehensive Plan (1984) that would directly determine future economic development activities and influence the parameters of future redevelopment projects. A sample of the goals is presented in the below Exhibit 2.

Exhibit 2. Objectives Applicable to the Cross Street RPA

Element	Goal/Policy (or Policies)
Urban Form and Function	- Provide for orderly, balanced and efficient growth and redevelopment; Protect and enhance those assets and values that establish the desirable quality and general livability of the City; Promote the City's position as a regional center
Land Use Interrelationships	-Plan and provide for the integration of land use patterns and functions that promote complementary interactions -Encourage residential development in close proximity to places of work, shopping and recreation -Encourage high density housing at appropriate locations adjacent to commercial centers
Circulation and Land Use Patterns	-Promote the use of pedestrian and other non-automotive modes of travel by encouraging mixed use developments and/or multiuse buildings
Enhancement of the Urban Environment	-Promote the preservation and revitalization of commercial areas -Encourage quality site design throughout the City -Provide for visual enhancement through attractive landscaping, quality signage and diverse building design and arrangement
Housing Quality	-Encourage the adaptive reuse of commercial structures to housing where such conversions are economically feasible, supportive of revitalization efforts and consistent with the land use plan
Commercial Hierarchy	- Provide for convenient and adequate pedestrian, vehicular and bicycle access from residential areas to commercial areas -Promote higher density residential uses around commercial centers to enhance their vitality and conserve energy
Commercial Design and Appearance	-Provide for the clustering of commercial activities in existing or planned commercial areas -Provide for adequate parking facilities at all commercial areas
Economic Development	-Promote sound, diversified and organized industrial, office and commercial growth
Transportation Design	-Coordinate development in the vicinity of major intersections with the design of street facilities to maintain safe and efficient traffic management

Source: City of Aurora Comprehensive Plan (1984)

Along with furthering the above-stated goals, TIF designation would allow the City to pursue the following objectives within the RPA:

- Coordinate redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Accomplish redevelopment over a reasonable time period; and,
- Create an attractive overall appearance for the area.

Ultimately, the implementation of the Redevelopment Project would contribute to the economic development of the area and provide new employment opportunities for City residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the preparation of the area by assisting private developers to assemble suitable sites for modern development needs;
- Coordinate site preparation or environmental remediation to provide additional land for new expanded development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development within the RPA;
- Facilitating rehabilitation or reconstruction of existing improvements, by assisting private developers in the rehabilitation of existing improvements; and,
- Facilitating the provision of adequate parking and traffic circulation within the RPA

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

Evidence of the Lack of Development and Growth Within the RPA

As documented in Appendix 5 of this Plan, the RPA has suffered from the lack of development and would qualify as a conservation area. In recent years, the area has not benefited from sustained private investment and/or development, instead suffering economic decline. Absent intervention by the City, properties within the RPA would not be subject to redevelopment.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually result in blight. For example, structures and site improvements reflect excessive vacancies and obsolescence. These various conditions discourage private sector investment in business enterprises.

Assessment of Fiscal Impact on Affected Taxing Districts

It is anticipated that the implementation of this Redevelopment Plan and Project will not have a negative financial impact on the affected taxing districts. Instead, the action taken by the City to stabilize and encourage growth of its tax base through the implementation of this Plan and Project will have a positive impact on the affected taxing districts through the promotion of revitalized properties that will result in significant increases in future assessed valuations.

This strategy will encourage and promote growth via private investment within the area and is geared to stabilize the RPA's existing strengths and revitalize the RPA's redevelopment potential. Should the City achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the City will consider the declaration of sufficient surplus funds (as long as those funds are not already obligated to the TIF), to assist affected taxing districts in paying the costs for the increased services.

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

V. TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA

Findings

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

Qualification Survey

Representatives of KMA and City staff evaluated the RPA from August 2021 to the date of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering consultants, Township Assessor, Kane County data, on-site due diligence, site surveys of the area and other sources. In KMA's evaluation, only information was recorded which would help assess the qualification of the proposed area as a TIF District.

VI. REDEVELOPMENT PROJECT

Redevelopment Plan and Project Objectives

As indicated in Section III of this Report, the City has established a planning process which guides economic development and land use activities throughout the City. Consistent with the established planning process, the City proposes to achieve economic development goals and objectives through the redevelopment of the Cross Street RPA, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques (including but not limited to tax increment financing).

The project-specific objectives envisioned for the Cross Street RPA are as follows:

- Promote the redevelopment of underutilized property located within the RPA
- Provide for the assembly or coordination of property for viable redevelopment projects
- Improve existing rights-of-way including the coordination of parking improvements if needed
- Provide for the necessary site preparation, grading and demolition (if necessary) of property located within the RPA
- Coordinate redevelopment activities within the RPA in a manner that conforms with the fiscal and economic development goals of the City

Redevelopment Activities

Pursuant to the project objectives cited above, the City will implement a coordinated program of actions. These include, but are not limited to, land acquisition, land disposition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, construction of new public facilities or improvements, and rehabilitation of structures, if necessary. Such activities conform to the provisions of the TIF Act that define the scope of permissible redevelopment activities.

Site Preparation, Clearance, Relocation and Demolition

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

Land Assembly and Relocation

Certain properties or interests in properties in the RPA may be acquired and properties owned by or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. It is expected that the City would facilitate private acquisition through reimbursement of acquisition and related costs as well as through the write-down of acquisition costs. Such land may be held or disposed of by the City on terms appropriate for public or private development, including the acquisition of land needed for construction of public improvements. Relocation activities may be funded as provided for in the Act.

Public Improvements

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

- Street and sidewalk improvements (including new street construction and widening of current streets)
- Utility improvements (including, but not limited to, water, storm water management, and sanitary sewer projects consisting of construction and rehabilitation)
- Signalization, traffic control and lighting
- Off-street parking (if applicable)
- Landscaping and beautification
- Riverfront and Riverwalk related improvements

Rehabilitation

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

Interest Rate Write-Down

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

Job Training

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

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

School District Costs

The City may provide for payment of school district costs, as required under the Act for residential components (if any) assisted through TIF funding.

General Land Use Plan

Existing land use consists of a mix of Institutional, recreational, commercial, retail and residential uses. Existing land uses are shown in Exhibit 3, attached hereto and made a part of the Redevelopment Plan and Project. Exhibit 5, attached hereto and made a part of the Redevelopment Plan and Project, designates intended general land uses in the Redevelopment Project Area that include mixed uses including institutional, commercial, residential, recreational and retail. The proposed land uses will conform to the Zoning Ordinance and the comprehensive planning process of the City of Aurora as either may be amended from time to time.

Additional Design and Control Standards for Community Development in the City of Aurora

The appropriate design controls, as set forth in the City's Zoning Ordinance shall apply to the Redevelopment Plan and Project.

Eligible Redevelopment Project Costs

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

1. Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
 - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by

the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;

2. The cost of marketing sites within the redevelopment 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 interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November, 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
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 pursuant to the Act accruing during the estimated period of

construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

8. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
9. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after November 1, 1999 an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually as follows:
 - a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and

- (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.
- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
 - (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
 - (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
 - (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.
- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply. Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

10. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units) on or after January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

The amount paid to a library district under this paragraph shall be calculated by multiplying (i) the net increase in the number of persons eligible to obtain a library card in that district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by this Act since the designation of the redevelopment project area by (ii) the per-patron cost of providing library services so long as it does not exceed \$120. The per-patron cost shall be the Total Operating Expenditures Per Capita as stated in the most recent Illinois Public Library Statistics produced by the Library Research Center at the University of Illinois. The municipality may deduct from the amount that it must pay to a library district under this paragraph any amount that it has voluntarily paid to the library district from the tax increment revenue. The amount paid to a library district under this paragraph shall be no more than 2% of the amount produced by the assisted housing units and deposited into the Special Allocation Fund.

A library district is not eligible for any payment under this paragraph unless the library district has experienced an increase in the number of patrons from the municipality that created the tax-increment-financing district since the designation of the redevelopment project area.

Any library district seeking payment under this paragraph shall, after July 1 and before September 30 of each year, provide the municipality with convincing evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the library district. If the library district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. Library districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by this paragraph. By acceptance of such reimbursement, the library district shall forfeit any right to directly or indirectly set

aside, modify, or contest in any manner whatsoever the establishment of the redevelopment project area or projects;

11. 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;
12. Payment in lieu of taxes;
13. Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;
14. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;

- e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
- f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (f) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants.

The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later;

15. If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.
16. Unless explicitly stated herein the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost;
17. After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;
18. No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. “Historic Resource” means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law

may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown on the next page. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

Projected Redevelopment Project Costs

Estimated project costs are shown below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the “Total Estimated TIF Budget” in Exhibit 4) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

**CITY OF AURORA
PROPOSED CROSS STREET AVENUE TIF
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs, Demolition, and Relocation Costs	\$ 1,500,000
2. Site Preparation (including related geo-technical costs), Environmental Cleanup, and Related Costs	\$ 500,000
3. Utility Improvements including, but not limited to, water, storm, sanitary sewer, the service of public facilities, and road improvements	\$ 1,500,000
4. Building Rehabilitation and Development/Public facilities including but not limited to parking improvements and Taxing District Capital Costs pursuant to the Act	\$ 1,500,000
5. Interest Costs Pursuant to the Act	\$ 300,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 500,000
7. Job Training	\$ 500,000
8. School Tuition Payments (related to residential redevelopment projects per the TIF Act)	<u>\$ 600,000</u>
 TOTAL ESTIMATED PROJECT COSTS	 \$ 9,900,000

Notes:

(1) All project cost estimates are in 2023 dollars. Costs may be adjusted for inflation per the TIF Act.

(2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.

(3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line-items set forth above are not intended to place a total limit on the described expenditures, as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above and all as provided for in the Act.

Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the City may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the City may establish in the future. (Conversely, incremental revenues from the Cross Street TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Exhibit 4 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the City, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA – over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2022 tax year for the RPA.

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

Nature and Term of Obligations to be Issued

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

Any and all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years after the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-third year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

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

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the City may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

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

The most recent equalized assessed valuation for the RPA is based on the 2022 EAV and is estimated to be approximately \$261,037.

Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will be approximately \$1,972,820.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Redevelopment Project

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

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to City zoning and planning requirements, or if the City undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the City:

- Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site. It is expected that the City would facilitate private acquisition through reimbursement or write-down of related costs, including the acquisition of land needed for construction of public improvements.
- Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare the sites for desired redevelopment projects.
- Rehabilitation: The City may assist in the rehabilitation of buildings, if any, or site improvements located within the RPA.
- Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The City may also undertake the provision of necessary detention or retention ponds and related storm water management projects.
- Roadway/Street/Parking Improvements: The City may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.
- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.
- School District Costs: The payment of such costs, if any, may be provided pursuant to the requirements of the TIF Act.
- Interest Costs Coverage: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.
- Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and compliance with Affirmative Action Plans

The City has adopted employment policies and is committed to employment practices which provide equal opportunity to all people regardless of sex, color, race, creed, sexual orientation, national origin, ancestry, age, marital status, order of protection status, disability or physical handicap, military status, sexual orientation, pregnancy, unfavorable discharge from military service as defined by law, citizenship status as defined by law or any other status or basis as may be now or hereinafter be prohibited by law. These nondiscriminatory practices will apply to all areas of employment including: recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, compensation, tenure or any terms, conditions or privileges of employment. The City shall comply with all applicable Federal, State and County laws and regulations governing employment discrimination and regulating the employment opportunities as well as any such Federal, State and County Affirmative Action Plans/Programs relevant in whole or in part to any City activity. The City shall additionally in all of its activities ensure and maintain a working environment free of harassment, intimidation and coercion at all locations and in all facilities. It is herein found and determined that fair and equal employment practices and opportunities as set forth herein is important to the continued growth and vitality of the community.

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

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

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

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

EXHIBIT 1

LEGAL DESCRIPTION

CROSS STREET TIF

FEBRUARY 7, 2022

LEGAL DESCRIPTION:

P.I.N. 15-21-478-006 & 15-21-478-011

THAT PART OF HALL'S ADDITION TO WEST AURORA, RECORDED IN PLAT BOOK 1 PAGE 25 IN KANE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS;

BEGINNING AT THE SOUTHERNMOST CORNER OF LOT 8 IN BLOCK 7 OF SAID HALL'S ADDITION; THENCE NORTHEASTERLY ON THE NORTHWESTERLY LINE OF MIDDLE AVENUE TO THE NORTHEASTERLY LINE OF CROSS STREET; THENCE SOUTHEASTERLY, ON SAID NORTHEASTERLY LINE, TO THE SOUTHEASTERLY LINE OF RIVER STREET; THENCE SOUTHWESTERLY, ON SAID SOUTHEASTERLY LINE, TO THE WESTERNMOST CORNER OF LOT 13 IN BLOCK 1 OF SAID HALL'S ADDITION; THENCE NORTHWESTERLY TO THE SOUTHERNMOST CORNER OF LOT 8 IN SAID BLOCK 4; THENCE NORTHWESTERLY, ON THE SOUTHWESTERLY LINE OF SAID LOT 8 IN BLOCK 4, TO THE WESTERNMOST CORNER THEREOF; THENCE NORTHWESTERLY TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THE SOUTHWESTERLY 7.7 FEET OF LOT 8 IN SAID BLOCK 4.

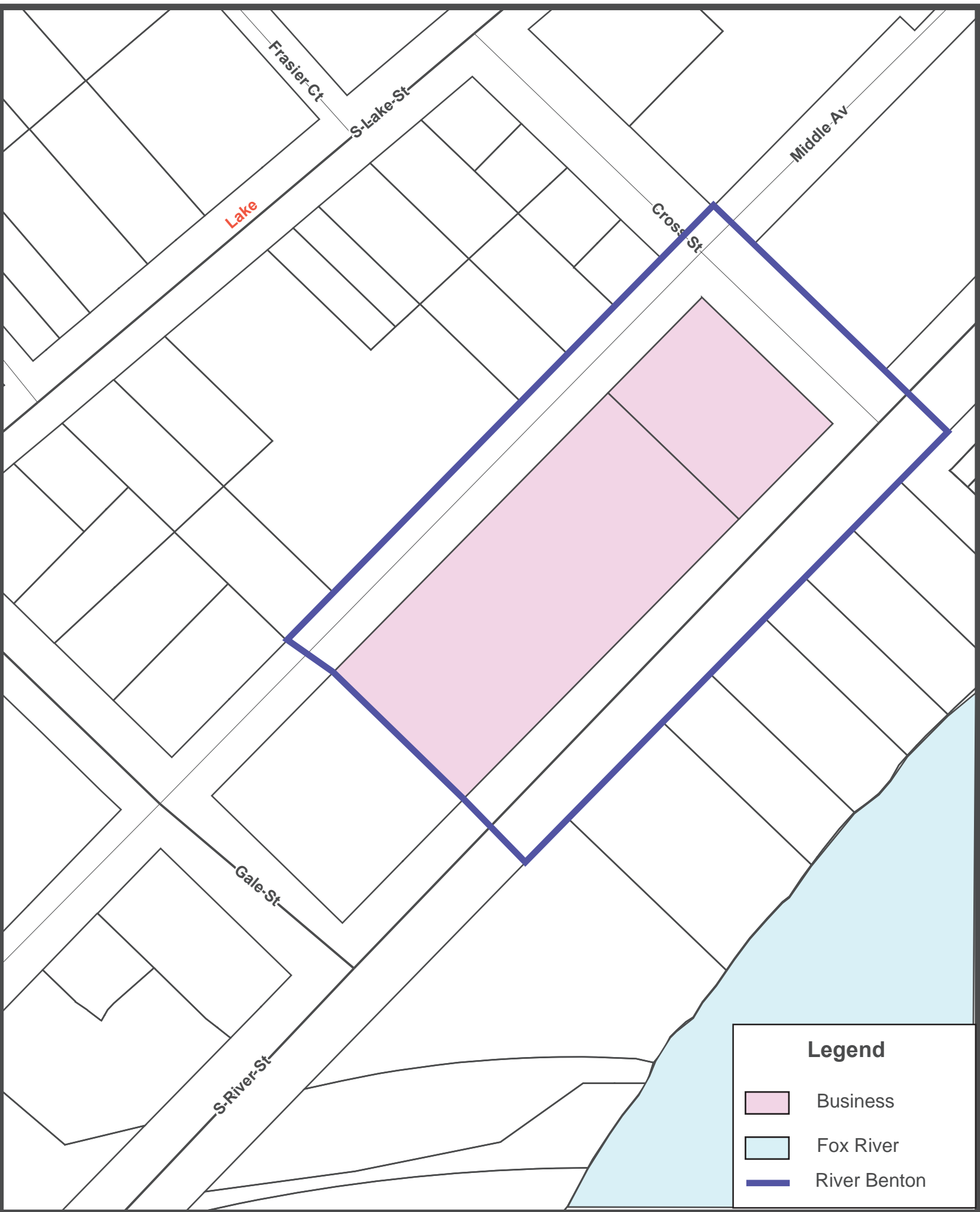
EXHIBIT 2
BOUNDARY MAP



EXHIBIT 3

EXISTING LAND USE MAP

Existing Land Use Map



Legend

-  Business
-  Fox River
-  River Benton

EXHIBIT 4

PROPOSED LAND USE MAP

Proposed Land Use Map

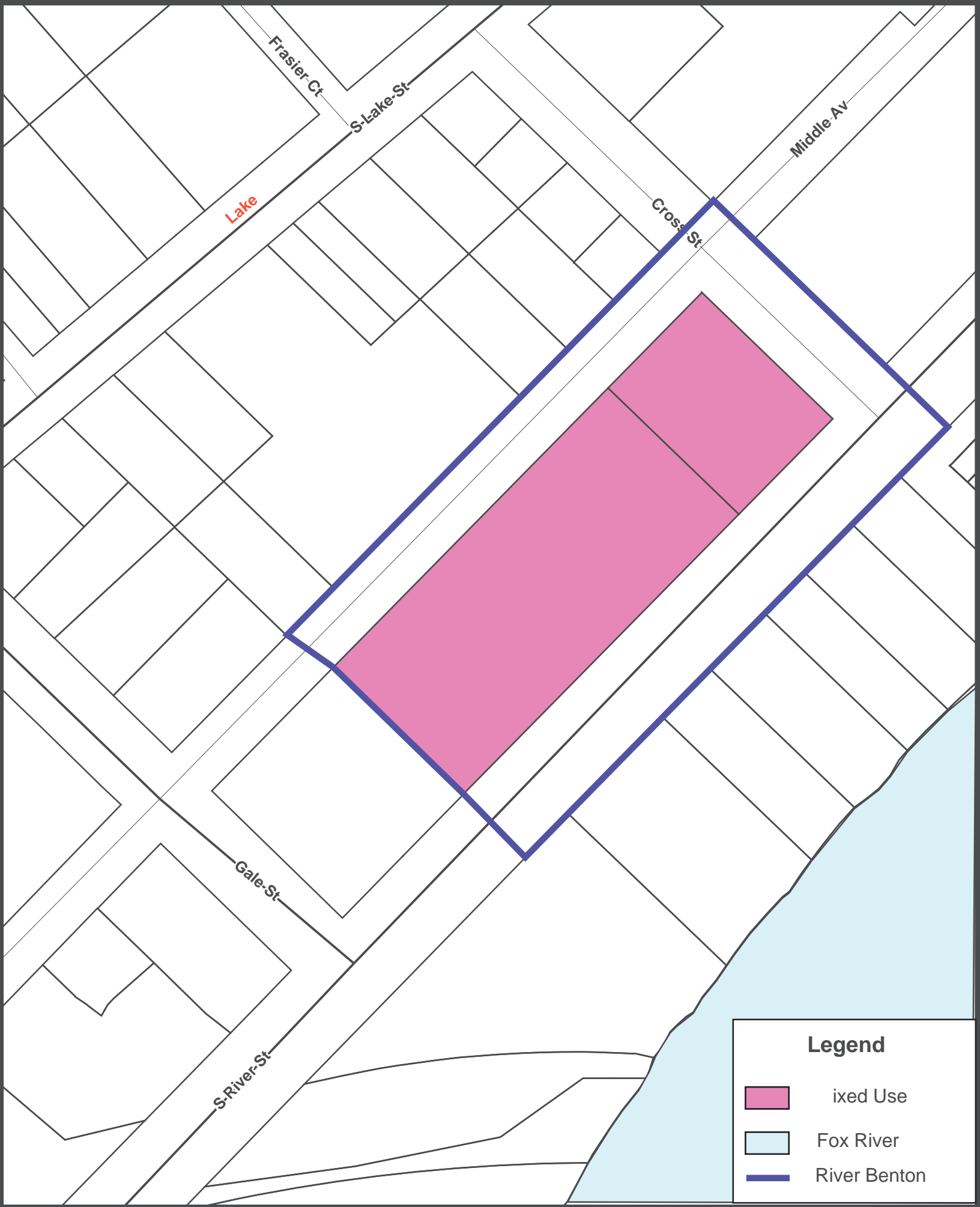


EXHIBIT 5
QUALIFICATION REPORT



**CITY OF AURORA
TIF QUALIFICATION REPORT
CROSS STREET TIF**

An analysis to assess the likelihood that all or a portion of an area located in the City of Aurora could qualify as a conservation area as defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

*Prepared by the City of Aurora, Illinois
in conjunction with
Kane, McKenna and Associates, Inc.*

APRIL 2023

**PROPOSED CROSS STREET
REDEVELOPMENT PROJECT AREA/STUDY AREA
TIF QUALIFICATION REPORT**

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EXECUTIVE SUMMARY

Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of Aurora, Illinois (the "City") to conduct an analysis of the potential qualification and designation of certain property located in the City, to be addressed herein as the proposed Redevelopment Project Area (the "Study Area") and included in the map attached as Exhibit A. Essentially the Study Area includes portions of the City's Downtown area (part of the South River Street Neighborhood) generally bordered by Cross Street to the north, the Middle Avenue to the west, just north of Gale Street to the south, and South River Street to the east. The qualification review is being carried out pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the "TIF Act").

The City is pursuing the Study Area designation as part of its ongoing review of the Downtown area, in order to assist in the revitalization of the property and the overall improvement of the Downtown. By undertaking the designation, the City will help strengthen the Study Area as a significant contributor to the City's overall economic base.

Based upon the preliminary analysis completed to date, KMA has reached the following conclusions regarding the potential qualification of the Study Area as a TIF District:

- 1) *The proposed TIF District could meet the criteria for a "conservation area," as the term is defined under the TIF Act subject to the provision of additional documentation.* Because 50% or more of the structures are over 35 years of age, the Study Area meets the threshold finding for such designation.
- 2) *Current conditions impede redevelopment* – Without the use of City planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible.
- 3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed Study Area, there are parcels which potentially could be redeveloped and thereby produce incremental property tax revenue or other additional revenues to the City. As part of the City's planning efforts, several potential development sites are included in the Study Area. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the Study Area.
- 4) *Review of TIF designation* – To mitigate certain conditions and to leverage the City's investment and redevelopment efforts, the City is proposing a TIF designation to improve existing conditions.

I. BACKGROUND

Current Land Use. The Study Area is generally bounded by Cross Street to the north, Middle Avenue to the west, just north of Gale Street to the south, and South River Street to the east and includes both partially vacant, and partially private commercial/industrial uses.

The Downtown area continues to be an important area for the community – both symbolically and from a community and economic development standpoint. As stated in the Master Plan for Downtown Aurora (2017) (the “Downtown Master Plan”), “...Downtown Aurora residential new construction lagged behind other suburban locations...” Further, one of the key recommendations of the Downtown Master Plan in part states:

“... (The City should) concentrate higher density development on the fringe of the downtown core. Focusing on the fringe of downtown is important because there are fewer bulk and density restrictions, more open space, and fewer historic structures in these areas. There are several redevelopment opportunities and under-developed sites throughout the study area. **Specific locations include...parcels on the west bank of the river along River Street....** (Emphasis added)”

Key findings are summarized below as taken from the Master Plan for Downtown Aurora (2017).

General Goals/Objectives

- 1) Aurora has one of the lowest crime rates in the nation for a city of its size. A low crime rate doesn't erase the memory of many from the eighties and nineties and addressing misconceptions about safety still remains a challenge for the City.
- 2) Major gateways into the downtown area lack distinction and appeal. While Aurora has an attractive skyline and central streets, there is little indication for visitors traveling to downtown that they have arrived in the heart of Illinois' second-largest city. The first impressions along north-south corridors offer views, but limited signage, of the new RiverEdge Park alongside scrap recycling centers with no sidewalk or strip shopping centers.
- 3) Downtown Aurora has a high number of historic buildings and landmarks which are maintained through various historic preservation initiatives. In the downtown area, there are numerous historic buildings representing a range of architectural styles from Art Deco to Prairie School. There are 20 historic buildings within the Stolp Island National Register Historic District alone, including the Paramount Theatre and the Grand Army of the Republic Memorial.

- 4) Past downtown planning efforts have aimed to create a pedestrian-friendly environment, encouraging access to the Fox River. The FoxWalk Design Guidelines, the RiverEdge Park Master Plan, the Riverfront Vision, Seize the Future, and the Bicycle and Pedestrian plan all emphasize the importance of walkability and the Riverwalk. The Aurora Zoning Ordinance emphasizes pedestrian comfort and walkability in the downtown and provides standards for new developments to maintain pedestrian access and incorporate potential views of the Fox River.

- 5) Aurora has integrated streetscape and signage amenities in the downtown. People who live and work in downtown Aurora already know their favorite dining spots, where they can easily find parking, and where their favorite stores are located. However, many of these amenities are historic in nature and are concentrated on Stolp Island, where business district signage is limited. For newcomers to Aurora, signage and wayfinding could help to make their visit more enjoyable and seamless. Clear and direct paths to the downtown should be more evident and recognizable, particularly for visitors arriving by train.

As a result of the findings, above, several recommendations are noted for the RPA and the wider Downtown area:

- Coordinate with other riverfront communities to create a cohesive wayfinding package to promote redevelopment of downtowns.
- Develop stronger visual and physical links to the riverfront.
- Identify key routes between destinations and important gateways in the Downtown.
- Extend signage and marketing initiatives.
- Identify and prioritize gateway entrances into, and prominent corridors within, downtown.
- Target infrastructural and aesthetic improvements to enhance the sense of place.
- Promote and cultivate the cultural identity of Downtown.
- Establish a broad marketing reach.
- Identify and evaluate common pedestrian routes and parking facilities for safety improvements.

- Identify and activate vacant spaces.
- Promote community engagement and enhanced patrolling techniques.

Source: pages 14 to 23, "A Master Plan for Downtown Aurora" (2017).

The City's interest in the proposed Study Area reflects a concern for certain partially vacant and functionally obsolete properties along South River Street as it intersects with Cross Street. Portions of the area suffers from very noticeable deteriorated buildings and site improvements that are indicative of a long period of private sector disinvestment along one of the important southern entryways into the Downtown area. As a result, one of the key gateways into the central city gives an unattractive impression of the City.

Overall, the area faces a number of potential redevelopment impediments as described in Section IV of this report. Additionally, while the area has certain assets, the current state of the local and national economy, characteristics of parcel sizes, existing uses, and redevelopment challenges associated with older buildings and smaller sites contribute to constraints related to redevelopment.

The City has determined that the redevelopment of the proposed Study Area could be beneficial to the community. With a redevelopment strategy in place, the economic base of the Study Area would be stabilized and increased – thereby benefiting the community as a whole.

General Scope and Methodology. KMA performed its analysis by conducting a series of discussions with City staff, starting in August, 2021 and continuing periodically up to the date of this report. The purpose of the review was to gather data related to the preliminary qualification criteria for properties included in the Study Area. These discussions were complemented by a series of field surveys for the entire area to evaluate (and to re-evaluate) the condition of the Study Area. The field surveys and data collected have been utilized to test the likelihood that the Study Area could qualify for TIF designation – subject to collection of additional documentation and/or review at a later date.

The qualification factors discussed in this report would assist in the qualification of the Study Area as a conservation area, as the term is defined pursuant to the TIF Act.

For additional information about KMA's data collection and evaluation methods, refer to Section III of this report.

The conclusions in this report are conditioned on the Study Area being removed from the City's Downtown Tax Increment Financing District 3 prior to designation of the Study Area as a TIF District.

II. QUALIFICATION CRITERIA

With the assistance of City staff, Kane, McKenna and Associates, Inc. assessed the proposed Study Area to determine the likelihood that qualifying factors listed in the Act would be present. The relevant provisions of the Act are cited below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (Study Area). By definition, a “redevelopment project area” is:

“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 a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where certain conditions are met, as identified below.

TIF Qualification Factors for a Conservation Area. In accordance with the TIF Act, KMA performed a two-step assessment to determine if the proposed Study Area qualified as a conservation area. First, KMA analyzed the threshold factor of age to determine if 50% or more of the structures were 35 years of age or older.

Secondly, the area was examined to determine if a combination of three (3) or more of the following factors were present, each of which is (i) present, with that presence documented to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area. Per the TIF Act, such an area is not yet a blighted area but because of a combination of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

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

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

(C) Deterioration. With respect to buildings, defects include but are not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

(D) Presence of Structures Below Minimum Code Standards. All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.

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

(F) Excessive Vacancies. The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

(G) Lack of Ventilation, Light, or Sanitary Facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

(H) Inadequate Utilities. Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, and obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

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

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

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

(L) Lack of Community Planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

(M) "Stagnant" or "Declining" EAV. The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, 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. The finding is based on the last 5 years for which information is available.

III. EVALUATION METHODOLOGY

In evaluating the proposed Study Area's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the Study Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Preliminary surveys were completed of properties located within the Study Area.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration and excessive vacancies. Additionally, KMA reviewed the following data: 2017 to 2022 tax information from Kane County, the Aurora Township Assessor, tax maps, aerial photos, site data, local history (including discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., Deterioration, stagnant or declining EAV, excessive vacancies, and lack of community planning etc.).
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 4) The Study Area was examined to assess the applicability of the different factors required for qualification as a TIF district. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the thirteen (13) different factors, as defined under the Act, which would qualify the area as a TIF District.

IV. QUALIFICATION FINDINGS FOR PROPOSED STUDY AREA

Based upon KMA’s evaluation of parcels in the proposed Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the proposed Study Area as a conservation area under the TIF Act. These factors are summarized in the table below.

Exhibit 1
Summary of TIF-Qualifying Factors

Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in Proposed Study Area
13	3	6 <ul style="list-style-type: none"> • Deterioration • Lack of Community Planning • Obsolescence • Deleterious Layout • Excessive Land Coverage • Excessive Vacancies

Findings for Study Area. The proposed Study Area meets the qualifications for a conservation area under the statutory criteria set forth in the TIF Act. As a first step, KMA determined that 3 of 3 structures (100%) were 35 years in age or older based upon City and Township Assessor data. Secondly, KMA reviewed the 13 aforementioned criteria needed to qualify the area as a conservation area, determining that 5 factors were present:

1. Deterioration. As noted in Section II, “deterioration” under the TIF Act is defined to include deteriorated structures or site improvements (specifically evidenced by surface cracking, crumbling, potholes, depressions, loose paving material and weeds).

Various degrees of deterioration were observed for each of the structures and site improvements that exist within the Study Area. The existing structures, in most cases, exhibited an advanced stage of deterioration to key components, including apparent roof damages via aerial views of the structures. Additionally, masonry, concrete and metal components for the structures are in poor and deteriorated condition, and indications are that the deterioration has been taking place over many years, and with little apparent evidence of private investment to either arrest or reverse the deteriorated conditions for the structures.

A substantial amount of deterioration was also observed in connection to improvements immediately adjacent to the structures (especially with respect to onsite the parking lots and truck bays). These surface improvements had advanced stages of concrete and asphalt

conditions of deterioration, with consistent instances of depressions, multiple potholes, uneven pavement and cracks. Most particularly instances of deterioration related to site improvements in truck loading bays, and the offsite parking areas adjacent to the structures.

2. Lack of Community Planning. The TIF Act indicates that this factor is present if the proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

All of the buildings within the Study Area were developed decades prior to the City's 1957 Comprehensive Plan and prior to the adoption of the updated 1984 Comprehensive Plan. More specifically the major structures were constructed during the period between 1921 and 1929. There was a period obviously well prior to the Downtown Plan and also represented market conditions and market needs that have shifted through various periods of economic dislocations (including most prominently both the Great Depression and the Great Recession) since the dates of their initial construction.

Each of the industrial/commercial structures have greater land coverage than would be suitable or acceptable for today's development standards. There exists a higher proportion of the zero lot line parcels that was more common in the decades the structures were constructed, prior to construction of modern industrial and commercial land uses. This condition is manifested most significantly in the lack of sufficient off-site parking facilities for structures during periods of high intense use of the properties (not currently the case). Over the years the City has had to make expenditures and modifications to adjacent streets to create more parking for facilities such as these that do not possess sufficient land area to accommodate the level of parking that would be required for such facilities if they had to meet modern day parking, land setback and buffers, and other land use requirements. The physical and land area constraints of such properties will not permit the enforcement of such land use requirements and so the City has been forced over the decades to put into place accommodations and amenities to compensate for such factors, and by doing so helping the facilities to remain at least marginally functional, as opposed to falling into absolute obsolescence.

Users, tenants and service providers operating in such structures are highly reliant on restricted on-street parking, or off-street municipal facilities to serve their commercial needs (a type of hidden municipal subsidies). This puts them at a competitive disadvantage (especially for industrial and commercial uses) with their counterparts located in non-downtown locations, with operate under more modern land use planning and transportation-related advantages.

Another determinant in the deleterious land use and layout relates to traffic patterns and conditions, including:

- Ability to manage traffic flow and volumes, especially along River Street and related ancillary streets.
- Ongoing requirements for improvements to parking related signage and circulation.
- Integration of the proposed uses with adjacent and conflicting land uses (especially with newer Downtown residential and retail uses with needs that are often adverse with the need of industrial uses).
- Related conflicting users in need of coordinated parking for redevelopment uses versus older, pre-existing industrial users.

The characteristics noted above contribute to the presence of land use relationships that demonstrate the lack of community planning.

3. Obsolescence. The TIF Act indicates that this factor is present if there is the condition or process of falling into disuse, or structures are ill-suited for their original use. The structures within the Study Area have either partially vacant or significantly underutilized for several years. This points to both economic and functional obsolescence in relation to the existing structures. Significant and costly upgrades and/or reconstruction would be associated with reuse of the buildings or redevelopment for more productive use and occupancy by new tenants, and it would be doubtful such renovated space could command the rents (or purchase price) required to justify the costs. Relatedly, the age of the structures in the Study Area (90+ years) also presents challenges in terms of retrofitting (e.g., communications/HVAC, electrical systems/space for today's larger trucks) and the costs associated with converting older building spaces for modern market acceptance.

The advanced age of the structure also places the structures in the categories of both economic and functional obsolescence. The size, configuration and presence of multiple building storage contribute to the structures having become ill-suited for modern industrial use. It is highly unlikely that any amount of private sector investment will ever allow the structures to be economically viable for the more efficient processes required for modern industrial operations. Additionally, just the advanced ages of the structures alone placed them outside of most reasonable standards for useful life. The result is that structures, even if they remain marginally in use, are in the state of falling into disuse both based on their advanced ages and the relative lack of industrial/commercial uses that are currently evident upon multiple observations.

4. Deleterious Layout The TIF Act addresses deleterious 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. Although taken all together, and based on City efforts to accommodate Downtown businesses over the years, there may be sufficient parking space available in close proximity to the Study Area, much of the

existing parking is concentrated in on street and/or within municipal parking facilities located strategically in areas throughout Downtown. However, the parcels within the Study Area, as a whole, lack sufficient own off-street parking and support facilities that would allow efficient and full reuse of the structures for either industrial or commercial purposes. Further, there is no ability by the City to specifically dedicate on street parking for the exclusive use that would aid in any successful redevelopment of the existing structures. Such on street parking must be shared with uses that would conflict with the historically industrial uses for the structures.

The manner which the City has been forced, throughout Downtown, to create and transform limited open land for parking and other purposes, cannot fully mitigate the conditions of creates excessive coverage of parcels within the Study Area, and the related difficulty in the creation of adequate onsite parking that would make the structures economically viable to redevelop.

Additionally, most of trends for the Downtown Area since at least of the early 1980s has been in the direction of more commercial and residential uses, with a deemphasis on industrial uses. The structures in the Study Area have resisted this overall trend longer than others, and the resulting consequences is that the structures mostly industrial-related uses have been allowed to exist in conflict with the City's more desired plans toward commercial and residential uses Downtown. This evolution of uses has resulted in a condition in which the remnants of industrial uses are considered noxious and unsuitable given the goals and objectives of the Master Downtown Plan.

5. Excessive Land Coverage and Overcrowding of Structures and Community Facilities

The TIF Act indicates that this factor is present if there exists over-intensive use of property and the crowding of buildings and accessory facilities onto a site. This problem of use of a property would be present given: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel.

Each of the parcels within the Study Area have multiple buildings located on single parcels (in the case of the parcel located at 221-251 South River Road, this relates to an apparently major addition to the original structure), which contribute to lack of size and shape that would permit redevelopment for modern day redevelopment for either industrial, commercial or residential redevelopment. The structures were constructed during an era in which business users did not have to be concerned with the more intensive automobile and truck access (and loading/unloading) requirements for modern-day businesses. Additionally, due to current conditions of excess land coverage and the overcrowding of onsite facilities, there is does not exist adequate remaining available space on the parcel to remedy the problems created by the excessive land coverage associated with the structures located on the parcels.

6. Excessive Vacancies The TIF Act states that excessive vacancies are present to the extent of buildings are unoccupied or under-utilized, which can cause an adverse influence on the area because of the frequency, extent or duration of the vacancies. The structures within the Study

area suffer from persistent problems associated with such excessive vacancies. The significant portions of the structures are vacant and/or substantially under-utilized.

V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to the City's potential designation of the proposed TIF District.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed RPA will qualify as a Conservation Area. Further, the Conservation Area factors found in the RPA are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section IV of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the City with sufficient justification to consider designation of the property as a TIF District.

Exhibit A

Cross Street TIF Boundary Map



Exhibit B

Tax Parcel List

Proposed Cross Street TIF

15-21-478-006

15-21-478-011