



**CITY OF AURORA
REDEVELOPMENT PLAN AND PROJECT
75th STREET AND OGDEN AVENUE 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 “vacant blighted 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.

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in conjunction with
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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 an estimated population of 200,965 residents according to U.S. Census data reported in 2017. 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 slowed. Consequently, the City finds itself in a competitive market for the attraction of commercial and mixed-use developments. As a result, there is a focus on previously developed areas that are underutilized.

The Route 59 Corridor has been the focus of recent comprehensive planning efforts by the City and has been identified as one such area with potential for redevelopment that will enhance and diversify the City’s tax base. A draft report titled Route 59 Corridor Study (2019) (the “Corridor Study”) was released in November, 2018 and adopted in February, 2019, with the aim of modernizing area recommendations in the City-wide Comprehensive General Land Use and Circulation Plan (1984) (the “Comprehensive Plan”). The proposed 75th Street and Ogden Avenue TIF is located approximately in the center of this Route 59 Corridor, in close proximity to the Fox Valley Mall. The Corridor Study calls for the City to “maintain and strengthen established residential areas while diversifying housing options to attract new residents and provide housing opportunities for varying stages of life.” This includes supporting “infill and redevelopment of underperforming properties”, with a “focus on those areas near and around the Fox Valley Mall.” According to the Corridor Study, “these projects are intended to generate a concentrated and dense population base to support and sustain the recommended redevelopment policies.” The proposed TIF is expected to help accomplish this by inducing the development of senior living facilities and other mixed-uses at this location.

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 TIF Eligibility 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 the RPA to determine whether it qualifies for consideration as a TIF district. Appendix 5 contains the results of KMA’s study and recommendations for the TIF designation.

As a result of KMA’s evaluation, an analysis of each of the TIF eligibility criteria were reviewed and the City has determined that the RPA qualifies as a “**vacant blighted area**”, according to definitions described in the Act.

The Proposed TIF District

The proposed RPA is situated at the east side of the intersection of 75th Street and Ogden Avenue. It is roughly bounded by Ogden Avenue (Route 34) to the north and west, 75th Street to the south, and a multi-family residential subdivision to the east. The proposed RPA consists of two tax parcels comprising approximately 30 acres.

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 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;
- 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, the City will direct the coordination 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 medium density residences to support commercial uses in the Route 59 corridor; 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.

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), and draft Route 59 Corridor Study (2019) 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 proposed 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.

II. RPA LEGAL DESCRIPTION

The legal description for the RPA is attached in Appendix 1. A boundary map of the proposed RPA is attached as Appendix 2.

III. RPA 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 City of Aurora’s Comprehensive Plan (1984) and the Route 59 Corridor Study (2019), both of which, as elements of the planning process, describe the overall vision for the City and the Route 59 corridor, and are the foundation for City initiatives such as the proposed 75th Street and Ogden Avenue TIF District. These overarching planning documents influence all other City planning processes for the Route 59 corridor area, such as the TIF planning process.

General Economic Development Goals of the City

Establishment of the proposed RPA supports several goals described in the Comprehensive Plan (1984) and the Route 59 Corridor Study (2019) 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 Table 1.

Table 1. Objectives Applicable to the 75th Street and Ogden Avenue 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
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	-Promote higher density residential uses around commercial centers to enhance their vitality and conserve energy
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;
- Enhance the necessary infrastructure and related public improvements in order to serve the RPA, improve access to, and within, the RPA;
- Provide for the necessary site preparation, grading and excavation (if necessary) of property within the RPA;
- Coordinate redevelopment activities within the RPA in a manner that conforms with the fiscal and economic development policies of the city and its common interests with overlapping taxing districts;
- 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:

- 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.

The implementation of the Redevelopment Plan and Project will serve to improve the physical appearance of the RPA and contribute to the economic development of the area.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON 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 a lack of development and would qualify as a blighted vacant area. Currently, the vacant land that comprises the RPA does not yield any significant economic or aesthetic benefit to the community. For example, growth in the equalized assessed valuation (EAV) has lagged behind the City's growth for three of the last five years. This lag in EAV growth is partly the result of the absence of sustained private investment and/or development, contributing to economic decline in the area. In addition, development of the RPA will require the creation of improved public rights-of-way (streets, alleys, public utilities, public walkways, etc), as well as creation of egress/ingress to and from adjacent public roads by the City, including the mitigation of site flooding issues. Absent intervention by the City to provide these development components, properties within the RPA would not be subject to redevelopment.

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 Amendment will have a positive impact on the affected taxing districts by arresting inflation adjusted declines in 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 PRESENT IN THE RPA

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.

Eligibility Survey

Representatives of KMA and City staff evaluated the RPA from April, 2019 to the date of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering consultants, Township Assessor, DuPage 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 eligibility 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 RPA, pursuit of viable redevelopment 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 RPA are as follows:

- Promote the development of underutilized property located within the RPA
- Provide for the assembly or coordination of property for viable redevelopment projects
- Establish rights-of-way including the coordination of parking improvements if needed
- Provide for the necessary site preparation, as well as addressing flooding issues at property located within the RPA
- Coordinate development 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, site preparation, provision of public infrastructure and related public improvements, and construction of new public facilities or improvements, 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.

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
- Detention/retention/storm water management

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 vacant land. Existing land use is shown in Appendix 3, attached hereto and made a part of the Redevelopment Plan and Project. Appendix 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 residential and mixed uses. 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.

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 shown in the "Total Estimated TIF Budget" in Table 2 below, shall not exceed the amount set forth below, as adjusted pursuant to the Act.

Table 2
RPA Project Cost Estimates

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs, Demolition, and Relocation Costs	\$ 1,000,000
2. Site Preparation (including related geo-technical costs), Environmental Cleanup, and Related Costs	\$ 1,500,000
3. Utility Improvements including, but not limited to, water, storm, sanitary sewer, the service of public facilities, and road improvements	\$ 15,000,000
4. Building Rehabilitation and Development/Public facilities including but not limited to parking improvements and Taxing District Capital Costs pursuant to the Act	\$ 15,000,000
5. Interest Costs Pursuant to the Act	\$ 2,000,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 1,500,000
7. Job Training	\$ 500,000
8. School Tuition Payments (related to residential redevelopment projects per the TIF Act)	\$ 500,000
TOTAL ESTIMATED PROJECT COSTS	\$ 37,000,000

Notes:

(1) All project cost estimates are in 2019 dollars. Costs may be adjusted for inflation per the TIF Act.

(2) In addition to the costs identified in the table 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.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the 75th Street and Ogden Avenue RPA.

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 75th Street and Ogden Avenue TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified above 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 2018 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 for the RPA

The most recent equalized assessed valuation for the RPA is based on the 2018 EAV and is estimated to be approximately \$61,140.

Anticipated Equalized Assessed Valuation for the RPA

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 \$17,200,000 to \$25,800,000.

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:

- 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 site for desired redevelopment projects.
- 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, within and adjacent to the RPA. 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 TIF PLAN AND PROJECT

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

APPENDIX 1:

Legal Description of Project Area

TIF 75th/Ogden

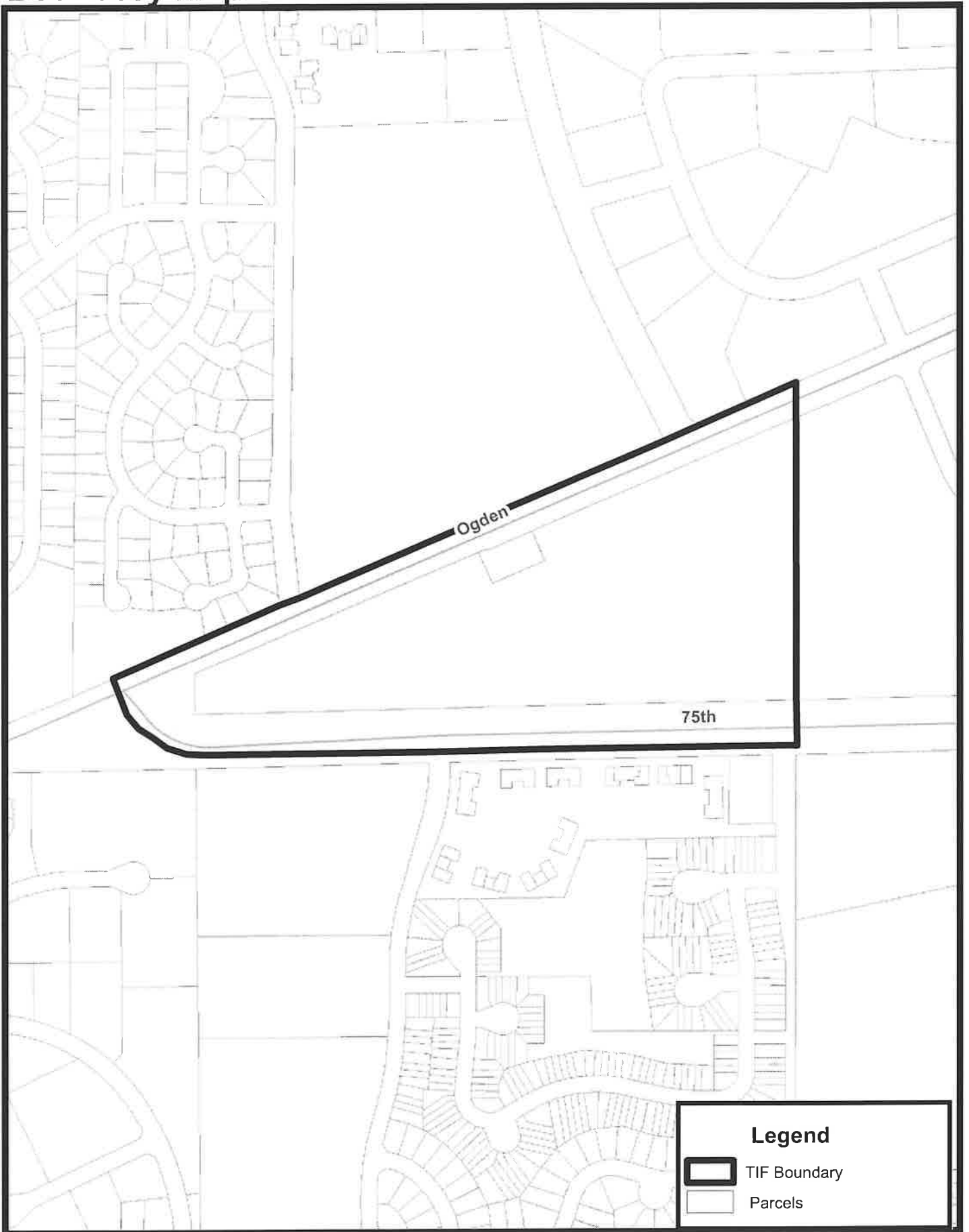
LEGAL DESCRIPTION

THAT PART OF SECTIONS 28 AND 29, TOWNSHIP 38 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN IN THE CITY OF AURORA, DUPAGE COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE WEST LINE OF FOX VALLEY VILLAGES UNIT 27 EXTENDED SOUTH AND THE SOUTH LINE OF 75TH STREET; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE SOUTH LINE OF OGDEN AVENUE; THENCE NORTHERLY, AT RIGHT ANGLES TO THE NORTH LINE OF SAID OGDEN AVENUE, TO THE NORTH LINE OF SAID OGDEN AVENUE; THENCE NORTHEASTERLY ALONG THE NORTH LINE OF SAID OGDEN AVENUE TO THE WEST LINE OF FOX VALLEY VILLAGES UNIT 27 EXTENDED NORTH; THENCE SOUTH ALONG SAID WEST LINE EXTENDED AND THE WEST LINE OF FOX VALLEY VILLAGES UNIT 27 TO THE POINT OF BEGINNING.

APPENDIX 2:

Boundary Map of RPA

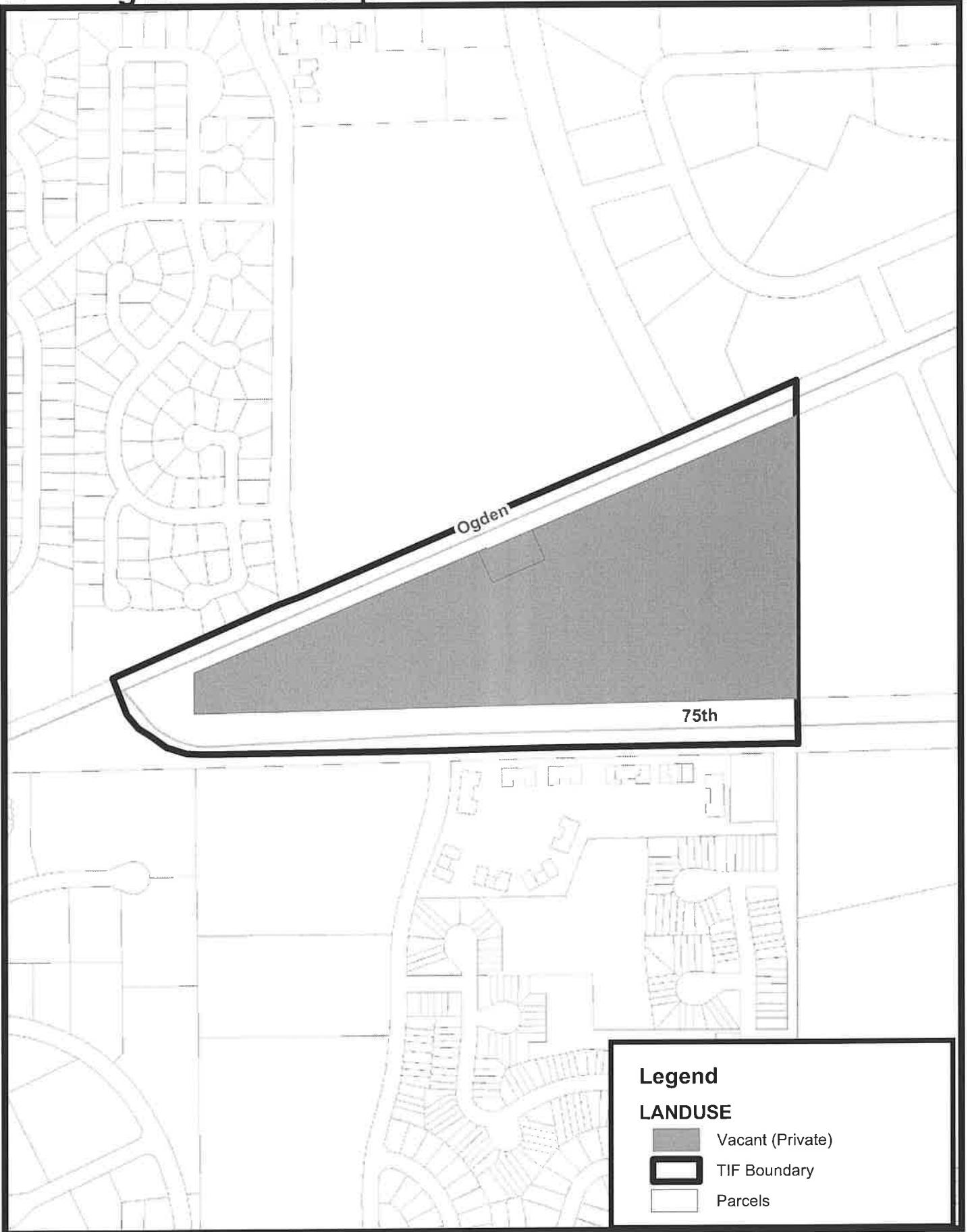
Boundary Map



APPENDIX 3:

Current Land Use Map of RPA

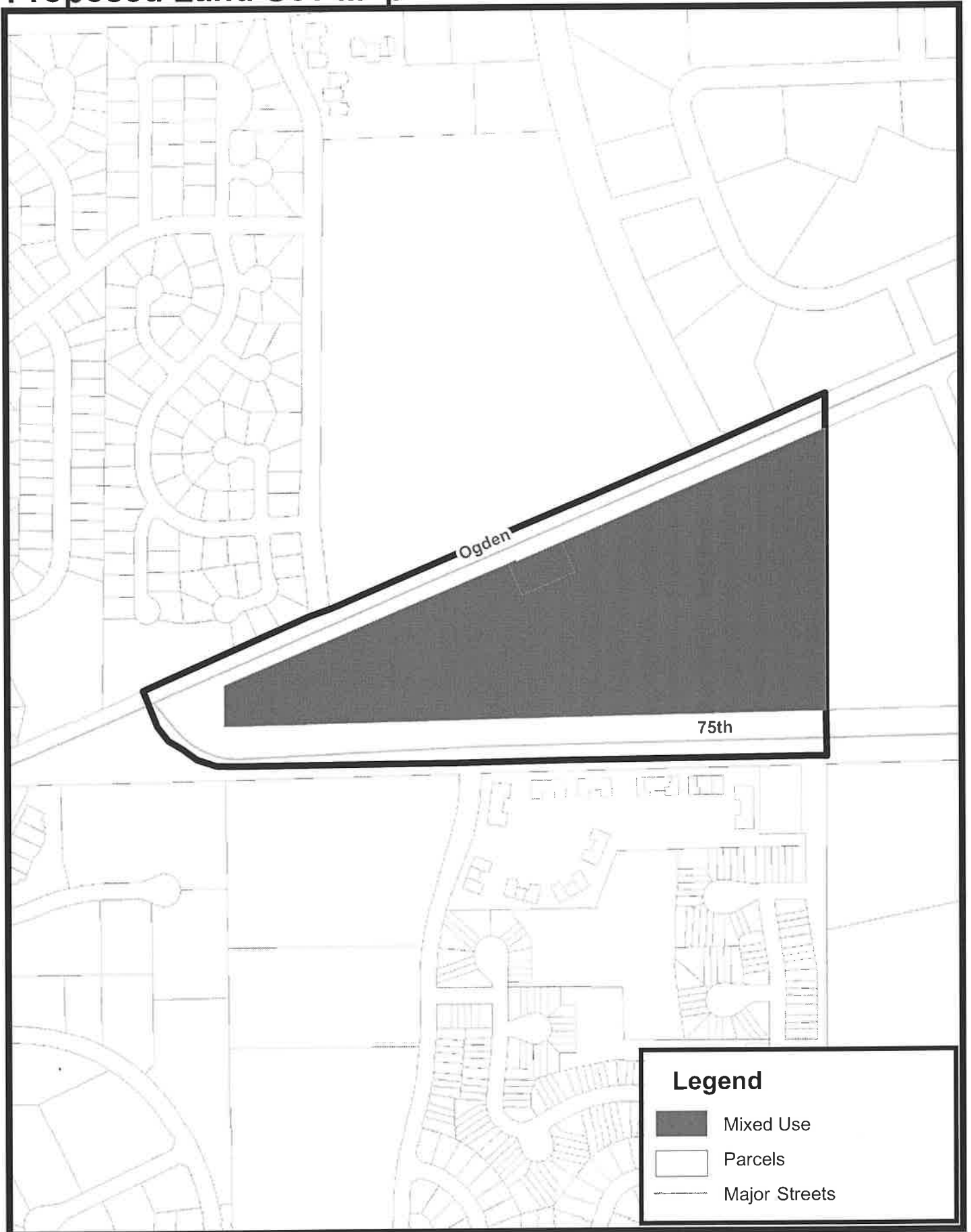
Existing Land Use Map



APPENDIX 4:

Future Land Use Map of RPA

Proposed Land Use Map



APPENDIX 5:
TIF Eligibility Report



**CITY OF AURORA, ILLINOIS
TAX INCREMENT FINANCE (TIF) DISTRICT QUALIFICATION
REPORT
75th STREET AND OGDEN AVENUE TIF DISTRICT**

A study to determine whether certain properties within the City of Aurora qualify as a blighted vacant area as defined in the Tax Increment Allocation Redevelopment Act of Chapter 65, 5/11-74.4-1, et. seq., as amended of the Illinois Compiled Statutes (the "TIF Act").

Prepared by the City of Aurora, Illinois

in conjunction with

Kane, McKenna and Associates, Inc.

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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 referred herein as the proposed Redevelopment Project Area (the “RPA” or “TIF District”).

The City is pursuing the RPA designation as part of its strategy to promote the revitalization of property and thereby assist the City in achieving its policy goal of promoting economic redevelopment.

The City is pursuing the RPA designation as part of its ongoing review of and planning for the Ogden Avenue area and Butterfield Road Corridor in order to assist in the revitalization of underutilized properties and to strengthen the economic base of the area, generating job opportunities and new investments. By undertaking the designation, the City will help strengthen the RPA as a significant contributor to the City’s overall economic base and address the underutilization of RPA property.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the TIF District. The conclusions in the executive summary herein are subject in all respects to the full Qualification Report detailing conditions observed within the proposed TIF District.

- 1) *The area qualifies as a “blighted vacant area”* – The TIF District qualifies as a “blighted vacant area” pursuant to the TIF Act. Currently, the vacant land that makes up the RPA lacks economic viability for development due to certain conditions identified in Section IV of this report. As a result, it prevents or threatens to prevent the beneficial economic and physical development of properties the community deems essential to its overall economic health.

- 2) *The current conditions impede development* – The existence of certain conditions found within the RPA present a barrier to the area’s successful redevelopment. The current conditions in the RPA are impediments to redevelopment, creating an environment where it is reasonable to assume redevelopment would not take place “but for” the use of the TIF Act. The factors present on the ground negatively impact coordinated and substantial private sector investment in the overall area. Without the use of City planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.

- 3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed TIF District, there are parcels which potentially could be redeveloped and thereby produce incremental property tax revenue. Such revenue, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF District.
- 4) *Pursuit of TIF designation is recommended* – To mitigate the existing conditions (thereby promoting the improved physical condition of the proposed RPA) and to leverage the City’s investment and redevelopment efforts, KMA recommends that the City pursue the formal TIF designation process for the RPA.

I. BACKGROUND

In the context of planning for the proposed Redevelopment Project Area, the City has initiated a study of the area to determine whether it would potentially qualify as a TIF District. Kane, McKenna and Associates, Inc. agreed to undertake the study of the proposed RPA or TIF District on the City's behalf.

The RPA consists of vacant land near and adjacent to the intersection of Ogden Avenue and 75th Avenue. It is roughly bounded by the Ogden Avenue to the north and west, and 75th Street to the south and a multi-family development to the east. The RPA consists of 2 tax parcels. Please see Appendix A for a list of the proposed parcels for inclusion in the RPA.

Current Land Use. The RPA consists entirely of vacant land. Despite its potentially advantageous location near Ogden Avenue, the I-88 Tollway, and Eola Road, development opportunities are constrained by existing conditions, thus impairing the area's growth. Currently, access to the site through either Ogden Avenue or 75th Street (including fire service access) is limited by Illinois Department of Transportation (IDOT) and DuPage County regulations. Proposed multi-story redevelopment options would require significant modifications to intersections, signals, and roadway land construction in order to accommodate fire service and circulation within the RPA. The proposed TIF District provides the City with the possibility of bringing new development to an area that, due to existing conditions, has been underutilized.

General Redevelopment Objectives. The redevelopment of the proposed RPA would aid the City's strategies in obtaining its redevelopment of an underutilized site. In this document, the City has articulated a number of public policy objectives which would be supported by the City's adoption of the proposed RPA as a TIF District.

Current Planning Principles. Each new development proposal for the Route 59 Corridor Plan study area will address these community-based principles:

- **Build Economic Value.** In light of evolving demographic, economic, and market trends, strengthen the Route 59 Corridor's competitive position as a regional destination for shopping, working, living, and playing.
- **Enhance Livability.** Offer new and expanded choices that help people of all ages, incomes, lifestyles and other distinctions lead healthier, more satisfying lives.

- Improve Connectivity. Enhance safety and connectivity for all users of the roadway including motorists, transit riders, pedestrians and bicyclists with a focus creating an interconnected local and regional trail system.
- Promote Sustainability. Use every building, paved area, public space and other elements of redevelopment to improve the area’s environmental performance and resiliency.
- Create Community. Provide a mix of private, public, and civic uses; parks, squares, commons and walkable streets; and other attractions that invite people from all walks of life to feel welcome and enjoy shared moments.

Future Land Use Plan. The Route 59 Corridor Plan study area is, and is anticipated to remain, a balance of mixed land uses with a variety of housing options. Goals and objectives of the recommended land use strategy include the following:

Residential Goal: The City will maintain and strengthen established residential areas while diversifying housing options to attract new residents and provide housing opportunities for varying stages of life.

Objectives:

- Encourage new multi-family housing and mixed-use developments in and around the Fox Valley Mall to provide customer base and vitality necessary to support redevelopment strategies.
- New housing encouraged at strategic locations within easy access of transit and commercial uses.
- Support varying unit types, sizes, styles, and price points for different housing needs.
- Promote high-quality construction and design related to architectural design, scale, materials and details.
- Maintain and promote connectivity between residential and adjacent non-residential and mixed-use areas.

- Support infill and redevelopment of underperforming properties.

Commercial Goal: The City will use Corridor Study's recommendations to support and attract new commercial and industrial development and redevelopment in the Route 59 Corridor, to diversify the local economy with the flexibility to respond to ongoing changing market conditions.

Objectives:

- Create a new and revitalized atmosphere and identity for the Fox Valley Mall.
- Attract new residents, shoppers and employment opportunities to the area.
- Promote the development of coordinated commercial nodes at key locations rather than widespread strip commercial development.
- Actively seek out developer partners interested in and capable of executing the City's vision.
- Implement a framework of recommended design guidelines and corridor character elements to create a more unified and identifiable feel to the corridor.
- Coordinate the efforts of local economic development agencies to actively promote and market development opportunities, and cross-market these efforts with the emerging downtown Aurora revitalizations plans.

Source: *Route 59 Corridor Study, 2019*

Designation of the proposed TIF District would enable the City to further these recommended strategies and meet overall objectives.

The City is also committed to enhancing connectivity in traffic conditions. Designation of the proposed TIF District would allow the City to address traffic and circulation improvements to be located at the site, as well as infrastructure needs.

Given the gap between the City’s goals for the area versus the conditions described in this report, the City has determined that the redevelopment of the proposed RPA would be highly beneficial to the community. With a redevelopment strategy in place, the economic base associated with the RPA would be stabilized and increased – thereby benefiting the community as a whole. Without such a redevelopment strategy, the adverse conditions identified in this report would likely worsen.

General Scope and Methodology. KMA performed its analysis by conducting a series of meetings and discussions with City staff, starting in April, 2019 and continuing periodically up to the date of this report. The objective of the meetings was to gather data related to the qualification criteria for properties included in the study area. These discussions were complemented by a field survey for the entire area to evaluate the condition of the proposed RPA, reviewing individual parcels as well as the RPA as a whole.

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

II. QUALIFICATION CRITERIA

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

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (RPA). 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 TIF Act, a “blighted area” or “conservation area” means any improved or vacant area within the boundaries of a development project area located within the territorial limits of the municipality where certain conditions are met, as indicated below.

TIF Qualification Factors for a “Blighted Vacant Area”. In accordance with the TIF Act, KMA assessed the following factors to determine TIF qualification for The RPA. Per the statute, such an area meets state standards provided that:

If vacant, the sound growth of the redevelopment project area is impaired by a combination of two (2) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:

A) Obsolete Platting. Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

B) Diversity of Ownership. Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

C) Delinquencies. Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.

D) Adjacent Deterioration. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

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

F) Lagging 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 prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years for which information is available or 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 (5) calendar years prior to the year in which the redevelopment project area is designated.

Additionally, one (1) or more of the following factors may be present in the area under study:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused rail yards, rail tracks, or railroad rights of way.

(C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the

redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

(E) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, the area has been designated as a town or City center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

(F) The area qualified as a “blighted area” immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

III. EVALUATION METHODOLOGY

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

- 1) Site surveys of the RPA were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as deterioration and obsolescence. Additionally, KMA reviewed the following data: 2013-2018 tax information from DuPage County, tax parcel 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., traffic and infrastructure needs).
- 3) Existing site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to site conditions of the parcels.
- 4) The RPA 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 RPA was evaluated to determine the applicability of the various factors, as defined under the TIF Act, which would qualify the area as a blighted vacant area.

IV. QUALIFICATION FINDINGS FOR PROPOSED RPA

Based upon KMA’s evaluation of parcels in the proposed TIF District and analysis of each of the eligibility factors summarized in Section II, the following factors are present to support qualification of the TIF District as a blighted vacant area. These factors are found to be clearly present and reasonably distributed throughout the Study Area, as required under the TIF Act. The qualifying factors are summarized in the table below.

Qualification Factors –TIF District

TIF Designation	Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present
Blighted Vacant Area	6	2	2 <ul style="list-style-type: none"> • Lagging/Declining EAV • Obsolete Platting
Blighted Vacant Area	1 (“Stand Alone” Factor)	1	<ul style="list-style-type: none"> • Chronic Flooding

Findings for “blighted vacant area”. KMA identified three (3) vacant qualification factors. As previously defined in Section II, an area qualifies for vacant status with the presence of any two (2) of the six (6) vacant factors.

- 1) Lagging or Declining EAV. This factor is present if the total equalized assessed value (EAV) of the proposed RPA has declined for three (3) of the last five (5) calendar years prior to the year in which the RPA is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, 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 (5) calendar years prior to the year in which the RPA is designated.

The RPA’s EAV has lagged behind the balance of the City’s growth for three (3) of the last (5) five years.

EAV Trend for RPA

	2018	2017	2016	2015	2014	2013
Total EAV for Proposed TIF District	61,140	59,070	56,690	53,830	53,982	53,554
EAV Change	3.5%	4.2%	5.3%	-0.3%	0.8%	-
City EAV (Excluding TIF)	3,927,907,471	3,705,576,674	3,470,037,120	3,210,341,124	3,058,701,899	3,068,685,512
City EAV Change	6.0%	6.8%	8.1%	5.0%	-0.3%	-5.6%
CPI- All urban Consumers	2.40%	2.10%	1.30%	0.10%	1.60%	

Source: DuPage County and U.S. Bureau of Labor Statistics

2) Obsolete Platting. Obsolete platting can be defined as vacant land that has platting that fails to create right-of-ways for streets, alleys or other public right-of-ways or that omits easements for public utilities. The RPA is characterized by obsolete platting. There are a number of platting deficiencies including integration with existing uses. For example, the area lacks the appropriate right-of-ways for streets, alleys and public right-of-ways. New right-of-ways may need to be included as part of area traffic improvements to improve access/egress requirements and traffic circulation. Additionally, the area lacks easements for public utilities required for the proposed redevelopment. Infrastructure also needs to be provided to accommodate future development and is part of the coordination for public utilities easements.

In order to provide for redevelopment within the RPA, the City will need to coordinate the proposed traffic improvements (located along Ogden Avenue and 75th Street), the requirements for potentially four (4) detention facilities, the designing/engineering for infrastructure locations, and the coordination of multiple users and projects. Such planning will be needed on a comprehensive basis in order to ensure that the RPA properties meet contemporary standards for development and investment.

3) Chronic Flooding (“Stand Alone” Factor. The partially constructed pond on the northeastern portion of the site coupled with the existing drainage patterns on the site create flooding concerns and platting challenges (as described above) for the overall site development. The incomplete pond construction at northeastern corner of the site was built by a previous developer who abandoned the site through foreclosure, left the pond partially constructed, and did not construct the required outlets and downstream overland flood route. This pond has been a point of contention and concern of the closest neighbor to the east.

Without the completion of the required pond outlets and the required overland flood route the neighboring properties continue to bear an unnecessary flooding risk until these deficiencies can be addressed with the redevelopment of the RPA.

The site is additionally burdened with three distinct drainage patterns [Northeast, West and South]. Three drainage patterns create the necessity for multiple detention facilities on the site and, further challenge the site with loss of developable land to offset the high roadway and access cost. Further, the most efficient southern detention facility location conflicts with the right-in-right-out location permitted by DuPage County. This then splits the southern detention facility into two ponds for a total of four on this site.

V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION

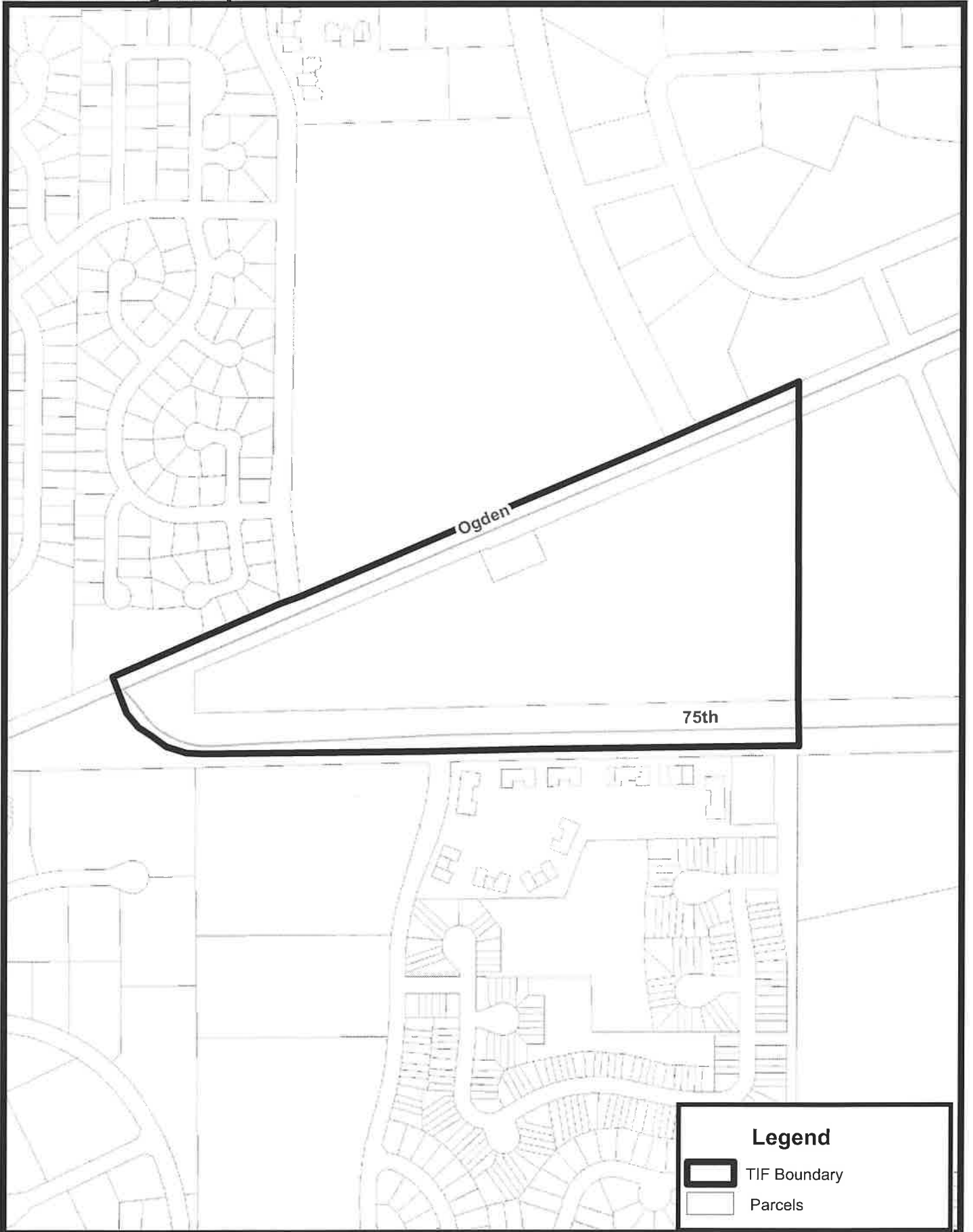
The following is a summary of relevant qualification findings as it relates to the City potentially designating the study area as a TIF District.

- 1) The area is contiguous and is greater than 1½ acres in size;
- 2) The proposed RPA will qualify as a “blighted vacant area.” Further, the “blighted vacant area” factors found in the RPA are present to a meaningful extent and are distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section V 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 support the case for the City to initiate a formal process to consider the area as a TIF District.

Appendix I
TIF Boundary Map and Tax Parcel List

Boundary Map



**Cedarwood
EAV Matrix
12/18/2018**

PIN	Tax Code	Class	2018	2017	2016	2015	2014	2013
07-28-101-007	7189	COMM	51,960	50,200	48,180	45,750	45,750	46,070
07-28-101-008	7189	SUBDI	9,180	8,870	8,510	8,080	8,232	7,484
Total EAV:			61,140	59,070	56,690	53,830	53,982	53,554
% change from Previous Year:			3.5%	4.2%	5.3%	-0.3%	0.8%	-0.5%
City of Aurora			3,927,968,611	3,705,635,744	3,470,093,810	3,210,394,954	3,058,755,881	3,068,739,066
Balance of City EAV			3,927,907,471	3,705,576,674	3,470,037,120	3,210,341,124	3,058,701,899	3,068,685,512
Percent increase/decrease			6.0%	6.8%	8.1%	5.0%	-0.3%	-5.6%
CPI - All Urban Consumers			2.4%	2.1%	1.3%	0.1%	1.6%	1.5%