



**CITY OF AURORA  
REDEVELOPMENT PLAN AND PROJECT  
BILTER/FARNSWORTH TIF**

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*“Redevelopment Plan” means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area in part as an “improved conservation area” and in part 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 5/11-74.4-1, et.seq., as amended.*

*Prepared by the City of Aurora, Illinois  
in conjunction with  
Ryan LLC*

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**July 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 194,873 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”). The Comprehensive Plan is intended to guide Aurora’s overall evolution and development, and as part of its ongoing review the City has targeted certain locations for redevelopment. This includes an area commonly referred to as Bilter-Farnsworth, which encompasses the parcels proposed for designation of a TIF District pursuant to this proposed TIF plan and project (the “TIF Plan” or the “Plan”). The Comprehensive Plan specifically references this area as one of the key sites targeted for redevelopment to help generate overall improvement of one of the City’s entryways. It is anticipated that this redevelopment of this area will attract much needed new development and tax revenue generating activities to the City in general, and along the Farnsworth corridor in particular; and thus, helping to diversify, strengthen, 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 5/11-74.4-1, et. seq., as amended. To establish a Tax Increment Financing District (“TIF District”, or 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 tax increment financing ("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 Act.

The City has authorized Kane, McKenna and Associates (now Ryan LLC) ("Ryan"), to study of the RPA to determine whether it qualifies for consideration as a TIF District. Exhibit 5 attached to this Plan and a part of it contains the results of Ryan's study conducted on behalf of the City. Based on this study, Ryan is prepared to make certain recommendations for the establishment of a TIF District, which are subject to review process in the Act conducted by overlapping taxing districts and the public; as well as review and approval by City staff, and ultimately the City Council.

As a result, based on Ryan's evaluation of the property within the TIF District, and the related review of each of the TIF Qualification criteria pursuant to the Act, the City has determined that the RPA qualifies, in part, as a "conservation(improved) area" (for the improved property area) and, in part, as a "vacant blighted area" (for a vacant property area), according to definitions described in the Act.

### **The Proposed TIF District**

The RPA is generally bounded by Church Road to the west, Corporate Boulevard to the south, Farnsworth Avenue to the east, and Bilter Road to the north. Adjacent right of ways are also included. The RPA has been located partially within the City's existing TIF District # 7, and the City will be required to remove the targeted RPA parcels from that TIF District as a condition to the establishment of a new TIF District. The City believes that

the longer-term financing opportunities offered by a new TIF District is essential to the successful redevelopment of the RPA and broader Farnsworth area.

### **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 would not be developed in a coordinated manner without the adoption of the TIF Plan. The City, with the assistance of Ryan, 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 Comprehensive 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.

Through this Plan, in a manner consistent with the Comprehensive 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 which extend into the RPA, (c) residents and property owners within the RPA, and (d) existing and new businesses.

The findings in this Plan and the TIF Qualification Report are conditioned on the proposed RPA parcels currently within TIF District #7 being removed from TIF District #7, 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 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 Exhibit 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 proposed Bilter-Farnsworth TIF District. For example, the successful implementation of the TIF District would support the following mission goals of the City:

- Retain and attract quality businesses and commerce segments to support [the City's] local economy; and
- Upgrade [the City's] public facilities to better serve the needs of the community.

Additionally, The "Big Woods/Marmion Action Plan" (adopted March 2005) emphasizes that Farnsworth serves as a primary corridor for that neighborhood as such its "...functionality and appearance ...." An important objective of this TIF Plan will be to promote positive functionality and appearance of an important portion of Farnsworth Avenue. The action plan also notes that Bilter Road, while not a primary corridor, "still play(s) a crucial role in the overall impression the neighborhood conveys...." The RPA in its existing condition contributes to potential blighted conditions along both Farnsworth Avenue and Bilter Road, and the successful implementation of the TIF District will eliminate such blight that affects both the neighborhood and the City as a whole.

The Big Woods/Marmion Action Plan also identified the following planning goals that are consistent with the City's plans for the TIF District:

- Decorative street lighting
- Sidewalks
- Underground utilities
- Improved fences
- Nice (improved) signage.

Important underlying planning documents include the Comprehensive Plan, as elements of the planning process outlined therein describe the overall vision for the City and are the foundation for City initiatives such as the proposed Bilter-Farnsworth TIF District. These overarching planning documents influence all other City planning processes for the area, including the TIF planning process.

#### **General Economic Development Goals of the City**

Establishment of the proposed Bilter-Farnsworth 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 Bilter-Farnsworth RPA**

<b>Element</b>	<b>Goal/Policy (or Policies)</b>
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 -Develop major retail, office and industrial uses that rely on efficient access to expressways in the vicinity of expressway interchanges.
Enhancement of the Urban Environment	-Foster future growth in the City that does not contribute to deterioration in either existing developments o(r) reduction in the City's ability to provide adequate services. -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 Development	-Develop and maintain an adequate supply of properly zoned areas for commercial facilities to serve existing and future population needs.
Commercial Hierarchy	-Encourage the development of multiple use commercial, employment and service centers. -Promote through comprehensive rezoning the availability and adequate distribution of a sufficient variety of convenience-type retail good and services areas to serve the daily needs of all city residents. - 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 -Actively promote the retention of businesses and industries presently located within the City of Aurora
Transportation Design	-Coordinate development in the vicinity of major intersections with the design of street facilities to maintain safe and efficient traffic management
Public Services and Facilities	-Locate and direct urban growth to areas where municipal services are available or proposed. -Develop a capital improvement and public facilities plan that would coordinate future public investments -Encourage the provision of underground utility line(s)

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 Plan and 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 acquire the property 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; and
- Facilitating the provision of adequate parking and traffic circulation within the RPA and the surrounding areas.

**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 Exhibit 5 of this Plan, the RPA has suffered from the lack of development and would qualify in part as a blighted area (vacant) and in part as a conservation area (improved). 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 and would fall into a greater state of blighted conditions.

The proposed RPA exhibits various blighting conditions which, if not addressed by the City, would result in continued blighted conditions that would discourage the planned redevelopment of the RPA. For example, the presence of such conditions has contributed to the lack of private sector investments that has resulted in lack of redevelopment of the vacant sites since the demolition of blighted buildings in the approximate time period between 2009 through 2020. The City's proposed use of TIF-related incentives is intended to attract the private sector investment required to bring a successful redevelopment project to the RPA.

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

It is not anticipated that the implementation of this Redevelopment Plan and Project will 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 significantly improving future assessed valuations. One reason for this is that the proposed RPA is currently lagging in property values relative to the City as a whole, measured in equalized assessed valuation. However, by the end of the life of the TIF District the taxing districts will benefit from substantial property tax generation from proposed development within the TIF District, due to a significant rise in equalized assessed valuation.

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 and library districts in the manner prescribed by 65 ILCS 5/11-74.4.3(q)(7.5) and (7.7) 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 qualifies as a TIF District under the Act. Refer to the TIF Qualification Report, attached as Exhibit 5 in this Plan.

### **Qualification Survey**

Representatives of Ryan and City staff evaluated the RPA from November 2022 to the date of this Plan. Analysis was aided by certain reports obtained from the City, Township Assessor, Kane County data, on-site due diligence, site surveys of the area and other sources. In Ryan'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 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 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

#### 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 and Library District Costs

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

#### Capital Costs of Taxing Districts



The City may provide pursuant to written agreement for payment of all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of this Plan

### **General Land Use Plan**

Existing land use consists of vacated property uses (former commercial and retail uses) and vacated land (primarily made of former sites of car dealership and motel uses). Existing land uses are shown in Exhibit 3, attached hereto and made a part of the Redevelopment Plan and Project. Exhibit 4, 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 commercial, 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 the full range of such costs as defined in the Act, including, without limitation:

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 91<sup>st</sup> 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.

### **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  
EXHIBIT 4  
PROPOSED BILTER-FARNSWORTH AVENUE TIF  
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition, Assembly Costs, Demolition, and Relocation Costs	\$ 27,500,000
2. Site Preparation (including related geo-technical costs), Environmental Cleanup, and Related Costs	\$ 10,500,000
3. Utility Improvements including, but not limited to, water, storm, sanitary sewer, the service of public facilities, and road improvements	\$ 22,500,000
4. Building Rehabilitation and Development/Public facilities including but not limited to parking improvements and Taxing District Capital Costs pursuant to the Act	\$ 12,500,000
5. Interest Costs Pursuant to the Act	\$ 13,500,000
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	\$ 8,500,000
7. Job Training	\$ 1,400,000
8. School Tuition and Library Patron Payments (related to residential redevelopment projects per the TIF Act)	<u>\$ 100,000</u>
<b>TOTAL ESTIMATED PROJECT COSTS</b>	<b>\$96,500,000</b>

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 as adjusted pursuant to the Act.

(4) Pursuant to the Act, the **City** may utilize net incremental property tax revenues **transferred to** other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. **Conversely, the City may utilize net incremental property tax revenues transferred from other contiguous RPAs to pay eligible costs or obligations issued to pay such costs within the RPA. Such transactions** would include contiguous TIFs that the **City** may establish in the future.

### **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 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 \$528,500.

### **Anticipated 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 EAV of the property within the Redevelopment Project Area will be approximately \$75,000,000.

## 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:

- 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 is estimated to 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 is estimated to 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**

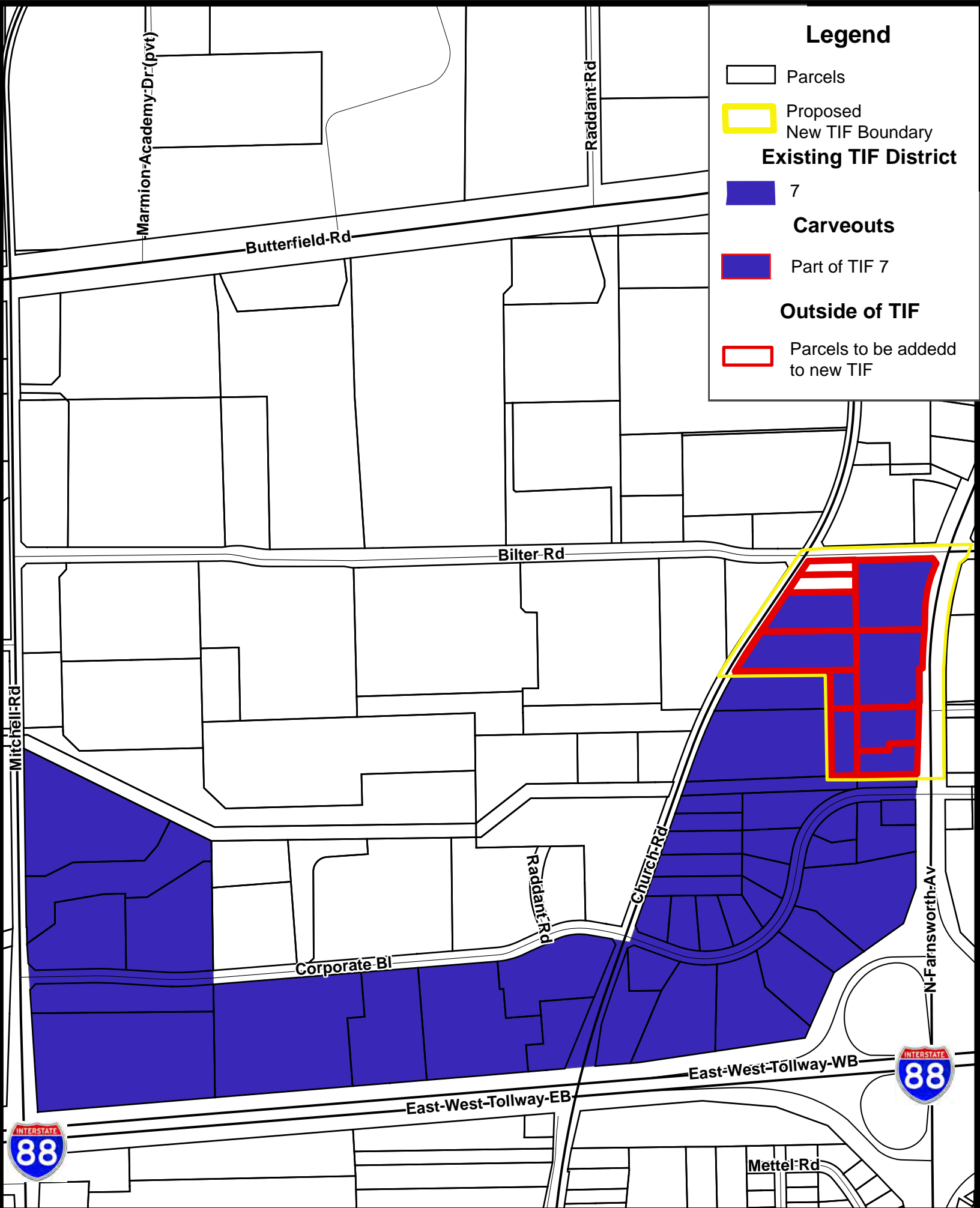


Farnsworth and Bilter TIF  
Created June 21, 2023

THAT PART OF THE NORTHWEST QUARTER OF SECTION 1 AND PART OF THE EAST HALF OF SECTION 2, IN TOWNSHIP 38 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE CITY OF AURORA, KANE COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF FARNSWORTH AVENUE AND BILTER ROAD; THENCE SOUTHERLY ALONG THE EAST LINE OF SAID FARNSWORTH AVENUE TO THE EASTERLY EXTENSION OF THE SOUTH LINE OF A PARCEL OF LAND WITH A PIN OF 15-02-426-030; THENCE WESTERLY, ALONG SAID EASTERLY EXTENSION AND ALONG THE SOUTH LINE OF SAID PARCEL, AND ALONG THE SOUTH LINE OF A PARCEL OF LAND WITH A PIN OF 15-02-427-002 TO THE SOUTHWEST CORNER THEREOF; THENCE NORTHERLY ALONG THE WEST LINE OF SAID PARCEL TO THE SOUTHEAST CORNER OF A PARCEL OF LAND WITH A PIN OF 15-02-200-047; THENCE NORTHERLY ALONG THE EAST LINE OF SAID PARCEL TO THE NORTHEAST CORNER THEREOF; THENCE WESTERLY ALONG THE NORTH LINE OF SAID PARCEL TO THE EAST LINE OF CHURCH ROAD; THENCE WESTERLY, ALONG THE WESTERLY EXTENSION OF THE LAST DESCRIBED COURSE TO THE WEST LINE OF CHURCH ROAD; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTHWEST CORNER OF CHURCH ROAD AND BILTER ROAD; THENCE EASTERLY, ALONG THE NORTH LINE OF SAID BILTER ROAD TO THE POINT OF BEGINNING.

**EXHIBIT 2**  
**BOUNDARY MAP**

# Farnsworth and Bilter TIF - Location Map



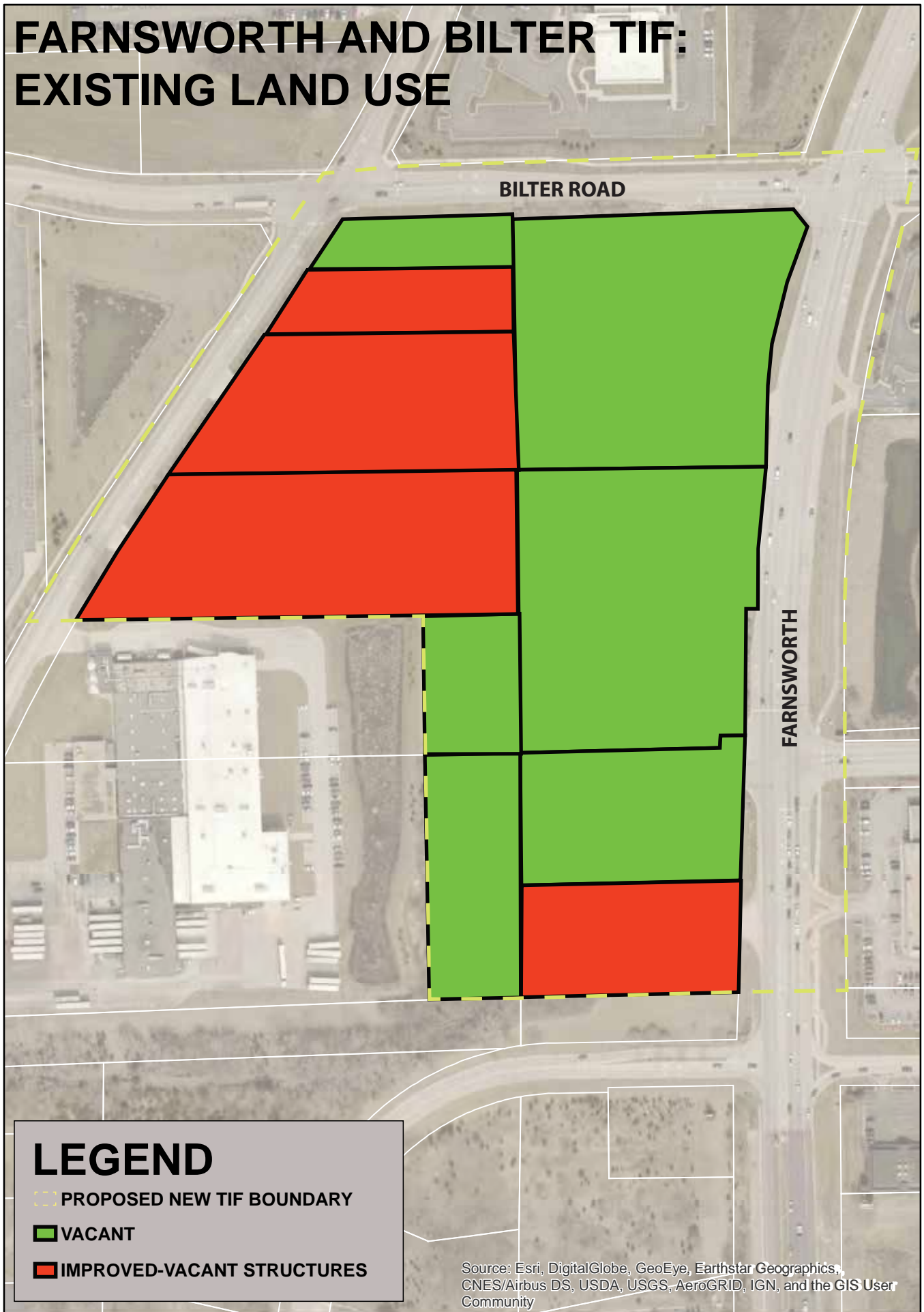
## Legend

- Parcels
- Proposed New TIF Boundary
- Existing TIF District**
  - 7
- Carveouts**
  - Part of TIF 7
- Outside of TIF**
  - Parcels to be added to new TIF




**EXHIBIT 3**

**EXISTING LAND USE MAP**

# FARNSWORTH AND BILTER TIF: EXISTING LAND USE



## LEGEND

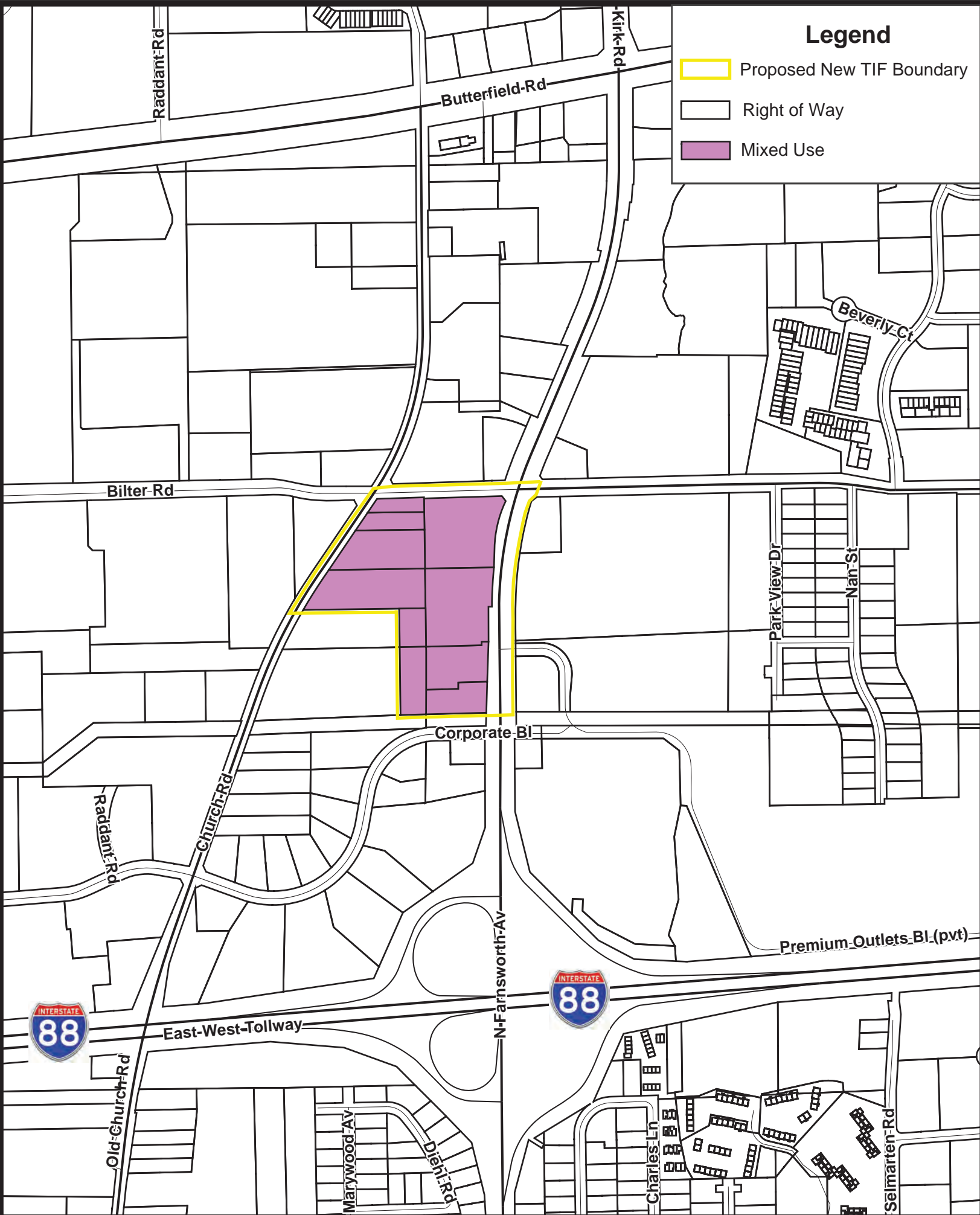
-  PROPOSED NEW TIF BOUNDARY
-  VACANT
-  IMPROVED-VACANT STRUCTURES

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

**EXHIBIT 4**

**PROPOSED LAND USE MAP**

# Farnsworth and Bilter TIF - Proposed Land Use



**EXHIBIT 5**  
**QUALIFICATION REPORT**





***CITY OF AURORA***

***TIF QUALIFICATION REPORT***

***BILTER FARNSWORTH TIF***

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**A study to determine whether all or a portion of an area located in the City of Aurora qualifies, in part, as a conservation area and, in part, as a blighted-vacant area as set forth in the definition in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended.**

***Prepared by the City of Aurora, Illinois  
in conjunction with  
Ryan, LLC***

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**JULY 2023**

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- EXHIBIT 1: BOUNDARY MAP
- EXHIBIT 2: IMPROVED PARCEL INFORMATION
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## EXECUTIVE SUMMARY

Ryan LLC (Ryan) has been retained by the City of Aurora (the “City”) to conduct an analysis of the potential qualification and designation of an area that would result in the establishment of the City’s proposed Bilter/Farnsworth TIF District (the “TIF District,” “Redevelopment Project Area,” “RPA,” or the “area”). The City is pursuing the proposed TIF District as part of its overall strategy to promote the revitalization of key under-utilized properties located within the City.

For purposes of this Report, Ryan has subdivided the proposed TIF District into two major classifications:

- *Improved land* – This classification is for all land within the proposed TIF District that is primarily occupied by structures (Improved Parcels); and
- *Vacant land* – This classification is for all the land within the proposed TIF District that is primarily vacant, or without structures (Vacant Parcels).

Based upon the analysis completed to date, Ryan has reached the following conclusions regarding the potential qualification for the vacant land and the improved land within the proposed TIF District:

- 1) Improved land (“Improved Parcels”), within the proposed RPA, qualifies as a conservation area under the Act. Overall, the improved land within the proposed RPA have declined into a blighted condition most prominently displayed via vacancies and disinvestments by the private sector. These conditions prevent, or threaten to prevent, the economic and physical development of properties in a manner that the community considers essential to its overall economic health.
- 2) Vacant land (“Vacant Parcels”) within the proposed RPA qualifies as a blighted-vacant area pursuant to the Act. The vacant land is primarily made up of parcels that were previously occupied by former, blighted motel operations, which were removed by the year 2020. This land became vacant based upon the necessity of the City removal of uses that posed substantial life and safety issues for the Aurora community. As a result, the City finds it is imperative to return the properties to beneficial economic use to the community by working with private sector interests promote its revitalization. In the view of Ryan, the subject vacant land meets the requirements for designation as a blighted-vacant area under the Act.
- 3) The existence of the blighting conditions found within the proposed RPA presents a serious barrier to the area’s successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in the proposed TIF District. Without use of City land-use 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.

4) Within the proposed RPA, there are several parcels which could produce incremental property tax revenue, especially if assembled together to promote a larger scale redevelopment project. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment toward the successful redevelopment of RPA.

5) To mitigate the existing blighting conditions (thereby promoting the economic viability of the proposed TIF District), and to promote private sector investment and development efforts, Ryan recommends that the City proceed with the formal TIF designation process for the proposed RPA.

6) A portion of the proposed TIF District is part of the City's existing West Farnworth TIF District No. 7. Consequently, the parcels within TIF District No. 7 that are also within the proposed RPA must be removed from TIF District No. 7 prior to being placed within the proposed TIF District. The area of TIF District No.7 to be thus impacted by this change is generally bounded by Church Road to the west, Corporate Boulevard to the south, Farnsworth Avenue to the east, and Bilter Road to the north. The removal of the parcels from TIF District No. 7 for re-designation as part of the proposed TIF District is a crucial element of the City's overall plan for the successful redevelopment of the proposed TIF District, and the findings and conclusions in this Report are conditioned on the removal of those parcels from TIF District No. 7.

Ryan's analysis of the proposed TIF District in conjunction with statutory criteria is outlined on the following pages.

## I. INTRODUCTION AND BACKGROUND

The purpose of this Eligibility Report is to identify the criteria for establishing a Redevelopment Project Area (“RPA”) by means of “conservation area” and “blighted vacant area” qualification factors, as defined by the Tax Increment Allocation Redevelopment Act (the “Act”) (65 ILCS 5/11-74.4-1, et seq.).

The Act has been established to assist Illinois municipalities with the tools 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)).

In the context of planning for the proposed RPA, the City has authorized the study of the RPA within the boundaries described in the map attached hereto in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing District. Ryan has agreed to undertake the study of the RPA.

The RPA is generally bounded by Church Road to the west, Corporate Boulevard to the south, Farnsworth Avenue to the east, and Bilter Road to the north, and adjacent right of ways are included within the RPA. Portions of the proposed RPA are currently located with the City’s Existing TIF No. 7, and the City will be required to remove the targeted RPA parcels from that TIF District prior to the establishment of the new, longer-termed TIF District. The City believes that the longer-term financing opportunities offered by a new TIF District is essential to the successful redevelopment of the RPA.

The qualification factors discussed within this Report qualify both the vacant portion of the RPA as a “blighted area” and the improved portion of the RPA as a “conservation area”, as those terms are hereinafter defined pursuant to 65 ILCS 5/11-74.4-3, as amended. The “improved” portion includes three structures on the northwest corner of the Study Area, and one structure on the southeast corner of the study area, and the “vacant” portion includes the remainder of the properties (primarily made up of parcels formerly occupied by certain blighted motel and car dealership properties) within the RPA.

It must be noted that the two land classifications are designated not in terms of separate geographic sub-areas, but instead are analyzed herein by their respective land use classifications as Improved Parcels versus Vacant Parcels. Though approached separately within this Report for qualification purposes pursuant to the Act, these land uses are geographically mixed in terms of physical locations throughout the proposed TIF District.

The Improved Parcels are located on three (3) tax parcels. Uses, or former uses, include vacant banquet and restaurant uses, and a local nightclub that is scheduled to end operations by mid-2023. This means that seventy-five (75%) of the existing buildings are currently vacant and all exhibit a number of blighting factors pursuant to the TIF Act. All structures within the TIF

District share the characteristics of an older commercial structures that are associated with advancing age and obsolete past land uses.

The Improved Parcels as a whole suffer from building vacancies and both functional and economic obsolescence. These conditions are further evidenced by the present of both building and site deterioration.

The Vacant Parcels are located on the remaining five (5) tax parcels within the proposed TIF District. The most prominent Vacant Parcels are represented by the former Motel 6 and Fox Valley Inn operations, each of which have been removed by the City for community health and safety reasons. Both properties exhibited conditions and factors that would have qualified them as blighted pursuant to the TIF Act. These conditions were presented as part of the City's TIF No. 7 process completed in 2011. The City has provided to Ryan additional evidence that demonstrate that the properties exhibited further evidence of blight via continuing decline, and increased threats to the community's health and safety even after 2011. That evidence is best represented via certain police and building department records related to the properties. More specifically, the properties have been shown to have present adverse environmental contamination conditions; and the now Vacant Parcels are located adjacent to deteriorated structures and site improvements.

The qualification factors discussed within this report qualify the Improved Parcels as a "conservation area", and the Vacant Parcels as a "blighted-vacant" area, as these terms are defined pursuant to 65 ILCS 5/11-74.4-3, as amended.

The entire RPA also possesses the need for infrastructure improvements. In order to accommodate new or increased uses within the RPA, upgrades of sewer services may be needed. The area's roadways, stormwater management, water and sanitary sewer, fiber optics, utilities burial, walkways, as well as ingress and egress improvements to accommodate the potential of a major, commercial development with the RPA. The City believes that a TIF District designation will be essential as part of the strategy to address these issues.

## **OBJECTIVES**

The City has indicated that, although the parcels are within the existing TIF District No. 7, there has been very little interest from private developers to invest in the area without establishment of the new TIF District. In addition, even though the parcels have excellent access to I-88 and are situated directly across North Farnsworth Street from the Chicago Premium Outlets, the majority of the parcels within the proposed District have struggled for decades to attract the “highest and best use”.

The City believes that it can create an opportunity to promote successful redevelopment of the proposed RPA through the establishment of the new TIF District with a full 23-year term. Such a reset will permit the City to attract the type of private sector investment to reverse the lack of success that these key parcels attracted as part of the existing TIF District No. 7.

Several objectives support the overall goal of area-wide revitalization of the RPA. These include:

1. Encourage economic feasibility of large-scale commercial development for the RPA through facilitating the assembly, preparation and marketing of improved and vacant sites, and assisting economically capable private developers to implement a successful redevelopment of the RPA;
2. Foster needed upgrade, replacement, repair, and/or installation of public utilities and infrastructure in order to facilitate redevelopment;
3. Maximize redevelopment along Farnsworth Avenue and along Bilter Road;
4. Develop the area in relationship to the traffic system for improved accessibility into and out of the area; and
5. Coordinate redevelopment efforts with adjacent uses including the Premium Outlet Mall thus enhancing the overall redevelopment efforts of the City.

Given City goals for the Farnsworth area and the conditions briefly described above, the City has made a determination that it is highly desirable to promote the redevelopment of the RPA. Without an implementation of a modernized plan for redevelopment, City officials and staff believe current properties will remain underutilized. The City intends to create and implement such a plan in order to increase and diversify tax revenues associated with the RPA and to both maintain and increase the community’s overall tax base.

Given the conditions of the RPA, the City is favorably disposed toward supporting redevelopment efforts. However, the City is determined that redevelopment take place through the benefit and guidance of comprehensive economic planning by the City. Through this coordinated effort, the area is expected to improve. Development barriers, inherent with current

conditions, which impede economic growth under existing market standards, are expected to be eliminated.

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

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



## II. QUALIFICATION CRITERIA USED

With the assistance of City staff, Ryan examined the RPA from November, 2022 to the present and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Act. The relevant sections of the Act, for this RPA, include in the following.

The Act sets out specific procedures, which must be adhered to in designating a redevelopment project area. By definition, a “Redevelopment Project Area” is: “an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted area and conservation area.”

### **The Act defines a “conservation area” as follows:**

“Conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors may be considered as a “conservation 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 including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

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

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

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

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

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

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

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

(K) Environmental Clean-Up: The 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, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(L) Lack of Community Planning: The 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) Equalized Assessed Value: 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 increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

**The Act states that, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:**

(1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the improved part of the redevelopment project area (65 ILCS 5/11-74.4-3(a)):

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

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

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

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

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

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

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

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

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

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

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

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

(M) Equalized Assessed Value: The total equalized assessed value of the redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.

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

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

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

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

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

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

(F) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

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

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

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

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

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

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

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

The vacant portion of the RPA was examined as a “blighted area” by the definition of the Act. The detailed definition of a “blighted area” is located at the beginning of Section II. The improved portion of the RPA was examined as a “conservation area” by the definition of the Act.

### **III. THE PROPOSED RPA**

The RPA is generally bounded by Church Road to the west, Corporate Boulevard to the south, Farnsworth Avenue to the east, and Bilter Road to the north.

Except for two smaller parcels located on the northwest portion of the RPA, the proposed TIF District is currently located within the City's existing TIF No. 7. Those parcels will be removed from TIF District No. 7 prior to the designation of the new TIF District.

The improved portion of the RPA includes approximately four (4) tax parcels and adjacent right of ways. The area includes approximately four (4) buildings.

The blighted before becoming vacant portion of the RPA includes six (6) tax parcels and approximately 12.8 acres, not including right-of-ways.



#### **IV. METHODOLOGY OF EVALUATION**

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

1) Site surveys of the RPA were undertaken by representatives from Ryan. Site surveys were completed for each tract of land (based upon tax plat blocks), within the area.

2) Exterior evaluation of structures, noting such conditions as lack of community planning, obsolescence, deleterious layout and land-use was completed. Additionally, tax levy years 2016 through 2022 Equalized Assessed Valuation ("EAV") information from the Kane County Clerk's Office, site photographs, site data, local history (discussions with City staff), review with City consulting engineers, and an evaluation of area-wide factors that have affected the area's development (refer to Section V.). City redevelopment goals and objectives for the area were also reviewed with City staff.

3) Existing site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, criteria factors of specific site conditions on the parcels. The area was studied in relation to review of available economic development planning reports, City ordinances, tax levy years 2016 through 2022 EAV information from the Aurora Township Assessor's Office and the Kane County Clerk's Office and City records, tax parcel tax maps, site photos, site data, environmental reports, appraisals, local history (discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (refer to Section V.).

4) The RPA was examined to assess the applicability required for qualification for TIF designation under the Act.

## V. QUALIFICATION OF RPA\FINDINGS OF ELIGIBILITY

As a result of Ryan’s evaluation of each parcel in the TIF District, an analysis of each of the eligibility factors summarized in Section II, it has been determined that the following factors are present to support qualification of the RPA as a “conservation area” for an improved property area and the vacant area or “blighted area”.

Area within Proposed RPA	Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualification Factors Present in Proposed RPA
Conservation Area (Improved)	13	3	6 <ul style="list-style-type: none"> <li>• Lag in EAV Growth</li> <li>• Inadequate Utilities</li> <li>• Lack of Community Planning</li> <li>• Deleterious Land Use</li> <li>• Deterioration</li> <li>• Excessive Vacancies</li> </ul>
Blighted Vacant Area (Combination Factors)	6	2	3 <ul style="list-style-type: none"> <li>• Adjacent Deterioration</li> <li>• Tax Delinquencies</li> <li>• Environmental Costs</li> </ul>
Blighted Vacant Area – Stand Alone Factors	6	1	2
Blighted Vacant Area (Stand-Alone Factor)	13	Blighted prior to becoming vacant 5	7 <ul style="list-style-type: none"> <li>• Deterioration</li> <li>• Inadequate Utilities</li> <li>• Lag in EAV Growth</li> <li>• Deleterious Land Use</li> <li>• Lack of Community Planning</li> <li>• Environmental Cleanup</li> <li>• Obsolescence</li> </ul>
Blighted Vacant Are (Stand Alone Factor)			<ul style="list-style-type: none"> <li>• Unused/Illegal Disposal Site</li> </ul>

### **IMPROVED AREA FACTORS – CONSERVATION AREA**

The improved portion of the RPA is found to qualify as a “conservation area” for an improved property area in the Act. The “improved” portion includes three structures on the northwest corner of the Study Area, and one structure on the southeast corner of the study area. The following factors apply to the improved tax parcels.

“Conservation area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors may be considered as a “conservation area”:

Three (3) of the four (4) structures are 35 years old or greater based upon Aurora Township Assessor's data. Seventy five percent (75%) of the structures are found to be 35-years of age or older.

### ***1) Lack of Community Planning***

Lack of Community Planning refers to “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”.

The improvements were largely developed in the late 1960s and early 1970s contrary to, and without the benefit of guidance from, the City's 1957 Comprehensive Plan (before it was updated with more modernized planning features provided in 1984). Under the Comprehensive Plan in place during the area's development, the RPA the commercial development that evolved had zoning that did not match those commercial/retail type uses including:

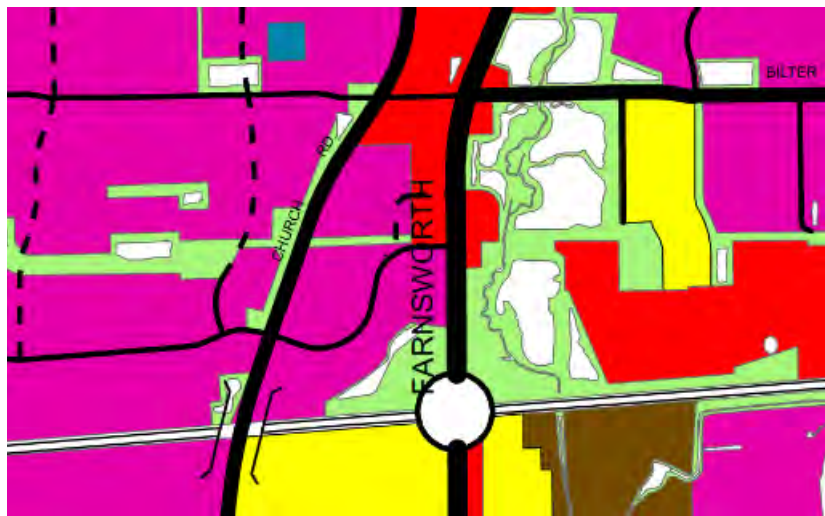
- 2445 Church Road: A previous banquet facility on M1 zoning
- 2380 N. Farnsworth Ave.: A previous motel on M1 zoning
- 2340 N. Farnsworth Ave.: A previous restaurant on M1 zoning
- The two parcels set back from N. Farnsworth are parking lots on M1 zoning that served one of the former motels and the former restaurant.

The City's M1 zoning is the Limited Manufacturing District, and includes multiple permitted uses by right, including, but not limited to:

- industrial arts, manufacture, and sales
- lumber yard and building materials
- heavy machine repair and chemical cleaning services
- vehicle dealership
- vehicle repair
- landscaping with outside storage
- light industrial

- processing, finishing, and assembly facilities
- recycling center
- chemicals, and metals, machinery and electronics manufacturing
- warehouse, distribution, and storage
- vehicle storage yards

The City’s current Comprehensive Plan (shown in image below), again, adopted after the development the RPA, identifies the land uses appropriate for the area as a combination of retail fronting Farnsworth Avenue and Bilter Road, and industrial uses behind near Church Road on the southwest portion of the proposed area.



Additionally, these are commercial buildings (many now demolished or vacant) included features that are inadequate in relation to contemporary development standards require coordination, as well as curb cuts and internal traffic circulation (including the former motel parcels, former car dealer parcel, as well as the adjacent commercial uses). The promotion of successful reuse of the parcels for commercial development will need to be planned and coordinated in a manner that improves traffic circulation and access points onto and off of Farnsworth Avenue. This will be especially key in the coordination of traffic planning for the RPA and the nearby Premium Outlet Mall land uses. Future development of the RPA must not be allowed to develop again contrary to modern day community planning standards.

The area as a whole demonstrates the results of the lack of community planning. The absence of coordinated transition of commercial areas within the RPA from more industrial areas to the south and west must be addressed with the planned future redevelopment of the area. This is particular true respect to the potential the integration of increased passenger traffic with the trucking traffic associated with those industrial land uses. This organized integration would be enhanced through benefit of modern, comprehensive community planning. The elimination of

future land uses associated the necessary removal over the years of the former car dealership structures, and motel structures provides the City with an opportunity to correct lack of community planning issues that existed with the original development of the RPA.

Also lacking until recent years has been effective and sustained economic development plans and strategies intended to address the coordinated redevelopment of the entire Proposed RPA. This is not to necessarily say that improvements did not take place over the years, but that they were implemented without the guidance of a coordinated plan directed toward long-term benefit of the area including coordination with the adjacent outlet mall and industrial uses. The planned redevelopment of the area offers the City a critical opportunity to correct such issues in the future.

### 2) *Lag in Equalized Assessed Value*

“Lag in Equalized Assessed Valuation” growth refers to: “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 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 four (4) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated”.

As illustrated in the table below, the total EAV of the improved portion of the RPA increased at an annual rate that lagged behind the Consumer Price Index for All Urban Consumers published by the United States Department of Labor for three (3) of the last five (5) years.

	2022	2021	2020	2019	2018	2017
<i>EAV FOR IMPROVED PARCELS</i>	492,244	458,286	467,895	646,987	559,433	524,332
<i>PERCENTAGE OF CHANGE</i>	7.4%	-2.1%	-27.7%	15.7%	6.7%	NA
<i>AVERAGE ANNUAL CPI CHANGE</i>	8.0%	4.70%	1.20%	1.80%	2.40%	NA
<i>TOTALS FOR THE CITY</i>	4,866,206,368	4,587,818,868	4,368,434,612	4,165,774,518	3,927,968,611	3,705,635,744
<i>MINUS PROPOSED RPA AREA</i>	4,865,714,124	4,587,360,582	4,367,966,717	4,165,127,531	3,927,409,178	3,705,111,412
<i>% CHANGE FROM PREVIOUS YEAR</i>	6.1%	5.0%	4.9%	6.1%	6.0%	NA

Source: Kane County Clerk's Office, Aurora Township Assessor's Office, and the City.

### 3) *Excessive Vacancies*

“Excessive Vacancies” refers to 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.

Each of the remaining four (4) structures in the Study Area (100%) are vacant. The extent of these vacancies represents an adverse influence on the RPA. The successful redevelopment of the RPA will result in the elimination of this adverse influence, resulting in the elimination of blighted conditions that the area has deteriorated into over several years.

#### ***4) Inadequate Utilities***

Inadequate utilities can be defined as underground and overhead utilities such as storm sewers, storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: of insufficient capacity to serve the uses in the RPA, deteriorated, antiquated, obsolete or in disrepair or are lacking within the RPA.

#### **Storm Sewer Infrastructure**

There currently exists within both within the RPA, and the areas immediately adjacent to the RPA storm sewer of various sizes. These included storm sewers along each of Church Road, Bilter Road and Farnsworth Avenue. Although there is no documented history of roadway flooding along these roadways, and the existing storm sewer system appears to be sufficient in conveying storm runoff, the City has cited the following concerns as it relates to the adequacy of the storm sewer system to accommodate future redevelopment of the RPA:

- There exists a concern related to the existing culverts under Farnsworth Avenue. These existing culverts convey flow the west, under Farnsworth, and is tributary to Indian Creek. Indian Creek flows through a large native wetland area east of Farnsworth that will need additional study if development is ever desired.
- Upsizing of the Farnsworth Avenue related culverts may be needed to accommodate the existing tributary area and any new impervious area (paved area) that are added with the redevelopment of the site, as well as with related roadway widening project.
- Analysis of the culvert is currently a part of our phase 1 engineering study. This study will confirm if improvements need to be made to this culvert to help accommodate future redevelopment, and how the proposed TIF District might assist in funding such improvements.
- With the proposed redevelopment and roadway widening, the existing storm sewer and structures may need to be upsized, relocated and/or be replaced.
- Stormwater detention volume will need to be provided to meet stormwater requirement for future roadway widening.

- Underground detention and/or oversizing of the storm sewer will need to be provided.
- There exists a low area at the northwest corner Farnsworth Avenue and Corporate Boulevard (Nicor property). To compensate for this problem storm sewer may need to be extended as a means to increase drainage of storm water due to the existence of a large tributary area from the west that flows toward this corner.

### **Watermain Infrastructure**

There exist within the RPA and the areas immediately adjacent to the RPA a number of concerns related to the adequacy of the watermain system to accommodate and support future redevelopment of the RPA. Conditions of concern include the following:

- There is not available looped watermain within the RPA.
- There exists an issue with the age of the watermains along watermain along Church Road, Bilter Road and Farnsworth Avenue. The City did replace an old watermain on Church Road in 2015, which had experienced leaks and breaks.
- The existing and unlooped watermain within the RPA varies in size from 10 inches to 12 inches along Farnsworth Avenue and is over 40 years old.
- Extension of the existing watermain to provide fire coverage and looped system throughout the redevelopment site will be needed to support existing and planned developments.
- Given the redevelopment planned for the RPA, the existing water mains may require upgrades to the water system and therefore the water system model may need to be updated and to assure that future fire flow requirements can be met.
- Watermain and/or pump upgrades at the Water Treatment Plant may be required as result of the fire flow analysis.
- Water service connection and hydrants that conflict with the roadway improvements will need to be relocated.
- Future watermain projects may require the City to replace the PVC material for the existing 12-inch PVC watermain at the intersection of Farnsworth Avenue and Bilter Road.

## **Sanitary Sewer Infrastructure**

While there exist sanitary sewers on Corporate Boulevard, Bilter Road and Farnsworth Avenue that vary from 8 inches to 12 inches in size, there remain certain inadequate conditions that remain to be address within the RPA. These include the following:

- There is no sanitary sewer main along Church Road and no known sanitary services to help accommodate the planned future redevelopment of the area.
- Although there are no known capacity issues related to the sanitary sewer mains that do exist within the RPA, depending on the sanitary flow generated from future developments, the proposed service connection lines to the sanitary main may need to be upsized or extended.
- Any known sanitary sewer lines that are to be removed/abandoned will need to be capped at the sanitary sewer.

## **Electrical/Fiber Option Infrastructure**

In addition to the above cited conditions that contribute to inadequate utilities connected to the RPA, the City has also identified the following inadequacies related to electrical and fiber optic needs:

- There is an existing fiber optic located along Church Road that may need to be relocated as result of proposed roadway improvements.
- With required construction of the roadway improvements along Bilter Road and Farnsworth Avenue, the City may elect to run fiber optic conduits along these roads as part of the roadway improvements.
- Depending on the potential site design for large-scaled redevelopment within the RPA, the City could consider running City fiber optic to service the future development. There currently exists no City fiber optic to the redevelopment area.
- Existing overhead lines that are located along Bilter Road and/or Farnsworth Avenue will need to be relocated and buried.

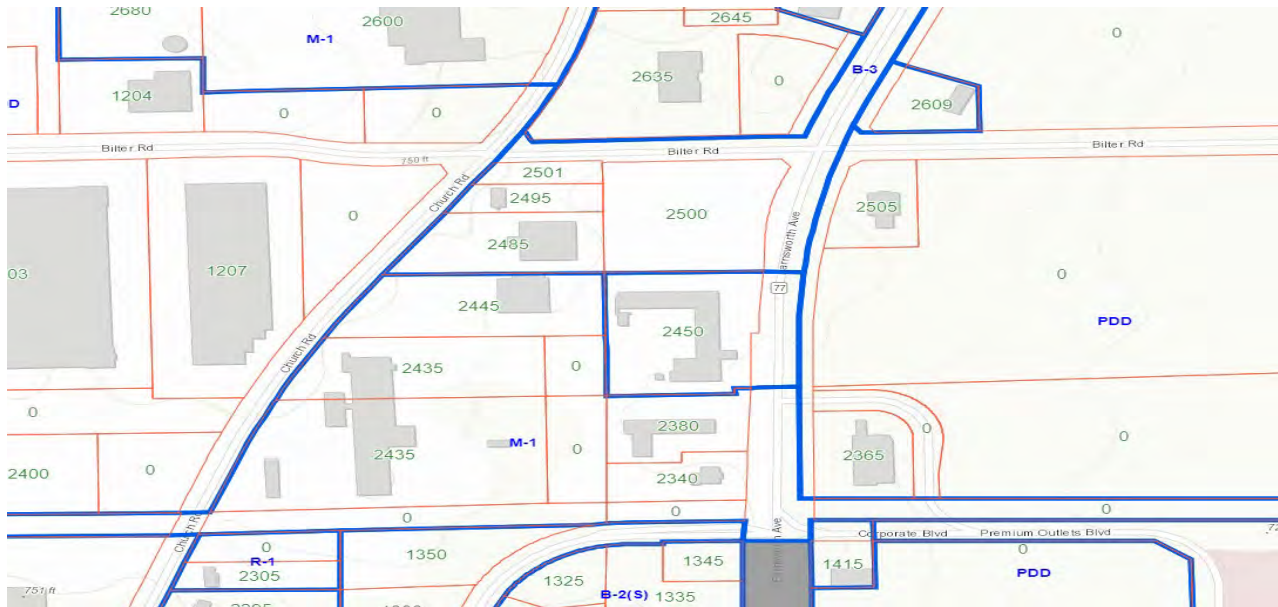


### 5) Deleterious Land-Use or Layout

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

Many of the commercial and industrial uses within the area have been developed in piecemeal fashion over the years. Commercial uses along Corporate Boulevard have not been fully developed and sites for redevelopment are available. As stated above, many of the area's commercial uses lack coordinated access/egress. Considerations of adequate building setbacks, landscape and streetscape treatment, buffering between uses, the need for adequate loading and unloading and sufficient parking were not considerations when these parcels were developed. Coordination to the outlet mall property also requires ongoing City review.

The historic sizes and shapes of the parcels that exists within the RPA have been cited as an issue that hinders its successful redevelopment. As shown on the GIS parcel map below, the proposed district consists of a number of parcels that vary in size and depth. Some of the parcels are problematic for development because they have relatively narrow frontage especially 2501 and 2495 Church Road, and the two parcels marked as "O" behind the parcels fronting North Farnsworth. Those two parcels marked as "O" are landlocked without any direct access/egress to a public right-of-way.



Traffic signal interconnect and optimization at the intersections of Bilter and Farnsworth, Farnsworth and Butterfield, Farnsworth and Premium Outlet Blvd, and Farnsworth at I-88 tollway

will help mitigate traffic congestion/impact that partially are exacerbated by the existing configurations.

Additionally, the City has identified a number of other traffic and related conditions that substantially contribute to the deleterious land use layout of the RPA. A discussion of these related conditions is provided below.

### **Background Traffic Growth**

According to the Chicago Metropolitan Agency for Planning (“CMAP”), the growth of areas within and around the RPA are expected to significantly increase traffic for surrounding roadways, with traffic volumes expected to grow approximately 1.34% per year from 2022 through 2050 along Bilter Road and Church Road. Additionally, the traffic volumes along Butterfield Road and North Farnsworth Avenue are expected to grow approximately 0.69% per year from 2022 through 2050. Bilter Road and Church Road. Further items of note, which will need to be addressed, in part due to expected large-scale development of the RPA, are outlined from the CMAP follow below.

### **North Farnsworth Avenue and Intersections**

North Farnsworth Avenue is a north-south five-lane roadway with two through lanes in each direction, a posted 40 mph speed limit, and dedicated left- and right- turn lanes at intersections. Farnsworth Avenue has an Illinois Department of Transportation (“IDOT”) 2018 Annual Average Daily Traffic (“AADT”) of 30,700 vehicles.

Existing intersections along Farnsworth experienced a level of service (“LOS”) at capacity or beyond during peak time. Increased traffic capacity of Farnsworth Avenue will be needed to accommodate the projected traffic volume through this corridor. Associated improvements will be needed that include roadway widening, with dual turn lane and new traffic signal needed from Butterfield Road to I-88 Tollway.

### **Bilter Road and Intersection**

Bilter Road is an east-west roadway with a posted 35 mph speed limit, one lane in each direction, dedicated left- and right-turn lanes at intersections. Bilter Road has an IDOT 2018 AADT of 7,850 vehicles, is classified as a local roadway.

The intersection at Bilter and Farnsworth is projected to operate at LOS peak capacity or beyond under certain saturated condition. The capacity of Bilter Road to accommodate the projected traffic volume through this corridor will need to increase.

## **Church Road and Intersection**

Church Road is a north-south road with one lane in each direction and includes a center two-way left-turn lane along the site frontage and dedicated left-turn lanes at the intersection at Bilter Road. Church Road has a posted speed limit of 40 mph, has an IDOT 2018 AADT of 8,000 vehicles, is classified as a major collector roadway.

Proposed access on Church Road will required improvements on Church Road to accommodate this access and turning vehicle into the redevelopment site. Restriping and roadway widening and additional lane at the intersection and traffic signal modification will be needed to improve the LOS.

## **Corporate Boulevard and Intersection**

Corporate Boulevard is a local east-west road with one lane in each direction. Full traffic access is proposed on Corporate Boulevard, which may require modifications at the intersection of Corporate Boulevard and Farnworth Avenue, to a restrict right in and right out turns.

Even the additional development targeted for the RPA this section of the City's infrastructure needs additional capacity.

## **Area Public Transit**

The suburban Pace bus service operates within the area and operates multiple routes on North Farnsworth Avenue along the frontages of the RPA. Current site layout and design are not conducive to safe pedestrian access to the stop points for public transit. Future site layout and design should provide pedestrian accommodations between the Pace bus stops on Farnsworth Avenue and the pedestrian entrance on site, or coordination with Pace to provide a stop on site should be explored.

Additionally, there are no dedicated bus turn lane and shelters along Farnsworth Avenue. Dedicated bus turn lane and/or shelter would be incorporated in the overall roadway design. The use of public transit will help promote the use of alternate modes of transportation in a manner compatible with the City's Comprehensive Plan.

## **Area Bicycle and Pedestrian Accommodations**

Sidewalks are lacking along portions of Corporate Boulevard. And North Farnsworth Avenue. The lack of pedestrian accommodations (i.e., sidewalk, path etc.) or inadequate access has an adverse impact for both the RPA and the areas adjacent to the RPA. New sidewalk and extension of the existing bike trail will need to be constructed to provide access to the RPA and the surrounding businesses as a means to provide connectivity between the various adjacent and nearby neighborhoods and businesses.

If a level of connectivity in bicycle infrastructure between the proposed site and downtown Aurora is achieved, partnering with the City to provide a bike-sharing station on site could help promote the use of alternate modes of transportation.

## **6) *Deterioration***

The Act states that 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 site improvements, the conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces. The remaining structures, to various degrees, exhibit deteriorated conditions in either site improvements or building components or both. These site conditions are characterized by, among other things, the following:

- Extensively, collapsed, cracked and crumbling asphalt pavement, along with depressions, potholes and other settlement in parking lot areas and driveways, requiring re-surfacing or replacement
- Weed and vegetation growth in cracked pavement and/or loose pavement material
- Faded and cracked parking space striping and curb caution paint, requiring re-painting
- Crumbling curb and gutter throughout parking areas and approaches, requiring removal and replacement

Building deterioration was found to consist of cracked or damaged (including fire damage) exterior building surfaces including masonry facades in need of tuckpointing, faded and peeling trim paint, deteriorated windows or doors or window/door frames, rusted metal service doors, rusted metal fencing, and damaged gutters or downspouts, for example.

More specifically, according to City data, two former motels that were in operation prior to the City purchasing and demolition were blighted properties that were nuisance properties, were the magnet for hundreds of Police calls, and created a poor image at a gateway point of the City corridor. The former restaurant experienced a fire that resulted in damage, and additional deteriorated conditions that has not been repaired. The existence of the fire damaged restaurant is an additional blight at a prominent location of the City (especially given its proximity near the entrance into the Chicago Premium Outlets.

## **VACANT AREA FACTORS – BLIGHTED AREA (BLIGHTED BEFORE BECOMING VACANT)**

The balance of area within the RPA is found to qualify as a “blighted area” for a vacant property as defined in the Act. This portion of the RPA includes six (6) tax parcels and approximately 12.8 acres, not including rights-of-way as follows:

- Vacant parcels previously occupied by retail structures and improvements (former two blighted motels, former blighted auto dealership at 2500 N. Farnsworth Ave.)
- Vacant parking lots (primarily associated with the former motel parcels)
- The structures that formed former car dealership property was constructed during the 1970s and 1980, which were demolished by 2010.
- The former Motel 6 and Fox Valley Inn structures were demolished 2019-2020.
- The 2501 Church structure had a structure on it that was demolished around 2013-2014.

Through the analysis of available historic data and anecdotal information, Ryan has concluded that there were at least implied indications that the old structures present within the Study Area exhibited blighted conditions prior to the Study Area becoming vacant. More specifically, with City staff assistance Ryan has determined (by methods that included but were not limited to review of the 2011 TIF District No. 7 TIF Qualification Report (the “TIF #7 Report”, historical photographs, plat, zoning and comprehensive plan maps, documents that exhibited boundary related maps for the parcels, input and research by City staff) that the proposed RPA would have been found to have evidenced at least seven (7) out of the thirteen (13) qualification factors (or the minimum of five (5) factors required) in support of a finding as a “blighted improved area”, as stated in the Act, immediately prior to that site becoming vacant. A summary of findings follows.

### ***1) Deterioration***

The Act states that 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 site improvements, the conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Prior to becoming Vacant Parcels, the pre-existing structures and associated site improvements exhibited deteriorated conditions. These site conditions are characterized by, among other things, the following:

- Extensively cracked and crumbling asphalt pavement, along with potholes and other settlement in parking lot areas and driveways, requiring re-surfacing

- Weed and vegetation growth in cracked pavement and/or loose pavement material
- Faded and cracked parking space striping and curb caution paint, requiring re-painting
- Crumbling curb and gutter throughout parking areas and approaches, requiring removal and replacement
- Cracked public walks with weed growth

According to information from City staff, building deterioration prior to demolition of the various structures were present in each case. The structures were found to consist of cracked or damaged exterior building surfaces.

## ***2) Inadequate Utilities***

Inadequate utilities can be defined as underground and overhead utilities such as storm sewers, storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: of insufficient capacity to serve the uses in the RPA, deteriorated, antiquated, obsolete or in disrepair or are lacking within the RPA.

Prior to the demolitions of the former structures, the area evidenced inadequate utilities, many of which persist through today. Many of the conditions that demonstrated this factor were included in the TIF #7 Report and are included herein.

Church Road is classified as a major collector, however, the existing roadway from about 200 feet south of Butterfield Road to I-88 is a two-lane rural cross section. The City intends to improve Church Road to a 3-lane curb and gutter roadway. This would require right-of-way acquisition and full roadway improvements including storm sewer, stormwater management, landscaping, sidewalk and turn lanes and these additional costs have detained redevelopment to date.

Due to the heavy truck traffic and the close proximity to the intersection of Bilter Road and Farnsworth Avenue, the City has identified a need for traffic signals at Church Road and Bilter Road with an interconnect to the existing signal at Bilter Road and Farnsworth Avenue.

There is existing 12” and 16” watermain on Church, Bilter, and Farnsworth; however, developers will have to install internal watermain extensions or loops for fire protection and domestic water service.

A watermain interconnection(s) between the existing warehouse distribution facilities on Bilter Road just northwest of the RPA and the 12” watermain on Corporate Road would provide better water circulation and increase water quality and increase fire protection.

Corporate Boulevard about 500 feet west of Farnsworth Avenue has a low area that has been subject to flooding and standing water during rain events, to which the Study Area is a significant contributor. There are several factors that link to the drainage problems; however, there

are two main issues. The current storm sewer system is likely undersized for the offsite tributary area and therefore should be upgraded. Also, there is a relatively significant amount of runoff from the Study Area as the majority of the structures and improvements were developed prior to the adoption of modern stormwater regulations. Subsequently runoff drains from this area towards Corporate Boulevard and not only adds to the flooding issue in the low area identified above but can also cause freezing/icing on the pavement during winter months. Ideally, the area generally bound by Bilter, Farnsworth, Corporate Road and Church Road should have a regional detention basin or storm sewer upgrades could be implemented to convey the runoff from this area.

As redevelopment occurs within the RPA, water system upgrades may be necessary to supply adequate fire flow, which could include watermain upgrades at the water treatment plant.

### 3) *Lag in Equalized Assessed Value*

“Lag in Equalized Assessed Valuation” growth refers to: “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 increasing at an annual rate that is less than the Consumer Price Index (“CPI”) for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated”.

As demonstrated below, during the five-year period prior to the demolitions of the motel properties, the Vacant Parcels declined in at least three (3) of the previous five (5) years, and lagged behind the balance of the City, and the CPI for All Urban Consumers over the same period. The analysis on this factor included in the TIF #7 Report presented similar findings in the time period between tax years 2005 and 2010.

EAV Trend for Blighted Before Vacant Area\*

<b>Study Area</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>TIF EAV</b>	\$33,755	\$31,353	\$120,966	\$1,063,070	\$979,517
<b>Annual % Change</b>	7.7%	-74.1%	-88.6%	8.5%	-17.9%
<b>City of Aurora</b>	\$4,587,818,868	\$4,368,434,612	\$4,165,774,518	\$3,927,968,611	\$3,705,635,744
<b>City of Aurora (No TIF)</b>	\$4,587,785,113	\$4,368,403,259	\$4,165,653,552	\$3,926,905,541	\$3,704,656,227
<b>Annual % Change</b>	5.0%	4.9%	6.1%	6.0%	6.8%
<b>CPI</b>	4.70%	1.20%	1.80%	2.40%	2.10%

Source: Kane County Clerk's Office and Aurora Township Assessor's Office

The area as a whole has demonstrated a growth rate that is less than the balance of the City over the last five (5) years in which data has been available.

#### ***4) Deleterious Land-Use or Layout***

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

Prior to the demolitions of the former structures, the area evidenced of deleterious land-use and layout. The now Vacant Parcels were part of the analysis on this factor that was offered by the TIF #7 Report, as outlined below.

Many of the commercial and industrial uses within the area have been developed in piecemeal fashion over the years. Commercial uses along Corporate Boulevard have not been fully developed and sites for redevelopment are available. As stated above, many of the area's commercial uses lack coordinated access/egress. Considerations of adequate building setbacks, landscape, and streetscape treatment, buffering between uses, the need for adequate loading and unloading and sufficient parking were not considerations when these parcels were developed. Coordination to the outlet mall property also requires ongoing City review.

#### ***5) Lack of Community Planning***

Lack of Community Planning refers to "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".

According to the City, prior to the demolitions of the former structures (and well before), the Study area evidenced conditions of deleterious land-use and layout. Those conditions existed through the entire period that extended from the construction and subsequent demolition of the former structures (a period from approximately 1969 through 2020). The now Vacant Parcels were also part of the analysis on this factor that was offered by the TIF #7 Report, as outlined below.

The improvements were largely developed before the City's Comprehensive Plan was adopted and recently amended. The motel properties, prior to their demolition, included features that are inadequate in relation to contemporary development standards. Future redevelopment would require coordination, as well as curb cuts and internal traffic circulation. Access will need to be coordinated as part of proposed redevelopment plans in relation to circulation and potential shared access points as part of any redevelopment including the extension of Corporate Boulevard and improvements to Church Road.



The area as a whole demonstrates the results of the lack of community planning. The absence of coordinated parking for sites, the lack of buffering and the need for updated traffic planning, reinforce the fact that the area was developed without benefit of modern, comprehensive community planning.

Also lacking until recent years has been effective and sustained economic development plans and strategies intended to address the coordinated redevelopment of the entire Proposed RPA. This is not to necessarily say that improvements did not take place over the years, but that they were implemented without the guidance of a coordinated plan directed toward long-term benefit of the area including coordination with the adjacent outlet mall uses.

#### **6) *Environmental Clean-Up***

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

Prior to demolition, both of the motel structures were assessed by Asbestos Control + Demolition Company (“ACD”) for the presence of asbestos and lead. In their respective reports, ACD indicated that lead-based paint was not present on site. However, ACD indicated that asbestos was present in roof tiles and building materials of both structures, and remediation was recommended prior to demolition.

#### **7) *Obsolescence***

The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use.

By the time of the removal of each of the structures between the period of approximately 2007 through 2020, it is evident that the structures were each at or near the end of their functional, if not economic, uses. For example, by the time of the structure that occupied the 2501 Church, the Township Assessor had deemed that the improvements contributed no value to the parcel. This is an indicator that the structure was at or beyond its useful life by the time it was acquired by the City in 2013. Although a similar statement of assessment was not available for the former dealership structures located at 2500 North Farnsworth parcel, previous auto-related uses had been abandoned via relocation plans by the previous users, which is also an indication that the structures had reached the end of their commercial useful life.

The former motel parcels each had features that were popular for motels in the period between the 1970s and 1980s, by the late 2010s the parcels were dated and lacked hospitality features south

after in modern day hotel properties. Additionally, the lack of features such as elevators made the motels poor candidates for continued use past the point of their respective demolitions. Additionally, prior to the demolitions these properties, TIF #7 Report included a finding of obsolescence as provided below.

Functional obsolescence is present due to the RPA's poor layout and building orientation. Many of the buildings and the sites themselves contain characteristics, which limit the usefulness and marketability of the area and exhibit characteristics that are obsolete in relation to modern development standards. Portions of the area suffer from poor design and layout which is manifested in several instances, one of which being a lack of parking (or positioning of parking in relation to street traffic) and coordination of multiple (often different) uses that border each other. Many of the RPA's buildings lack adequate loading and buffering provisions. Because of these factors, the RPA's overall usefulness and desirability for redevelopment is significantly limited for modern day redevelopment.

#### **VACANT AREA FACTORS – BLIGHTED AREA (UNUSED OR ILLEGAL DISPOSAL SITE)**

The Act indicates that an area may consist of an unused or illegal disposal site if the site is found containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

Distributed on various portions of the Vacant Parcels is construction debris, including concrete and asphalt debris (as well unidentified mounds of debris), that reflect on and/or off-site demolition and/or past construction materials brought to the site

The affected portions of the Vacant Parcels are not currently in use for any other purpose and therefore are designated for purposes of this report as an unused or illegal disposal site.

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

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

1. The area is contiguous and is greater than 1½ acres in size.
2. Portions of the RPA qualify as a “blighted vacant area” and as an improved “conservation area”. Detailed analyses of the qualification findings are outlined in Section V.
3. All property in the area would substantially benefit by the redevelopment project improvements.
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area.
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

### **Conclusion**

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

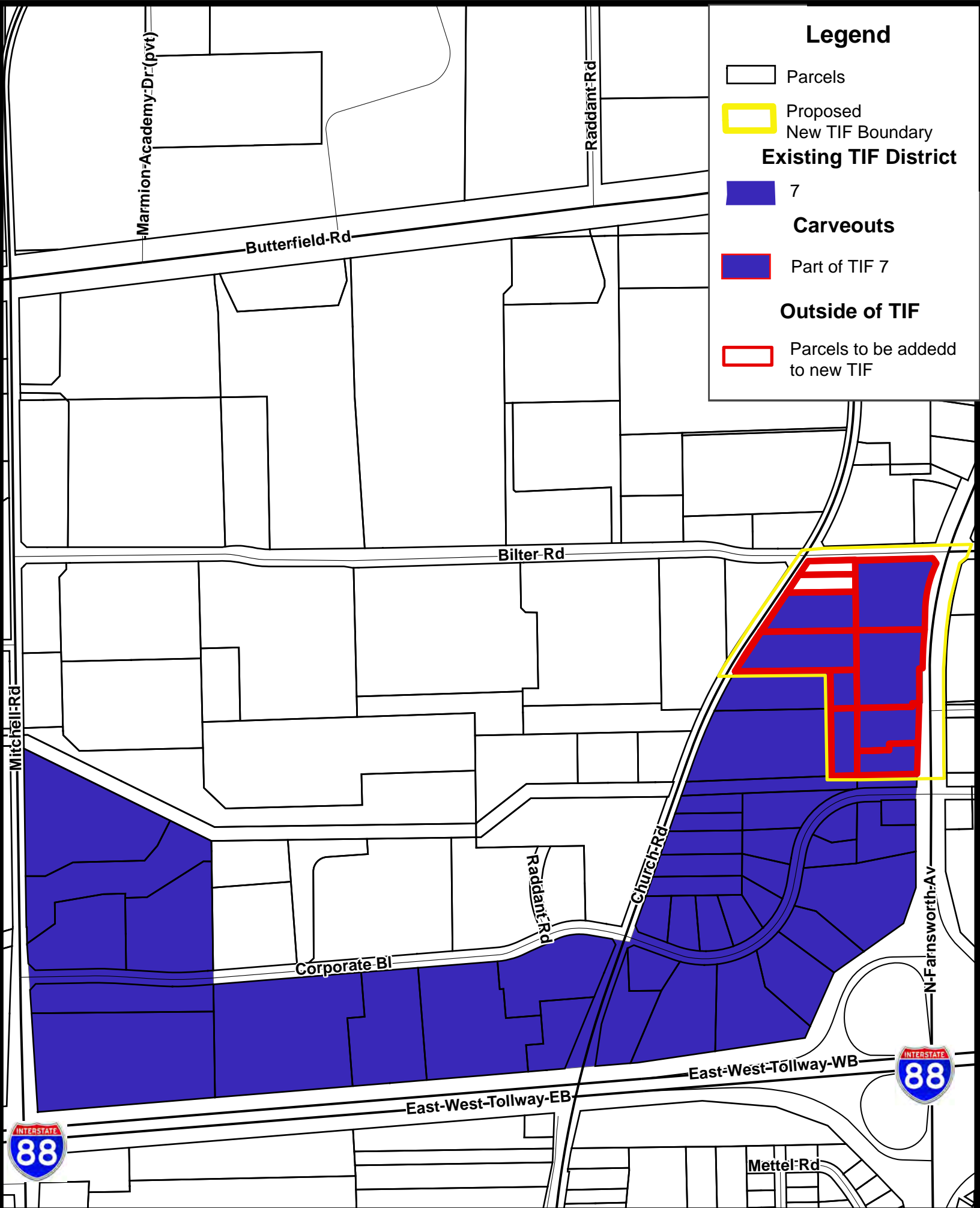
The area has not benefitted from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to business attraction as well as the coordination of redevelopment efforts for modern uses. These efforts will be important to the area’s continued improvement and preservation of tax base.

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

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

**EXHIBIT 1:**  
**Boundary Map**

# Farnsworth and Bilter TIF - Location Map



**EXHIBIT 2:**

**Improved Parcel Information**

15-02-200-027

15-02-200-038

15-02-200-039

**EXHIBIT 3:**

**Vacant Parcel Information**

15-02-200-011

15-02-200-014

15-02-200-022

15-02-200-044

15-02-426-015

15-02-427-002