

**ORIGINAL**

**ORDINANCE NO. 1  
EAST FARNSWORTH  
TIF DISTRICT NO. 8**



**CITY OF AURORA  
CITY COUNCIL**

**ORDINANCE NUMBER:** 011-062

**DATE OF PASSAGE:** November 22, 2011

**AN ORDINANCE OF THE CITY OF  
AURORA, DUPAGE, KANE, KENDALL, AND WILL COUNTIES, ILLINOIS,  
APPROVING A TAX INCREMENT REDEVELOPMENT PLAN  
AND REDEVELOPMENT PROJECT FOR THE  
EAST FARNSWORTH TIF DISTRICT NO. 8  
REDEVELOPMENT PROJECT AREA**

**WHEREAS**, it is desirable and in the best interest of the citizens of the City of Aurora, DuPage, Kane, Kendall, and Will Counties, Illinois (the "City"), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Redevelopment Plan and Project") within the municipal boundaries of the City within a proposed redevelopment project area (the "Area") described in Section 1(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

**WHEREAS**, pursuant to Section 11-74.4-5 of the Act, the Mayor and City Council of the City (the "Corporate Authorities") by ordinance called a public hearing relative to the Redevelopment Plan and Project, the designation of the Area as a redevelopment project area under the Act, the use of tax increment allocation financing and other matters required by law for November 8, 2011, at 6:00 o'clock p.m.; and

**WHEREAS**, at least ten (10) days prior to the adoption of the ordinance calling for such public hearing there was available for public inspection in the office of the City Clerk a copy of the Redevelopment Plan and Project and an Eligibility Report all in conformance with the Act.; and

**WHEREAS**, due notice with respect to such hearing was given pursuant to the Act, said notice being given to taxing districts and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on the 15th day of September, 2011, by publication on the 17th day of October, 2011, and on the 23rd of October, 2011, and by certified mail to each residential address and taxpayers within the Area on the 18th day of October, 2011; and

**WHEREAS**, on the 19th day of September, 2011, notices were sent by mail to all residential addresses within seven hundred and fifty feet (750') of the Area advising of the availability of the Redevelopment Plan and Eligibility Report including how to obtain the information by mail; and

**WHEREAS**, the City has created an interested parties registry and rules regarding same as provided in the Act; and

**WHEREAS**, on the 19th day of September, 2011, the City published a notice in the Beacon News a notice that interested parties may register to receive information on the proposed designation of the Redevelopment Project Area; and

**WHEREAS**, the City has heretofore convened a Joint Review Board as required by and in all respects in compliance with the provisions of the Act; and

**WHEREAS**, the Joint Review Board has by resolution recommended that the City approve the Plan Project, the designation of the proposed Redevelopment and the adoption to tax increment financing for the Area; and

**WHEREAS**, a written report of the Joint Review Board has been submitted to and considered by the City; and

**WHEREAS**, the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that could cause the Area to be a "conservation area" as defined in the Act; and

**WHEREAS**, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Redevelopment Plan and Project; and

**WHEREAS**, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

**WHEREAS**, the Corporate Authorities have reviewed the proposed Redevelopment Plan and Project and also the existing Comprehensive Plan for development of the City as a whole to determine whether the proposed Redevelopment Plan and Project conform to the Comprehensive Plan of the City.

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and City Council of the City of Aurora, DuPage, Kane, Kendall, and Will Counties, Illinois, as follows:

**Section 1.** **Findings.** That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The general street location for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

b. There exist conditions that cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a conservation area as defined in Section 11-74.4-3 of the Act.

c. The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

d. The Redevelopment Plan and Project conform to the Comprehensive Plan for the development of the City as a whole, as reflected in the City's zoning map.

e. As set forth in the Plan it is anticipated that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan shall be retired not later than December 31 of the year in which payment to the City Treasurer is made with respect to ad valorem taxes levied in the 23rd calendar year after the year in which this ordinance was adopted.

f. The parcels of real property in the proposed Area consist of more than one and one-half acres and are contiguous, and only those contiguous parcels of real property

and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.

g. The findings set forth in the Redevelopment Plan and Project are incorporated herein by reference.

h. The findings set forth in the Preamble to this ordinance are incorporated herein by reference.

**Section 2. Redevelopment Plan and Project Approved.** That the Redevelopment Plan and Project, which were the subject matter of the public hearing held on November 8, 2011, are hereby adopted and approved. A copy of the Redevelopment Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

**Section 3. Invalidity of Any Section.** That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

**Section 4. Superseder and Effective Date.** All ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

**ATTACHMENTS:**

EXHIBIT A – Legal Description

EXHIBIT B – General Street Location

EXHIBIT C – Map of Redevelopment Project Area

EXHIBIT D – Redevelopment Plan and Project

PASSED this 22<sup>nd</sup> day of November, 2011.

AYES: 11 NAYS: 0 ABSENT: 1

APPROVED: Thomas Weisner  
Thomas Weisner, Mayor

ATTEST: Cheryl M. Vonhoff  
Cheryl Vonhoff, City Clerk

Alderman Hart-Burns moved and Alderman Mervine seconded the motion that said ordinance as presented and read by the City Clerk be adopted.

After a full discussion thereof including a public recital of the nature of the matter being considered and such other information as would inform the public of the nature of the business being conducted, the Mayor directed that the roll be called for a vote upon the motion to adopt said ordinance as read.

Upon the roll being called, the following Alderman<sup>s</sup> voted AYE: Schwler, Garza, Kifowit, Lawrence, Peters, Saville, Hart-Burns, Mervine, Lewandowski, Elmore, O'Connor (II)

The following Alderman voted NAY: (0)

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Whereupon the Mayor declared the motion carried and said ordinance adopted, approved and signed the same in open meeting and directed the City Clerk to record the same in full in the records of the Mayor and City Council of the City of Aurora, DuPage, Kane, Kendall, and Will Counties, Illinois, which was done.

Other business not pertinent to the adoption of said ordinance was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Cheryl M. Honkoff  
City Clerk

STATE OF ILLINOIS )  
 ) SS  
COUNTIES OF DUPAGE, KANE, KENDALL, AND WILL )

**CERTIFICATION OF ORDINANCE AND MINUTES**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Aurora, DuPage, Kane, Kendall, and Will Counties, Illinois (the "City"), and that as such official I am the keeper of the records and files of the Mayor and City Council of the City (the "Corporate Authorities").

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 22 day of Nov., 2011, insofar as same relates to the adoption of an ordinance entitled:

AN ORDINANCE of the City of Aurora, DuPage, Kane, Kendall, and Will Counties, Illinois, Approving a Tax Increment Redevelopment Plan and Redevelopment Project for the East Farnsworth TIF District Number 8 Redevelopment Project Area.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were conducted openly, that the vote on the adoption of said ordinance was taken openly, that said meeting was held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice; that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Corporate Authorities at least 48 hours in advance of the holding of said meeting; that said agenda described or made specific reference to said ordinance; that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities have complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the City, this 29 day of Nov., 2011.

  
City Clerk

(SEAL)



**EXHIBIT A**

**LEGAL DESCRIPTION**

THAT PART OF SECTION 1 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 SOUTHEAST CORNER OF LOT 2 IN CHICAGO PREMIUM OUTLETS SUBDIVISION; THENCE EASTERLY ALONG THE NORTHERLY LINE OF THE I-88 EAST WEST TOLL WAY RIGHT OF WAY, 912.48 FEET; THENCE NORTHERLY ALONG SAID RIGHT OF WAY LINE, 50.00 FEET; THENCE EASTERLY ALONG SAID LINE, 200.00 FEET; THENCE SOUTHERLY ALONG SAID LINE, 50.00 FEET; THENCE EASTERLY ALONG SAID LINE, 517.40 FEET TO A LINE DRAWN PARALLEL WITH AND 429.0 FEET WESTERLY OF THE EAST LINE (MEASURED AT RIGHT ANGLES THERETO) OF THE SOUTHEAST QUARTER OF SAID SECTION 1; THENCE NORTH ALONG SAID PARALLEL LINE, 990 FEET (MORE OR LESS) TO THE SOUTHERLY LINE OF A TRACT OF LAND CONVEYED TO NORTHERN ILLINOIS GAS COMPANY PER DOCUMENT NUMBER 892412; THENCE NORTHWESTERLY ALONG SAID SOUTHERLY LINE, 309 FEET (MORE OR LESS) TO AN ANGLE POINT IN SAID SOUTHERLY LINE; THENCE WESTERLY ALONG SAID SOUTHERLY LINE, 1338.09 FEET TO THE EAST LINE OF SAID LOT 2; THENCE SOUTHERLY ALONG SAID EAST LINE, 1210.12 TO THE POINT OF BEGINNING. ALL IN THE CITY OF AURORA, KANE COUNTY, ILLINOIS.

**EXHIBIT B**

**GENERAL STREET LOCATION**

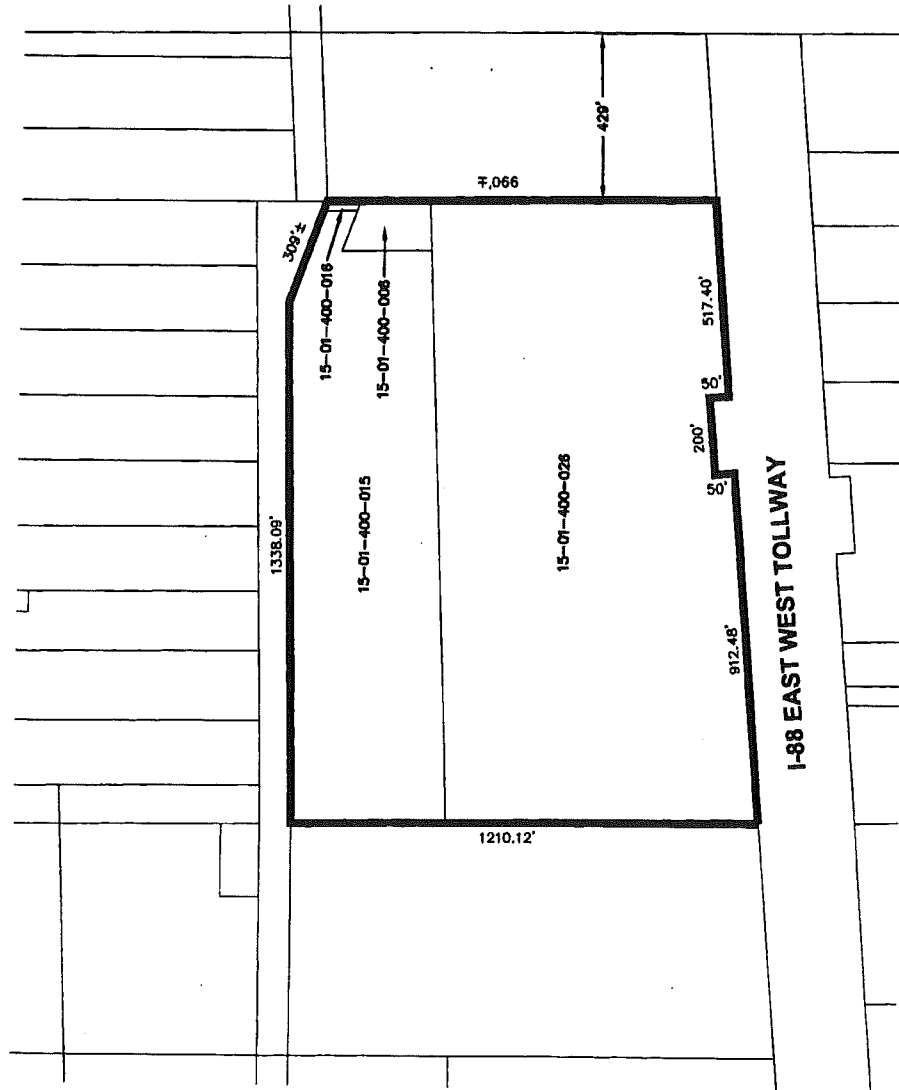
The proposed area is generally bounded by Sealmaster Drive on the west, Interstate-88 to the south, Forest Preserve to the east, and a Nicor utility easement to the north. Adjacent right-of-ways are also included.

**EXHIBIT C**

**MAP OF REDEVELOPMENT PROJECT AREA**

EXHIBIT 'C'

# CITY OF AURORA T.I.F. # 8



**Engineering Enterprises, Inc.**  
CIVIL ENGINEERS & LAND SURVEYORS  
52 Wheeler Road  
Sugar Grove, Illinois 60554  
630-466-6700 / www.eeinc.com



**EXHIBIT D**

**REDEVELOPMENT PLAN AND PROJECT**

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**CITY OF AURORA  
TIF REDEVELOPMENT PLAN  
PROPOSED EAST FARNSWORTH TIF DISTRICT NO. 8**

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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 as a "blighted area" or "conservation area" or combination thereof or "industrial park conservation area," and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended.**

**Prepared by the City of Aurora, Illinois**

**in conjunction with**

**Kane, McKenna and Associates, Inc.**

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**November, 2011**

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## I. INTRODUCTION

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The City of Aurora (the "City") is located in portions of four (4) counties including Will, Kane, DuPage and Kendall County, Illinois. It is an established community which is bordered by the municipalities of Naperville, Montgomery, Sugar Grove, North Aurora and Batavia.

In this report, the City proposes a Tax Increment Financing Redevelopment Plan to assist an area in overcoming a number of redevelopment barriers. Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of Aurora to conduct an analysis of the potential qualification and designation of the area as a Tax Increment Financing ("TIF") District, and to assist the City in drafting the TIF Redevelopment Plan.

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

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

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

**Community Background.** The City of Aurora was established in 1837. The municipality became a vibrant, fast growing suburban community, reaching a population of 197,899 according to the 2010 census data.

The City has a number of important assets that create an economically competitive environment for businesses and desirable location for residents. Because of its proximity to Chicago and nearby western suburbs, it has an excellent location and access to important amenities. The cities bordered by Naperville to the East, Montgomery to the South, Sugar Grove to the West and North Aurora to the North.



The City is accessible through five interchanges on the East/West Tollway Corridor. Corporate offices and commercial growth on the City's east and west sides continue to expand the City's boundaries. The boundary of the City stretches from Route 59 on the east to and beyond Orchard Road on the west. The Far East Side of the City includes the regional Westfield Shopping Center at Fox Valley (formerly known as Fox Valley Mall) and residential areas. According to the City, the far east side is projected to house 60,000 people within the next twenty years. The City extends into four counties, Kane, DuPage, Kendall and Will including six school districts and seven townships within the city limits. There are historic districts and a large number of individual landmark designations for many of the City's buildings.

The City is easily accessible from the neighboring suburbs and the City of Chicago via Interstate 88.

Despite its potential advantages, many parcels in the area are underutilized. The proposed TIF District as a whole suffers from a variety of economic development impediments as identified in the TIF Act, such as inadequate utilities and obsolescence. In comparison to the balance of City taxable value, the proposed TIF district property valuations have lagged behind the City's annual growth rates. The TIF Qualification Report (Section V) identifies other impediments to redevelopment.

The TIF area has the potential for redevelopment of certain underutilized properties. Such redevelopment would build upon locational advantages and established commercial uses. As such, the City has identified a number of objectives for redevelopment, with tax increment financing acting as a tool to achieve them. Please refer to Section III of this report for additional information about the goals, objectives and activities to support redevelopment.

**The Proposed TIF District.** The proposed RPA (the improved portion) consists of four (4) tax parcels and adjacent right of ways, and included within that area are two (2) vacant buildings. The proposed TIF District area is located adjacent to the City's TIF No. 2.

The proposed RPA includes industrial and commercial uses. The RPA is generally bounded by Sealmaster Drive to the west, Interstate-88 to the south, Forest Preserve property to the east, and the Nicor utility easement to the north. Adjacent right of ways are also included. The proposed TIF District suffers from a variety of economic development impediments, as identified in the TIF Act. For example, it suffers from obsolescence and excessive vacancies. Section V of the *TIF Eligibility Report* (see Appendix 5) report identifies the following impediments to redevelopment:

- Age (conservation area threshold)
- Lack of Community Planning
- Obsolescence
- Inadequate Utilities
- Excessive vacancies

- Deleterious Layout
- Deterioration

The combination of these factors limits the opportunities for private reinvestment within and around the RPA. Such factors potentially suppress the value of future development and weaken the potential for business growth – limiting employment and contributing to the lack of sustained investment in the area.

The RPA may be suitable for new development if there is coordination of uses and redevelopment activity by the City. Under this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the City intends to attract and encourage commercial and institutional uses to locate, upgrade, expand and/or modernize their facilities within the City. Through the establishment of the RPA, the City would implement a program to redevelop key areas within the City and in so doing, it would stabilize the area, extend benefits to the community, and assist affected taxing districts in the future.

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

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

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

- Enhancing area appearance through improvements to landscape, streetscape and signage;

- 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 and institutional opportunities and City redevelopment projects within the RPA and/or surrounding area;
- Coordinating land assembly in order to provide sites for redevelopment;
- Providing infrastructure that supports subsequent redevelopment plans for the RPA; and
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA.

Through this Plan, the City will serve as the central influence for the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits are expected to accrue to the area: entry of new businesses; new employment opportunities; and physical and aesthetic improvements. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing districts serving the RPA, (c) property owners within the RPA, and (d) existing and new businesses.

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

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- 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 development 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

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 would not result in the displacement of ten (10) inhabited residential units or more, and that the RPA contains fewer than seventy-five (75) inhabited residential units. Therefore, *this Plan does not include a Housing Impact Study.*

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

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

**II. RPA LEGAL DESCRIPTION**

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The Redevelopment Project Area legal description is attached in Appendix 1.

### **III. RPA GOALS AND OBJECTIVES**

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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 TIF District. These efforts would promote the achievement of land use objectives in the City's Comprehensive Plan.

**General Economic Development Goals of the City.** Establishment of the proposed RPA supports the following City-wide objectives included in the City's Comprehensive Plan that would directly determine future economic development activities and influence the parameters of future redevelopment projects.

**Specific Objectives and Strategies for the RPA.** The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would "drive" the redevelopment activities undertaken within the proposed RPA.

TIF designation would allow the City to pursue the following objectives within the RPA:

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

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

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

- Facilitating the preparation of improved and vacant sites, while assisting private developers who would assemble suitable sites for modern development needs;
- Coordinate site preparation to provide additional land for new 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;

- o Facilitating the provision of adequate parking within the RPA; and/or
- o Coordinating development in tandem with any transportation system upgrades to make the area more accessible.

To track success in meeting RPA-specific objectives and strategies, the City may wish to consider establishing certain performance measures that would help the City monitor the projects to be undertaken within the proposed RPA. The Government Finance Officers Association recommends that municipalities adopting TIF districts evaluate actual against projected performance (e.g., using metrics such as job creation or tax revenue generation). Exhibit 3 below identifies the types of performance measures the City may consider to track the performance of projects within the RPA. (Section VI of this report discusses the types of projects that the City may pursue within the RPA, with the caveat that specific projects at this point are only conceptual in nature.)

**Examples of TIF Performance Measures**

Measure	Examples
Input	Public investment (\$) Private investment (\$) Acres of land assembled for TIF Bond proceeds
Output/Workload	Jobs created or retained Number of streetscaping fixtures installed Commercial space created (square feet)
Efficiency	Leverage ratio (private investment / public investment) Cost per square foot of commercial space Public subsidies per job created/retained
Effectiveness	% change in assessed value (AV) in TIF versus AV in rest of City % change in AV within TIF before and after TIF creation Municipal sales taxes before and after TIF creation
Risk	Debt coverage ratio Credit ratings of anchor tenants Tenant diversification (e.g., percent of total TIF EAV attributable to top 10 tenants in commercial development)

Source: *An Elected Official's Guide to Tax Increment Financing*, Government Finance Officers Association.

#### **IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS**

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

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

**Assessment of Fiscal Impact on Affected Taxing Districts.** It is not anticipated that the implementation of this Plan will have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV). In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of reduced valuations.

Should the City achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the City will consider the declaration of "surplus funds," as defined under the Act. Such funds which are neither expended nor obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the City. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the City – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act.

An exception to the tax-sharing provision relates to the City's utilization of TIF funding to mitigate the impact of residential redevelopment upon school and library districts. In such cases, the City will provide funds to offset the costs incurred by eligible school and the library district in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. (Refer to Section VI of this Report, which describes allowable TIF project costs.)



## **V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA**

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

**Eligibility Survey.** Representatives of KMA and City staff evaluated the RPA from October 2010 to the date of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering consultants, Township Assessor, Kane County data, on-site due diligence, site surveys of the area and other sources. In KMA's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF District.

## **VI. REDEVELOPMENT PROJECT**

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**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:

- 1) Implementing a plan that provides for the attraction of users to redevelop underutilized land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
  - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with City standards);
  - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
  - Signalization, traffic control and lighting;
  - Off-street parking and public parking facilities; and
  - Landscaping and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation (any demolition activities would conform to City criteria for allowing demolition).
- 5) Exploration and review of job training programs in coordination with any City, federal, state, and county programs.

**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, acquisition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

### Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and 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

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites by the City. The City may facilitate private acquisition through reimbursement or write-down of related costs. Relocation may also be required and the City would conform to the provisions of 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:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems, roadways, and traffic-related improvements;
- Parking facilities (on grade and parking structures); and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

### Rehabilitation/Taxing District Capital Costs

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for 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. Certain taxing district capital costs may also be funded pursuant to the Act, if necessary, and as provided for in the Act.

### 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 and Library District Costs

The City may provide for payment of school district and library district costs as provided for in the Act relating to residential components assisted through TIF funding.

**General Land Use Plan.** As noted in Section I of this report, the proposed RPA currently contains primarily industrial/commercial uses.

Existing land uses are shown in Appendix 3 attached hereto and made a part of this Plan. Appendix 4 designates intended land uses in the Redevelopment Project Area. Future land uses are expected to be commercial/retail, hotel and institutional uses and will conform to the Zoning Ordinance and the *Comprehensive Plan* as either may be amended from time to time.

**Additional Design and Control Standards.** The appropriate design standards (including any Planned Unit Developments) as set forth in the City's Zoning Ordinance and/or *Comprehensive Plan* shall apply to the RPA.

**Eligible Redevelopment Project Costs.** Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement "Redevelopment Project Costs," are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* -- Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and

after November 1, 1999 (the effective date of Public Act 91-478), 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 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;

- The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
  - 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 project area or approved a redevelopment plan;
  - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – Costs including but not limited to acquisition of land and other property (real or personal) or rights or interests therein, demolition of buildings, site preparation, 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;
- (3) *Improvements to Public or Private Buildings* – Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- (4) *Public Works* – Costs of the construction of public works or improvements, 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 November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provides the 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;

- (5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) *Financing Costs* – 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 hereunder including (a) interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter and (b) reasonable reserves related thereto;
- (7) *Capital Costs* – To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- (8) *School-Related Costs* – 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.<sup>1</sup> Certain library district costs may also be paid as provided for in the Act.

<sup>1</sup> The calculation is 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 the 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 the 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 the 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

- (9) *Relocation Costs* – To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in lieu of taxes*;
- (11) *Other Job Training* – Costs of job training, retraining, 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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality 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 the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of The School Code;
- (12) *Developer Interest Cost* – Interest cost 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 redeveloper 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 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

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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 districts, 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 the Act; (ii) for elementary school districts, 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 the 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) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

- 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) of paragraph 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. 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).<sup>2</sup>

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs 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.<sup>3</sup>

<sup>2</sup> 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) of paragraph (11) 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.

<sup>3</sup> 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, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.



**Projected Redevelopment Project Costs.** Estimated project costs are shown in Exhibit 4 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.

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

**RPA Project Cost Estimates**

<b>Program Actions/Improvements</b>	<b>Estimated Costs</b>
Land Acquisition, Relocation and Site Preparation, Including Environmental Remediation, Demolition, and Site Grading	\$21,000,000
Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements) and Parking Facilities and Parking Structures	14,000,000
Rehabilitation of Existing Structures	500,000
Interest Costs Pursuant to the Act	5,000,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing)	4,500,000
Job Training	500,000
Statutory School and Library District Payments	250,000
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b>\$45,750,000</b>

**Notes:**

- (1) All project cost estimates are in 2011 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 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.

**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 (contiguous RPAs include areas separated only by a public right of way or forest preserve property, all as set forth in the Act). This would include contiguous TIFs that the City may establish in the future. (Conversely, incremental revenues from TIF 8 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 Council, 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 2010 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 later than December 31 of the year in which payment to the municipal Treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the 23<sup>rd</sup> calendar year after the year in which the ordinance approving the RPA is adopted. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

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

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

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

**Most Recent Equalized Assessed Valuation for the RPA.** It is anticipated the estimated Base EAV for establishment of the RPA will be the (2010) EAV and the 2010 EAV is estimated to be \$2,002,884.

**Anticipated Equalized Assessed Valuation for the RPA.** Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA would increase to approximately \$45,000,000 to \$50,000,000 depending upon market conditions and the scope of the redevelopment projects.

## 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 sites by the City, with relocation costs undertaken as provided by the Act. 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 site for desired redevelopment projects.
- Rehabilitation: The City may assist in the rehabilitation of buildings 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.
- 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 and Library District Costs: Provide for the payment of such costs 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 Affirmative Action.** As part of any Redevelopment Agreement entered into by the City and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race or creed. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs, and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

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

**VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT**

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

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*TIF No. 8 Redevelopment Plan  
Aurora, Illinois*

**APPENDIX 1**

**Legal Description of Project Area**



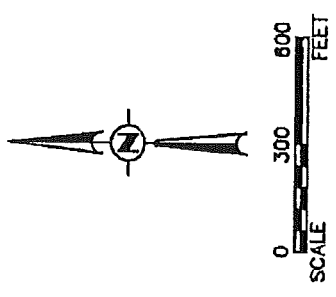
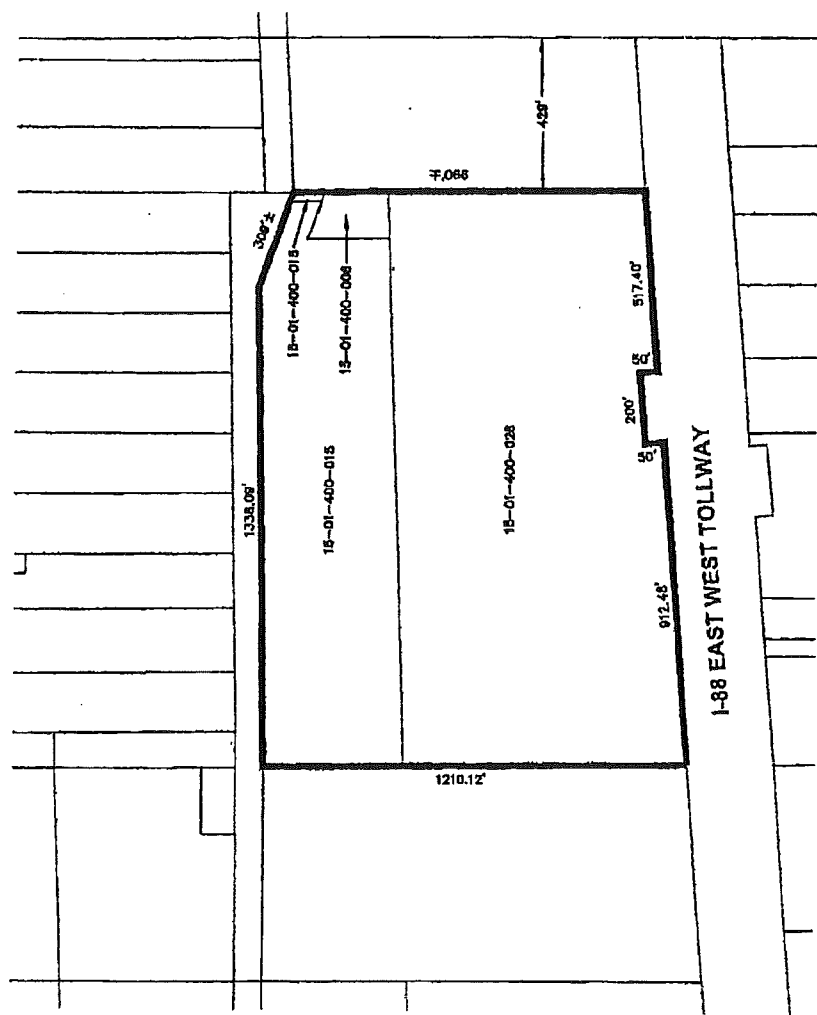
LEGAL DESCRIPTION

THAT PART OF SECTION 1 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 SOUTHEAST CORNER OF LOT 2 IN CHICAGO PREMIUM OUTLETS SUBDIVISION; THENCE EASTERLY ALONG THE NORTHERLY LINE OF THE I-88 EAST WEST TOLL WAY RIGHT OF WAY, 912.48 FEET; THENCE NORTHERLY ALONG SAID RIGHT OF WAY LINE, 50.00 FEET; THENCE EASTERLY ALONG SAID LINE, 200.00 FEET; THENCE SOUTHERLY ALONG SAID LINE, 50.00 FEET; THENCE EASTERLY ALONG SAID LINE, 517.40 FEET TO A LINE DRAWN PARALLEL WITH AND 429.0 FEET WESTERLY OF THE EAST LINE (MEASURED AT RIGHT ANGLES THERETO) OF THE SOUTHEAST QUARTER OF SAID SECTION 1; THENCE NORTH ALONG SAID PARALLEL LINE, 990 FEET (MORE OR LESS) TO THE SOUTHERLY LINE OF A TRACT OF LAND CONVEYED TO NORTHERN ILLINOIS GAS COMPANY PER DOCUMENT NUMBER 892412; THENCE NORTHWESTERLY ALONG SAID SOUTHERLY LINE, 309 FEET (MORE OR LESS) TO AN ANGLE POINT IN SAID SOUTHERLY LINE; THENCE WESTERLY ALONG SAID SOUTHERLY LINE, 1338.09 FEET TO THE EAST LINE OF SAID LOT 2; THENCE SOUTHERLY ALONG SAID EAST LINE, 1210.12 TO THE POINT OF BEGINNING. ALL IN THE CITY OF AURORA, KANE COUNTY, ILLINOIS.

**APPENDIX 2**

**Boundary Map of Proposed RPA**

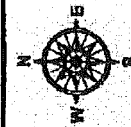
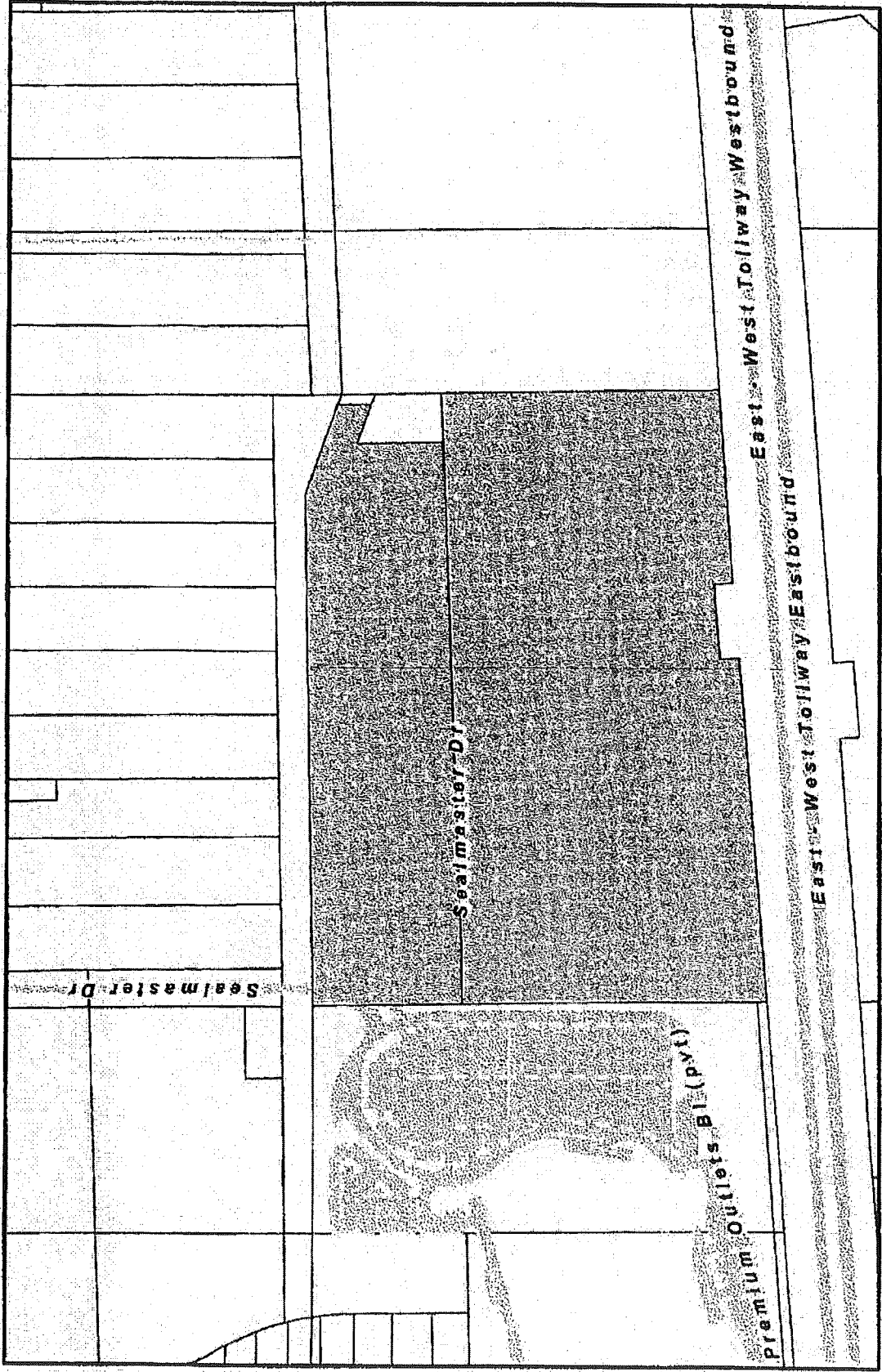
EXHIBIT "A"  
CITY OF AURORA T.I.F. # 8



**Engineering Enterprises, Inc.**  
CIVIL ENGINEERING & LAND SURVEYORS  
52 Wheeler Road  
Sugar Grove, Illinois 60554  
630.465.700 / www.eehw.com



**APPENDIX 3**  
**Existing Land Use Map of RPA**



Not To Scale  
Prepared By: The City of Aurora, MIS, DH

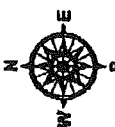
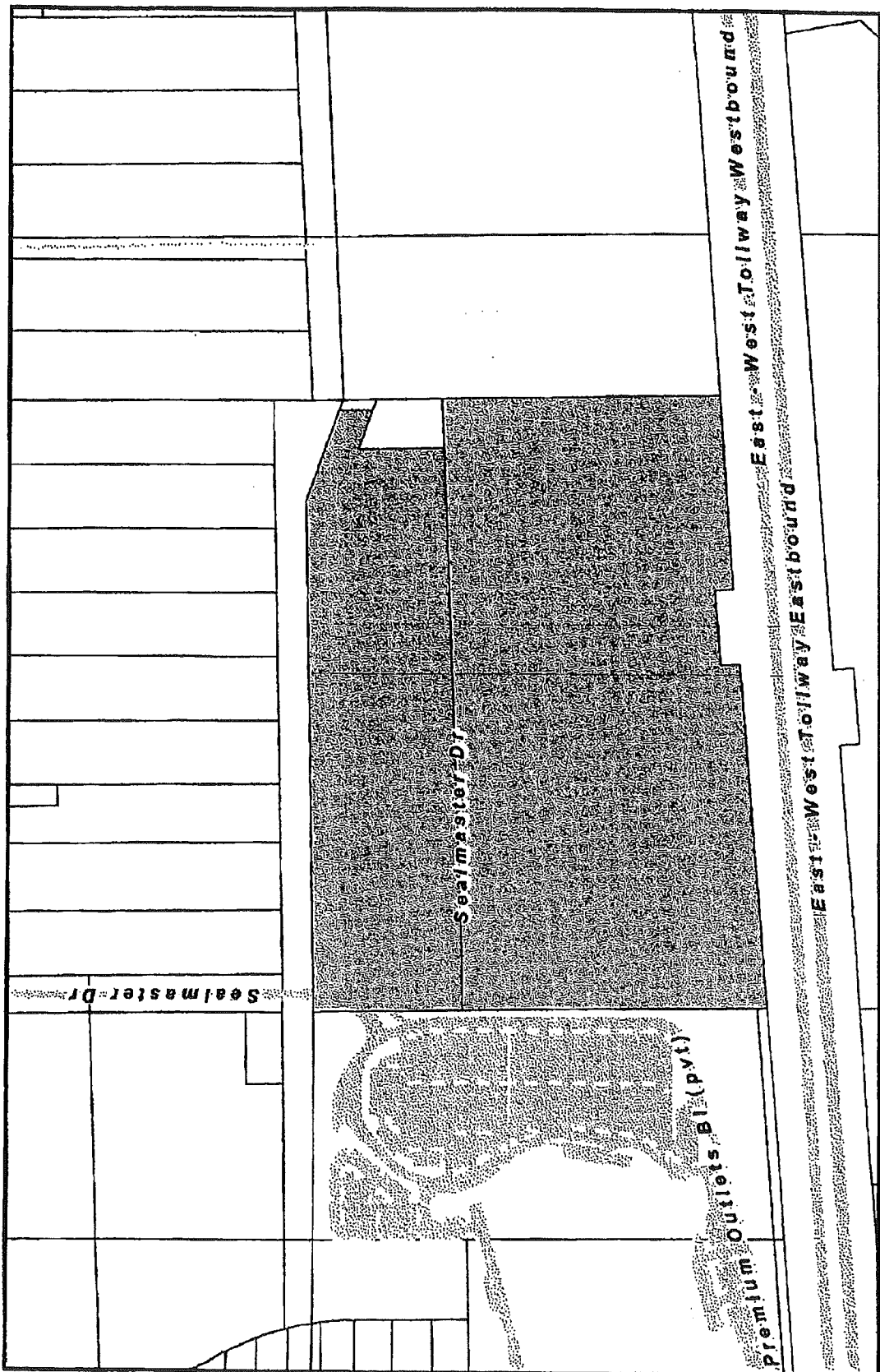
**Proposed Aurora Tax Increment Financing  
District #8 (East Farnsworth Area)  
Proposed Land Use**

**Mixed Use (Retail, Inst & Hotel)**

Date: 8/19/2011 Time: 8:42:11 AM

**APPENDIX 4**

**Future Land Use Map of RPA**



Prepared By: The City of Aurora MIS Div.

Not To Scale

**Proposed Aurora Tax Increment Financing  
District #8 (East Farnsworth Area)  
Proposed Land Use**

Mixed Use (Retail, Inst & Hotel)

Date: 8/19/2011 Time: 8:42:11 AM

**APPENDIX 5**

**TIF Qualification Report**

*Prepared by Kane, McKenna and Associates*



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**CITY OF AURORA  
TIF QUALIFICATION/DESIGNATION REPORT  
PROPOSED EAST FARNSWORTH TIF DISTRICT NO. 8**

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**A study to determine whether certain properties qualify as a "conservation area" as set forth in the definitions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.**

**Prepared For: City of Aurora, Illinois**

**Prepared By: Kane, McKenna and Associates, Inc.**

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**November, 2011**

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**EXHIBIT 1: Parcel Information**

**EXHIBIT 2: Boundary Map**

## I. INTRODUCTION AND BACKGROUND

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The purpose of this Eligibility Report is to identify the criteria for establishing a Redevelopment Project Area ("RPA") by means of "blighted area" and "conservation 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 within the boundaries legally described in Exhibit 1 and in the map attached hereto as Exhibit 2 (the "RPA"), the City of Aurora (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 (the "TIF"). Kane, McKenna and Associates, Inc. ("KMA"), has agreed to undertake the study of the RPA.

The RPA is generally bounded by Sealmaster Drive facility to the west, Interstate-88 to the south, Forest Preserve property to the east, and the Nicor utility easement to the north. Adjacent right of ways are also included.

The qualification factors discussed within this Report qualify 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 et. seq., as amended.

The entire RPA also possesses the need for infrastructure improvements. In order to accommodate new or increased uses within the area, upgrades of sewer services may be needed. The area's roadways, walkways and ingress and egress also need improvement if new mixed-use commercial, retail, and institutional developments are to occur. The City believes that a TIF District designation will be essential as part of the strategy to address these issues.

## OBJECTIVES

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

1. Encourage mixed-use commercial, retail, and institutional development by facilitating the assembly, preparation and marketing of improved and vacant sites, and assisting private developers to assemble suitable sites for modern development needs;
2. Foster the replacement, repair, and/or improvement of infrastructure, where needed, including streets, curbs, gutters and underground water and sanitary systems in order to facilitate redevelopment;
3. Maximize redevelopment adjacent to Bilter Road and facing Interstate 88.
4. Develop the area in relationship to the traffic system for improved accessibility to the area.
5. Coordinate redevelopment efforts with adjacent uses including the Premium Outlet Mall thus enhancing the redevelopment potentials.

Given City goals for this 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 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 tax revenues associated with the RPA and to increase the community's 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 conditions detrimental to successful redevelopment of the area.

The use of 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 compared to the previous 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

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With the assistance of City staff, KMA examined the RPA from October, 2010 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 refers 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.



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

---

The RPA is generally bounded by Sealmaster Drive to the west, Interstate-88 to the south, Forest Preserve property to the east, and the Nicor utility easement to the north. Adjacent right of ways are also included.

The RPA is located adjacent to the City's TIF No. 2.

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

#### IV. METHODOLOGY OF EVALUATION

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

1) Site surveys of the RPA were undertaken by representatives from KMA. 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 2004 through 2010 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 2004 through 2010 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, 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 KMA'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.

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	5* <ul style="list-style-type: none"> <li>• Inadequate Utilities</li> <li>• Lack of Community Planning</li> <li>• Excessive Vacancies</li> <li>• Deterioration</li> <li>• Obsolescence</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 following factors apply to the improved tax parcels.

**1) Age**

"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":

Two (2) of the two (2) industrial structures are 35 years old or greater based upon Aurora Township Assessor's data. One hundred percent (100%) of the structures are found to be 35-years of age or older.

**2) 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”.

Any proposed reuse of the former Sealmaster facilities or adjacent properties require improved traffic circulation, and integration to commercial/retail uses with existing or proposed traffic and roadway improvements. Redevelopment activities will need to be coordinated in conformance with the City’s Subdivision Control Ordinance since all lots need to abut a publicly dedicated right of way. Access relating to any reuse of the former Sealmaster facility 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.

The area as a whole demonstrate 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, and the age of the vacant industrial structures all reinforce the fact that the area was developed without benefit of modern, comprehensive community planning. Industrial uses border residential uses and coordination between such uses needs review.

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 and residential uses located along Bilter Road.

### *3) Obsolescence*

Obsolescence is defined as the condition or process of falling into disuse. This can also be defined as a structure(s) that has become ill-suited for its original use.

The former Sealmaster facility within the RPA have exhibited signs of functional and economic obsolescence due to age and other market factors.

The former Sealmaster facility represents a large portion of the RPA area other portions of the area suffer from poor design and layout due to development outside of the City’s planning jurisdiction as well as limited marketplace re-use. Because of these factors, the area’s overall usefulness and desirability for redevelopment is significantly limited for modern day redevelopment. Also, all of the buildings were found to be 35 years of age or older.

#### 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.

##### Sealmaster Drive

Sealmaster Drive is a private driveway with a rural section. If the access would serve as a primary driveway for future development, it would need improved drainage along the ditch and would likely need full road improvements.

##### Traffic Signals

A future traffic signal on Bitler Road may be warranted at the intersection of the extension of Gingerwoods Drive and the future access for the development of the vacant property south of Bitler Road. To limit access onto the future 4 lane Bitler Road it would be best to relocate existing Sealmaster Drive to his intersection, which would further support warrants for a traffic signal.

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##### Watermain System

Existing watermain is on Bilter Road, Sealmaster Drive and looped around the existing Emerson/Sealmaster Property. However this section of watermain has evidenced breaks on a number of occasions between Bilter Road and Premium Outlet Mall and should be completely removed and replaced with a 16" watermain.

There is an existing City well house located just south of the Nicor right of way and near the east side of the proposed TIF. Access and security must be maintained on the well site as part of any development. The well house exterior may need to be upgraded to provide better aesthetics.

Existing 14" watermain along the north side I-88 along Sealmaster Property (15-01-400-026) has required emergency repair on several occasions and should be removed and replaced or abandoned.

As part of the redevelopment of the properties within the TIF and potentially as part of the upgrade to the above watermain system, another I-88 crossing would provide a secondary connection in addition to Bilter Road and would increase the fire protection and water quality for not only the TIF, but all the existing White Oak Business Park south of I-88.

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

#### Drainage/Floodplain

Several properties adjacent to the TIF have poor drainage due to deteriorated field tiles or lack of overland conveyance. These poor draining areas likely contain wetlands and are generally north of the Nicor right of way on the east and west sides of the proposed RPA according to the Kane County GIS Advanced Identification (ADID) study completed as a joint effort with US EPA, Northeastern Illinois Plan Commission and US Fish and Wildlife. Wetland areas within the TIF would require mitigation through Army Corp of Engineers or Kane County depending on the jurisdiction.

The Sealmaster property was either developed outside the Village prior to annexation or developed prior to modern stormwater ordinances. Therefore properties have inadequate stormwater management that does not meet current standards and contributes further to the poor drainage within the proposed TIF area.

Due to the lack of an adequate storm sewer system, the development of Gingerwoods Unit 2 installed a stormwater pump station to convey the discharge out of the detention basins located at the existing end of Gingerwoods Drive. With the extension of ~~Gingerwoods Drive, the storm sewer system could also extend south and allow for the~~ decommissioning of the storm water pump station.

Any storm sewer trunks installed to convey upstream area as discussed with the stormwater pump station decommission or onsite TIF area will have to cross the existing Nicor gas mains and the existing Fox Metro sanitary sewer. Grade conflicts may occur that could necessitate lowering existing gas mains to allow for a positive drainage outlet to Selmartin Creek.

The headwaters of Selmartin Creek run through a series of lakes located within the Big Woods DuPage County Forest Preserve and the last of these lakes is located east of the proposed RPA. The Creek runs along the south side of the former Sealmaster property and then crosses underneath I-88 and continues south and west of the RPA. Consequently, this parcel is encumbered by regulatory floodplain and floodway along the east, south and west sides. The existing Sealmaster building is currently outside the limits of the floodplain. Any filling of the floodplain would be required to compensate the lost floodplain volume at 1.5 times the fill volume. As a result, based upon redevelopment options, compensatory storage requirements may require off site detention or other coordinated provisions to address redevelopment. The floodplain area around the creek likely contains wetlands that may need to be mitigated or provide an adequate buffer.

### 5) *Excessive Vacancies*

"Excessive vacancies" refers to "the presence of buildings that are unoccupied or underutilized, and that represent an adverse influence in the area because of the frequency, extent or duration of vacancies". The former Sealmaster facility consists of over 290,000 s.f. of building space and over 40 acres of land area. The entire facility has been vacant for approximately 36 months and the manufacturing portion of the facility has been vacant for approximately 60 months. The facility occupies a prominent location adjacent to Interstate 88. The special use nature of the building and a continued weakness in the local real estate market represent concerns for long term re-occupancy and reuse of the facility.

### 6) *Deterioration*

#### Surface Improvements:

The TIF Act indicates that deterioration may be present: "With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces".

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Cracked or damaged parking surfaces are found throughout the RPA. Parking spaces also require restriping. Other deteriorated improvements exhibit:

- potholes, cracked/damaged pavement in parking lots and parking areas
- driveways and entry areas require repair

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

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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. The RPA qualifies 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 KMA, provide the City with sufficient justification to consider designation of the RPA as a TIF District.

The area has not benefited 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 KMA, provide the City with sufficient justification to consider designation of the subject area as a TIF District.



**EXHIBIT 1**

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**Parcel Information**

City of Aurora  
TIF #  
EAV Analysis

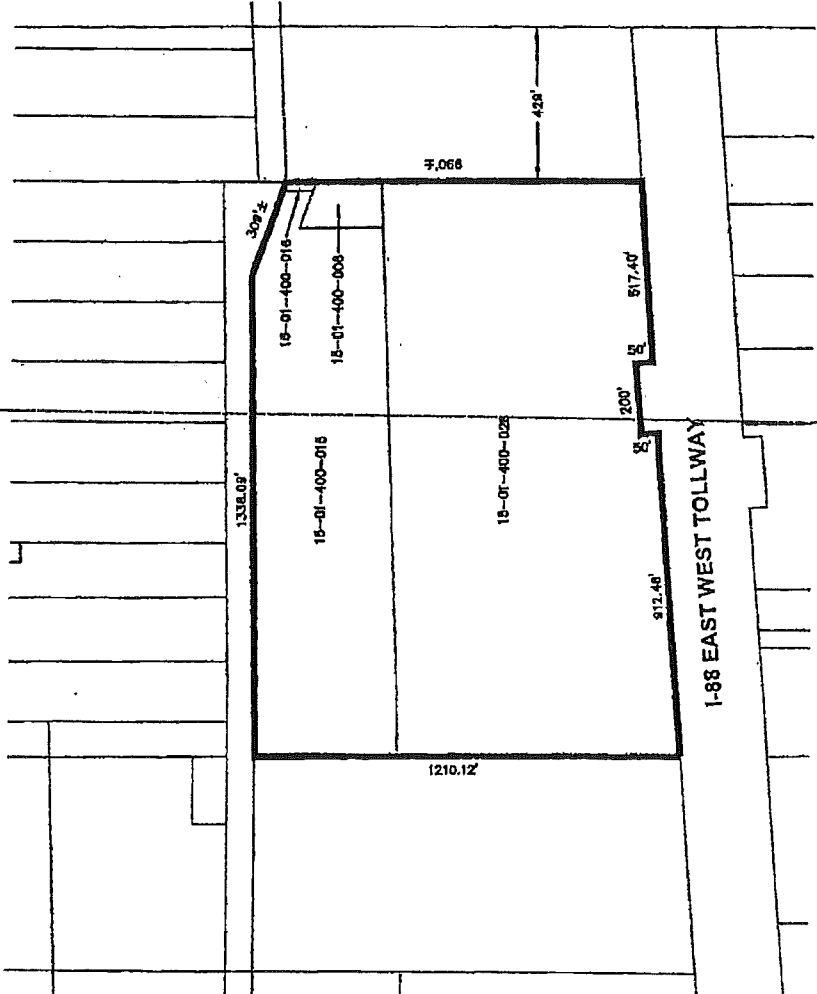
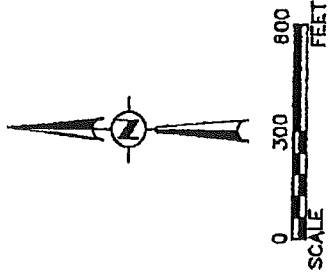
	PIN	Tax Code	Class	2010 EAV	2018 EAV	2007 EAV	2008 EAV	2009 EAV	2004 EAV
1	15-01-400-008	AU-041	8000	example 481,953	example 489,629	example 552,202	example 403,600	example 307,145	example 217,805
2	15-01-400-016	AU-041	8080	example 1,021,221	example 1,432,392	example 1,347,927	example 1,542,388	example 1,175,405	example 1,574,438
3	15-01-400-019	AU-041	8000						
4	15-01-400-028	AU-041	0060						
<b>Total</b>				2,002,864	3,855,011	3,700,128	3,084,988	1,482,631	1,662,241
percentage increase/decrease				6.20%	-3.24%	5.52%	7.65%	-28.39%	
City of Aurora EAV				3,938,145,740	4,187,066,396	4,013,671,289	3,708,889,011	3,451,711,838	3,188,806,427
Balance of City EAV				3,937,130,956	4,186,192,388	4,011,871,140	3,708,404,442	3,450,228,304	3,188,964,188
percentage increase/decrease				-6.93%	-0.80%	8.16%	7.48%	8.46%	

**EXHIBIT 2**

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**Boundary Map**

EXHIBIT "A"  
CITY OF AURORA T.I.F. # 8



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