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**CITY OF AURORA, ILLINOIS  
LINCOLN AND WESTONTIF DISTRICT  
REDEVELOPMENT PLAN**

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**Prepared By:**

**City of Aurora, Illinois  
&  
Kane, McKenna and Associates, Inc.**

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## **I. Introduction**

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

The Bardwell neighborhood is located adjacent to the City’s central business district and developed predominantly as a residential area early in the City’s history. The eclectic mix of Victorian-era residential architectural styles led to the designation of parts of the northern portion of the neighborhood as the Near Eastside local historic district in 1981. Today, the neighborhood is still characterized predominantly by older one or two family residential uses.

Institutional uses (e.g. schools, churches, parks, etc.), many also historic in nature, are dispersed across the Bardwell neighborhood. The “Old Copley Hospital” site, in conjunction with the adjacent Bardwell Elementary School, act as the core of the Bardwell neighborhood due to their central location in the community.

As may be intimated by its central location in the historic Bardwell neighborhood, the Old Copley Hospital site has played an important role in the City of Aurora’s history. The City was originally incorporated in the early 1800s and experienced significant growth in the middle and late portion of that century. As the City grew, the need for medical services and a dedicated hospital increased. The Aurora Hospital Association was incorporated in 1886 to provide for such a hospital. The organization successfully constructed the City of Aurora’s first purpose-built hospital in 1888 within the Study Area.

The City of Aurora Hospital grew in tandem with the City itself. Major expansions to the original 1888 hospital occurred in 1916, 1932, 1947, 1957, 1970 and 1980. The 1930s expansion was financed by Col. Ira C. Copley, a local resident and namesake of the site. Many of the expansions were designed by the historically significant architectural firm Schmidt, Garden and Erikson. The firm’s involvement with the site helped lead to its recent designation as a historic place on the United State Department of the Interior’s National Register of Historic Places.

Copley Hospital continued to operate until 1995 when it relocated from its original site to another location in the City. Following the vacation of the property, structures and surface improvements began to fall into disrepair due to neglect and lack of maintenance. Despite being secured, trespassers frequently visited the site and were exposed to unsafe conditions including the presence of environmentally hazardous material. Recognizing the need to redevelop the central and historically-significant complex, the Study Area has featured heavily in prior City planning efforts -most notably in the Bardwell Neighborhood Action Plan (2003). Despite these efforts, the site has remained vacant to the time of the drafting of this report.

In the late 2010s, Fox Valley Developers, LLC, a local real estate development firm, began pursuing redevelopment of the site in partnership of the City of Aurora. Redevelopment was proposed to include a variety of uses including medical offices, senior living facilities and administrative offices for a local school district. At the time of drafting of this plan, Phase 1 of

redevelopment, consisting principally of the remediation of hazardous materials from the site, has been completed. This plan is prepared principally to facilitate additional phases of redevelopment.

Given the existing conditions of the site and its prolonged vacancy, the City has determined that the area as a whole would not be redeveloped in a coordinate manner without the adoption of a Tax Increment Financing Redevelopment Plan. The City, with the assistance of Kane, McKenna and Associates, Inc. (KMA), has commissioned this Redevelopment Plan to use tax increment financing in order to alleviate those conditions which deter private investment in the area and meet redevelopment goals and objectives.[ End copy here]

### **A. Overview of Tax Increment Financing (TIF)**

Tax Increment Financing (TIF) is an economic development tool which uses future tax revenues to finance redevelopment activity. In the State of Illinois an area can be designated as a TIF district if it faces certain impediments to redevelopment. At the time of designation the equalized assessed value of tax parcels within the boundaries of the district are “frozen” for the term of the TIF district. Taxing jurisdictions that overlap that district continue to receive property taxes, but those revenues are limited to those based on the “frozen” equalized assessed values. Any property tax revenue generated from increases in equalized assessed value relative to the frozen values are deposited in a special tax allocation fund. This revenue is then used to finance redevelopment activities within the district to accomplish various community and economic development goals.

### **B. The Redevelopment Plan**

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et. seq., as amended (the “TIF Act” or “Act”) enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas” (65 ILCS 5/11-74.4-2(b)).

To establish a TIF district (“Redevelopment Project Area” or “RPA), Illinois municipalities must adopt several documents including a Redevelopment Plan and an Eligibility Report. A Redevelopment Plan is any comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions 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 TIF Act.

The City has authorized KMA to study the RPA in relation to its qualification as a TIF district under the TIF Act, to prepare a TIF District Eligibility Report for the RPA and to prepare a Redevelopment Plan for the RPA.

### **C. Findings Pursuant to the TIF Act**

It is found and declared by the City through legislative actions as required by the Act that:

1. The Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this redevelopment plan;
2. The Redevelopment Plan and Project conform to the City of Aurora's Comprehensive Plan (1984) which guides development of the City as a whole.

## **II. Redevelopment Project Area**

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### **A. Redevelopment Project Area (RPA) Summary**

The RPA is located in the central southeastern Bardwell neighborhood of the City of Aurora, Illinois. Land uses in the neighborhood are predominantly residential and institutional.

The RPA is comprised of tax parcels collectively known as the “Old Copley Hospital” site. The RPA is roughly bound by South Avenue and Weston Avenue to the north, South 4<sup>th</sup> Street to the east, Seminary Avenue to the south and South Lincoln Avenue to the west.

The Study Area contains 35 tax parcels and is approximately 12 acres in size.

Please see Appendix A of Exhibit 3 for a list of the tax parcels included in the RPA and Exhibit 1 for a visual depiction of the RPA.

### **B. Legal Description of Redevelopment Project Area**

The Redevelopment Project Area legal description is attached as Exhibit 2.

### III. Redevelopment Goals & Objectives

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#### A. City Goals

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

An important underlying planning document is the City of Aurora’s Comprehensive Plan (1984) (the “Comprehensive Plan”) which, as an element of the planning process, describes the overall vision for the City and is the foundation for City initiatives. This planning document influences all other City planning processes including those related to TIF. The below Table 1 summarises goals in the Comprehensive Plan that are applicable to the RPA.

**Table 1.** Comprehensive Plan Goals Applicable to Redevelopment Project Area

<b>Element</b>	<b>Goal/Policy (or Policies)</b>
Urban Form and Function	- Provide for orderly, balanced and efficient growth and redevelopment; Protect and enhance those assets and values that establish the desirable quality and general livability of the City; Promote the City’s position as a regional center
Land Use Interrelationships	-Plan and provide for the integration of land use patterns and functions that promote complementary interactions -Encourage residential development in close proximity to places of work, shopping and recreation -To protect residential development from the negative effects of high volume traffic corridors and incompatible land uses
Enhancement of the Urban Environment	-Foster future growth in the City that does not contribute to deterioration in either existing developments or a reduction in the City’s ability to provide adequate services -Promote the preservation and revitalization of older residential neighborhoods and commercial areas within the City -Protect, preserve and restore the historical and architectural heritage of the City -Encourage quality site design throughout the City -Provide for visual enhancement through attractive landscaping, quality signage and diverse building design and arrangement
Housing & Neighborhood	-Promote access to housing opportunities for all economic, racial, religious, ethnic and age groups -Recognize the unique characteristics of individual neighborhoods and promote their positive attributes -Encourage the adaptive reuse of commercial structures to housing where such conversions are economically feasible, supportive of revitalization efforts and consistent with the land use plan
Economic Development	-Coordinate and actively support sound business and industrial development and expansion within the City through public and private programs -Promote the location and expansion of commercial activities within the City consistent with the Comprehensive Plan

Source: City of Aurora Comprehensive Plan (1984).

Implementation of the Redevelopment Project will facilitate the accomplishment of these and other goals described in the Comprehensive Plan. It is further expected that the Redevelopment Project

will return the RPA to economically productive use; thus accomplishing the City's general goals regarding enhancing and strengthening the City's tax base.

## **B. Redevelopment Project Area Goals & Objectives**

Prior planning efforts in relation to the RPA, in addition to the Comprehensive Plan, include the Bardwell Area Neighborhood Action Plan (2003) (the "Subarea Plan"). The focus of this Subarea Plan is on the Bardwell neighborhood as a whole and emphasizes the RPA due to its central location within the neighborhood (See Figure 1).

The sizable positive impact the Redevelopment Project will have on the surrounding neighborhood is highlighted by the first component of the Subarea Plan's vision statement; that is, "a redeveloped Copley Hospital site". Indeed, the RPA was identified as a threat to the community in its existing state, but as a strength due to its redevelopment potential. The size and centrality of the RPA offers an opportunity to advantage multiplier effects from redevelopment which may alleviate other adverse conditions within the neighborhood. The Subarea Plan recognizes this potential in noting,

*"The redevelopment of the Copley Hospital site is one of the highest priorities of the neighborhood. As one member of the Leadership Team described the site, 'If Copley were redeveloped, all of these problems would take care of themselves.' The existence of a potentially re-activated Copley site and Bardwell Elementary immediately adjacent to one another in the center of a neighborhood creates a core area that becomes the 'heart' of the neighborhood."*

Given the potential community benefits that may be gained from redevelopment of the RPA, efforts should be made to obtain the following goals for the RPA:

1. Reduce or eliminate those adverse impacts described in the TIF Eligibility Report which deter private investment in the RPA
2. Return underutilized property located within the RPA to productive use and strengthen and enhance the City's tax base
3. Provide for high-quality development within the RPA that facilitates community and economic development goals
4. Accomplish redevelopment of the RPA over a reasonable time period

These goals may be accomplished by pursuing the following objectives for the RPA:

1. Promotion of the redevelopment of underutilized property located within the RPA
2. Provision for the assembly or coordination of private and public property for viable redevelopment projects
3. Improvement of existing rights-of-way and infrastructure including, but not limited to roadways, streetscape, traffic signalization and parking improvements



4. Provision of necessary site preparation including, but not limited to, grading, demolition and environmental remediation
5. Provision of public investment that improves the physical condition and visual aesthetic of the area including those in the public realm (e.g. streetscaping) and the private realm (e.g. facades and signage)

These objectives may be pursued independently by the City or in private partnership by entering into redevelopment agreements in order to redevelop existing property or induce new development to locate within the RPA.

## **IV. Evidence of Lack of Development and Growth**

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### **Eligibility Report**

The RPA's qualification under the TIF Act was evaluated by representatives of KMA from August 2019 to the date of this draft report. Analysis was aided by certain reports obtained from the City and other sources. Only information which would directly aid in the determination of eligibility for a TIF district was utilized.

The reported results of this evaluation are attached as Exhibit 3 of this Redevelopment Plan and Project.

### **Findings**

As found in Exhibit 3 of this Redevelopment Plan and Project, the RPA has suffered from certain impediments to redevelopment. The area has been burdened with a lack of significant private investment and/or development. As a result, the RPA is not likely to experience significant development and growth without the use of City resources.

Those factors which evidence lack of development and growth in the RPA are; (i) the presence of a deleterious land use or layout; (ii) a lack of community planning; (iii) the presence of excessive vacancies; (iv) the presence of deterioration; (v) the presence of obsolescence; and, (vi) the incurment of environmental clean-up costs. Please see Exhibit 3 for details regarding these qualifying factors.

## **V. Assessment of Fiscal Impact on Affected Taxing Districts**

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It is anticipated that the implementation of this Redevelopment Plan and Project will have a positive financial impact on the affected taxing districts. Any actions to be taken by the City to enhance its tax base through the implementation of this Redevelopment Plan and Project are expected to also have a positive impact on the other affected taxing districts.

Outside of the City itself, it is anticipated that the RPA will require no increased services from any affected taxing districts. Strategies will be encouraged to promote growth via private investment within the area, while specific objectives will be geared toward stabilizing the RPA's existing strengths and revitalizing the RPA's redevelopment potential.

Should the City achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the City will consider the declaration of sufficient surplus funds (which funds are neither expended nor obligated) as provided by the TIF Act, to assist affected taxing districts in paying the costs for the increased services.

Any surplus funds that may exist will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts including the City. Prior to any surplus disbursement, all TIF eligible costs either expended or incurred as an obligation by the City will be duly accounted for through the administration of the Special Tax Allocation Fund to be established by the City as provided by the TIF Act.

Any impacts to school district are expected to be addressed through the utilization of payments provided by the TIF Act in connection with residential projects receiving TIF funding. Please see Section VI (D) of this report for more information regarding these payments.

## **VI. Housing Impact Study**

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The RPA was studied in order to determine if a housing impact study would need to be conducted pursuant to the TIF Act.

A housing impact study is not required to be completed because the City will certify that it will not displace ten or more residential units and that the RPA contains less than 75 inhabited residential units.

If later the City does decide that it is necessary to dislocate ten or more residential units or add 75 or more inhabited residential units, then the City must complete a housing impact study and amend this Redevelopment Plan and Project herein.

## **VII. Redevelopment Project**

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### **A. Redevelopment Activities**

The City will implement a coordinated program of actions, including, but not limited to, the following actions:

Land Assembly: Property within the RPA may be acquired, assembled and reconfigured into appropriate redevelopment sites.

Site Preparation, Clearance, and Demolition: Property within the RPA may be improved by site clearance, excavation, regrading, environmental remediation or demolition.

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.

Public Improvements: Public improvements within the RPA may be provided or repaired to support the Redevelopment Plan and Project. Examples of such public improvements may include, but are not limited to: (i) public utilities and infrastructure including roadways, water mains, sanitary sewer systems and storm sewer systems; (ii) public parking facilities; (iii) stormwater management and detention facilities; (iv) landscaping, lighting, traffic signalization; signage; and other improvements to the streetscape.

Rehabilitation: Rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conformance to City code provisions. Improvements may include commercial signage upgrades, exterior and facade related work as well as interior related work.

Interest Rate Write-Down: Entering into agreements with property owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on annual basis out of the Special Tax Allocation Fund of the RPA, in accordance with the Act.

School Tuition & Library Costs: Funding school tuition and library costs as provided for by the TIF Act.

Job Training: Assisting facilities and enterprises located within the RPA in providing job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to; federal programs, state programs, applicable local vocational educational programs including community college sponsored programs and other federal, state, county or non-profit operated programs that are available or will be developed and initiated over time.

### **B. General Land Use Plan**

Existing land uses consist of residential and institutional uses. Existing land uses are shown in Exhibit 4, attached hereto and made a part of this Redevelopment Plan.

Intended land uses in the RPA consist of residential, commercial and institutional uses. Intended land uses will conform to the City's Comprehensive Land Use and Circulation Plan (1984). Exhibit 5, attached hereto and made a part of this Plan designates the intended general land uses in the Redevelopment Project Area.

### **C. Additional Design and Control Standards**

The appropriate design controls, including for any Planned Developments, as set forth in the City's Zoning Ordinance, as amended, shall apply to the RPA.

### **D. Eligible Redevelopment Project Costs**

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

Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. *Professional Services* - Costs of studies and surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, marketing, financial, planning, or other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected; except that after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses;
  - 1.1 After July 1, 1999, annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment area or approved a redevelopment plan;
2. *Marketing* - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
3. *Property assembly costs* - Including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level

or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;

4. *Rehab costs* - Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification;
5. *Public works and improvements* - Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, except that on and after November 1, 1999 redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of this amendatory Act of the 91<sup>st</sup> General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
6. *Job training* - Costs of job training and retraining projects including the costs of ‘welfare to work’ programs implemented by businesses located within the redevelopment project area;
7. *Financing incentives* - Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued pursuant to the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;
8. *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 (and additional student tuition) costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
9. *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 as follows:

- a) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:
  - (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
  - (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
  - (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act.
- b) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have



received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations:

- (i) for unit school district, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act;
- (ii) for elementary school district, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under this Act; and
- (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act.

- c) Any school district in a municipality with a population of 1,000,000, additional restrictions apply. Any school district seeking payment shall, after July 1 and before September 30 of each year, provide the municipality with reasonable evidence to support its claim for reimbursement before the municipality shall be required to approve or make the payment to the school district. If the school district fails to provide the information during this period in any year, it shall forfeit any claim to reimbursement for that year. School districts may adopt a resolution waiving the right to all or a portion of the reimbursement otherwise required by the Act. By acceptance of this reimbursement the school district waives the right to directly or indirectly set aside, modify, or contest in any manner the establishment of the redevelopment project area or projects;

- 10. *Library 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 January 1, 2005, a public library district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by this Act shall be paid to the library district by the municipality from the

Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units. This paragraph applies only if (i) the library is located in a county that is subject to the Property Tax Extension Limitation Law or (ii) the library district is not located in a county that is subject to the Property Tax Extension Limitation Law but the district is prohibited by any other law from increasing its tax levy rate without a prior voter referendum.

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

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

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

11. *Relocation costs* - to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
12. *Payment in lieu of taxes*;
13. *Job training* - Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that

such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the City, are set forth in a written agreement by or among the City and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Section 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Section 10-22.20a and 10-23.3a of the School Code;

14. *Interest costs* – for incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
  - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer pertaining to the redevelopment project during that year;
  - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund;
  - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
  - e) the cost limits set forth in subparagraphs (b) and (d) shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act and the percentage of 75% shall be substituted for 30% in subparagraphs (b) and (d);
  - f) Instead of the eligible costs provided by subparagraphs (b) and (d), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance

the construction of that housing. The eligible costs provided under this subparagraph (f) shall be an eligible cost for the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (f).

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

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

15. *Day care* - If the redevelopment project area is located within a municipality with a population of more than 100,000, the cost of day care services for children of employees from low-income families working for businesses located within the redevelopment project area and all or a portion of the cost of operation of day care centers established by redevelopment project area businesses to serve employees from low-income families working in businesses located in the redevelopment project area. For the purposes of this paragraph, “low-income families” means families whose annual income does not exceed 80% of the municipal, county, or regional median income, adjusted for family size, as the annual income and municipal, county or regional median income are determined from time to time by the United States Department of Housing and Urban Development.

The TIF Act prohibits certain costs, including the following:

*Construction of privately-owned buildings* - Unless explicitly stated herein the costs of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;

*Retail displacement* - After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment

project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman;

*Historic building demolition* - No cost shall be a redevelopment project cost in a redevelopment project area if used to demolish, remove, or substantially modify a historic resource, after August 26, 2008, unless no prudent and feasible alternative exists. "Historic Resource" means (i) a place or structure that is included or eligible for inclusion on the National Register of Historic Places or (ii) a contributing structure in a district on the National Register of Historic Places. This restriction does not apply to a place or structure for which demolition, removal, or modification is subject to review by the preservation agency of a Certified Local Government designated as such by the National Park Service of the United States Department of the Interior.

If a special service area has been established pursuant to the Special Service Area Tax Act or Special Service Area Tax Law, then any tax incremental revenues derived from the tax imposed pursuant to Special Service Area Tax Act or Special Service Area Tax Law may be used within the redevelopment project area for the purposes permitted by that Act or Law as well as the purposes permitted by the TIF Act.

Estimated costs are shown in the below Table 2. Adjustments to these cost items may be made without amendment to the Redevelopment Plan and Project.

**Table 2. Redevelopment Project Cost Estimates**

<b>Program Actions/Improvements</b>	<b>Estimated Costs</b>
Land Acquisition and Assembly Costs (including Relocation Costs)	\$ 2,000,000
Site Preparation and Demolition, including Environmental Remediation	15,000,000
Public Improvements including, but not limited to, water, storm, sanitary sewer, traffic management, and roadway and streetscape improvements	5,000,000
Rehabilitation of Existing Structures	40,000,000
Interest Costs Pursuant to the Act	30,000,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting and Marketing)	9,000,000
School Tuition Costs as provided by the Act	100,000
Job Training	<u>500,000</u>
<b>TOTAL ESTIMATED TIF BUDGET</b>	<b>\$ 101,600,000</b>

Notes:

- (1) All project cost estimates are in 2019 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.
- (3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of the line-items set forth above are not intended to place a total limit on the described expenditures, as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA – provided the total amount of payment for eligible redevelopment project costs shall not exceed the overall budget amount outlined above and all as provided for in the Act.

### **E. Sources of Funds to Pay Redevelopment Project Costs**

Funds necessary to pay for public improvements and other project costs eligible under the TIF Act are to be derived principally from property tax increment revenues, and proceeds from municipal obligations, if any. Any such obligations would be retired primarily with tax increment revenues and interest earned on surplus revenue available, but not immediately needed, for the Redevelopment Plan and Project. The City may utilize incremental revenues from contiguous TIF districts to pay for redevelopment costs within the RPA, and conversely, transfer incremental revenues from the RPA to contiguous TIFs, as provided for in the TIF Act.

Any publicly funded TIF Redevelopment Project Costs are subject to (a) approval by the City, (b) having specific cost categories as set forth in the TIF Act and (c) pursuant to the City's TIF incentive policy.

The 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 derived from the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2018 tax year for the RPA.

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

### **F. Nature and Term of Obligations**

The City may issue obligations secured by the tax increment 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 powers pursuant to the Illinois State Constitution.

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three years from the date of adoption of the ordinance approving the Redevelopment Project Area. The actual date for such 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 23<sup>rd</sup> calendar year, occurring after adoption of the ordinance which establishes the RPA.

The final maturity date of any obligations issued pursuant to the Act may not be later than twenty 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 Redevelopment Plan and Project. 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, 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.

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

Such securities may be issued on either a taxable or tax-exempt basis, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the City may determine.

**G. Most Recent and Anticipated Equalized Assessed Value (EAV)**

The most recent estimate of equalized assessed valuation (EAV) for tax year 2018 of the property within the RPA is approximately \$275,283.

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three year period, it is estimated that the equalized assessed valuation of the property within the Redevelopment Project Area will range from approximately \$16,000,000 to \$20,000,000.



## **VIII. Scheduling of Redevelopment Project**

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### **A. Redevelopment Project Schedule**

An implementation strategy will be employed with full consideration given to the availability of both public and private funding.

Redevelopment projects will begin as soon as the specific private entities have obtained financing approvals for appropriate projects and such uses are conformant with City zoning and planning requirements.

Depending upon the scope of the development as well as the actual uses, those redevelopment activities described in Section VI may be included in each phase.

### **B. 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 disabilities. 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 the compliance requirements of 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, all 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.

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.

### **C. Completion of Redevelopment Project**

This Redevelopment Plan and Project will be completed within 23 years after the year of adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion shall not be later than December 31<sup>st</sup> 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 that the ordinance approving the RPA is adopted.

## **IX. Provisions for Amending the Redevelopment Plan and Project**

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This Redevelopment Plan and Project may be amended pursuant to the provisions of the TIF Act.

**Exhibit 1 Boundary Map**

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# Boundary Map



## **Exhibit 2   Legal Description**

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## **EXHIBIT A**

### **LEGAL DESCRIPTION OF LEASED PREMISES**

Parcel 1:

Lots 1, 2, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, and 32, and that part of the vacated alley lying westerly of the easterly line extended northerly of said lot 32, all in Block 5 of Clark Seminary Addition to Aurora (excepting therefrom the easterly 44.0 feet of said Lot 32, and also excepting therefrom the southerly half of the vacated alley lying northerly of and adjoining the easterly 44.0 feet of said lot 32) and the northeasterly and northerly 7.0 feet of that part of Seminary Avenue in the City of Aurora (measured at right angles to the northeasterly and northerly line, respectively, of said Seminary Avenue) lying southerly of and adjacent to the following described line: Beginning at the southwesterly Corner of said Block 5; thence southeasterly along the southwesterly line of said Block 5, 262.46 feet to an angle in said southwesterly line; thence easterly along the southerly line of said Block 5, 400.00 feet for the terminus of said line, all in the City of Aurora, Kane County, Illinois.

Parcel 2:

Lots 1, 2 and 4 in Block 6 of Clark Seminary Addition to Aurora, and that part of Lot 3 and the vacated alley in said Block 6 described as follows: Beginning at the Southwesterly Corner of said Lot 3; thence southeasterly along the southwesterly line of said Lot 3, 25.50 feet; thence northeasterly along a line forming an angle of 89 degrees, 15 minutes, and 00 seconds with the last described course (measured clockwise therefrom) 56.43 feet to the northerly line of said Lot 3; thence westerly along said northerly line, 11.18 feet to a point that is 16.68 feet easterly of the northwesterly Corner of said Lot 3; thence northeasterly parallel with the northwesterly line of said Lot 3, 22.24 feet to the southerly line of said Lot 4; thence westerly along said southerly line, 38.92 feet to the most southeasterly corner of said lot 2; thence southeasterly along the southwesterly line of said Block 6, 20.0 feet to the Point of Beginning, in the City of Aurora, Kane County, Illinois.

Commonly known as The Old Copley Hospital, 502 South Lincoln Avenue, Aurora, Kane County, Illinois

PINs:

15-27-156-002 (part parcel 1)

15-27-156-003 (part parcel 1)

15-27-156-004 (part parcel 1)

15-27-156-005 (part parcel 1)

15-27-156-006 (part parcel 1)

15-27-156-007 (part parcel 1)

15-27-156-008 (part parcel 1)  
15-27-156-009 (part parcel 1)  
15-27-156-010 (part parcel 1)  
15-27-156-011 (part parcel 1)  
15-27-156-012 (part parcel 1)  
15-27-156-013 (part parcel 1)  
15-27-156-014 (part parcel 1)  
15-27-156-015 (part parcel 1)  
15-27-156-016 (part parcel 1)  
15-27-156-031 (part parcel 1)  
15-27-156-032 (part parcel 1)  
15-27-156-033 (part parcel 1)  
15-27-156-034 (part parcel 1)  
15-27-156-035 (part parcel 1)  
15-27-156-036 (part parcel 1)  
15-27-156-037 (part parcel 1)  
15-27-156-038 (part parcel 1)  
15-27-156-043 (part parcel 1)  
15-27-156-044 (part parcel 1)  
15-27-156-045 (part parcel 1)  
15-27-156-046 (part parcel 1)  
15-27-156-047 (part parcel 1)  
15-27-156-048 (part parcel 1)  
15-27-156-049 (part parcel 1)  
15-27-156-050 (part parcel 1)



15-27-156-051 (part parcel 1)

15-27-156-052 (part parcel 1)

15-27-155-036 (part Parcel 2)

15-27-155-041 (part Parcel 2)

**Exhibit 3 Eligibility Report**

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Draft Date: 01/23/2020

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**CITY OF AURORA, ILLINOIS  
LINCOLN AND WESTON TIF DISTRICT ELIGIBILITY  
REPORT**

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**Prepared By:**

**City of Aurora, Illinois  
&  
Kane, McKenna and Associates, Inc.**

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**January, 2020**

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## EXECUTIVE SUMMARY

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The City of Aurora, Illinois (the “City”) is pursuing the establishment of the Lincoln and Weston Tax Increment Finance District (the “TIF District”, “Redevelopment Project Area” or “RPA”) to promote the revitalization of underutilized properties in the Bardwell neighborhood. In the context of planning for the establishment of the RPA, the City has initiated the study of certain tax parcels (the “Study Area”) to determine whether they qualify separately or in aggregate under the Tax Increment Allocation Redevelopment Act, 65ILCS 5/11-74.4-3, et seq., as amended (the “TIF Act” or “Act”) for inclusion in the RPA. Kane, McKenna and Associates, Inc. (KMA) has been retained by the City to conduct this study on the City’s behalf.

KMA has reached the following conclusions regarding the qualification of the Study Area based upon the analysis completed to date:

- 1) The Study Area qualifies as a conservation area - The Study Area qualifies as a conservation area as defined in the TIF Act. The conservation area factors found in the Study Area are present to a meaningful extent and are distributed throughout the area.
- 2) Current conditions impede redevelopment – The existence of certain conditions found within the Study Area present a barrier to the area’s successful redevelopment. The current conditions in the Study Area are impediments to redevelopment, creating an environment where it is reasonable to conclude redevelopment would not take place “but for” the use of the TIF Act. The factors present on the ground negatively impact coordinated and substantial private sector investment in the overall area. Without the use of City planning and economic development resources to mitigate such factors, potential redevelopment projects and other activities that require private sector investment are not likely to be economically feasible.
- 3) Viable redevelopment sites could produce incremental revenue - The Study Area potentially could, with tax increment financing (or “TIF”) related assistance, be redeveloped and thereby produce incremental property tax revenue. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites in the Study Area.
- 4) TIF designation is recommended - To mitigate conservation area conditions, promote private sector investment, and foster the economic viability of the Study Area, KMA recommends that the City proceed with the formal TIF district designation process for the entire area

# **I. INTRODUCTION**

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## **Description of the Study Area**

The Study Area is located in the central southeastern Bardwell neighborhood of the City. Land uses in the neighborhood are predominantly residential and institutional.

The Study Area is comprised of tax parcels collectively known as the “Old Copley Hospital” site. The area is roughly bound by South Avenue and Weston Avenue to the north, South 4<sup>th</sup> Street to the east, Seminary Avenue to the South and South Lincoln Avenue to the west.

The Study Area consists 35 tax parcels and is approximately 12 acres in size.

Please see Appendix A for a list of the tax parcels included in the Study Area and Appendix B for a visual depiction of the study area.

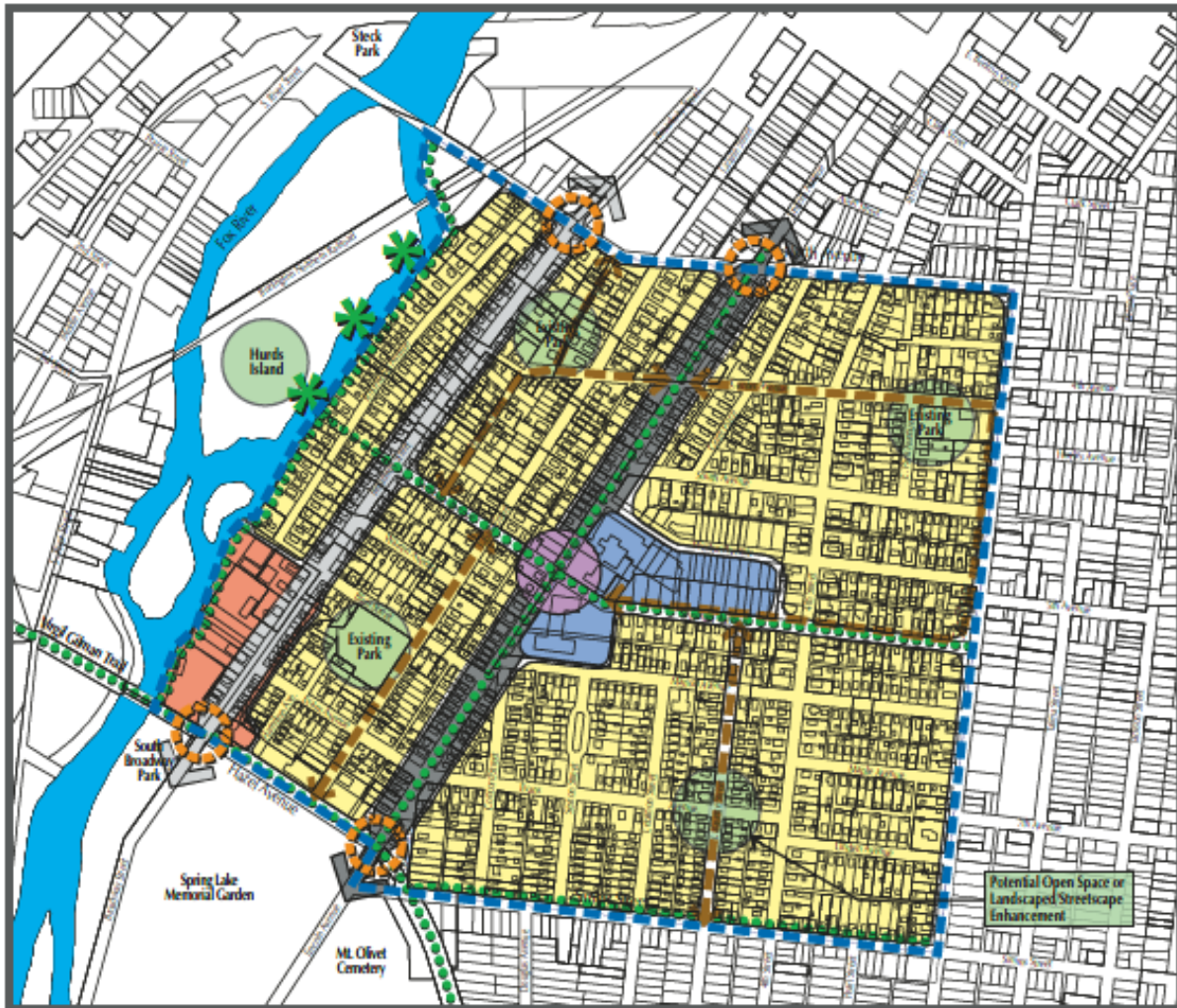
## **Background**

The Bardwell neighborhood is located adjacent to the City of Aurora’s central business district and developed predominantly as a residential area early in the City’s history. The eclectic mix of Victorian-era residential architectural styles led to the designation of parts of the northern portion of the neighborhood as the Near Eastside local historic district in 1981. Today, the neighborhood is still characterized predominantly by older one or two family residential uses.












Institutional uses (e.g. schools, churches, parks, etc.), many also historic in nature, are dispersed across the Bardwell neighborhood. The Study Area, in conjunction with the adjacent Bardwell Elementary School, act as the core of the Bardwell neighborhood. Please see Figure 1 on Page 2 for an illustration of the centrality of the Study Area.

As may be intimated by its central location in the historic Bardwell neighborhood, the Study Area has played an important role in the City of Aurora’s history. The City was originally incorporated in the early 1800s and experienced significant growth in the middle and late portion of that century. As the City grew, the need for medical services and a dedicated hospital increased. The Aurora Hospital Association was incorporated in 1886 to provide for such a hospital. The organization successfully constructed the City of Aurora’s first purpose-built hospital in 1888 within the Study Area.

The City of Aurora Hospital grew in tandem with the City itself. Major expansions to the original 1888 hospital occurred in 1916, 1932, 1947, 1957, 1970 and 1980. The 1930s expansion was financed by Col. Ira C. Copley, a local resident who became the namesake of the site. Many of the expansions were designed by the historically significant architectural firm Schmidt, Garden and Erikson. The firm’s involvement with the site helped lead to its recent designation as a historic place on the United State Department of the Interior’s National Register of Historic Places.



**Legend**

- |   |  |   |                      |
|---|--|---|----------------------|
|  | Lincoln Avenue<br>(Neighborhood Spine) |  | Pedestrian Pathways  |
|  | Broadway Street<br>(City Thoroughfare) |  | Key Connections      |
|  | Neighborhood Core                      |  | River Access & Views |
|  | Bardwell-Copley Area                   |  | Neighborhood Gateway |
|  | Neighborhood Sub-Areas                 |  | Open Space Anchors   |
|  | Commercial                             |   |                      |

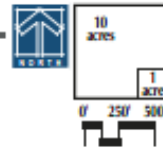


Figure 1. "Physical Framework for Improvements to be Considered". Sourced from the Bardwell Area Neighborhood Action Plan (2003), this map shows the centrality of the Old Copley Hospital site in blue underlying the identified "Neighborhood Core" in purple.

Copley Hospital continued to operate in the Study Area until 1995 when it relocated from its original site to another location in the City. Following the vacation of the property, structures and surface improvements in the Study Area began to fall into disrepair due to neglect and lack of maintenance. Despite being secured, trespassers frequently visited the site and were exposed to unsafe conditions including the presence of environmentally hazardous material. Recognizing the need to redevelop the central and historically-significant complex, the Study Area has featured heavily in prior City planning efforts -most notably in the Bardwell Neighborhood Action Plan (2003). Despite these efforts, the site has remained vacant to the time of the drafting of this report.

In the late 2010s, Fox Valley Developers, LLC, a local real estate development firm, began pursuing redevelopment of the site in partnership of the City of Aurora. Redevelopment was proposed to include a variety of uses including medical offices, senior living facilities and administrative offices for a local school district. At the time of drafting of this report, Phase 1 of redevelopment, consisting principally of the remediation of hazardous materials from the site, has been completed.

### **Objectives**

The City's general economic and community development objectives for the Study Area are to promote the revitalization of the Old Copley Hospital site while eliminating those factors which deter private investment in the area, strengthening the City's tax base and improving resident quality of life. City officials believe that these objectives will not be fully achieved, and that adverse conditions within the Study Area will worsen, without the implementation of a plan for the redevelopment of the Study Area. The City intends to create and implement such a plan in order to ameliorate those adverse conditions which deter investment in the Study Area and to obtain its general economic and community development objectives.

### **Determination of the "But-For"**

As evidenced by the decades long failure of the private sector alone to accomplish redevelopment, the City has determined that planned redevelopment of the Study Area is feasible only with public financial assistance. The creation and utilization of a TIF redevelopment plan and redevelopment agreements is intended by the City to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the Study Area, strengthen the tax base and improve resident quality of life.

### **TIF Mechanism**

The TIF mechanism relies upon induced private redevelopment in the Study Area to create higher real estate values and, subsequently, higher real estate taxes. These higher real estate taxes improve the Study Area's tax base, and a portion of future increased taxes may be pledged to attract the requisite private investment.

### **General Scope and Methodology**



KMA formally began its analysis by conducting a series of meetings and discussions with City staff starting in August, 2019 and continuing up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for initial analysis and to gather data related to the qualification criteria for parcels included in the Study Area. These meetings were complemented by a series of field surveys for the entire area to evaluate conditions in the Study Area. KMA also analyzed the City's most recent comprehensive plan and other City reports relevant to the Study Area.

Properties within the Study Area were examined in the context of the TIF Act governing improved areas (separate provisions of the Act address non-improved or vacant areas). The qualification factors discussed in this report qualify the area as a "conservation area," as the term is defined pursuant to the TIF Act.

During the course of its work, KMA reported findings to key City staff regarding TIF qualification and the feasibility of redevelopment within the Study Area. Based upon these findings the City (a) made refinements to the RPA boundaries and (b) directed KMA to complete this report and move forward with the preparation of a Redevelopment Plan and Project for the RPA.

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

## II. QUALIFICATION CRITERIA

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The TIF Act sets out specific procedures for qualifying a RPA. By definition, a RPA is:

“An area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the TIF Act, “conservation area” means any improved area within the boundaries of a RPA located within the territorial limits of the municipality where:

- 50% or more of existing structures are 35 years or older in age
- At least three of 13 eligibility factors are present and distributed to a meaningful extent

The 13 possible eligibility factors are:

- 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 are evident, including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas demonstrate evidence of 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 according to room area to window area ratio requirements. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

- H. Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the RPA; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the RPA.
- I. Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, and 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 that are considered to be noxious, offensive or unsuitable for the surrounding area.
- K. Environmental Clean-Up: The RPA has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for (or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for) the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law. Any such remediation costs would constitute a material impediment to the development or redevelopment of the RPA.
- L. Lack of Community Planning: The RPA 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 development of the area. 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. Lagging or Declining EAV: The total equalized assessed value (EAV) of the RPA has declined for three (3) of the last five (5) calendar years prior to the year in which the RPA is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, 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 RPA is designated.

### **III. METHODOLOGY OF EVALUATION**

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The following method was applied to evaluate the Study Area's qualification as a TIF district.

1. KMA representatives collected primary data during site visits to the Study Area. These site visits consisted of visual observation of the area which included, but was not limited to, tax parcel counts, address matches and the identification of current land uses, building conditions, lot conditions and traffic flows. KMA documented these observations via notes and photography.
2. KMA representatives collected secondary data including, but not limited to, 2013 to 2018 tax information, tax parcel maps, site data, planning documents and information related to local history and context from interviews with City staff and other stakeholders.
3. The age of existing structures was ascertained by matching data collected during site visits to local tax and building records to determine if the Study Area would qualify as a conservation area as defined by the TIF Act.
4. KMA also utilized the collected data to conduct an evaluation of the presence and extent of the aforementioned eligibility factors (e.g. deterioration, excessive vacancies, etc.) that would qualify the Study Area as a conservation area as defined by the TIF Act.

## **IV. QUALIFICATION FINDINGS FOR STUDY AREA**

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### **Summary of Age Findings for a Conservation Area**

As mentioned in Section II of this report, an area may qualify as a conservation area under the TIF Act if 50% or more of existing structures are 35 years in age or older. KMA collected primary data from site surveys and secondary data from the Aurora Township Assessor’s Office regarding the age of existing structures within the Study Area. Several large additions have been made to the City Hospital building since its original construction in 1888. KMA determined to treat each addition as a separate structure in order to evaluate the area under the most challenging interpretation of the age threshold. KMA found that at least eight of the eight structures, or 100%, are 35 years in age or older. Therefore, it is possible for the Study Area to qualify as a conservation area as defined by the TIF Act.

**Table 1.** Summary of Age Findings for Conservation Area

Total number of structures in Study Area	8
Number of structures in Study Area 35 years or older in age	8
Percent of structures in Study Area 35 years or older in age	100%

### **Summary of Factor Findings for a Conservation Area**

Once it was established that the Study Area may qualify as a conservation area based upon the age threshold of structures within the area, KMA analyzed the Study Area in relation to the 13 aforementioned eligibility factors. Three of these factors must be present and distributed to a meaningful extent within the Study Area to qualify the area as a conservation area under the TIF Act. KMA determined that six of the 13 possible factors were present and distributed to a meaningful extent within the Study Area.

**Table 2.** Summary of Factor Findings for Conservation Area

Total number of possible factors per TIF Act	13
Minimum factors needed to qualify per TIF Act	3
Factors present in Study Area	6

The six factors found to be present and distributed to a meaningful extent within the Study Area are:

1. Deleterious Land-Use or Layout
2. Lack of Community Planning
3. Excessive Vacancies
4. Deterioration
5. Obsolescence
6. Environmental Clean-Up

These factors are summarized as follows:

1. Deleterious Land Use or Layout: The Act states that deleterious land use or layout occurs with 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.

The Study Area is located in the center of the Bardwell neighborhood, a district that is predominantly characterized by low density residential uses. The Study Area consists primarily of the Old Copley Hospital site which has fallen into a state of disrepair following neglect and lack of maintenance. This disrepair includes, but is not limited to, broken windows, crumbling building material and the presence of refuse.

The degree of disrepair has called into question the stability of structures in the Study Area. City staff from the Property Standards division reported that a warrant had to be secured in 2017 to assess the structural integrity of buildings on the site. Additionally, environmental consulting firm surveys identified the presence of hazardous asbestos-containing building materials within the Study Area in 1993 and 2016. The extent of disrepair and presence of hazardous building-material has created substantially dangerous conditions for those who enter the property without awareness of the conditions or without taking proper precautions.

Despite these noxious and offensive conditions, the Old Copley Hospital site has frequently attracted trespassers. Staff of the City's Property Standards division reported over 53 calls for service to the property from 2017 to the drafting of this report. Many of these calls were identified as being related to juveniles trespassing on the property where they were in danger of injury, illness and death. Staff have also reported that responding to trespassing has been complicated by difficulties faced by the Aurora Police Department in entering buildings on the site due to concerns regarding their structural integrity.

Trespassing, particularly by juveniles, is exacerbated by the site's location in the center of a predominantly residential neighborhood and its location *across the street from an elementary school*. Other adverse impacts from the site to local residents include regular exposure to a symbol of disinvestment (i.e. a vacant and deteriorating structure), that is located in the core of their residential neighborhood. The presence of the site disrupts the overall residential character of the surrounding area and creates safety concerns for local residents. The current land uses of the Study Area and its surroundings are considered incompatible and the Study Area itself is found to be noxious, offensive and unsuitable for the surrounding area.

2. Lack of Community Planning: The Act states that this factor is present if the Study Area developed prior to or without the benefit or guidance of a community plan. This factor must be documented by evidence of adverse or incompatible land use relationships, an inadequate street layout, improper subdivision, parcels of inadequate shape or size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

In part, the Study Area’s qualification under this factor can be evaluated quantitatively. That the Study Area developed without the benefit or guidance of a community plan can be determined by comparing the age of structures in the Study Area with the City’s planning milestones. For example, and as indicated in the below Table \_\_, all of the structures in the Study Area were developed prior to the City’s adoption of its first comprehensive plan in 1984.

**Table 3.** Summary of Age Findings for Lack of Community Planning

Total number of structures in Study Area	8
Number of structures in Study Area built prior to 1984	8
Percent of structures in Study Area built prior to 1984	100%

Indeed, the oldest structure in the Study Area (constructed in 1888) and the first addition to that structure (constructed in 1916) both predate federal passage of the Standard State Zoning Enabling Act (1922) -an event often cited as the beginning of community planning as a professional practice.

Qualitative evidence also exists which indicates the Study Area developed without the benefit of community planning. The incompatible land use relationships described in the above section signal a lack of community planning through the site’s development. This is also the case when considering the site’s historical use as a hospital, which developed in a different age to a size and shape that is well out of proportion with the surrounding area.

All roadways that service the Study Area are single lane and residential in nature. This poses significant challenges to the efficient and safe management of emergency vehicle traffic and extends to the efficient and safe management of employee and patient traffic. Such challenges are exacerbated, not just by the surrounding residential character of the area, but also by the presence of a local elementary school across the street from the Study Area.

Deficiencies in traffic circulation relative to a hospital use of the site are also complicated by a lack of regional access to the Study Area. Many modern hospitals, including the former Copley Hospital, have specialty medical centers that service regional patients such as cancer treatment centers. Hospitals that feature such centers often locate near regional transportation networks to attract patients. In the case of the Study Area, the nearest regional expressway (Interstate 88) is approximately four miles away. This location hampers a would-be modern hospital’s ability to feature some form of specialty medical center which relies on a regional patient-base.

This is not to say that a medical center is an inappropriate use for the Study Area. The proposed uses for the site, as of the date this report’s drafting, include medical offices and senior living facilities with aspects of specialty care. The advantage of these uses over those discussed is that they do not rely on a regional patient-base and they potentially, with adequate planning, result in traffic circulation that is efficient, safe and manageable given the surrounding area’s residential character.



This is also not to say that community planning has not taken place relative to the Study Area in the past. Rather, such efforts have been deficient to fully ameliorate all of the conditions which are present that deter reinvestment in the Study Area including the presence of incompatible land use relationships, inadequate traffic circulation for those uses of which the site was originally designed, and an inadequate location to serve those uses of which the site was originally designed.

3. Excessive Vacancies: The Act describes excessive vacancies as the presence of buildings that are unoccupied or underutilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

As stated in the Introduction section of this report, the principal user of the Study Area was originally the Aurora City Hospital, later changed to the Copley Hospital. The Study Area acted as a medical center from the time of the construction of the first Aurora City Hospital structure (1888) until the site was vacated by the Copley Hospital in 1995. The vacation was the result of a relocation of the institutional user to a more modern facility located in the southeastern portion of the City.

The site has remained vacant since 1995 -approximately 24 years since this report's drafting. During that time the Study Area has fallen into disrepair to a degree that presents an adverse influence on the surrounding area as described in the above "Deleterious Land Use/Layout" summary.

The extent of the site's vacancy also has direct financial consequences to all City residents. Since 2017, costs have been regularly incurred by the City for maintenance within the Study Area. Staff of the City's Property Standards division reported this maintenance to include tree trimming, grass cutting, brush clean up, placement of a security fence and securitization of structures. Staff reported that, to the date of this report's drafting, costs related to such maintenance have at least exceeded \$20,000. Many of these costs would not be incurred if not for the extent of vacancy present within the Study Area.

4. Deterioration: The Act describes deterioration in the context of secondary building components and surface improvements. For secondary building components (e.g. doors, windows, porches, gutters and downspouts and fascia) deterioration may be evidenced by the presence of major defects. For surface improvements (e.g. roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas), deterioration may be evidenced by surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

Deterioration was observed in secondary building components throughout the Study Area. This included, but was not limited to, broken windows, boarded-up windows, cracking and crumbling exterior surfaces, cracking/crumbling entries, cracking and crumbling exterior supportive columns, damaged or poorly maintained building eaves, damaged or poorly maintained gutters and vandalism (e.g. graffiti).

Deterioration was also observed in surface improvements throughout the Study Area. Approximately half of the Study Area is comprised of asphalt parking lots and exterior plazas. Observations made during site surveys found these parking lots to be in an advanced state of disrepair. Evidence of deterioration included cracking and crumbling asphalt, cracking and crumbling concrete, potholes and other depressions in surfaces, unkempt landscaping and weeds growing through surfaces.

Deterioration in surface improvements also includes roadways which are adjacent to the Old Copley Hospital site. Staff of the City's Engineering division reported deterioration in both Seminary Avenue and Weston Avenue. Seminary Avenue was characterized as being in fair to poor condition with a rating of 64-69 on the City's 2016 Pavement Condition Index. Significant improvements were cited as being required in the future including completely resurfacing the thoroughfare. Weston Avenue was characterized as being in very poor condition with a rating of 21-23 on the City's 2016 Pavement Condition Index.

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

The factors herein presented evidence the presence of obsolescence throughout the Study Area. The Old Copley Hospital's current condition as a deteriorating abandoned structure creates an incompatible land use relationship with the surrounding residential neighborhood. The noxious, offensive and unsuitable site is, in part, a product of advanced deterioration caused by neglect and an overall lack of maintenance. Neglect and lack of maintenance are, in turn, a product of the extent to which the site has remained vacant. Lastly, the vacancy is, in part, a product of the onset of obsolescence.

It is important to note that the Study Area not only evidences obsolescence from falling into disuses (i.e. vacancy) but also from being ill-suited for its original use. As noted in the Lack of Community Planning summary above, the site is located approximately four miles away from the nearest major regional expressway (Interstate 88). This distance limits the site's functionality as a hospital that contains any form of specialized medical center which relies on a regional-patient base. The site is also serviced by two-lanes that are residential in nature, posing challenges for effectively coordinating emergency vehicle traffic and employee/patient traffic. Lower intensity medical uses may be appropriate for the Study Area, but the existing conditions of the site limit the form of those uses which do not include those for which the site was originally designed.

6. Environmental Clean-Up: The Act indicates that this factor is present if the RPA has incurred Illinois Environmental Protection Agency (IEPA) or United States Environmental Protection Agency (USEPA) costs, 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. Any such remediation costs would constitute a material impediment to the development or redevelopment of the RPA.

As stated earlier in the Deleterious Land Use/Layout summary, environmental consultant surveys identified the presence of hazardous asbestos-containing building materials in the site in 1993 and in 2016. The 1993 identification was prepared by Hygieneering Inc. and the 2016 identification was prepared by Midwest Environmental Consulting Services. According to an affidavit certified in 2019, both surveys were used to inform the work of environmental remediation contractor Superb Environmental, Inc. to perform asbestos abatement, hazardous waste removal and lead paint abatement at the Old Copley Hospital Site.

The Illinois Environmental Protection Agency was notified that the remediation was to be initiated in October 2019. The remediation was completed successfully as of July, 2019. It included the proper and lawful disposal of 330 cubic yards of asbestos waste in compliance with the Clean Air Act, the Toxic Substances Control Act, the Illinois Commercial Building Asbestos Abatement Act and the Illinois Environmental Protection Act.

Costs associated with the remediation were borne by Konrad Construction Company, a contract agent of the Fox Valley Developers, LLC and represent a material impediment to the development/remediation of the Study Area.

## V. SUMMARY

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Relevant qualification findings as related to the designation of the Study Area as a conservation area are as follows:

1. The Study Area is contiguous and is greater than 1 ½ acres in size;
2. The Study Area qualifies as a conservation area as; i) 50% or more of the existing structures are 35 years in age or older; and, ii) at least three eligibility factors are present to a meaningful extent and are distributed throughout the area;
3. All property in the Study Area would substantially benefit by the proposed redevelopment project improvements;
4. The growth of EAV for all taxing districts overlaying the area, including the City, has been impaired by the factors found present in the Study Area; and,
5. The Study Area would not be subject to redevelopment without the investment of public funds, including property tax increment.

In the judgement of KMA, these findings provide the City with sufficient justification to consider designation of the Study Area as a TIF district.

## **APPENDIX A: Tax Parcels within Study Area**

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City of Aurora, Illinois Lincoln - Weston TIF PIN List

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15-27-155-036  
15-27-155-041  
15-27-156-002  
15-27-156-003  
15-27-156-004  
15-27-156-005  
15-27-156-006  
15-27-156-007  
15-27-156-008  
15-27-156-009  
15-27-156-010  
15-27-156-011  
15-27-156-012  
15-27-156-013  
15-27-156-014  
15-27-156-015  
15-27-156-016  
15-27-156-031  
15-27-156-032  
15-27-156-033  
15-27-156-034  
15-27-156-035  
15-27-156-036  
15-27-156-037  
15-27-156-038  
15-27-156-043  
15-27-156-044  
15-27-156-045  
15-27-156-046  
15-27-156-047  
15-27-156-048  
15-27-156-049  
15-27-156-050  
15-27-156-051  
15-27-156-052

## **APPENDIX B: Boundary Map of Study Area**

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# Boundary Map





**Exhibit 4 Existing Land Use Map**

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# Existing Land Use Map



## Legend

Major Streets

### LANDUSE

Open Space

Non-Profit Organization

Parking Lot (Private)

Business

Lincoln Weston TIF Area

Parcels

## **Exhibit 5 Proposed Land Use Map**

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# Proposed Land Use

