

**PRELIMINARY FOR DISCUSSION PURPOSES ONLY
DRAFT DATED OCTOBER 31, 2023**



CITY OF AURORA

TIF QUALIFICATION REPORT

FARNSWORTH BILTER TIF DISTRICT

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

*Prepared by the City of Aurora, Illinois
in conjunction with
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OCTOBER 2023

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EXECUTIVE SUMMARY

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

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

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

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

- 1) Improved land (“Improved Parcels”), within the proposed RPA, qualifies as a conservation area under the Act. Overall, the improved land within the proposed RPA have declined into a blighted condition most prominently displayed via vacancies and disinvestments by the private sector. These conditions prevent, or threaten to prevent, the economic and physical development of properties in a manner that the community considers essential to its overall economic health.
- 2) Vacant land (“Vacant Parcels”) within the proposed RPA qualifies as a blighted-vacant area pursuant to the Act. The vacant land is primarily made up of parcels that were previously occupied by former, blighted motel operations, which were removed by the year 2020. This land became vacant based upon the necessity of the City removal of uses that posed substantial life and safety issues for the Aurora community. As a result, the City finds it is imperative to return the properties to beneficial economic use to the community by working with private sector interests promote its revitalization. In the view of Ryan, the subject vacant land meets the requirements for designation as a blighted-vacant area under the Act.
- 3) The existence of the blighting conditions found within the proposed RPA presents a serious barrier to the area’s successful redevelopment. This is because the factors negatively impact coordinated and substantial private sector investment in the proposed TIF District. Without use of City land-use planning and economic development resources to mitigate such factors, potential redevelopment projects (along with other activities that require private sector investment) are not likely to be economically feasible.

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

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

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

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

I. INTRODUCTION AND BACKGROUND

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

The Act has been established to assist Illinois municipalities with the tools to “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas”. (65 ILCS 5/11-74.4-2(b)).

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

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

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

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

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

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

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

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

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

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

OBJECTIVES

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

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

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

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

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

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

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

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

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

II. QUALIFICATION CRITERIA USED

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

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

The Act defines a “conservation area” as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

III. THE PROPOSED RPA

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

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

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

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

IV. METHODOLOGY OF EVALUATION

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

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

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

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

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

V. QUALIFICATION OF RPA\FINDINGS OF ELIGIBILITY

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

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

IMPROVED AREA FACTORS – CONSERVATION AREA

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

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

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

1) Lack of Community Planning

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

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

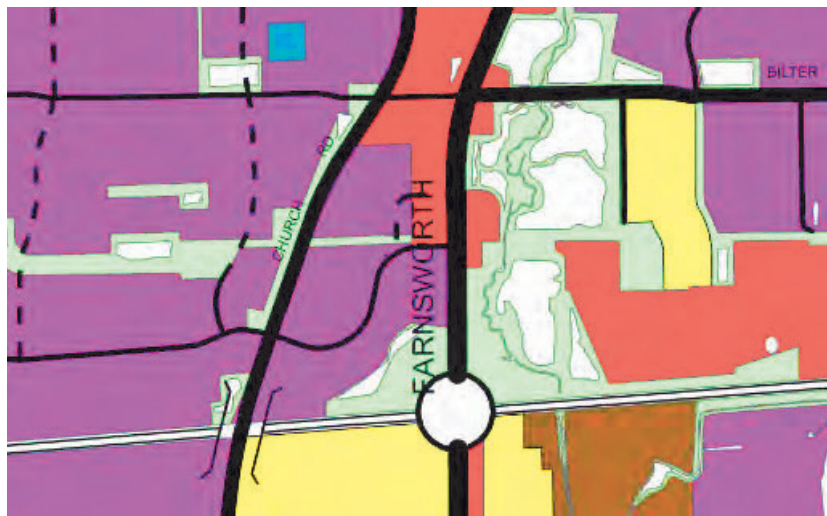
- 2445 Church Road: A previous banquet facility on M1 zoning
- 2380 N. Farnsworth Ave.: A previous motel on M1 zoning
- 2340 N. Farnsworth Ave.: A previous restaurant on M1 zoning
- The two parcels set back from N. Farnsworth are parking lots on M1 zoning that served one of the former motels and the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

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

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

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

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



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

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

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

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

2) *Lag in Equalized Assessed Value*

“Lag in Equalized Assessed Valuation” growth refers to: “The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for four (4) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated”.

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

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

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

3) *Excessive Vacancies*

“Excessive Vacancies” refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.

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

4) Inadequate Utilities

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

Storm Sewer Infrastructure

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

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

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

Watermain Infrastructure

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

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

Sanitary Sewer Infrastructure

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

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

Electrical/Fiber Option Infrastructure

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

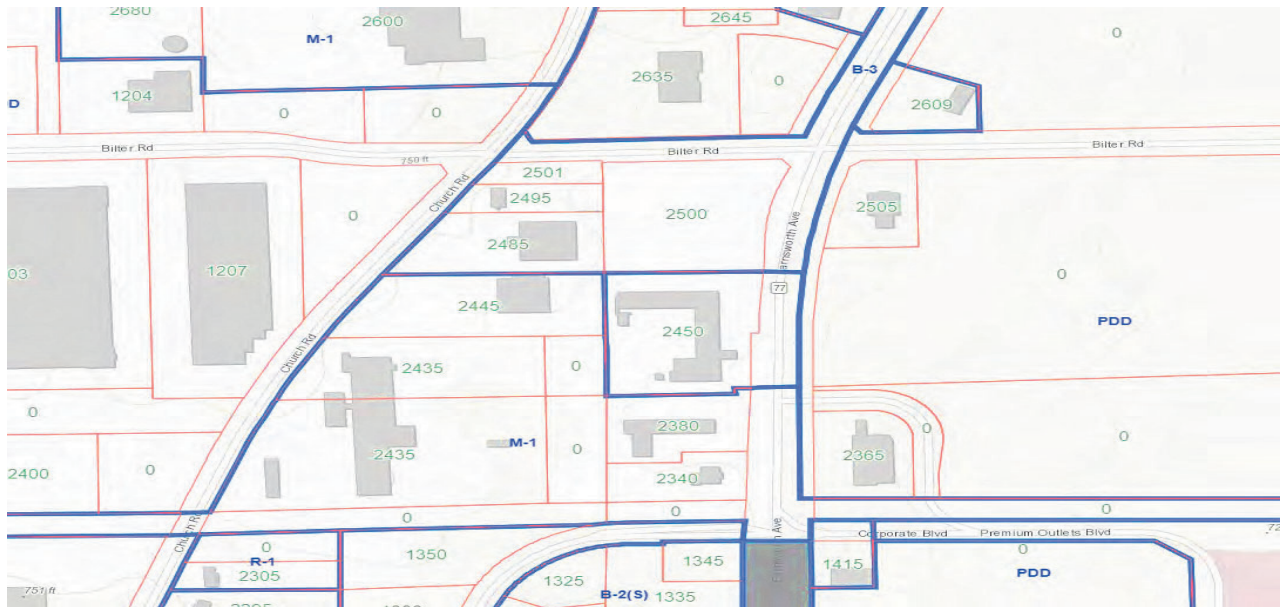
- There is an existing fiber optic located along Church Road that may need to be relocated as result of proposed roadway improvements.
- With required construction of the roadway improvements along Bilter Road and Farnsworth Avenue, the City may elect to run fiber optic conduits along these roads as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

5) Deleterious Land-Use or Layout

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

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

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



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

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

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

Background Traffic Growth

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

North Farnsworth Avenue and Intersections

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

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

Bilter Road and Intersection

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

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

Church Road and Intersection

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

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

Corporate Boulevard and Intersection

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

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

Area Public Transit

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

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

Area Bicycle and Pedestrian Accommodations

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

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

6) Deterioration

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

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

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

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

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

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

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

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

1) Deterioration

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

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

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

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

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

2) Inadequate Utilities

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

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

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

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

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

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

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

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

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

3) *Lag in Equalized Assessed Value*

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

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

EAV Trend for Blighted Before Vacant Area*

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

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

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

4) Deleterious Land-Use or Layout

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

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

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

5) Lack of Community Planning

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

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

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

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

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

6) *Environmental Clean-Up*

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

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

7) *Obsolescence*

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

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

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

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

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

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

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

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

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

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

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

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

Conclusion

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

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

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

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

EXHIBIT 1:
Boundary Map

Farnsworth and Bilter TIF - Location Map

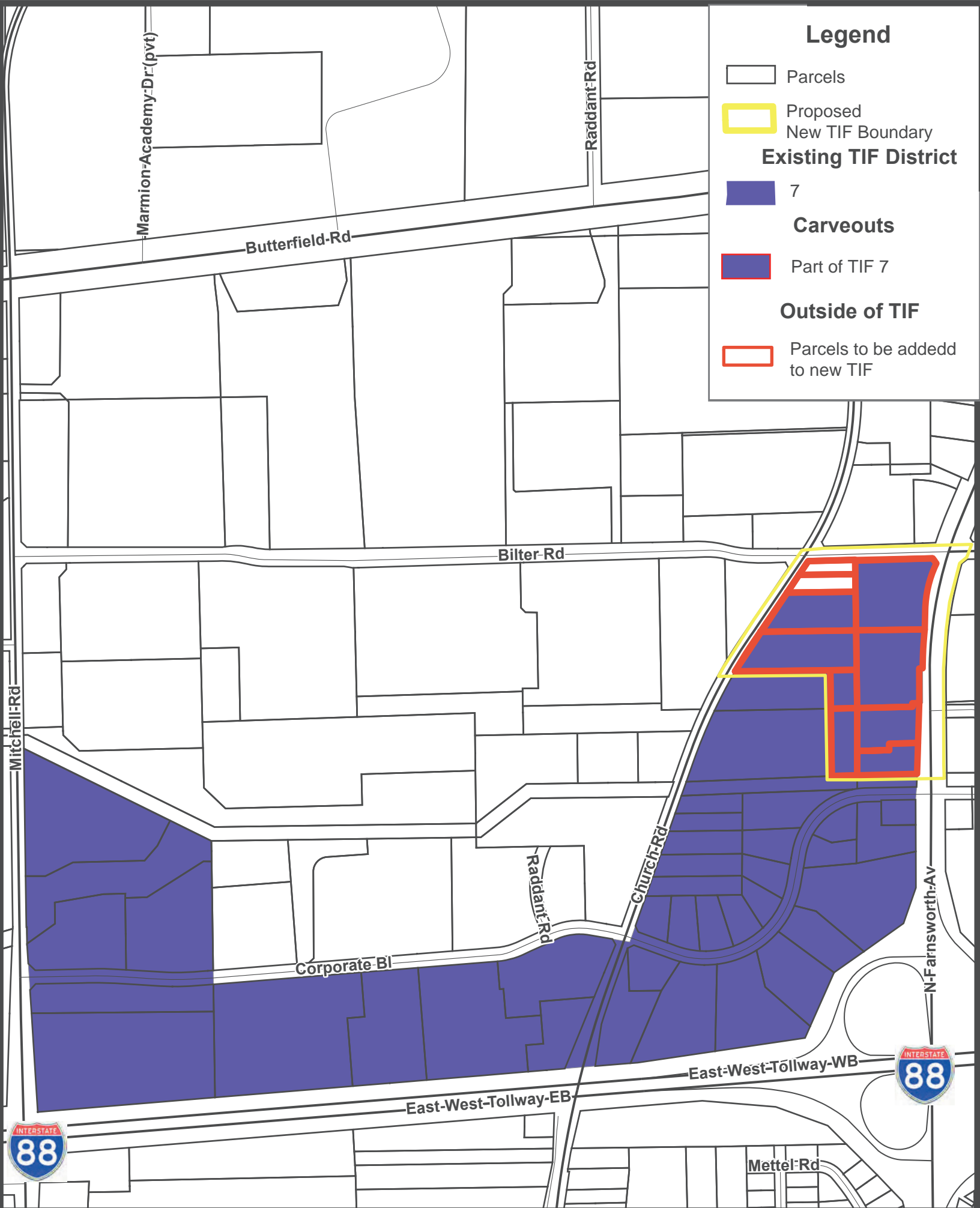


EXHIBIT 2:

Improved Parcel Information

15-02-200-027

15-02-200-038

15-02-200-039

EXHIBIT 3:

Vacant Parcel Information

15-02-200-011

15-02-200-014

15-02-200-022

15-02-200-044

15-02-426-015

15-02-427-002