



# NORTHERN GATEWAY TIF DISTRICT

## TAX INCREMENT FINANCING REDEVELOPMENT PLAN & PROJECT

April 23, 2018

The City of  
**ROCHELLE, IL**



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## SECTION I. INTRODUCTION

On April 23, 2018, the Eligibility Study for the Tax Increment Financing (“TIF”) Area was presented to the City Council. The Eligibility Study outlined the qualifying factors found in the Area, and this information is referenced within this Redevelopment Plan (“Plan”). At their meeting on April 23, 2018, the City Council approved motions to continue the TIF process and to complete this document, the Redevelopment Plan for the Area.

The City of Rochelle intends to use tax increment financing, as well as other financing programs, if available, and development tools, to ameliorate the blighting conditions of the proposed Redevelopment Project Area and to stimulate private investment. The proposed Redevelopment Project Area as a whole has been in economic decline and will not likely redevelop without the implementation of a tax increment financing program.

The Plan outlines the anticipated projects and includes the following activities:

- i. Infrastructure and utility improvements, including:
  - a. Replace aged and outdated components of water system, particularly the aged water mains;
  - b. Upgrade aged and outdated components of the sanitary sewer system, including sewer pipe lining and/or replacement and manhole rehabilitation;
  - c. Repair or replace storm water management infrastructure, including the deteriorated catch basins;
  - d. Treatment plant upgrades; and
  - e. Upgrade existing infrastructure to meet current needs.
- ii. Development of commercial businesses, including:
  - a. Development new commercial properties throughout the Redevelopment Project Area.
  - b. Development of commercial businesses in those existing properties which are vacant.
- iii. Rehabilitation for existing structures throughout the Area, including:
  - a. Rehabilitation and restoration of the aging public and private buildings throughout the Area, in particular the Hickory Grove Civic Center and May Mart shopping center; and
  - b. Demolition of those structures which are beyond rehabilitation.
- iv. Street, curb and sidewalk improvements and construction, including:
  - a. Repair or replacement of deteriorated concrete roadway surfacing of the portions of the local roads serving the Area;
  - b. Rehabilitation or construction of sidewalks in residential areas; and
  - c. Construction of pedestrian paths in the Area.

Tax Increment Financing is permitted by the Illinois Tax Increment Allocation Redevelopment Act (the “Act” or the “TIF Act”), which is found at 65 ILCS 5/11-74.4-1 et. seq. The Act sets forth the requirements and procedures for establishing the Area and the Plan. The Area is identified on various exhibits and descriptions in the following sections. It also should be noted at this time that this Plan does not constitute a suggestion of every allocation of TIF Revenue, nor does it represent or constitute an inference as to the content of any “Redevelopment Agreements” that may be negotiated between the City and any developer.

## SECTION II. ELIGIBILITY FINDINGS FOR THE AREA

### A. Introduction

In order to establish tax increment financing properties slated for inclusion in the TIF Area must be found to be eligible. The following sections report on the eligibility of these parcels.

### B. Statutory Requirements

According to the Act, in order for a municipality to qualify properties for tax increment financing, a finding must be made that conditions exist which allow the Area to be classified as a blighted area, a conservation area, a combination of both blighted and conservation areas, or an industrial park conservation area. A map of the area of study (the “Area” or the “Proposed Area”) has been attached as Exhibit A – Boundary Map. Moran Economic Development conducted an evaluation of the physical conditions in the Area, and the findings of this evaluation are outlined below.


The definitions used for qualifying this Area, as defined in the Act, follows:

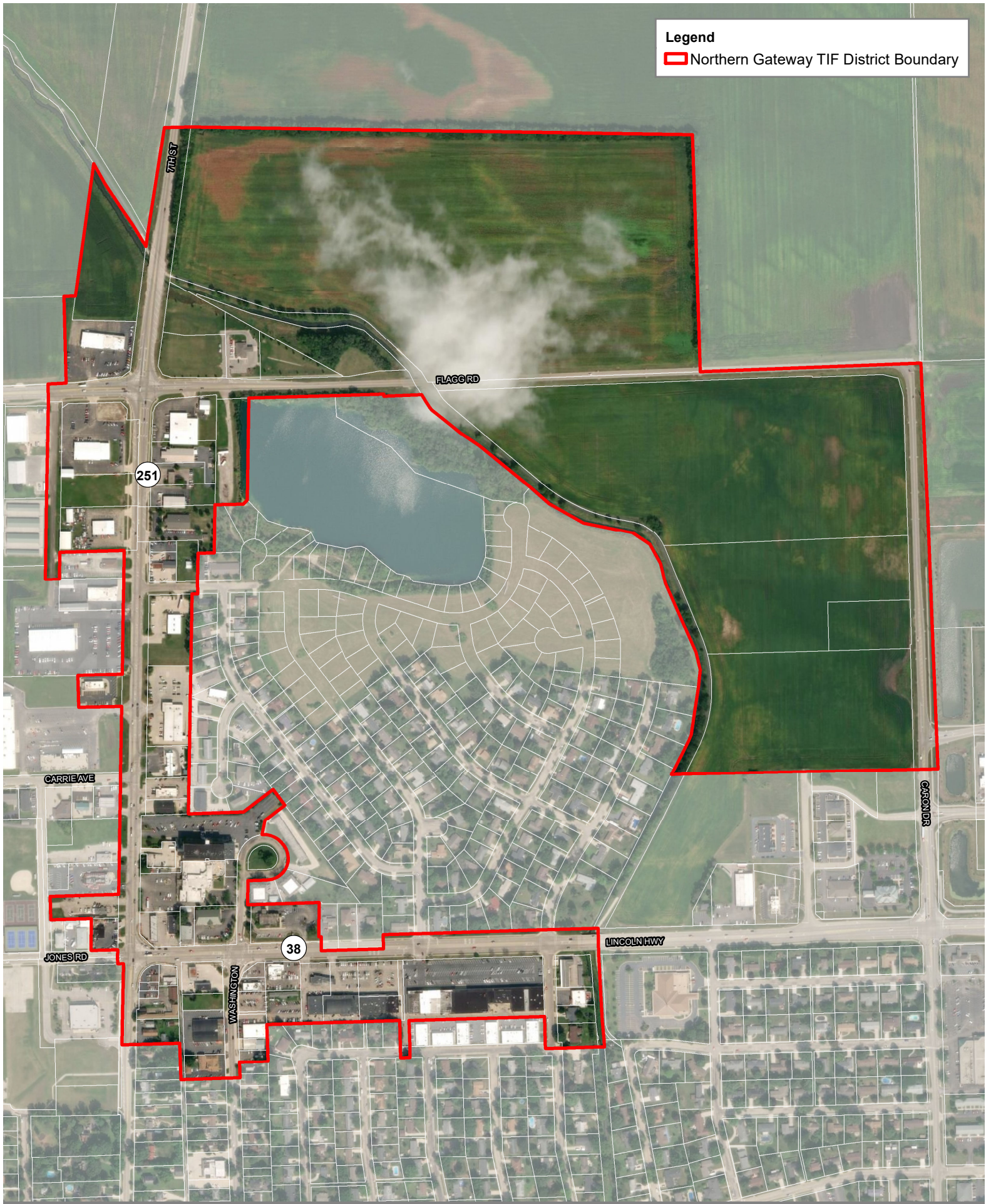
“Conservation Area” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area:

1. Dilapidation - An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings 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.
2. Obsolescence - The condition or process of falling into disuse. Structures have become ill-suited for the original use.
3. 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 not limited to, surface cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.
4. 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.
5. 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.

6. 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.
7. 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 or inadequacy of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. "Inadequate sanitary facilities" refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
8. 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.
9. 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: 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 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 and service.
10. 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.
11. 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 standards, or other evidence demonstrating an absence of effective community planning.
12. 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,

Legend

 Northern Gateway TIF District Boundary



**EXHIBIT A - BOUNDARY MAP**  
**NORTHERN GATEWAY TIF DISTRICT**  
Rochelle, IL



1 Miles

**MORAN**  
ECONOMIC DEVELOPMENT



0 0.075 0.15 0.3 0.45 0.6

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.

13. 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.

“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, 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:

1. 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-way 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.
2. Diversity of ownership - of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
3. 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.
4. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
5. 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 remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
6. 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.

Or, if vacant, the sound growth of the redevelopment areas 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 with the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

1. The area consists of one or more unused quarries, mines, or strip mine ponds.
2. The area consists of an unused rail yards, rail tracks or railroad rights-of-way.
3. The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency.
4. 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.
5. 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.
6. The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

### **C. Methodology of Investigation**

Various techniques and methods of research and field surveys were utilized in determining the eligibility of the properties in question, including:

- On-site field examination of the Proposed Area by experienced property inspectors on the staff of Moran Economic Development. These personnel are trained in techniques and procedures of determining conditions of properties, buildings, streets, utilities, etc. and the subsequent use and analysis of this research to determine TIF eligibility.
- Contacts with City officials and other individuals knowledgeable about conditions and history in and of the Proposed Area, the age and condition of buildings and site improvements, development patterns, real estate matters, and related items.
- Use of definitions contained in the Act.
- Examination of maps, aerial photographs, and historic data related to the Proposed Area including Ogle County real property tax assessment records.

- Interviews with City engineers about the utilities and infrastructure in the Proposed Area.
- Examination and analysis of equalized assessed values (“EAV” or “Property Values”) of properties in the potential TIF area.
- Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing, which became effective on January 10, 1977 and has been subsequently amended.

#### **D. Eligibility Findings for the Area**

In making the determination of eligibility for an Area, it is not required that each and every property and/or building individually qualify, but it is the Area as a whole that must be determined to be eligible. An analysis of the physical conditions and presence of qualifying factors within the Area was performed. In addition to the analysis an inventory of existing land use was determined and outlined on the attached Exhibit B – Existing Land Use Map.

The Area that is proposed for tax increment financing encompasses 104 parcels of property and rights-of-way in the City of Rochelle. Generally, the Area takes in properties along IL-38, IL-251, and E Flagg Rd in the northern portion of the City. Beginning at the intersection of Turkington Terrace and IL-38 the Area takes in adjacent parcels and continues west to IL-251, taking in properties on the southern side of IL-38. At the intersection of IL-38 and IL-251 the Area follows IL-251 north, taking in parcels to the intersection with Flagg Rd. At this point the Area extends to take in property north of Flagg Rd and west of IL-251 before heading east, taking in parcels south of Flagg Rd and west of Caron Rd. The Boundary Map is attached as Exhibit A.

The findings of this analysis, outlined and detailed below, demonstrate that the Area is found to be a combination “conservation area” and “blighted area” as defined within the Act. While the Area was reviewed for all of the factors listed above in Section B, the following summarizes only the factors that exist within the Area:

#### **QUALIFICATIONS OF THE DEVELOPED PORTION OF THE AREA**

- **Age of Structures**

Continuous use and exposure to the elements (varied temperatures, moisture, etc.) over an extended period of time adversely affects structures both aesthetically and structurally. Additionally, older buildings tend not to be ideal for modern-day uses as they often fail to meet contemporary development standards; a result of being constructed prior to the emergence of more rigorous guidelines.

As stated, 50% or more of the structures must have an age of 35 years or greater for a developed area to qualify as a “conservation area.” Of the 59 structures in the Area, approximately 42 were determined to be 35 years of age or older (71%). According to County property records the average structure age in the developed portion of the Area is 44 years. With the majority of the structures in the developed portion of the Area being older than 35 years, the Area can be reviewed for its compliance with the “conservation” criteria.

The qualifying factors for developed land found in the Act were researched to determine eligibility for these properties. The following is the review of existing factors in the Area that would qualify it as a “Conservation Area”:

- **Obsolescence**

This factor was found in the Area, both in the form of structural obsolescence and, more commonly, economic obsolescence. Structural obsolescence is defined as buildings that have become ill-suited for the original use. Some of the commercial structures in the Area are in need of intensive upgrades or in more extreme cases, demolition and reconstruction. These are older structures which are experiencing issues with maintenance due to their age and have fallen below minimum code standards. Two such examples are the Rochelle Commons Shopping Center and the Hickory Grove Civic Center. The Rochelle Commons Shopping Center/May Mart is in need of significant repairs, and city officials indicated it may be more desirable to have the structure, particularly the east side, completely rebuilt in order to be brought up to standard. The Hickory Grove Civic Center has numerous structural and maintenance issues which have been estimated to cost \$1.5M to resolve. These issues have also contributed to excessive vacancies in the Area, as noted below.

In addition to some of the structural obsolescence noted, economic obsolescence was predominant in the Area. Economic obsolescence is a form of depreciation caused by unfavorable conditions external to the property. Of the 89 developed parcels in the Area, 75 (84%) have depreciated in value from 2011-2016. These 75 parcels combined for over \$655,000 in EAV losses during this time, and can be seen in Exhibit C – EAV Change 2011-2016.

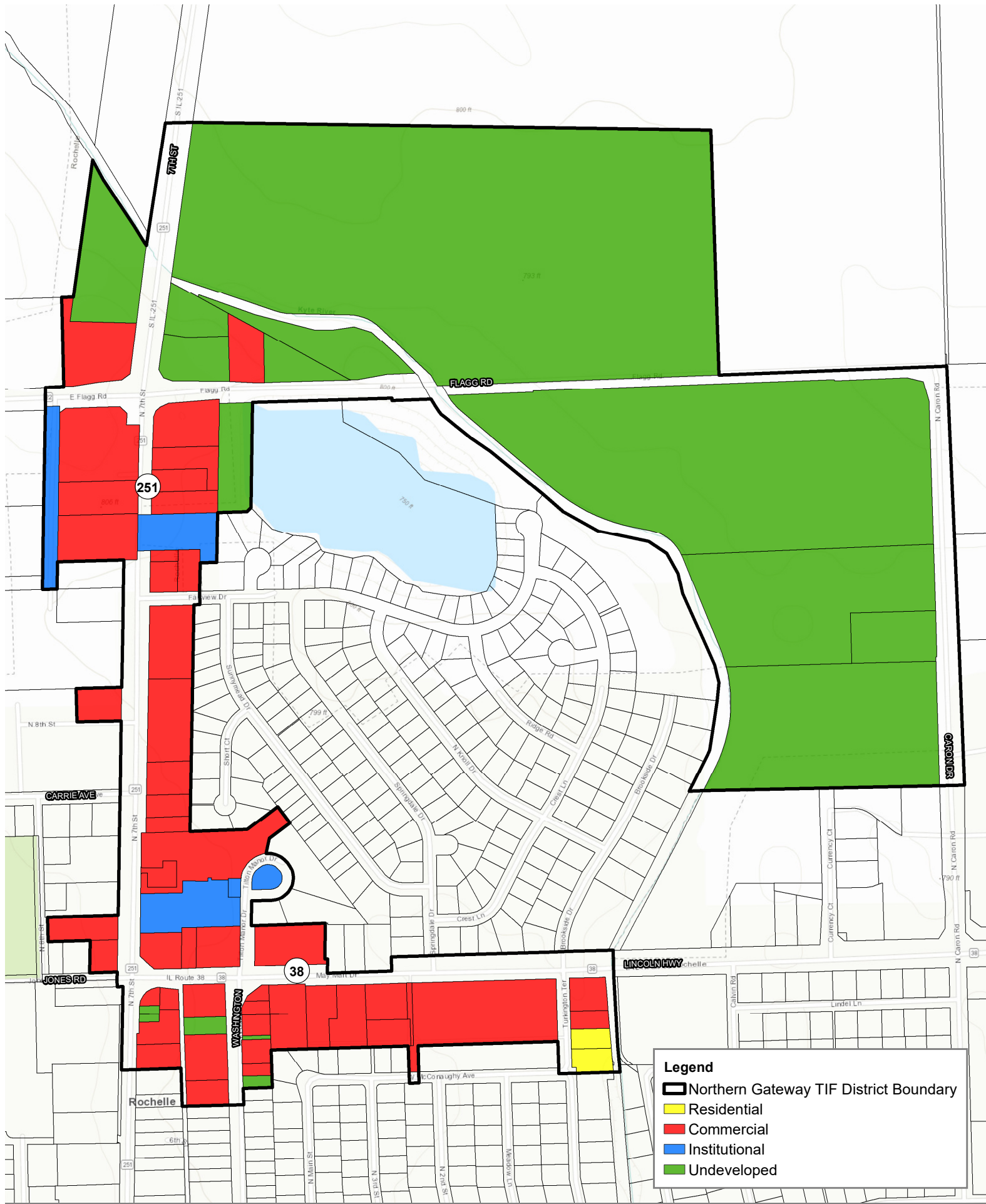
- **Deterioration**

Deteriorated conditions were present in 42 of the 59 structures in the Area (71%), and in 75 of the 89 developed parcels (84%). The field survey of main building conditions in the Area found 42 buildings to have notable defects in the secondary structural components, including roofs, windows, foundations, and fascia materials. The characteristics of the structural deterioration observed are not uncommon given the general age of the buildings in the Area. These conditions contribute to some of the structural obsolescence in the Area, as noted previously.

Surface deterioration was notable throughout the Area as well. The primary roads serving the developed portion of the Area, being IL-38 and IL-251, are in adequate condition with proper paving, and marked lanes. Many of the site improvements on the developed parcels exhibited deteriorated conditions, however. Examples of this factor were cracked asphalt and pavement in parking areas and entryways, grass and weed overgrowth, cracking sidewalks, and potholes in some of the driveways serving the properties.

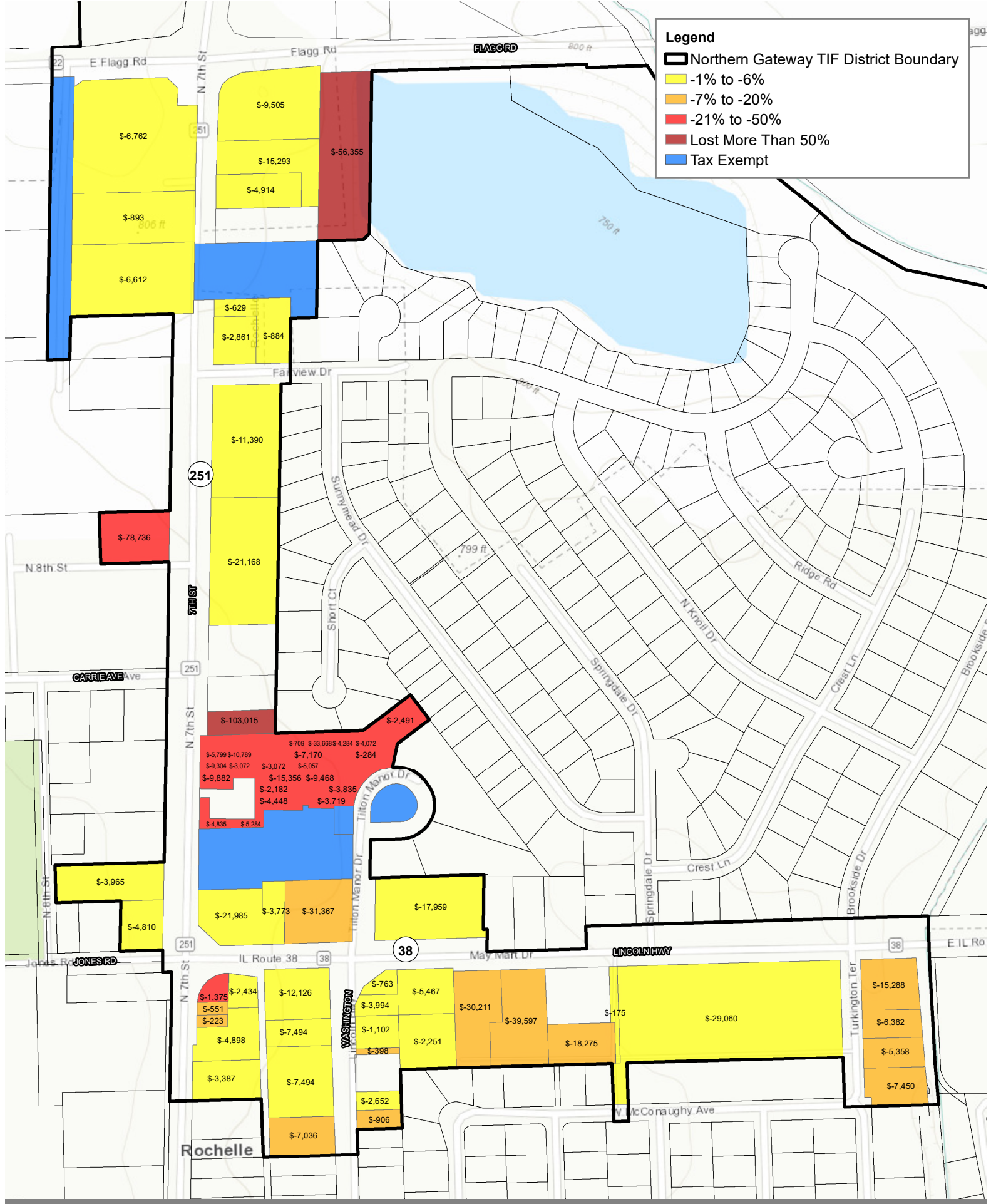
- **Excessive Vacancies**

While not necessarily prevalent in terms of overall percentage of buildings being vacant, this factor was found to be present to a qualifying degree in the Area. Numerous examples of vacancies are commercial spaces within a larger structure, which is why the overall percentage of vacant structures is lower than the actual prevalence of vacancies. The aforementioned Hickory Grove Civic Center and May Mart are two such examples, with both having vacant spaces in their buildings. In the case of the May Mart some of the vacancies are notable due to the duration, as the space which was once an Eagle Foods grocery store has been unoccupied for over a decade. There are additional commercial structures along IL-251 which sit entirely vacant; including what was formerly a Title Max and an auto



**EXHIBIT B - EXISTING LAND USE**  
**NORTHERN GATEWAY TIF DISTRICT**  
 Rochelle, IL





**Legend**

- Northern Gateway TIF District Boundary
- 1% to -6%
- 7% to -20%
- 21% to -50%
- Tax Exempt

**EXHIBIT C - EAV CHANGE 2011-2016**  
**NORTHERN GATEWAY TIF DISTRICT**  
 Rochelle, IL



dealership. The negative effect vacant structures can have on the surrounding area makes remediation of these conditions a priority within the Proposed District. In addition to these vacancies contributing to the economic obsolescence of the Area, as detailed previously, the vacancies are an indication of economic stagnation and decline. Vacant structures pose a threat to the revitalization of the Area as they can be discouraging to new investment.

- **Inadequate Utilities**

There is need for utility and infrastructure upgrades throughout the Area. Interviews with City staff confirmed much of the water distribution and sanitary sewer systems are in need of significant repair or replacement.

The water system dates back to the 1960's and consists of cast iron mains. Ideally these lines would be upgraded to modern PVC pipe lines, and the four-inch mains which are still in use would be upsized. The lines experience numerous breakages, which typically arise due to electrolysis. Officials indicated that the replacement of the water mains in the Area is the top priority when it comes to the need for utility improvements.

The sanitary sewer system also dates back to the 1960's, and consists of clay tile lines. These clay lines are in need of replacing due to the pipe material's susceptibility to breakages, and the lines in the Area have experienced cracking. There are inflow/infiltration issues currently, and as the cracked and aged lines deteriorate further these issues will worsen. During high flow events City Officials indicated that the infiltration can cause the treatment facility to increase its volume from 2.5 million gallons to as much as 15 million. Additionally during these events some of the residences in the Area have experienced surcharges into basements. Officials indicated sewer lining and replacement was needed throughout the Area, as well as the rehabilitation of the manholes in the Area.

The treatment plant is in need of upgrading as well, to the estimate of \$20M in improvements. The mechanicals in the plant are failing as it is past its life expectancy, and \$5M in upgrades is already planned in the coming year. In the following years another \$5M is expected to be spent on improvements.

The storm water management infrastructure is also in need of upgrades. The system dates back around the same time period as the water and sanitary sewer systems, and like those systems the storm water infrastructure is aged and deteriorated. Flooding occurs in the Area even during low storm events (25 year or less), particularly in the southern portion of the Area on Turkington Terrace. Portions of the Area are in a floodway, with Kyte River contributing to the flooding events as it runs through the Project Area. The catch basins in the Area have bricks falling in due to their advanced state of deterioration, and are failing. Also the culverts under IL-251 are undersized. The State of Illinois has considering urbanizing this stretch to a five-lane roadway, but the project has been ongoing for 15 years and yet to be funded.

- **Stagnant or Declining Property Values**

Equalized assessed valuation (EAV) information was reviewed by the staff of Moran Economic Development to determine whether or not the Area qualifies for this factor. Table A depicts annual growth rates both for the Redevelopment Project Area as a whole and the balance of the City, which is the total EAV of Rochelle minus the EAV of the parcels in the project Area, dating back to assessment year 2011.

TABLE A - PROJECT AREA EAV GROWTH RATES

YEAR	ROCHELLE <sup>1</sup>	PROJECT AREA <sup>2</sup>	%	BALANCE <sup>3</sup>	%
2016	\$221,228,855	\$6,108,156	<b>1.47%</b>	\$215,120,699	1.90%
2015	\$217,134,559	\$6,019,530	<b>1.00%</b>	\$211,115,029	5.82%
2014	\$205,458,055	\$5,959,696	<b>-4.76%</b>	\$199,498,359	-1.07%
2013	\$207,906,625	\$6,257,789	<b>-9.75%</b>	\$201,648,836	3.03%
2012	\$202,652,385	\$6,933,826	3.35%	\$195,718,559	-0.44%
2011	\$203,288,860	\$6,708,973	-	\$196,579,887	-

<sup>1</sup>Total City Equalized Assessed Value (EAV). Source: Ogle County Clerk

<sup>2</sup>Total EAV of the Parcels in the Project Area. Source: Ogle County Supervisor of Assessments

<sup>3</sup>Total City EAV Minus the EAV of the Parcels in the Project Area

This analysis shows that the parcels in the Area have been stagnant and has had a lower annual EAV growth rate than the balance of the City for four of the last five years (those years shown in bold). Additionally the Area had several years of negative EAV growth, losing over \$600,000 in value from 2011-2016.

### QUALIFICATIONS OF THE VACANT PORTIONS OF THE AREA

In addition to the developed parcels, the qualifying factors for undeveloped land found in the Act were researched to determine eligibility for these properties.

The first step towards establishing eligibility in an undeveloped portion of a municipality is to determine whether or not such undeveloped property is considered vacant. "Vacant land" is defined in the Act (also Sec. 11-74.4-2) as follows:

*...any parcel or combination of parcels of real property without industrial, commercial, and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided; provided that if the parcel was part of a larger tract that has been divided into 3 or more smaller tracts that were accepted for recording during the period from 1950-1990, then the parcel shall be deemed to have been subdivided, and all proceedings and actions of the municipality taken in that connection with respect to any previously approved or designed redevelopment project area or amended redevelopment project area are hereby validated and hereby declared to be legally sufficient for all purposes of this Act. For the purposes of this Section and only for land subject to the subdivision requirements of the Plat Act, land is subdivided when the original plat of the proposed Redevelopment Project Area or relevant portion thereof has been properly certified, acknowledged, approved, and recorded or filed in accordance with the Plat Act and a preliminary plat, if any, for any subsequent phases of the proposed Redevelopment Project Area or relevant portion thereof has been property approved and filed in accordance with the applicable ordinance of the municipality.*

Once undeveloped property is found to be "vacant," such vacant area may be found to be a blighted area based on certain factors. Researching various records using the Ogle County Assessment and Tax Information System, it has been determined that there are 15 parcels of land found to be vacant. Of these vacant parcels, nine are parcels of real property without industrial, commercial, or residential buildings. Additionally, these parcels have not been used for commercial agricultural purposes within the five year period preceding this redevelopment plan. The remaining six parcels have been used for commercial agricultural purposes within the five year period prior to the creation of this Redevelopment Plan. These parcels have been

subdivided in accordance with guidelines set forth in the Act, however, and as such can be considered vacant land.

Since the Area was found to be vacant, the qualifying factors for vacant land found in the Act were researched to determine eligibility for these properties. The following is the review of qualifying factors in this portion of the Area:

- **Obsolete Platting**

The majority of the undeveloped parcels exhibit obsolete platting, resulting in irregular shapes or sizes and making them unlikely to be utilized to their highest and best use in their current configuration. These parcels will need to be re-platted through splits, combinations, or subdivision, which is a barrier to development that is further complicated by diversity of ownership, discussed below.

- **Diversity of Ownership**

The majority of the undeveloped parcels in the Area have a diversity of ownership; in that many of the adjacent the properties do not share a common ownership. Additionally there are properties which are part of a trust, which can further complicate ownership issues. While not necessarily a barrier to develop on its own, it could limit the ability for property assembly or other site preparation efforts in the Area, which further compounds the issue of obsolete platting (discussed prior).

- **Stagnant or Declining Property Values**

The stagnant or declining property values, as described in the developed portion prior, applies to both developed and undeveloped properties in the Redevelopment Project Area. As such, the undeveloped portion of the Area also qualifies for this factor.

## **DETERMINATION OF STAND ALONE FACTORS IN VACANT PORTIONS OF THE AREA**

In addition to the above qualifications for vacant property, the Act finds that if the redevelopment Area is impaired by a factor that is present and reasonably distributed throughout the vacant part of the redevelopment project Area it may qualify under an additional set of eligibility criteria. One of the factors is the presence of unused mines

- **The Area is Subject to Chronic Flooding**

Exhibit D illustrates the floodplain in the Redevelopment Project Area, per the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) data. Much of the undeveloped portion of the Area is located within the floodplain, in either the actual floodway or in Zone AE. These classifications are high risk areas per FEMA, with a 1% annual chance of flooding and a 26% chance of flooding over the life of a 30-year mortgage. The areas in the floodway are the property adjacent to the Kyte River, which is where the flooding expands from. Any development opportunities on the undeveloped parcels in these areas could be extremely limited due to the risks associated with floodwater management, with the river requiring a barrier of at least 300 feet. Development of this property should be carefully considered, and floodwater management infrastructure would be necessary for any new construction.

### **E. Summary of Factors**

It is found that the developed portion of the Area contains conditions that would qualify it as a Conservation Area; the number of buildings that are 35 years or older exceeds the statutory threshold of 50%, with 42 of the 59 structures (71%) being at least 35 years old; and the Area contains at least six qualifying factors, with five present to a qualifying degree. The factors which cause the Area to qualify are present to a meaningful extent and are distributed throughout the Area. The following is a summary of those factors:

**Obsolescence** – 84% of the parcels exhibit some form of obsolescence.

**Deterioration** – 84% of the parcels and 71% of the buildings exhibit deteriorated conditions in some form.

**Excessive Vacancies** – while a small percentage of structures exhibited vacancies, the nature and duration of these vacancies cause the Area to qualify for this factor.

**Inadequate Utilities** – all of the developed parcels exhibit inadequate utilities in some form.

**Stagnant or Declining EAV Growth Rates** – the Area has had lower annual EAV growth rates than the balance of the City for four of the last five years.

It is found that the undeveloped portion of the Area contains conditions that would qualify it as a Blighted Area. It exhibits an incidence of three qualifying factors which are present to a meaningful extent and are distributed throughout the Area. The following summarizes those factors:

**Obsolete Platting** – 67% of the undeveloped parcels exhibited some form of obsolete platting.

**Diversity of Ownership** – 75% of the undeveloped parcels exhibit diversity of ownership.

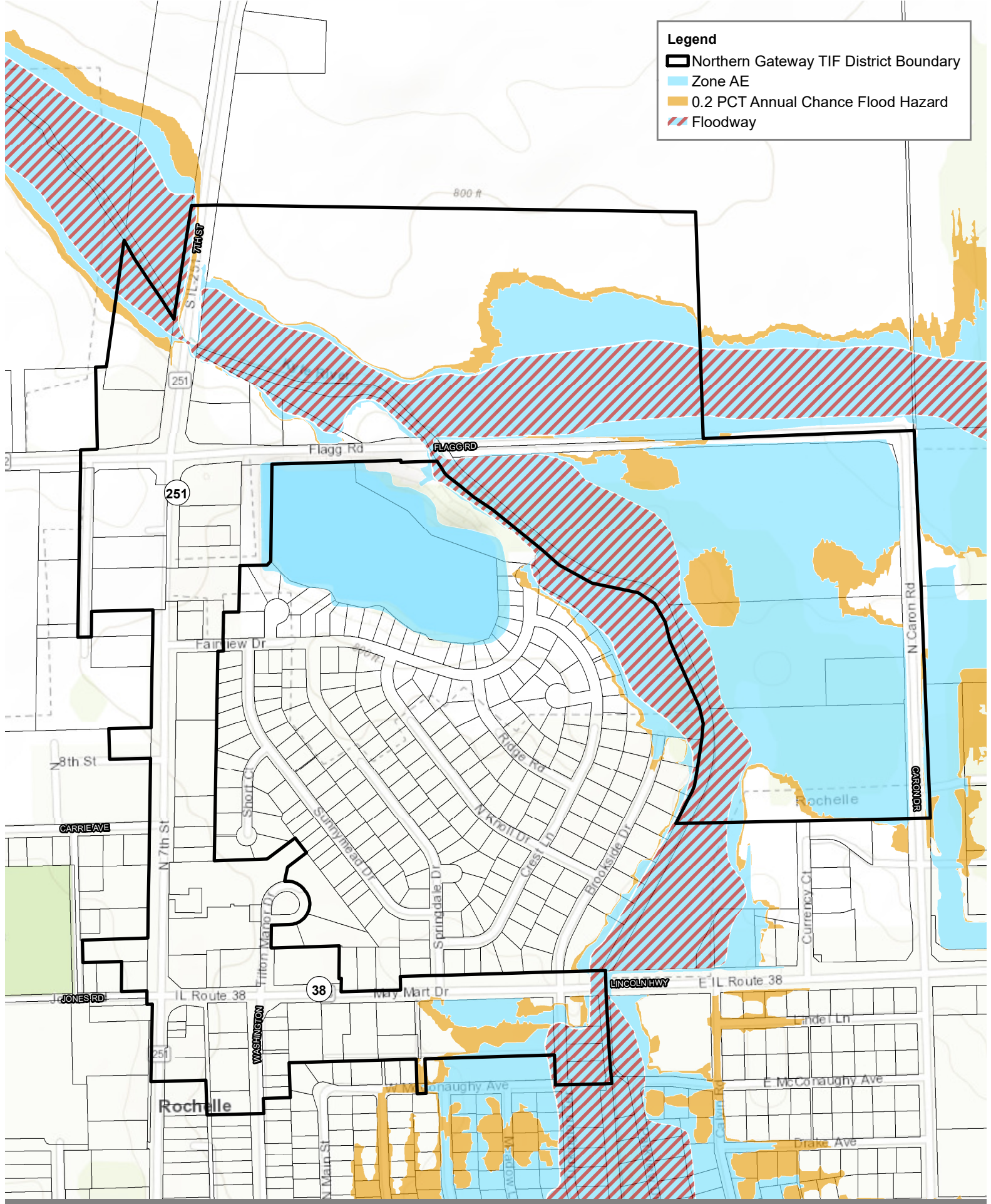
**Stagnant or Declining EAV Growth Rates** – the Area has had lower annual EAV growth rates than the balance of the City for four of the last five years.

Additionally the vacant portion of the Area is found to exhibit a stand-alone factor:

**The Area, Prior to its Designation, is Subject to Chronic Flooding** – The undeveloped portion of the Area is located within the floodplain, per FEMA's FIRM data, which adversely impacts real property in the Area.

**Legend**

-  Northern Gateway TIF District Boundary
-  Zone AE
-  0.2 PCT Annual Chance Flood Hazard
-  Floodway



**EXHIBIT D - FLOODPLAIN**  
**NORTHERN GATEWAY TIF DISTRICT**  
 Rochelle, IL



TABLE B - QUALIFICATION FACTORS MATRICES

TOTAL PARCELS IN TIF DISTRICT		104
<b>Developed Land</b>		
Number of Parcels		89
Number of Structures		59
<b>Buildings Over 35 Years of Age</b>	<b>42</b>	<b>71%</b>
Dilapidation	1	2%
<b>Obsolescence</b>	<b>75</b>	<b>84%</b>
<i>Structure Deterioration</i>	42	71%
<i>Surface Deterioration</i>	75	84%
<b>Total Deterioration</b>	<b>75</b>	<b>84%</b>
Structures Below Minimum Code		Not Determined
Illegal Use of Structures		Not Determined
<b>Excessive Vacancies</b>	<b>5</b>	<b>6%</b>
Lack of Ventilation, Light, or Sanitary Facilities	0	0%
<b>Inadequate Utilities</b>	<b>83</b>	<b>93%</b>
Excessive Land Coverage	0	0%
Deleterious Land Use or Layout	0	0%
Lack of Community Planning	0	0%
EPA Remediation Costs		Not Determined
<b>Low EAV Growth for 3 of the Last 5 Years</b>		<b>YES</b>
Total # of Factors Existing		6
Factors Existing to a Qualifying Extent		5
<b>50% or More of Area has 3 or More Factors Plus Age</b>		<b>YES</b>
<b>Undeveloped Land</b>		
Number of Vacant Parcels		15
<b>Obsolete Platting</b>		<b>YES</b>
<b>Diversity of Ownership</b>		<b>YES</b>
Tax Delinquent		NO
Deterioration in Adjacent Areas		NO
EPA Remediation Costs		NO
<b>Low EAV Growth for 3 of the Last 5 Years</b>		<b>YES</b>
<b>2 of the 6 Preceding Factors</b>		<b>YES</b>
<b>Stand Alone Factors</b>		
Unused Quarries, Mines, or Strip Mine Ponds		NO
Unused Rail Yards, Rail Tracks, or Railroad Rights-of-Way		NO
<b>Area, Prior to its Designation, is Subject to Chronic Flooding</b>		<b>YES</b>
Illegal Disposal Site		NO
Between 50-100 Acres Undeveloped for Designated Purpose		NO
Qualified as Blighted Improved Area		NO
<b>1 of the 6 Preceding Factors</b>		<b>YES</b>

## **F. Conclusion**

The developed portion of the Area is impacted by at least six blighting factors, plus age. Five of those factors are reasonably distributed and present to a meaningful extent. As such, the developed portion of the Area is found to exceed the threshold required to be a considered "conservation area".

The undeveloped portion of the Area is impacted by three of six blighting factors. These factors are reasonably distributed and are present to a meaningful extent. As such, the undeveloped portion of the Area is found meet the threshold required to be considered a "blighted area". Additionally the undeveloped portion of the Area exhibits a "stand-alone" factor, causing it to qualify.

It is, therefore, found that the Redevelopment Project Area contains conditions that qualify it as a combination of a "conservation area" and "blighted area," and that these parcels will continue to exhibit conditions that will worsen without a program of intervention to induce private and public investment in the area. The conditions that exist are detrimental to the Area as a whole, to the long term interests of the City, and to the other taxing districts. This tax increment program should serve to reduce or eliminate the factors which cause the Area to qualify under the TIF Act.

Therefore, after a thorough review of the factors present, the conclusion of this report is that the Proposed Area qualifies for tax increment financing. The City Council should review this analysis and, if satisfied, proceed with the recognition of these findings, the adoption of the Redevelopment Plan, and the establishment of the Rochelle Northern Gateway TIF District Redevelopment Area.

### **SECTION III. FINDINGS OF NEED FOR TAX INCREMENT FINANCING**

The above study determined that the Area qualifies for tax increment financing as a combination of both a “conservation area” and “blighted area.” In addition to this determination, the Act requires that additional criteria be met before adopting a Redevelopment Plan. These additional findings follow.

#### **A. The Redevelopment Area Exceeds the Statutory Minimum Size**

The Area proposed for tax increment financing encompasses 104 parcels of developed and undeveloped property, rights-of-way, and City property totaling approximately 203 acres. The City, therefore, meets this requirement, as the Area contains more than the required 1 ½-acre minimum as defined in the Act. The full description of the Area is written in Appendix A – Legal Description.

#### **B. The Redevelopment Project Area is Contiguous**

The Rochelle Northern Gateway TIF District Redevelopment Area is contiguous and contained within a single perimeter boundary. Therefore, the City meets this requirement. The Area as is fully described in the attached Legal Description – Appendix A.

#### **C. All Properties Included will Substantially Benefit**

The City believes that the implementation of tax increment financing will substantially benefit all properties included in the Redevelopment Project Area.

#### **D. The Area, on the Whole, is not Subject to Growth**

The Area has seen a lack of private investment in the Area, as a whole, to enhance the tax base of the City or of the other affected taxing districts in a significant way. The Redevelopment Project Area has had lower annual EAV growth rates than the City for four of the last five years. Additionally, since 2011 the Area as a whole has lost \$600,817 in EAV. These parcels cannot reasonably be anticipated to further redevelop without the adoption of tax increment financing. Therefore this requirement is met.

#### **E. The TIF Plan and Project Conform with the City’s Community Plan**

The City has determined that this Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole. All future development in the Redevelopment Project Area will conform to applicable codes and ordinances as may be in effect at that time.

#### **F. The Redevelopment Plan Meets the Statutory Timeframe**

The estimated date for the completion of the Redevelopment Plan shall be no later than twenty-three (23) years after the year in which the adoption of the Redevelopment Project Area by the City occurs. If available and deemed appropriate by the City, obligations incurred to finance improvements in the Area will be repaid by incremental revenues, which may be supplemented with funds from other sources such as local taxes, State or Federal loans or grants.

#### **G. The Area Would not be Developed But For Tax Increment Financing**

The City finds that the Area has not currently, nor would reasonably be, developed without the use of tax increment revenues. The City pledges that such incremental revenues will be obligated for the development and revitalization of the Redevelopment Area as provided in the Act. The positions of those expressed in the private sector indicate that the activities outlined for the Area cannot be expected to occur “but for” assistance from tax increment financing.

**H. The Assessment of Financial Impacts on Taxing Districts is Outlined**

The City of Rochelle will find that the financial impact or increased demand for facilities or services resulting from the implementation of the Redevelopment Project on local taxing districts is minimal. Potential negative impact upon local taxing districts due to the proposed area is expected to be minimal due to the fact that the Area is not now creating significant incremental revenue compared to the City.

Negative effects upon said districts will also be minimized through the inclusion of projects that will benefit them. Utility, roadway, and access improvements will be beneficial to emergency service providers, as well as the general public in and around the Redevelopment Project Area. Without development in the Area, which is currently minimal, local taxing districts fail to benefit from tax revenues generated by new development, or from any future redevelopment projects.

Once this Plan and related projects have been implemented, and the anticipated development has occurred, the resulting EAV increases will generate a far higher level of property tax revenues to the local taxing districts than would otherwise have occurred.

The City, to the extent that surplus revenues become available, will distribute such revenues on a pro-rata basis to local taxing bodies whenever possible.

## SECTION IV. REDEVELOPMENT PLAN

### A. Introduction

This section presents the Redevelopment Plan for the Rochelle Northern Gateway TIF District Redevelopment Project Area. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an Area qualifies as either a conservation area, a blighted area, a combination of both conservation and blighted areas, or an industrial park conservation area, a Redevelopment Plan must be prepared. A Redevelopment Plan is defined in the Act in the following manner:

*...the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a blighted area or conservation area or combination thereof or industrial park conservation area, and thereby to enhance the tax bases of the taxing districts which extend into the Redevelopment Project Area.*

### B. Future Land Use Plan

The Future Land Use Plan for the Redevelopment Project Area is shown in Exhibit E. All Redevelopment Projects shall be subject to the provisions of the City's ordinances and other applicable codes as may be in existence and may be amended from time to time.

### C. Objectives

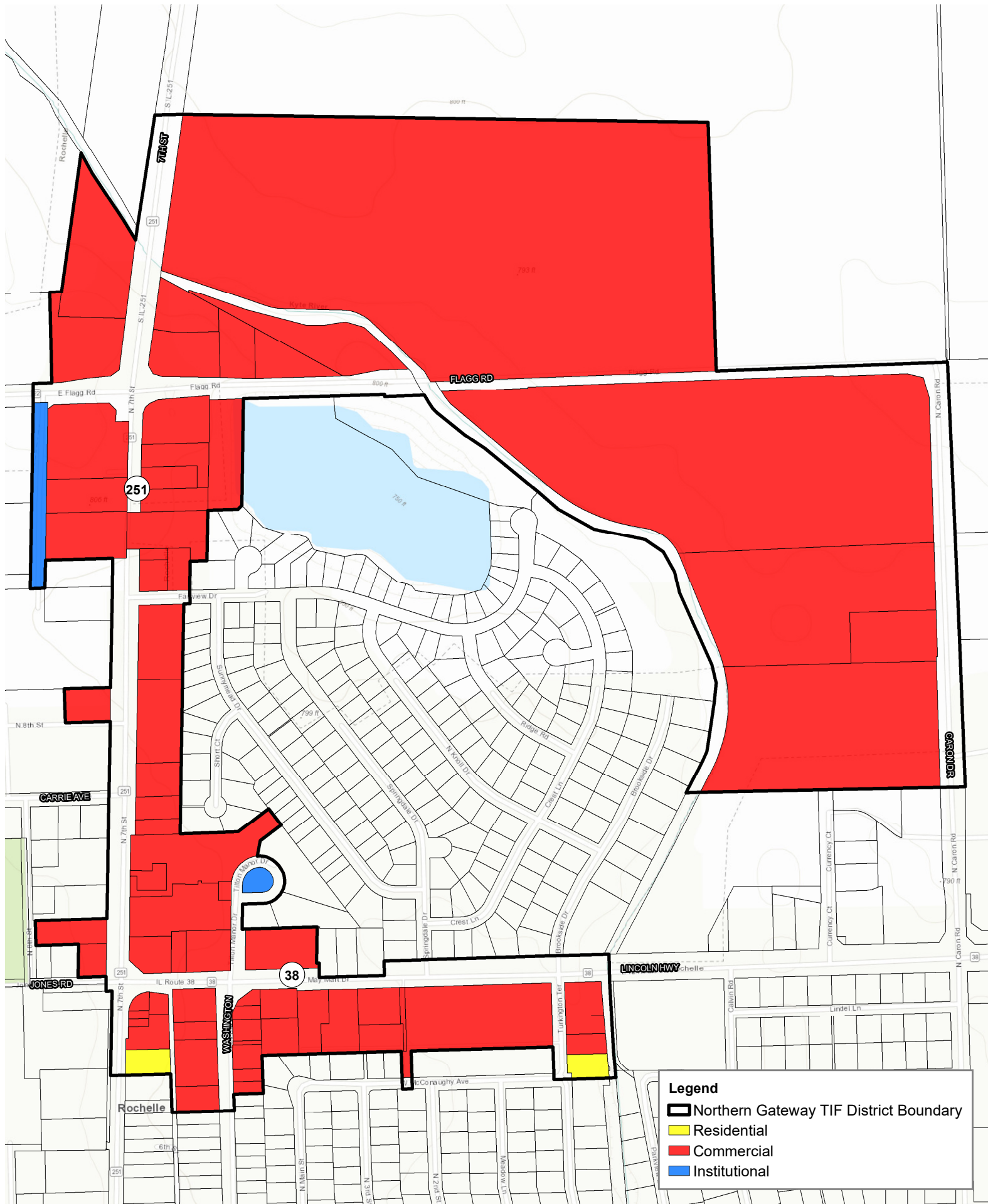
The objectives of the Redevelopment Plan are to:

1. Reduce or eliminate those conditions that qualify the Redevelopment Area as eligible for tax increment financing.
2. Prevent the recurrence of those qualifying conditions which exist within the Area.
3. Enhance the real estate tax base for the City of Rochelle and all other taxing districts which extend into the Area.
4. Encourage and assist private development within the Redevelopment Project Area through the provision of financial assistance for new development as permitted by the Act. This will provide for expanded employment opportunities that will strengthen the economic base of the City and surrounding areas.
5. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner so as to maximize TIF opportunities.

### D. Policies

Appropriate policies have been, or will be, developed by the City of Rochelle in regards to this Redevelopment Plan and Project. These policies include, but are not limited to, the following:

1. Use TIF-derived revenues to accomplish the specific public-side activities and actions outlined in the Implementation Strategy of the Plan.
2. Utilize City staff and consultants to undertake those actions necessary to accomplish the specific public-side activities as outlined in the Implementation Strategy of the Plan.



**EXHIBIT E - FUTURE LAND USE**  
**NORTHERN GATEWAY TIF DISTRICT**  
 Rochelle, IL



- Legend**
- Northern Gateway TIF District Boundary
  - Residential
  - Commercial
  - Institutional



3. Actively market the Redevelopment Project Area to private-side developers.
4. Provide financial assistance, as permitted by the Act, to encourage private-side developers to complete those certain private actions and activities as outlined in this Plan.
5. Seek out additional sources of revenue to help “kick start” development and redevelopment activities in the Redevelopment Project Area.
6. Monitor the public and private actions and activities occurring within the Area.
7. Complete the specified actions and activities in an expeditious manner, striving to minimize the length of the existence of the Area.

These policies may be additionally amended from time to time as determined by the City.

### **E. Redevelopment Project**

To achieve the objectives of the TIF redevelopment project, a number of activities will need to be undertaken. An essential element of the Redevelopment Plan is a combination of private developments in conjunction with public investments and infrastructure improvements. Improvements and activities necessary to implement the Redevelopment Plan may include, but are not limited to, the following:

#### 1. Private Redevelopment Activities

The private activities proposed for the Rochelle Northern Gateway TIF District Redevelopment Project Area may include, but are not limited to:

- On-site infrastructure upgrades, including:
  - i. Extension of utilities to areas not being served;
  - ii. Construction of sidewalks in areas which currently have none; and
  - iii. Storm water management infrastructure.
- Structural improvements, including:
  - i. Repair, renovation or remodeling of existing buildings, to include both exterior and interior improvements in particular the Hickory Grove Civic Center and May Mart shopping center;
  - ii. Demolition of existing buildings which may be beyond rehabilitation; and
  - iii. Expansion of existing buildings to promote business growth and improve the marketability of existing buildings.
- Acquisition of land and assembly of parcels.
- Recruitment of new development, particularly commercial uses, to the City.
- Marketing of available properties for development.

#### 2. Public Redevelopment Activities

Public improvements and support activities will be used to induce and complement private investment. These may include, but are not limited to:

- Infrastructure and utility improvements, including:
  - i. Water main replacement;
  - ii. Treatment plant upgrades;

- iii. Sewer lining and replacement;
- iv. Manhole rehabilitation/replacement;
- v. Storm water catch basin rehabilitation/replacement;
- vi. Upgrade culverts on IL-251;
- vii. Construction of additional storm water management infrastructure; and
- viii. Extension of existing utilities to new development.
- General street improvements and upgrades of the existing street network, including:
  - i. Sidewalk construction and repair in residential areas;
  - ii. Construct pedestrian paths on IL-251, Flagg Rd, and Caron Rd to IL-38; and
  - iii. Repair or replace deteriorated concrete roadway surfacing of the portions of Fairview Dr, Carrie Ave, Turkington Terr, and Springdale Dr that serve the Area.
- Land assembly and site preparation;
- Marketing of properties within the TIF District Area for recruitment of business purposes, including:
  - i. Development of businesses in those commercial properties which are currently vacant.
- Costs of engineering, architectural, or professional studies related to economic development of the Area;
- Financing costs, including those related to the issuance of obligations; Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project; and,
- Relocation costs, to the extent that a municipality determines that relocation costs shall be paid, or is required to make payment of relocation costs by federal or state law.

## **SECTION V. IMPLEMENTATION STRATEGY**

### **A. Introduction**

The development and follow-through of a well-devised implementation strategy is an essential element in the success of any Redevelopment Plan. In order to maximize program efficiency, take advantage of both current and future interest in the Area, and with full consideration of available funds, a phased implementation strategy will be employed. This will allow the City to better manage public expenditures used to spur development within the Area by addressing public concerns.

In order to maintain an appropriate balance between private investment and public improvements, the City will work to adopt the Redevelopment Plan. Once the Plan is adopted, the City will negotiate redevelopment agreements with private developers who will propose the use of tax increment funds to facilitate a Redevelopment Project.

### **B. Estimated Redevelopment Project Costs**

Costs that may be incurred by the City as a result of implementing a Redevelopment Plan may include, without limitation, project costs and expenses and any other costs that are eligible under the Act. Such itemized costs include the following:

1. The costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services.
2. The cost of marketing sites within the Redevelopment Project Area to prospective businesses, developers, and investors.
3. Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparations, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a Redevelopment Project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.
5. Cost of construction of public works or improvements, not to include the cost of constructing a new municipal 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 unless the municipality makes a reasonable determination in the Redevelopment Plan, supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the Redevelopment Plan.

6. Cost of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Redevelopment Project Area.
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued there under accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.
8. To the extent the municipality by written agreement approves the same, all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan and Project.
9. An elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the 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.
10. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.
11. Payments in lieu of taxes.
12. Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i.) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Project Area; and (ii.) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code.
13. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a Redevelopment Project provided that:
  - i. Such costs are to be paid directly from the special tax allocation fund established pursuant to this Act;

- ii. Such payments in any one-year may not exceed 30% of the annual interest costs incurred by the redeveloper with regard to the Redevelopment Project during that year;
  - iii. 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;
  - iv. The total of such interest payments paid pursuant to this 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 this Act;
14. Unless explicitly stated within the Act, the cost of construction of new privately-owned buildings shall not be an eligible Redevelopment Project cost.
15. None of the Redevelopment Project costs enumerated above shall be eligible redevelopment costs if those costs would provide direct financial support to a retail entity initiating operations in the Redevelopment Project Area while terminating operations at another Illinois location within 10 miles of the Redevelopment Project Area but outside the boundaries of the Redevelopment Project Area municipality.

**C. Estimated Budget for Redevelopment Project Costs**

The estimated costs associated with the eligible public redevelopment activities are presented in Table C. This estimate includes reasonable and necessary costs incurred or estimated to be incurred during the implementation of the Plan. The estimated costs are subject to change as specific plans and designs are themselves subject to change.

TABLE C - ESTIMATED BUDGET FOR REDEVELOPMENT PROJECT

DESCRIPTION	ESTIMATED COST
Costs of studies, surveys, development of plans and specifications, including staff and professional service costs for architectural, engineering, legal, environmental, marketing, or other services;	\$675,000
Property assembly costs; including acquisition of land and other property, real or personal; demolition of structures, site preparation, and the clearing and grading of land;	\$2,250,000
Costs of rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings, fixtures, or leasehold improvements;	\$6,600,000
Costs of the construction of public works or improvements (construction or reconstruction of rights of way, additional safety barriers, streets, roadways, curbs and gutters, street lighting, sidewalks, bicycle pathways, and public utilities, including storm and sanitary sewers, and lift stations);	\$5,750,000
Financing costs; including those related to the issuance of obligations; interest cost incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project;	\$3,175,000
Relocation costs to the extent that the municipality determines that these costs shall be paid, or is required to make payment of relocation costs by federal or state law;	\$250,000
<b>TOTAL ESTIMATED BUDGET</b>	<b>\$18,700,000</b>

*Expenditures in individual categories may differ from those shown above; however, the total amount of the Estimated Redevelopment Project Costs will not exceed \$18,700,000 plus any additional interest and financing costs as may be required.*

**D. Most Recent Equalized Assessed Valuation**

The most recent total equalized assessed valuation for the Redevelopment Project Area is approximately \$6,108,156. The County Clerk of Ogle County will verify the Base EAV amount upon the adoption of the City ordinances approving tax increment financing, creating the Redevelopment Project Area, and approving the Rochelle Northern Gateway TIF District Redevelopment Plan and Project. A list of all parcels within the Area is attached as Appendix B – Parcel ID Numbers.

**E. Redevelopment Valuation**

Contingent on the adoption of the Rochelle Northern Gateway TIF District Redevelopment Plan and Project, and commitment by the City to the Redevelopment Program, it is anticipated that private developments and/or improvements will occur within the Redevelopment Project Area.

After discussions with the City, it has been estimated that private investment will increase the equalized assessed valuation (EAV) by approximately \$6,500,000. This figure is in present day dollars, and takes into account only the investment driven valuation increase. Therefore, after redevelopment, the total estimated EAV, in present day dollars, will be approximately \$12,600,000.

**F. Source of Funds**

The primary source of funds to pay for Redevelopment Project costs associated with implementing the Redevelopment Plan shall be funds collected pursuant to tax increment

allocation financing to be adopted by the City. Under such financing, tax increment revenue, in the form of increases in the equalized assessed value (EAV) of property in the Redevelopment Project Area, shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Tax Allocation Fund shall be used to pay Redevelopment Project Costs within the entire Area, and retire any obligations incurred to finance Redevelopment Project Costs.

In order to expedite the implementation of the Redevelopment Plan and construction of the public improvements, the City of Rochelle, pursuant to the authority granted to it under the Act, may issue bonds or other obligations to pay for eligible Redevelopment Project Costs. These obligations may be secured by future revenues to be collected and allocated to the Special Tax Allocation Fund.

If available, revenues from other public and private economic development funding sources will be utilized. These may include state and federal programs, local retail sales tax, land disposition proceeds from the sale of land in the Area, and applicable revenues from any abutting tax increment financing areas in the City. In turn, this tax increment financing Area may also provide monies to abutting tax increment financing areas in the City.

#### **G. Nature and Term of Obligation**

The principal source of funding for the Redevelopment Project will be the deposits into the Special Tax Allocation Fund of monies received from taxes on the increased value of real property in the Area.

In order to expedite the implementation of the Redevelopment Plan, the City of Rochelle, pursuant to the authority granted to it under the Act, may issue obligations to pay for the Redevelopment Project Costs. These obligations may be secured by future amounts to be collected and allocated to the Special Allocation Fund. Such obligations may take the form of any loan instruments authorized by the Act. Such loans or obligations may be issued pursuant to this Redevelopment Plan, for a term not to exceed 20 years, bearing an annual interest rate as permitted by law.

Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the obligations, and not earmarked for other Redevelopment Project Costs or early retirement of such obligations, may be declared as surplus as well and become available for pro rata distribution annually to the taxing bodies to the extent that this distribution of surplus does not impair the financial viability of the Redevelopment Project.

#### **H. Fair Employment Practices and Affirmative Action**

The City of Rochelle will insure that all public and private redevelopment activities are constructed in accordance with fair employment practices and affirmative action. The City will additionally insure that all recipients of tax increment financing assistance adhere to these policies.

#### **I. Certifications**

The Illinois TIF statute declares that if a redevelopment project area contains 75 or more inhabited residential units then a municipality shall prepare a separate housing impact study. If, however, the municipality certifies that the redevelopment plan will not result in displacement of residents from 10 or more residential units then no housing impact study is required.

Although the Area contains less than 75 inhabited residential units, the City of Rochelle hereby certifies that the Rochelle Northern Gateway TIF District Redevelopment Plan and Project will not result in the displacement of residents from 10 or more inhabited residential units. The City hereby certifies that this Plan will not result in the removal of inhabited housing units which contain households of low-income or very low-income persons as these terms are defined in the Illinois Affordable Housing Act. If the removal of inhabited housing units which contain households of low-income or very low-income persons were to occur, the City would first be required to prepare a separate housing impact study and provide affordable housing and relocation assistance not less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Act of 1970 and the regulations under the Act, including the eligibility criteria, as required by 65 ILCS 11-74.4-3(n)(7).

## **SECTION VI. AMENDING THE TIF PLAN**

The Rochelle Northern Gateway TIF District Redevelopment Plan and Project may be additionally amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et. seq.

## **SECTION VII. REPORTING AND MEETING**

The City shall adhere to all reporting and meeting requirements as provided for in the Act.

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# APPENDIX A LEGAL DESCRIPTION

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## APPENDIX A – LEGAL DESCRIPTION

OF PROPERTY DESCRIBED AS: Part of Section 13 and part of Section 24, Township 40 North, Range 1 East of the Third Principal Meridian, Ogle County, Illinois, bounded and described as follows:

Beginning at the Southeast Corner of the Northeast Quarter of said Section 13; thence Westerly along the South Line of said Northeast Quarter, a distance of 1023.66 feet; thence Northerly, parallel with the East line of said Northeast Quarter, a distance of 1096.46 feet to a point lying 1537.80 feet South of the North Line of said Northeast Quarter; thence Northwesterly, a distance of 2388.91 to the centerline of a old road (designated the Old Rockford and Peru Road, the Rockford and Ottawa Road and also known as Meridian Highway (now abandoned, said point lying 1442.10 feet South of the North Line of the Northwest Quarter of said Section 13, as measured along said old centerline; thence continuing Northwesterly along an extension of the last described course to the Westerly Right-of-Way Line of a public road designated Illinois Route 251; thence Southwesterly along said Westerly Right-of-Way Line to the North Line of Parcel #24-13-176-003; thence Northwesterly along said North Line to the Northwest Corner of said Parcel; thence Southwesterly along the West Line of said Parcel to the North Line of Parcel #24-13-176-004; thence Westerly along said North Line to the Northwest Corner of said Parcel; thence Southerly along the Westerly Line of said parcel to the Northerly Right-of-Way Line of a public road designated Flagg Road; thence Westerly along said Northerly Right-of-Way Line to the Northerly projection of Westerly Line of a public road designated 8th Street; thence Southerly along said Northerly projection and the Westerly Line of said 8th Street to the North Line of Parcel #24-13-301-011; thence Easterly along said North Line to the Easterly Right-of-Way Line of said 8th Street; thence Northerly along said Easterly Right-of-Way Line to the Southwest Corner of Parcel # 24-13-326-004; thence Easterly along the South Line of said Parcel to the Westerly Right-of-Way Line of said Illinois Route 251; thence Southerly along said Westerly Right-of-Way Line to the Northeast Corner of Parcel #24-13-351-012; thence Westerly along the North Line of said Parcel to the Northwest Corner of said Parcel; thence Southerly along the West Line of said Parcel to the Southwest Corner of said Parcel; thence Easterly along the South Line of said Parcel to the Westerly Right-of-Way Line of said Illinois Route 251; thence Southerly along said Westerly Right-of-Way Line to the Northeast Corner of Parcel #24-13-376-004; thence Westerly along the North Line of said Parcel to the Northwest Corner of said Parcel; thence Southerly along the West line of said Parcel to the Southwest Corner of said Parcel; thence Easterly along the South Line of said Parcel to the Northwest Corner of Parcel #24-13-376-007; thence Southerly along the West Line of said Parcel to the Southwest Corner of said Parcel; thence Easterly along the South Line of said Parcel to the Southeast Corner of said Parcel; thence Southerly along the Southerly projection of the East Line of said Parcel to the Southerly Right-of-Way Line of a public road designated Jones Road; thence Easterly along said Southerly Right-of-Way line to the Westerly Right-of-Way Line of said Illinois Route 251; thence Southerly along said Westerly Right-of-Way Line to the Westerly projection of the South Line Parcel #24-24-126-004; thence Easterly along said Westerly projection and the South line of said Parcel to the Southeast Corner of said Parcel (also the West Line of an alley); thence Southerly along the West Line of said alley to the Westerly projection of the South Line of Parcel #24-24-126-054; thence Easterly along said Westerly projection and the South Line of said Parcel and the Easterly projection of said South Line to the Easterly Right-of-Way Line of a public road designated Lincoln Highway; thence Northerly along said Easterly Right-of-Way line to the Southwest Corner of Parcel #24-24-127-006; thence Easterly along the South Line of said Parcel to the Southeast Corner of said Parcel; thence Northerly along the East Line of said Parcel and the East Line of Parcel # 24-24-127-005 and #24-24-127-004 to the Northwest Corner of Parcel #24-24-127-031; thence Easterly along the North Line of said Parcel and the North Line of Parcel # 24-24-24-127-048 and #24-24-127-049 and #24-24-127-060 and #24-24-201-002 and #24-24-201-003 to the Northeast Corner of said Parcel #24-24-201-003; thence Southerly along the East Line of said Parcel to the Southerly Right-of-Way Line of a public road designated McConaughy Avenue; thence Easterly along said Southerly Right-of-Way line to the Southerly projection of the West Line of Parcel #24-24-201-005; thence Northerly along said Southerly projection and the West Line of said Parcel to the Northwest Corner of said Parcel; thence Easterly along the North line of said Parcel to the Northeast Corner of said Parcel; thence Southerly along the Easterly Line to the Westerly projection of the South Line of Parcel #24-24-205-014; thence Easterly along said Westerly projection and the South Line of said Parcel #24-24-205-014 to the centerline of Kyte Creek; thence Northerly along said centerline to the Northerly Right-of-Way Line of a public road designated

Illinois Route 38; thence Westerly along said Northerly Right-of-Way Line to the Southeast Corner of Parcel #24-13-381-030; thence Northerly along the East Line of said Parcel to the Northeast Corner of said Parcel; thence Westerly along the North Line of said Parcel and the Westerly projection thereof to the Southwest Corner of Parcel #24-13-381-013; thence Northerly along the West line of said Parcel to the Northwest Corner of said Parcel (also the Southerly Right-of-Way Line of a public road designated Tilton Manor Drive; thence Northeasterly to Northwesterly along said Right-of-Way Line to the Easterly Line of Parcel #24-13-377-053; thence Northeasterly along the East line of said Parcel to the most Easterly Corner of said Parcel; thence Northwesterly along the East Line of said Parcel to the most Northerly Corner of said Parcel; thence Southwesterly and Westerly along the Northerly Line of said Parcel to the Southeast Corner of Parcel #24-13-377-004; thence Northerly along the East line of said Parcel and the East line of Parcels #24-13-377-059, #24-13-377-043, #24-13-377-057 and #24-13-377-056 to the Southerly Right-of-Way Line of a public road designated Fairview Drive; thence Easterly along said Southerly Right-of-Way Line to the Southerly projection of the East line of Parcel #24-13-327-006; thence Northerly along said Southerly projection and the East line of said Parcel to the Northwest Corner of Parcel #24-13-327-010; thence Easterly along the North Line of said Parcel to the Southeast Corner of Parcel #24-13-327-012; thence Northerly along the East Line of said Parcel and the East Line of Parcels # 24-13-327-009, #24-13-327-014, #24-13-327-016 and #24-13-327-004 to the Southerly Right-of-Way Line of said Flagg Road; thence Easterly along said Southerly Right-of-Way Line to the centerline of Kyte Creek; thence Southeasterly to Southwesterly along said centerline to the Westerly projection of the South Line of Parcel #24-13-426-003; thence Easterly along said Westerly projection and the South Line of said Parcel to the East Line of the Southeast Quarter of said Section 13; thence Northerly along said East Line to the Point of Beginning.

# **APPENDIX B**

## **PARCEL ID NUMBERS**

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**APPENDIX B - PARCEL ID NUMBERS**

24-13-176-003	24-13-379-001	24-13-386-012
24-13-176-004	24-13-381-030	24-13-426-003
24-13-177-003	24-13-384-001	24-13-426-005
24-13-177-006	24-13-384-002	24-13-426-006
24-13-177-007	24-13-384-003	24-13-426-007
24-13-177-008	24-13-384-004	24-24-126-001
24-13-177-009	24-13-384-005	24-24-126-003
24-13-200-003	24-13-384-006	24-24-126-004
24-13-301-007	24-13-384-007	24-24-126-027
24-13-326-003	24-13-384-008	24-24-126-052
24-13-326-008	24-13-384-009	24-24-126-054
24-13-326-009	24-13-384-010	24-24-126-055
24-13-327-003	24-13-384-011	24-24-126-056
24-13-327-004	24-13-384-012	24-24-126-059
24-13-327-005	24-13-384-013	24-24-126-060
24-13-327-006	24-13-384-014	24-24-127-001
24-13-327-009	24-13-384-015	24-24-127-002
24-13-327-012	24-13-384-016	24-24-127-004
24-13-327-014	24-13-384-017	24-24-127-005
24-13-327-016	24-13-384-018	24-24-127-006
24-13-351-012	24-13-384-019	24-24-127-026
24-13-376-004	24-13-384-020	24-24-127-053
24-13-376-007	24-13-384-021	24-24-127-054
24-13-377-004	24-13-384-022	24-24-127-055
24-13-377-021	24-13-384-023	24-24-127-056
24-13-377-041	24-13-384-024	24-24-127-057
24-13-377-043	24-13-384-025	24-24-201-001
24-13-377-049	24-13-384-026	24-24-201-007
24-13-377-051	24-13-384-027	24-24-201-008
24-13-377-052	24-13-384-028	24-24-201-009
24-13-377-053	24-13-384-029	24-24-205-001
24-13-377-056	24-13-384-030	24-24-205-002
24-13-377-057	24-13-384-031	24-24-205-003
24-13-377-058	24-13-384-032	24-24-205-014
24-13-377-059	24-13-384-033	

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