

**Forest Hills Road
Tax Increment Financing
Redevelopment Project and Plan
(Amended as of March 2014)**



, Illinois

**Prepared by
City of Loves Park
Community Development Department**

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I. Introduction

This document, entitled *Forest Hills Road Tax Increment Financing Redevelopment Project and Plan*, is to serve as a redevelopment plan (the "Redevelopment Plan") for the Forest Hills Road area (the "Project Area") in the City of Loves Park, Winnebago County, Illinois (the "City"). The Project Area encompasses approximately 132.9 acres and is illustrated in Figure 1 and legally described in Section II of this Redevelopment Plan.

The City of Loves Park

Loves Park is located in Winnebago and Boone Counties directly north of Rockford and approximately 15 miles south of the Illinois-Wisconsin state line within 70 miles of the metro regions of Chicago, Madison and Milwaukee. The City is situated along the Rock River and is home to approximately 24,000 residents. The community of Loves Park was originally settled in the early 1900's along the east bank of the Rock River and served as a recreation and cottage area as well as a small growing suburb of Rockford. In order to respond to growth and the demand for public services, the community incorporated as a city in 1947.

Loves Park has grown steadily over time through active annexation strategies, construction of transportation and utility infrastructure and management of residential, commercial and industrial development. The City has also responded to regional growth trends and has developed a strong presence in the Rockford metropolitan area particularly due to its employment base, proximity to the Rockford airport and accessibility via IL Route 251 and the I-90 tollway. Today, Loves Park is known for its variety of housing styles, strong municipal services, quality schools, desirable community amenities, established and growing commercial centers along key arterials and solid industrial locations. Similar to other communities of the region, Loves Park faces the challenges of planning for and managing change associated with the region's 21st century demographics and economy.

The City's 1997 Comprehensive Plan ("Comprehensive Plan") identifies several goals, objectives and strategies for fostering and managing growth, including retaining and attracting businesses to diversify the economic base and to establish a balanced, self-sufficient economy.

A. Tax Increment Financing

In January 1977, the Illinois General Assembly, through passage of the Tax Increment Allocation Redevelopment Act ("Act"), made TIF possible. The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et seq.*,

as amended. The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance redevelopment project costs (sometimes referred to as "Project Costs" or "Redevelopment Project Costs") with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the Project Area over and above the "Certified Initial EAV" of the real property. Any increase in EAV is then multiplied by the current tax rate, which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance Project Costs, a municipality may issue obligations secured by estimated Incremental Property Taxes to be generated within the Project Area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part of all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge.

Tax increment financing does not generate tax revenues by increasing tax rates. This financing mechanism allows the municipality to capture, for a certain number of years, the new tax revenues produced by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the assessment and reassessment of properties. All taxing districts continue to receive property taxes levied on the initial valuation of properties within the redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and redevelopment project costs necessary to implement the redevelopment plan have been paid and such excess amounts are not otherwise pledged, earmarked or designated for future usage on other redevelopment projects. Taxing districts also benefit from the increased property tax base after redevelopment project costs and obligations are paid and the Project Area's term has expired or has been terminated.

B. Forest Hills Tax Increment Financing Redevelopment Project and Plan

The purpose of the Redevelopment Plan is to promote the health, safety, morals, and welfare of the general public by: Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant

properties which will strengthen the economy, tax base, and business environment. The Project Area has not been subject to growth and development through private investment. Therefore, it is not reasonable to expect that the Project Area will be redeveloped and revitalized without the use of TIF. The Redevelopment Plan was prepared in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment.

Through the implementation of this Redevelopment Plan, it is the City's goal that the entire Project Area be revitalized on a comprehensive and planned development basis in order to ensure that private investment in rehabilitation and new development occurs:

1. To improve and encourage, through public and private investment, the appearance of public rights-of-way, attractive building design, maintenance of buildings, signage, surface improvements, and streetscape enhancements.
2. To eliminate substandard conditions in a portion of the City characterized by age, deterioration, inadequate storm water management, and lack of community planning.
3. On a coordinated basis to ensure that the land use, pedestrian access, vehicular circulation, parking, urban design and utility systems are functionally integrated and meet present-day principles and standards.
4. Comprehensively to ensure that blighting factors are prevented and eliminated.
5. Within a reasonably defined time period so that the area may contribute to the economic vitality of the City.

The Redevelopment Plan sets forth the above stated goals to be accomplished within the Project Area. During the implementation of redevelopment projects in the Project Area, the City may (i) undertake or cause to be undertaken public improvements and activities as described in Section V of the Redevelopment Plan and (ii) enter into redevelopment agreements with private entities to construct, rehabilitate, renovate or restore private improvements on one or several parcels within the Project Area.

This Redevelopment Plan describes the Project Area and sets forth the blighting factors that qualify the Project Area for designation as a blighted area as defined in the Act. Section II of the Redevelopment Plan contains the legal description of the boundaries of the Project Area.

Successful implementation of the Redevelopment Plan will require the use of Incremental Property Tax, and other resources in accordance with the Act, to stimulate the comprehensive and coordinated revitalization and redevelopment of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis. This will eliminate the blight factors that have deterred private investment in the Project Area.

The use of Incremental Property Taxes will allow the City to direct, implement, and coordinate activities to stimulate private investment in the Project Area. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- Adaptive reuse and rehabilitation of buildings, as appropriate;
- Enhanced streetscape features and infrastructure that improve public access, serve and stimulate activity, and integrate with a key corridor location;
- An increased property tax base arising from rehabilitation and new private development for commercial uses;
- An increase in full-time employment opportunities for residents of the City and the region;
- Elimination of land use conflicts and problem conditions in the Project Area as well as general physical improvement and upgrading of properties;
- A revitalized commercial corridor which exemplifies the City's identity and character and serves as a central location for commercial activity in the region.

II. Legal Description

The conditions summarized in this section are described in detail in a separate report, entitled *Forest Hills Road Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study").

Block 1

Part of the Southeast Quarter of Section 5, Township 44 North Range 2 East of the Third Principal Meridian bounded and described as follow to-wit.

Beginning at the intersection of the centerline of East Riverside Boulevard and the centerline of Forest Hills Road; thence Southwesterly along the centerline of Forest Hills Road to the intersection of said centerline and the Southerly line of the

Northerly 250 feet of Lot 6 as designated upon the plat of Hamilton Acres the plat of which is recorded in Book 22 of Plats on Page 333 in the Recorder's Office of Winnebago County, Illinois.; thence Northwesterly along Southerly line of the Northerly 250 feet of Lot 6 to the Easterly right-of-way line of the Chicago and Northwestern Railroad; thence Northeasterly along the Easterly right-of-way line of the Chicago and Northwestern Railroad and said line extended Northeasterly to the centerline of East Riverside Boulevard; thence Easterly along the centerline of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 2

Part or the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Easterly right-of-way line of Forest Hills Road,
extended Southwesterly and the centerline of East Riverside Boulevard; thence Westerly along the centerline of East Riverside Boulevard to the Easterly right-of-way line of the Chicago and Northwestern Railroad extended Southerly; thence Northeasterly along said Easterly right-of-way line to the Northerly line of Lot 7 as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the North line of said Lot 7 to the Southerly line of a Drainage Way as designated upon said plat; thence Southeasterly along the Southerly line of said Drainage Way and said Southerly line extended to the Easterly right-of-way line of Forest Hills Road; thence Southwesterly along the Easterly right-of-way line of Forest Hills Road and said right-of-way line extended to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 3

Part of the North half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian and part of the South half of Section 32, Township 45 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the point of intersection of the Easterly right-of-way line of Forest Hills Road and the Southerly line, extended Southeasterly, of a Drainage Way as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page 74 in the Recorder's Office of Winnebago County, Illinois; thence Northwesterly along the South line of said Drainage Way extended Southeasterly and the Southerly line of said Drainage Way to the South line of Lot 8 as designated upon said plat; thence Westerly along the Southerly line of Lot 8 as designated upon said Plat to the Westerly line of said Lot 8; thence Northeasterly along the Westerly line of said lot 8 to the Southwest corner of Lot 9 as designated upon said plat; thence Easterly along the South line of said Lot 9 to a point which lies 50 perpendicularly distant from the Westerly line of said Lot 9 and the Southeasterly corner of a Drainage Way recorded as Document 71-25-1731 in said Recorder's Office; thence Northeasterly, Easterly and Northeasterly along the Easterly, Southerly and Easterly lines of said Drainage Way to the Southwest corner of a Drainage Way recorded as Documents 71-23-1061, 71-23-1062 and 71-23-1063 in said Recorder's Office; thence Northerly along the Easterly line of said Drainage Way, and said Easterly line extended Northerly to the Northerly right-of-way line of Windsor Road; thence Easterly along the Northerly right-of-way line of Windsor Road and said right-of-way line extended Easterly to the centerline of Alpine Road; thence Southerly along the centerline of Alpine Road to the point of intersection of the centerline of Alpine Road and a line which lies between the intersection of the Southerly right-of-way line of Forest Hills Road and the Easterly line of Alpine Road and the Northwest corner of M Dodd Subdivision the plat of which is recorded in Book 49 of Plats on Page 39 in said Recorder's Office; thence Southwesterly along aforesaid line to the Northwest corner of said M Dodd Subdivision; thence Southwesterly along the Easterly right-of way line of Forest Hills Road to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 4

Part of the North half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian and part of the South half of Section 32, Township 45 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Northerly right-of way line of Windsor Road extended Easterly and the Easterly right-of way line of Forest Hills Road; thence southwesterly along the Easterly right-of way line of Forest Hills Road to the intersection of the Northerly right of line of Colby Lane and the Easterly right-of way line of Forest Hills Road; thence Southwesterly to the intersection of the Southerly right-of-way line of Colby Lane and the Easterly right-of-way line of Forest Hills Road; thence Southwest along the Easterly right-of-way line of Forest Hills Road to the Easterly right-of-way line of Alpine Road thence Southwesterly along a line which lies between the intersection of the Easterly right-of way line of Alpine Road and the Southerly right-of-way line of Forest Hills Road and the Northwest corner of M Dodd Subdivision thence Southwesterly along aforesaid line to the centerline of Alpine Road; thence Northerly along the centerline of Alpine Road to the point of intersection of the centerline of Alpine Road and the Northerly right-of-way line of Windsor Road extended Westerly; thence Easterly along the Northerly right-of way line of Windsor Road extended Westerly and Northerly right-of way line of Windsor Road to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Excepting there from the following described premises bounded and described as follows to-wit:

Part of Lots 1, 2, & 3 as designated upon the plat of Renn Hart Hills Subdivision Commencing at Northwest corner of Block 1 as designated upon said plat; thence Easterly along the North line of said Block 1, a distance of 804.03 to the point of beginning of this description; thence Southerly parallel with the Westerly line of said Block 1, a distance of 158.18 feet; thence Easterly parallel with the Northerly line of said Block 1, a distance of 150.00 feet; thence Northerly parallel with the Westerly line of said Block 1 to the Northerly right-of-way line of Windsor Road; thence Westerly along the Northerly right-of way line of Windsor Road, a distance of 150.00 feet; thence Southerly parallel with the Westerly line of said Block 1 to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 5

Part of the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit::

Beginning at the intersection of the Westerly right-of way line of Material Avenue extended southerly and the Southerly right-of-way line of East Riverside Boulevard; thence Northerly along the Westerly right-of way line of Material Avenue, extended Southerly and the Westerly right-of way line of Material Avenue to the Southerly line of the Drainage Way as designated upon the Plat of Larson's Industrial Tracts the plat of which is recorded in Book 27 of Plats on Page 37 in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the Southerly line of said Drainage Way and said Southerly line extended Easterly to the Easterly right-of way line of the Chicago and Northwestern Railroad; thence Southwesterly along said Easterly right-of-way line to the Southerly right-of-way line of East Riverside Boulevard; thence Westerly along the Southerly right-of-way line of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.

III. Project Area Eligibility Conditions

The conditions summarized in this section are described in detail in a separate report, entitled *Forest Hills Road Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study"). The Eligibility Study presents the definition, application and extent of the blighting factors in the Project Area. The Eligibility Study is attached as Exhibit I to this Redevelopment Plan.

The Project Area conditions documented in this section are based on surveys and analyses conducted by the City. Based on the definitions set forth in the Act, the Project Area is found to be eligible for (i) classification as a "blighted area" and (ii) designation as a redevelopment project area.

A. Surveys and Analyses Conducted

The summary of findings for the Project Area is based upon surveys and analyses conducted by the City. The surveys and analyses conducted include:

1. Exterior survey of the condition and use of each building;
2. Site surveys of streets, driveways, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationship to the community;
4. Analysis of current parcel configuration, building size and layout;
5. Analysis of real estate property values for all tax parcels within the area for years 2004-2012; and
6. Comparison of current land use to the current zoning ordinance and the current zoning map.

B. Summary of Findings

Based on the definitions set forth in the Act, the Project Area is found to be eligible for (i) classification as a "blighted area" and (ii) designation as a redevelopment project area. The summary findings of this report include:

- The Project Area is over 1½ acres.

- Nine of the 13 blight factors are present to a meaningful extent and reasonably distributed in the Project Area, including: “obsolescence,” “deterioration,” “excessive vacancies,” lack of ventilation, light, or sanitary facilities,” “inadequate utilities,” “deleterious land-use,” “environmental clean-up,” “total equalized assessed valuation of the proposed redevelopment area has declined 4 of the last 5 years,” and “lack of community planning.” Two additional factors are present to a more limited extent but support the blighted area finding, including: “Dilapidation,” and “structures below minimum code standards”.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The conclusion from the findings is that to ensure the Project Area contributes to the long-term physical, economic, and social well being of the City, the Project Area is in need of revitalization and redevelopment. The presence of blight factors in the Project Area indicates that the Project Area has not been subject to sound growth and development through investment by private enterprise, and would not reasonably be anticipated to redevelop without public action.

IV. Redevelopment Goals and Policies

Comprehensive and coordinated investment in public and private improvements and facilities is essential for the successful redevelopment of the Project Area and the elimination of conditions that have impeded redevelopment of the Project Area in the past. Redevelopment of the Project Area will benefit the City through improvements in the physical environment, an increased tax base, development/redevelopment opportunities, new jobs and job training opportunities and an increase in the vitality of the Project Area.

This section identifies the general goals and objectives for redevelopment of the Project Area. *Section V* of this Redevelopment Plan describes the overall redevelopment concept for the Project Area and redevelopment activities that the City intends to undertake to achieve the redevelopment goals and objectives presented in this Section.

A. Redevelopment Goals

Listed below are the general goals for redevelopment of the Project Area. These goals provide overall focus and direction for this Redevelopment Plan.

- New investment and development that will preserve or enhance the value of properties within and adjacent to the Project Area, improving the real estate and sales tax base of the City and other taxing districts having jurisdiction over the Project Area.
- An environment within the Project Area that will contribute more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties within and adjacent to the Project Area.
- Elimination of the factors that qualified the Project Area as a blighted area.
- A strong, vital Forest Hills Road/East Riverside Boulevard corridor achieved through retaining businesses and adding new businesses, destination locations, anchor components, developments and improvements.
- Improved infrastructure and an enhanced streetscape environment.
- A strong, positive visual image of the Project Area through attractive and high-quality building design and site improvements.

- Redevelopment of the Project Area in accordance with the Redevelopment Plan and the Comprehensive Plan.

B. Redevelopment Objectives

Listed below are the redevelopment objectives which will guide planning decisions regarding redevelopment within the Project Area.

- Eliminate substandard conditions in a portion of the City characterized by age, deterioration, inadequate storm water management, and lack of community planning.
- Strengthen the economic well being of the Project Area and the City by returning vacant or underutilized properties to the tax rolls.
- Create an environment and provide incentives that stimulate private investment in the upgrading of buildings and/or expansion of existing businesses and new construction.
- Assemble, or encourage the assembly, of land into parcels of appropriate shape and sufficient size for redevelopment in accordance with this Redevelopment Plan.
- Establish a distinctive and cohesive visual identity for the Project Area and encourage a high-quality appearance of buildings/sites and high standards of urban design.
- Provide new retail and service businesses to support the community's residents, and expand the City's tax base.
- Improve the design and appearance of commercial storefronts, including façade treatment, color, materials, awnings, canopies, and signage.
- Provide an overall system of signage that will establish visual continuity, understandable way-finding routes, and promote a positive overall image for the Project Area.
- Redevelop underutilized and obsolete sites.
- Where feasible, repair and rehabilitate existing buildings in poor condition and reuse vacant buildings in serviceable condition for new businesses.

- Where rehabilitation is not feasible, demolish deteriorated existing buildings to allow for new development.
- Where feasible and appropriate, improve street surface conditions, sidewalks, and natural water drainage, street lighting, and traffic signalization.
- Upgrade public utilities and infrastructure as required.
- Encourage coordinated, planned redevelopment of parcels and structures in order to achieve efficient building design, coordinated access, circulation, parking and service facilities.
- Provide safe and efficient vehicular, bicycle and pedestrian circulation systems that will enable adequate access to, movement within connections throughout the Project Area.

V. Redevelopment Project

This section presents the Redevelopment Project anticipated to be undertaken by the City and by private entities in furtherance of this Redevelopment Plan. The Redevelopment Project described in this Redevelopment Plan and pursuant to the Act includes:

- The overall redevelopment concept and goals;
- The land use plan;
- A description of redevelopment improvements and activities;
- Estimated redevelopment project costs;
- A description of sources of funds to pay estimated redevelopment project costs;
- A description of obligations that may be issued; and
- Identification of the most recent EAV of properties in the Project Area and an estimate of future EAV.

A. Overall Redevelopment Concept and Land Use Plan

The Redevelopment Plan and the Redevelopment Project described herein conform to the land-use development policies and standards for the City as set forth in Loves Park's *1997 Comprehensive Plan* and *1998 Zoning Ordinance* (as amended). The Land Use Plan, upon adoption of this Redevelopment Plan, designates the Project Area as "Mixed Use: Commercial, Residential, Industrial, Open Space, and Public", as well as, any other use not in conflict with existing or future ordinances of the City.

The Project Area should be revitalized and redeveloped as a cohesive, distinctive and active mixed-use area that exemplifies the City's identity and character and serves more effectively as a central location for shopping, business, living, entertainment, recreation, and civic and community activities. The Project Area should consist of (i) primarily retail and commercial uses, offering a range of site development opportunities for contemporary retail and office uses; (ii) recreational, residential, entertainment and cultural uses; (iii) a range of public and community facilities, open space, and pedestrian amenities and (iv) industrial uses in limited locations.

Improvement projects should include: rehabilitation and reuse of existing retail, office, and commercial buildings; land consolidation for development of new retail, office, residential, mixed-use and industrial construction – particularly in vacant or underutilized properties within the Project Area; retention and enhancement of viable existing businesses; improvements to streets, utilities and infrastructure; creation of new and upgrading of existing open space and landscaping features; enhancement of addition of streetscape treatments and pedestrian amenities; and the provision of new amenities which enhance the overall social, cultural, and aesthetic atmosphere of the Project Area. The Project Area should be served by a street system, parking, access points and public infrastructure that provide safe and convenient access to and circulation within the Project Area for vehicles, pedestrians and bicycles, as appropriate. The Project Area should also be characterized by cohesive urban design features that organize and provide focus to the Project Area, including quality building materials; pedestrian amenities; distinctive lighting, signage and landscaping; and other appropriate amenities.

B. Redevelopment Improvements and Activities

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements changes as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements with public or private entities for the advancement of the Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions, which are more specific than the general principles set forth in this Redevelopment Plan.

1. Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.

The City may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage the Redevelopment Plan. The City may also undertake the cost of marketing sites within the Project Area to prospective businesses, developers and investors.

2. Property Assemblies, Site Preparation and Environmental Remediation

The City will encourage property acquisition and land assembly by the private sector or public entities in accordance with this Redevelopment Plan. To meet the goals and objectives of this Redevelopment Plan, the City may acquire and assemble any and all property within the Project Area. Land assemblage by the City may be by purchase, exchange, donation, lease, or other lawful authority and may be for the purpose of: (a) sale, lease or conveyance to private developers or other public bodies; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities.

The City may require written redevelopment agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development. Property assembly may also include demolition of buildings, site preparation, and site improvements that serve as an engineered barrier to ground level or below ground level environmental contamination.

3. Provisions of Public Works or Improvements

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with the Redevelopment Plan and the Comprehensive Plan.

4. Relocation

In the event that residents, active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services. Relocation services will be provided in accordance with City policy and the Act.

5. Job Training and Related Educational Programs

Programs designed to increase the skills of the labor force that would take advantage of the employment opportunities within the Project Area may be implemented.

6. Building Rehabilitation

The City may reimburse all or a portion of the costs incurred by property of business owners that undertake building rehabilitation projects in furtherance of the objectives of this Redevelopment Plan.

7. Interest Subsidies and Financing

Funds may be utilized for public financing or provided to redevelopers for a portion of interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:

- (a) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) Such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redevelopment project during that year;
- (c) If there are not sufficient funds available in the special tax allocation fund to make an interest payment, then the amounts due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
- (d) The total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) cost paid or incurred by a redeveloper for redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

C. Redevelopment Project Costs

The various redevelopment expenditures, which are eligible for payment or reimbursement under the Act, are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

Eligible Redevelopment Project Costs

Redevelopment Project Costs include the total of all reasonable or necessary costs incurred, estimated to be incurred, and any costs incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- (1) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected except that on and after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. In addition, "redevelopment project costs" shall not include lobbying expenses;
- (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 interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- (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) Costs of the construction of public works or improvements; except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel, and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (g) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan supported by information that provides the basis

for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

- (6) Costs 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 hereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- (8) To the extent the municipality, by written agreement, accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from a redevelopment project necessarily incurred or to be incurred in advancement of the objectives of the redevelopment plan and project;
- (9) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;
- (10) Payment in lieu of taxes as defined in the Act;
- (11) 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, advance 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 (as cited in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as cited in the Act);

- (12) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 - b) Such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 - c) If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 - d) The total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) cost paid or incurred by the redeveloper for such redevelopment project, plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
- (13) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- (14) A library district or school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act.

After November 1, 1999, none of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area, but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50 percent of the original ownership in a redevelopment

project area but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

If a special service area has been established pursuant to the Special Service Area Tax Act, [35 ILCS 235/0.01 *et. seq.*] then any tax increment revenues derived from the tax imposed pursuant to Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Services Area Tax Act as well as the purposes permitted by the Act.

Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs are set forth in Table 1 of this Redevelopment Plan. All estimates are based on 2012 dollars. Funds may be moved from one line item to another or to an eligible cost category described in this Redevelopment Plan at the City's discretion. To the extent that municipal obligations have been issued to pay for such Redevelopment Project Costs prior to, and in anticipation of, the adoption of TIF, the City shall be reimbursed from Incremental Property Taxes for such Project Costs.

Redevelopment Project Costs described in this Redevelopment Plan are intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan.

In the event the Act is amended by the General Assembly after the date of the approval of this Redevelopment Plan by the City to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, increasing the amount of incurred costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan shall be deemed to incorporate such additional, expanded or increased eligible redevelopment project costs under the Redevelopment Plan to the extent permitted by the Act. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in Table 1 or otherwise adjust the line items in Table 1 without amendments to this Redevelopment Plan, to the extent permitted by the Act. Increases in estimated total Redevelopment Project Costs or more than five percent, after adjustment for inflation from the date of the Redevelopment Plan adoption, are subject to the Redevelopment Plan amendment procedures as provided under the Act.

Table 1: Forest Hills Road Tax Increment Financing Redevelopment Project Area Estimated Redevelopment Project Costs *(City of Loves Park Forest Hills Tax Increment Finance District Planning and Engineering Systems Cost Analysis, Exhibit 2)*

Development Block 1: *Infrastructure improvement costs--\$3,197,992*

Development Block 2: *Infrastructure improvement costs--\$1,876,672*

Development Block 3: *Infrastructure improvement costs--\$781,424*

Development Block 4: *Infrastructure improvement costs--\$1,112,608*

Development Block 5: *Infrastructure improvement costs--\$472,416*

Total Infrastructure Improvement Costs = \$7,441,112

D. Sources of Funds to Pay Redevelopment Project Costs

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing and other legally permissible funds the City may deem appropriate. The City may incur Redevelopment Project Costs, which are paid for from funds of the City other than Incremental Property Taxes, and the City may then be reimbursed for such costs from Incremental Property Taxes. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally and as permitted under the Act, the City may utilize revenues received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received.

The Project Area may, in the future, be contiguous to, or separated by only a public right-of-way, from other redevelopment project areas created under the Act. The City may utilize net Incremental Property Taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or redevelopment project areas separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan.

E. Issuance of Obligations

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act. All obligations issued by the City, pursuant to this Redevelopment Plan and the Act shall be retired within twenty (20) years of their date of issuance, and no later than December 31 of the year in which the payment to the municipal treasurer is to be paid with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Project Area and Redevelopment Plan was adopted, such ultimate retirement date occurring on December 31, 2037.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds and any other lawful purpose. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

F. Valuation of the Project Area

1. Most Recent EAV of Properties in the Project Area

The most recent EAV of the Project Area is estimated to total \$5,009,743 as shown in Table 2 below. This EAV is based on the 2012 equalized assessed valuation and is subject to verification by the County Clerk. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes in the Project Area will be calculated by Winnebago County.

Table 2: EAV by PIN

PrimaryPIN	EAV 2012
12-05-176-016	\$50,352
12-05-176-021	\$64,472
12-05-176-014	\$120,236
12-05-176-012	\$8,631
12-05-176-015	\$150,000
12-05-176-019	\$209,291
12-05-176-017	\$325,213
12-05-176-020	\$4,282
12-05-176-026	\$208,333
12-05-176-013	\$8,734
12-05-302-001	\$403,085
12-05-302-002	\$104,078
12-05-302-003	\$111,998
12-05-201-001	\$27,766
12-05-126-007	\$699,830
12-05-201-005	\$26,095
12-05-201-004	\$11,012
12-05-201-006	\$63,357
12-05-201-008	\$149,748
12-05-201-002	\$64,387
12-05-201-007	\$45,694
12-05-176-023	\$303,173
12-05-176-027	\$0
12-05-176-004	\$428,860
12-05-176-028	\$34,191
12-05-202-028	\$26,954
12-05-202-023	\$3,600
12-05-202-004	\$127,606
12-05-202-027	\$16,499
12-05-202-016	\$19,029
12-05-202-002	\$318,825
12-05-202-021	\$21,489
12-05-202-003	\$25,076
12-05-202-017	\$13,931
12-05-202-001	\$165,212
12-05-202-025	\$17,620
12-05-202-024	\$25,652
12-05-202-018	\$4,652
12-05-202-010	\$10,241
12-05-202-020	\$19,361
12-05-202-008	\$9,181
12-05-202-022	\$11,200
12-05-202-026	\$28,374
12-05-202-006	\$15,970
12-05-202-007	\$21,102
12-05-202-005	\$38,459
12-05-202-009	\$9,181

12-05-202-019	\$24,411
12-05-202-029	\$32,697
12-05-202-015	\$26,905
12-05-152-007	\$102,044
12-05-152-001	\$78,241
12-05-152-002	\$147,682
12-05-152-003	\$5,914
12-05-152-005	\$2,052
12-05-152-006	\$17,765
Total EAV	\$5,009,743

2. Anticipated Equalized Assessed Valuation

By the year 2037, and following the completion of the Redevelopment Plan and Project, the EAV of the Project Area is estimated to total approximately \$20,068,233. This estimate is based on several key assumptions, including: **1)** development, rehabilitation and redevelopment of key sites in the Project Area will occur in a timely manner and generally will phase in over a fifteen-year period beginning in 2013; **2)** investment in rehabilitation, renovation and redevelopment of vacant parcels and/or underutilized parcels will include private investment of approximately... in the Project Area; **3)** the EAV of the Project Area will grow at the rate of 1.0 percent yearly; **4)** a county and township equalization factor of 1.0 is used in all years to calculate estimated EAV; and **5)** the building of the Project Area will remain in full active market use throughout the term of the Project Area.

VI. Lack of Growth and Development Through Investment by Private Enterprise

As described in Section III of this Redevelopment Plan, the Project Area as a whole is adversely impacted by the presence of numerous blighting factors, which represent obstacles to sound growth and development. Specific findings regarding lack of growth and development through investment by private enterprise include:

- In addition to “deterioration,” and “dilapidation”, other blight factors present in the Project Area that indicate a lack of private investment include “excessive vacancies,” “structures below minimum code standards,” and “obsolescence”.
- Over the last 9 years from 2004 to 2012, the total EAV of the Project Area declined at an average annual growth rate of –1% compared to the 3% average annual growth rate in the total EAV of the balance of the City as a whole.
- Over the last 4 years, since 2009, the EAV of the Project Area has declined 30%. This indicates a lack of investment in properties and businesses sufficient to provide for increased income or market value of properties.
- City building permit activity over the past several years indicates that limited investment dollars in the Project Area are being dedicated to basic maintenance and upgrades and in some cases, demolition. Throughout most of the Project Area, no or very limited investment has occurred in new construction, substantial rehabilitation or substantial site improvements at a level to lead to growth and development.

In summary, the Project Area as a whole is eligible as a redevelopment project area, based on eligibility for a “blighted area”. The meaningful presence and reasonable distribution of “blighted area” conditions are detrimental to the public safety, health, and welfare of the City and provide evidence to support the finding that the Project Area on the whole has not been subject to growth and development though investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan for the Project Area.

VII. Financial Impact

Without the adoption of this Redevelopment Plan and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives there is a prospect that “blighted area” conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for new development, redevelopment and rehabilitation of existing buildings. In the absence of City-sponsored redevelopment initiatives, deterioration of the assessed valuation of property in and outside of the Project Area could lead to a continued reduction of real estate tax revenue to all taxing districts.

Sections IV and V of this Redevelopment Plan describe the comprehensive Redevelopment Project proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Project will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as the Redevelopment Project set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of viable existing buildings and new construction on a scale sufficient to eliminate deteriorating conditions and to return the area to a long-term sound condition.

The Redevelopment Project is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Redevelopment Plan. In the short-term, the City’s effective use of TIF can be expected to stabilize and enhance existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, the Redevelopment Project and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base, which results from the increase in EAV caused by the Redevelopment Project.

VIII. Demand on Taxing District Services

The Redevelopment Plan provides for public improvements, as well as, commercial, industrial, and mixed-use development activity within the Project Area. The exact quality and type of new development is not known at this time. It is anticipated that redevelopment projects implemented as part of the Redevelopment Plan may cause increased demand for services or capital improvements on some of the taxing districts.

As of the most recent tax year, the taxing agencies with taxing authority to levy taxes against property in the Project Area are: City of Loves Park, Winnebago County, Winnebago County Forest Preserve, Harlem School District #122, Rockford Township (including Rockford Township Road), Rock Valley Community College #511, North Suburban Library, Rockford Park District, Rock River Water Reclamation district and Greater Rockford Airport.

Since the Redevelopment Plan includes opportunities for a mix of development and redevelopment types, including commercial, industrial, and mixed-use, an increased demand for services or capital improvements of underutilized sites or replacement of vacant buildings and sites with active uses will likely result in additional demand for services and facilities by some of the taxing districts. For example, the City of Loves Park services, such as police protection and fire protection, will likely be impacted. However, it is expected that any increase in demand for the City and other impacted taxing districts' services can be adequately handled by the existing services and facilities or substantially financed by incremental property tax revenues derived from new improvements in the Project Area.

Should demand increase beyond existing service and program capabilities for any taxing district, the City will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services (which would be separate from consideration of any taxing district's capital facilities within the Project Area). The City may enter into intergovernmental agreements with taxing districts where TIF revenues can be used for all or a portion of various improvements to the applicable capital facilities, to the extent that such increased capital needs result from redevelopment projects incurred in furtherance of the objectives of this Redevelopment Plan.

IX. Conformity of the Redevelopment Plan and Project to the Comprehensive Plan for the Development of the City as a Whole.

This Redevelopment Plan and the Redevelopment Project described herein conform to the comprehensive plan for the City as a whole as set forth in the City's *1997 Comprehensive Plan*.

X. Phasing and Scheduling

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that the City's expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

The estimated date for completion of Redevelopment Projects is no later than December 31 of the year in which the payment to the City Treasurer as provided in the Act is to be made in proportion to the value of the taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (i.e., assuming City Council approval of the Project Area and Redevelopment Plan in 2013, by December 31, 2037).

XI. Provisions for Amending the Redevelopment Plan

This Redevelopment Plan may be amended pursuant to the Act.

XII. Commitment to Fair Employment Practices and Affirmative Action Plan

The City is committed to and will affirmatively implement the following principles with respect to the Redevelopment Plan:

- (1) The assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.
- (2) This commitment to affirmative actions will ensure that all members of the protected groups are sought out to compete for all job openings and promotional opportunities.

In order to implement these principles for this Redevelopment Plan, the City shall require and promote equal employment practices and affirmative action on the part of itself and its contractors and vendors. In particular, parties engaged by the City shall be required to agree to the principles set forth in this section.

XIII. Impact on Inhabited Residential Units

As set forth in the Act, if the redevelopment plan for a redevelopment project area would result in the displacement of residents from 10 or more inhabited units, or if the redevelopment project area contains 75 or more inhabited residential units and a municipality is unable to certify that no displacement will occur, the municipality must prepare a housing impact study and incorporate the study in the redevelopment project plan.

The Project Area contains 9 residential units (8 of which are assumed to be inhabited), of legal non-conforming status. Therefore, a housing impact study is not required to be included as part of the Redevelopment Project Plan in accordance with the Act.

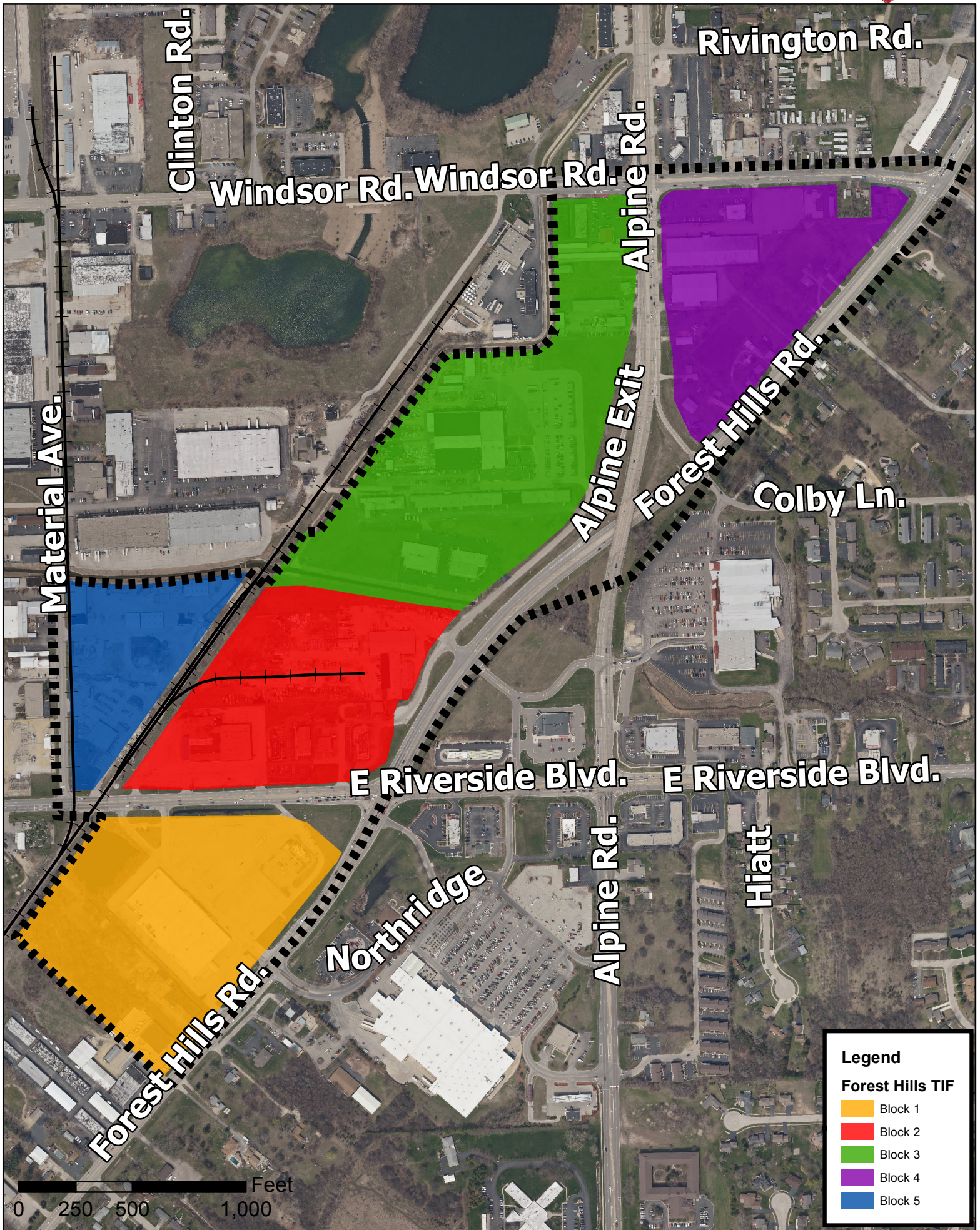
Exhibit I:

Forest Hills Road
Tax Increment Financing Redevelopment Project Area
Eligibility Study

Exhibit II:

City of Loves Park Forest Hills Tax Increment Finance District
Planning and Engineering Systems Cost and Analysis

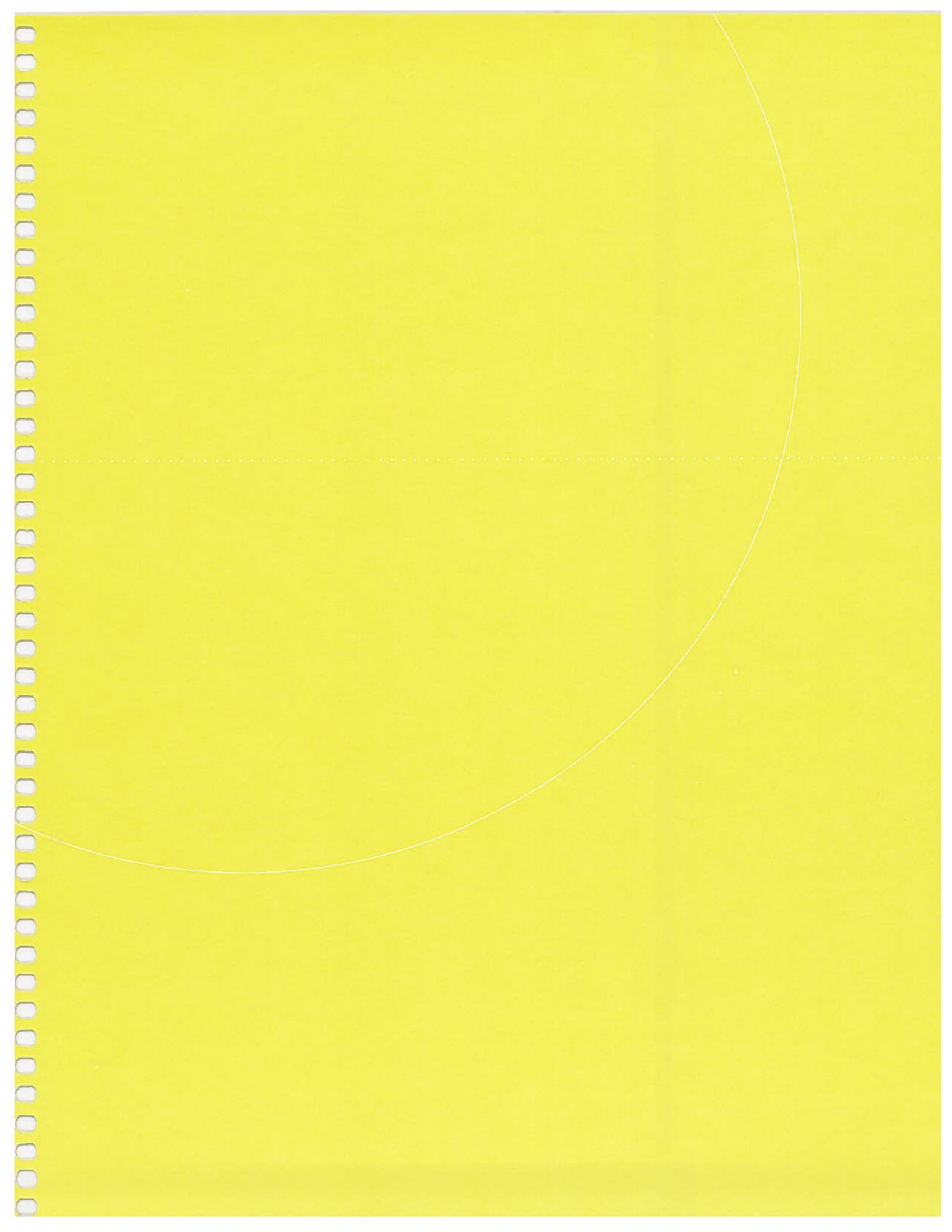
Forest Hills TIF District



Legend

Forest Hills TIF

- Block 1
- Block 2
- Block 3
- Block 4
- Block 5



TIF Development Area 1

Land Use

TIF Development Area 1 is located directly south of Riverside Boulevard and west of Forest Hills Road. There is an active out-lot on site which contains a Taco Bell/Pizza Hut Restaurant. Most of the area is occupied by a vacant K-Mart "big-box" store and accessory parking that has been on the leasing market for some time.

Our plan calls for the redevelopment of this area into smaller development blocks without a reliance strictly on commercial reuse. The future land use plan, as illustrated on Figure 4, provides a mix of Commercial Retail, Neighborhood Commercial, Commercial/Professional Office, Multi-family Residential and Senior Housing. The commercial land uses will front directly on the major road system, while the office and residential uses are located internally. This proposed mix of uses provides synergy and support to each other. Smaller development parcels may make it easier for developers to take on projects at a smaller scale rather than redeveloping the entire parcel.

We have proposed and created a cost estimate for the demolition and splitting up of K-Mart. Another option would be simply a reuse of the structure for other purposes based upon market demand.

The land use plan calls for the creation of additional open space on a newly formed parcel on the western edge of the area along with a multi-purpose trail fronting along the entire sites north edge.

Traffic and Transportation

As illustrated in Figure 5, a primary and important access for this development area will be via a signalized full access intersection on Riverside Boulevard, directly across from Development Area 2. This intersection is proposed to be constructed with dedicated left and right turn lanes along with pedestrian improvements to facilitate the connection between Development Areas 1 and 2. The intersection was sited to optimize the redevelopment potential of the CVS/Sears parcel within Development Area 2. For better spacing on Riverside Boulevard, this intersection could be shifted to the west, requiring the demolition of the vacant CVS store and potentially reducing the size of that parcel. We believe that signalization of this intersection is important and will significantly improve the viability of this parcel, especially for travelers coming to the site from the west. The signal should be fully actuated and coordinated with the entire signal system in the area. The intersection should be constructed with safe pedestrian crossings for people that choose to walk or bicycle to and from the development.

The plan calls for the elimination of two existing driveways on Riverside Boulevard in order to improve the safety and operations of this roadway. A multi-purpose trail is also proposed along

Riverside Boulevard, connecting this development to the intersection at Forest Hills Road and the existing trail system west of the study area.

Drainage

This development area is prone to flooding on the north side of the property along Riverside Boulevard. In order to reduce flooding, we have planned for a water detention facility at the northeast corner and along the eastern edge of the site. This detention facility could also be designed as a water feature, adding value to the commercial portions of the development. As part of the widening of Riverside Boulevard, flood potential along this edge will be mitigated with a new storm water sewer that will drain into the detention area and connect with the Loves Park Creek culvert to the north.

The plan also calls for draining the existing pond on the west side of the site to allow for another development parcel. This pond can either be drained directly north into the Loves Park Creek culvert or to the detention area on the east side of the development area. We have provided a cost estimate for storm water storage underneath this parcel.

The total projected cost for drainage improvements is approximately \$1,769,000.

Sanitary Sewer

The plan calls for running about 350 feet of new sanitary sewer pipe along the internal roadway from Forest Hills Road. This pipe would connect with the existing sanitary system that runs along Forest Hills Road and that also traverses the back of the parcel to the existing railroad tracks. We projected six new service lines at 10 feet each to serve the new parcels on this development area. Total cost projected for sanitary service is approximately \$49,200.

Water Mains

Similar to the sanitary sewer, the plan calls for running 350 feet of new water main pipe along the internal roadway from Forest Hills Road. This pipe would connect with the 10 inch main that runs along Forest Hills Road. We projected six new service lines at 10 feet each to serve the new parcels on this development area. Total cost projected for water service is approximately \$49,200.

Cost/Benefit Evaluation

We have established the cost of infrastructure, which includes the demolition of the vacant K-Mart building. A breakdown of each cost is contained in Appendix B.

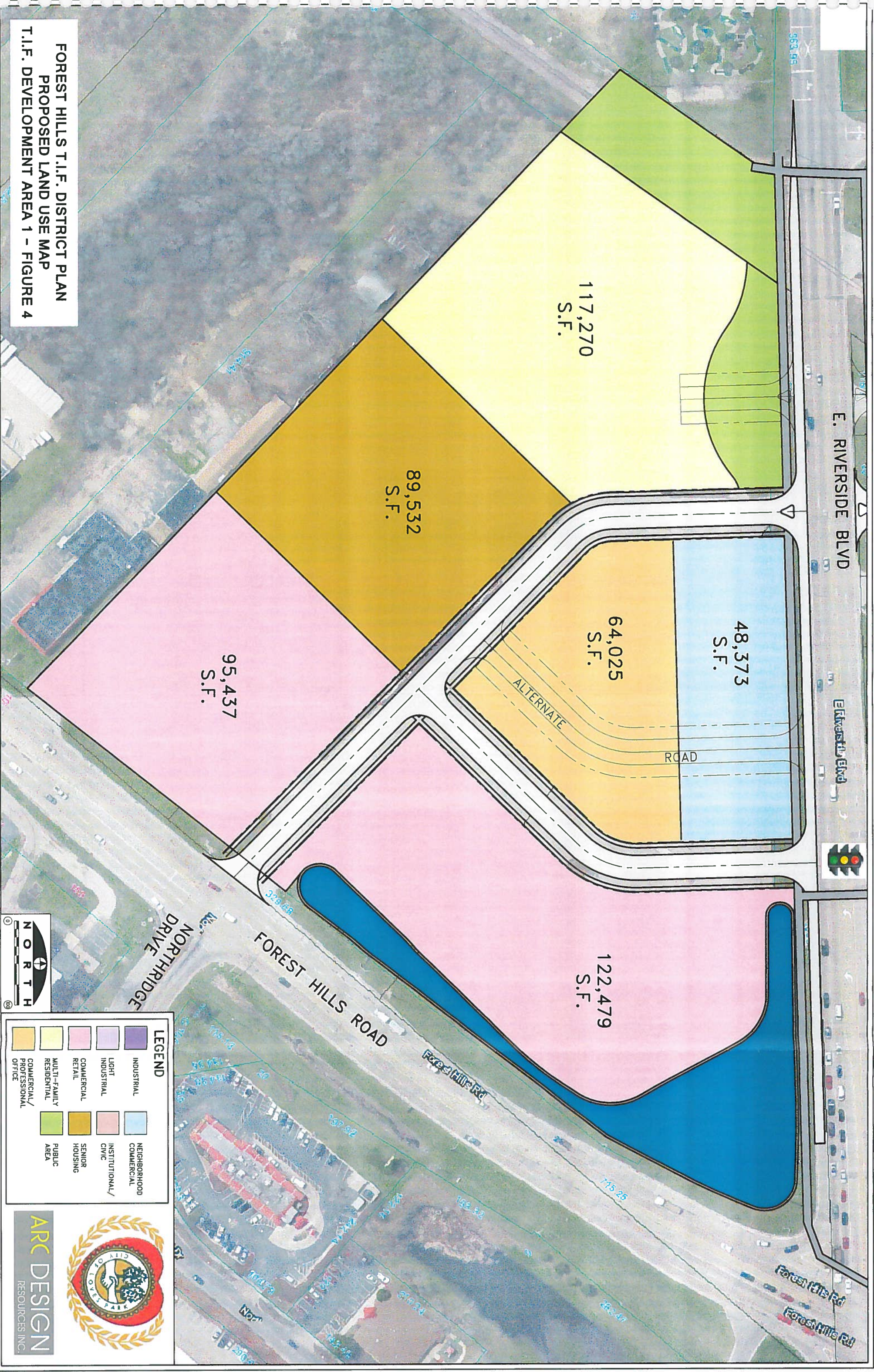
Arc Design Resources referenced 2012 parcel value information provided by the Rockford Township Assessors office as shown in Appendix C. The total land area of the property is 531,432 square feet or 12.1 acres. The total value of the property (land and improvements) is \$1,209,254 or \$2.28 per square foot. Strictly looking at the land value (\$636,881) gives us a square footage value of \$1.20 for the raw land.

Arc Design Resources researched the raw land and improved land values for successful parcels in the area surrounding the TIF for each type of land use proposed for the development area (see Appendix C for the specific parcels). As shown in the table below, we applied these successful property values to the various proposed uses. Assuming that the property is redeveloped and achieves at least the values of other successful properties in the area, the raw land value would increase to \$1,176,933. This would be an increase of \$540,052 (\$1,176,933 - \$636,881) over the existing raw land value for Development Area 1. The improved total value would increase to \$6,903,234, an increase of \$5,693,980 (\$6,903,234 - \$1,209,254) over the existing improved values of the property. Given that the cost of the infrastructure improvements as discussed above are \$3,197,992, the improved values once the property is developed would exceed these costs by \$2,495,988 (\$5,693,980 - \$3,197,992). Potential increases in sales tax and property tax based upon the improvement of these parcels were not accounted for in this analysis.

TIF Development Area 1	Square Feet	Land Value/Sq. Ft.	Total Land Value	Total Property Value/Sq. Ft.	Total Property Value
Existing Land Use					
Commercial	531,432	\$1.20 (1)	\$636,881	\$2.28 (1)	\$1,209,254
Future Land Use					
Commercial/Professional Office	64,025	\$2.92	\$186,953	\$12.93	\$827,843
Senior Housing	89,532	\$1.85	\$165,634	\$19.59	\$1,753,932
Commercial Retail	217,916	\$2.32	\$505,565	\$10.54	\$2,296,835
Neighborhood Commercial	48,373	\$3.39	\$163,984	\$15.26	\$738,172
Multi-Family Residential	117,270	\$1.32	\$154,796	\$10.97	\$1,286,452
Total Future Values	537,116	\$2.19	\$1,176,933	\$12.85	\$6,903,234
DIFFERENCE	5,684	\$0.99	\$540,052	\$10.58	\$5,693,980

(1) Rounded Value

**FOREST HILLS T.I.F. DISTRICT PLAN
 PROPOSED LAND USE MAP
 T.I.F. DEVELOPMENT AREA 1 - FIGURE 4**



E. RIVERSIDE BLVD

E. Riverside Blvd



Forest Hills Rd

Forest Hills Rd

117,270
S.F.

89,532
S.F.

95,437
S.F.

64,025
S.F.

48,373
S.F.

122,479
S.F.

ALTERNATE
ROAD

ROAD

NORTH
DRIVE

FOREST HILLS ROAD

Forest Hills Rd



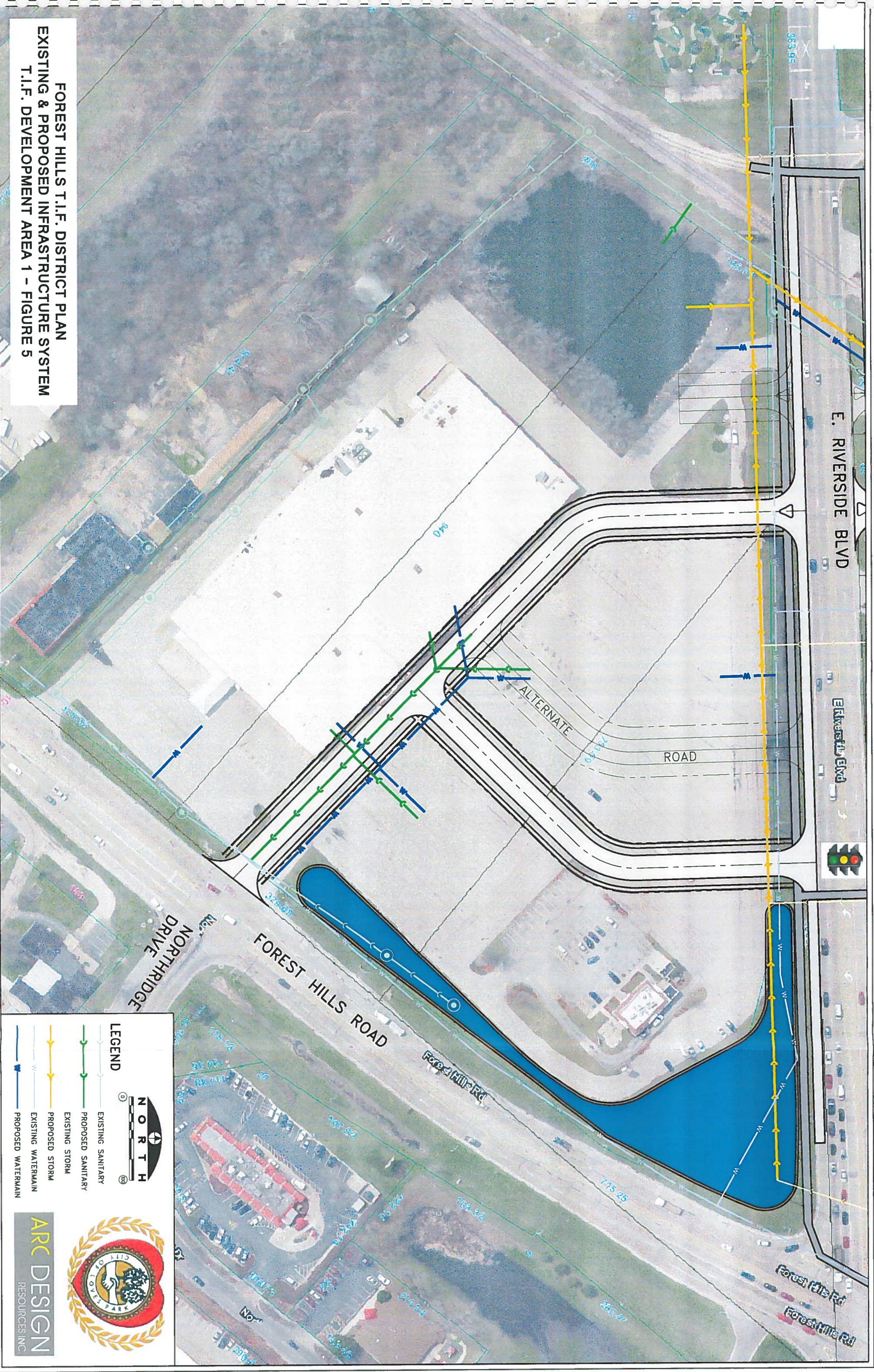
LEGEND

	INDUSTRIAL		NEIGHBORHOOD COMMERCIAL
	LIGHT INDUSTRIAL		INSTITUTIONAL/CIVIC
	COMMERCIAL RETAIL		SENIOR HOUSING
	MULTI-FAMILY RESIDENTIAL		PUBLIC AREA
	COMMERCIAL/PROFESSIONAL OFFICE		



ARC DESIGN
 RESOURCES INC.

**FOREST HILLS T.I.F. DISTRICT PLAN
EXISTING & PROPOSED INFRASTRUCTURE SYSTEM
T.I.F. DEVELOPMENT AREA 1 - FIGURE 5**



LEGEND

	EXISTING SANITARY
	PROPOSED SANITARY
	EXISTING STORM
	PROPOSED STORM
	EXISTING WATERMAIN
	PROPOSED WATERMAIN



ARC DESIGN
RESOURCES, INC.

E. RIVERSIDE BLVD

RIVERSIDE BLVD



NORTH
NORTHIDGE
DRIVE

FOREST HILLS ROAD

ALTERNATE
ROAD

Forest Hills Rd
Forest Hills Rd

TIF Development Area 2

Land Use

This area is located directly north of Riverside Boulevard and east of TIF Development Area 5. The parcels located near the intersection of Riverside Boulevard and Forest Hills Road are a strip type of retail with a layout that feels relatively isolated and somewhat "cramped." To the west along Riverside Boulevard are vacant CVS and Sears buildings. The north side of the area that comprises a significant portion of the site are vacant industrial land uses. The Loves Park Creek culvert runs along the northern edge of the development area, while railroad tracks form the western boundary.

Similar to Development Area 1, we envision that redevelopment of the parcels will be a mix of land uses that would support one another as illustrated in Figure 6. Commercial Retail would continue to be located near the Riverside Boulevard/Forest Hills Road intersection. A Neighborhood Commercial component would be located along Riverside Boulevard to capture pass-by traffic and would be centralized to both Development Areas 1 and 2 to provide easy access for lunch and other types of convenient retail use. Both Senior Housing and Multi-family Residential would be developed internally and adjacent to the open space corridors planned for the development area. Institutional or Civic land uses would round out the development plan, attracting additional people to this area. People of all ages could live, work, shop and recreate all within this single development area.

Another component for TIF Development Area 2 is a proposed open space buffer and multi-purpose trail that would run east/west along the Loves Park Creek culvert. This proposed open space can assist with storm water infiltration and flood control, possibly paid for with Illinois Environmental Protection Agency Green Infrastructure Grant Funds discussed later on page 37.

Traffic and Transportation

An internal roadway system was developed to make connections to the existing road system and the adjacent Development Areas 1, 3a and 5. This plan was developed to minimize the current isolation of the property.

As illustrated in Figure 7, a primary and important access for this development area will be via a signalized full access intersection on Riverside Boulevard, directly across from Development Area 1. This intersection is proposed to be constructed with dedicated left and right turn lanes along with pedestrian improvements to facilitate the connection between Development Areas 1 and 2. The intersection was sited to optimize the redevelopment potential of the CVS/Sears parcel within Development Area 2. For better spacing on Riverside Boulevard, this intersection could be shifted to the west, requiring the demolition of the vacant CVS store and ultimately reducing that parcels size. We believe that signalization of this intersection is important and will significantly improve the viability of this parcel, especially for travelers coming to the site from the west. The signal

should be fully actuated and coordinated with the entire signal system in the area. The intersection should be constructed with safe pedestrian crossings for people that choose to walk or bicycle to and from the development.

In order to better serve the properties on the northern portion of the development area, a traffic signal is proposed on Forest Hills Road at the existing full intersection location. This signal will improve the viability of this development area by connecting it to the CVS Store and Sonic Restaurant across the street and also the Valli Produce grocery store further east. This traffic signal will also improve the safety for ingress and egress of Aqua Aerobics and the other businesses in Development Area 3a. The signal should be fully actuated and coordinated with the entire signal system in the area. The intersection should be constructed with safe pedestrian crossings for people that choose to walk or bicycle to and from the development.

Drainage

The plan calls for constructing new storm sewer along the western side of the site, within an open space easement that would connect to the Loves Park Creek culvert. This storm sewer system would also critically serve the detention and flood prone areas of TIF Development Area 1. Within Development Area 2, newly constructed storm sewer is planned to run under the new east/west main internal roadway. The total cost of storm sewer for this development area is projected at \$263,000.

Sanitary Sewer

This plan calls for running about 730 feet of new sanitary sewer pipe along the east/west internal roadway connecting to the existing sewer main that runs along the railroad tracks. We projected four new service lines at 10 feet each to serve the new parcels of this development area. The total cost projected for sanitary service is approximately \$92,400.

Water Mains

We project that about 1,850 feet of new water main lines would be required. These lines would connect to the 12 inch main running along Riverside Boulevard, run under the proposed east/west internal roadway and connect as well with the 10 inch main running along Forest Hills Road for grid strength. We projected four new service lines at 10 feet each to serve the new parcels of this development area. Total cost projected for water service is approximately \$226,800.

Cost Evaluation

We have established the cost of infrastructure at a total of approximately \$1,876,672. A breakdown of each cost is contained in Appendix B.

Arc Design Resources referenced 2012 parcel value information provided by the Rockford Township Assessors office as shown in Appendix C. The total land area of the property is 813,880 square feet or 18.7 acres. The total value of the property (land and improvements) is \$3,448,356 or

\$4.24 per square foot. Strictly looking at the land value (\$1,284,065) gives us a square footage value of \$1.58 for the raw land.

Arc Design Resources researched the raw land and improved land values for successful parcels in the area surrounding the TIF for each type of land use proposed for the development area (See Appendix C). As shown in the table below, we applied these successful property values to the various proposed uses. Assuming that the property is redeveloped and achieves at least the values of other successful properties in the area, the raw land value would increase to \$1,586,743. This would be an increase of \$302,678 (\$1,586,743 - \$1,284,065) over the existing raw land value for Development Area 2. The improved total value would increase to \$9,415,105, an increase of \$5,966,749 (\$9,415,105 - \$3,448,356) over the existing improved values of the property. Given that the cost of the infrastructure improvements as discussed above are \$1,876,672, the improved values once the property is developed would exceed these costs by \$4,090,077 (\$5,966,749 - \$1,876,672). Potential increases in sales tax and property tax based upon the improvement of these parcels were not accounted for in this analysis.

TIF Development Area 2	Square Feet	Land Value/Sq. Ft.	Total Land Value	Total Property Value/Sq. Ft.	Total Property Value
Existing Land Use					
Commercial & Industrial	813,880	\$1.58 (1)	\$1,284,065	\$4.24 (1)	\$3,448,356
Future Land Use					
Institutional/Civic	139,752	\$2.92	\$408,076	\$12.93	\$1,806,993
Senior Housing	125,515	\$1.85	\$232,203	\$19.59	\$2,458,839
Commercial Retail	181,209	\$2.32	\$420,405	\$10.54	\$1,909,943
Neighborhood Commercial	87,706	\$3.39	\$297,323	\$15.26	\$1,338,394
Multi-Family Residential	173,285	\$1.32	\$228,736	\$10.97	\$1,900,936
Total Future Values	707,467	\$2.24	\$1,586,743	\$13.31	\$9,415,105
DIFFERENCE	-106,413	\$0.67	\$302,678	\$9.07	\$5,966,749

(1) Rounded Value

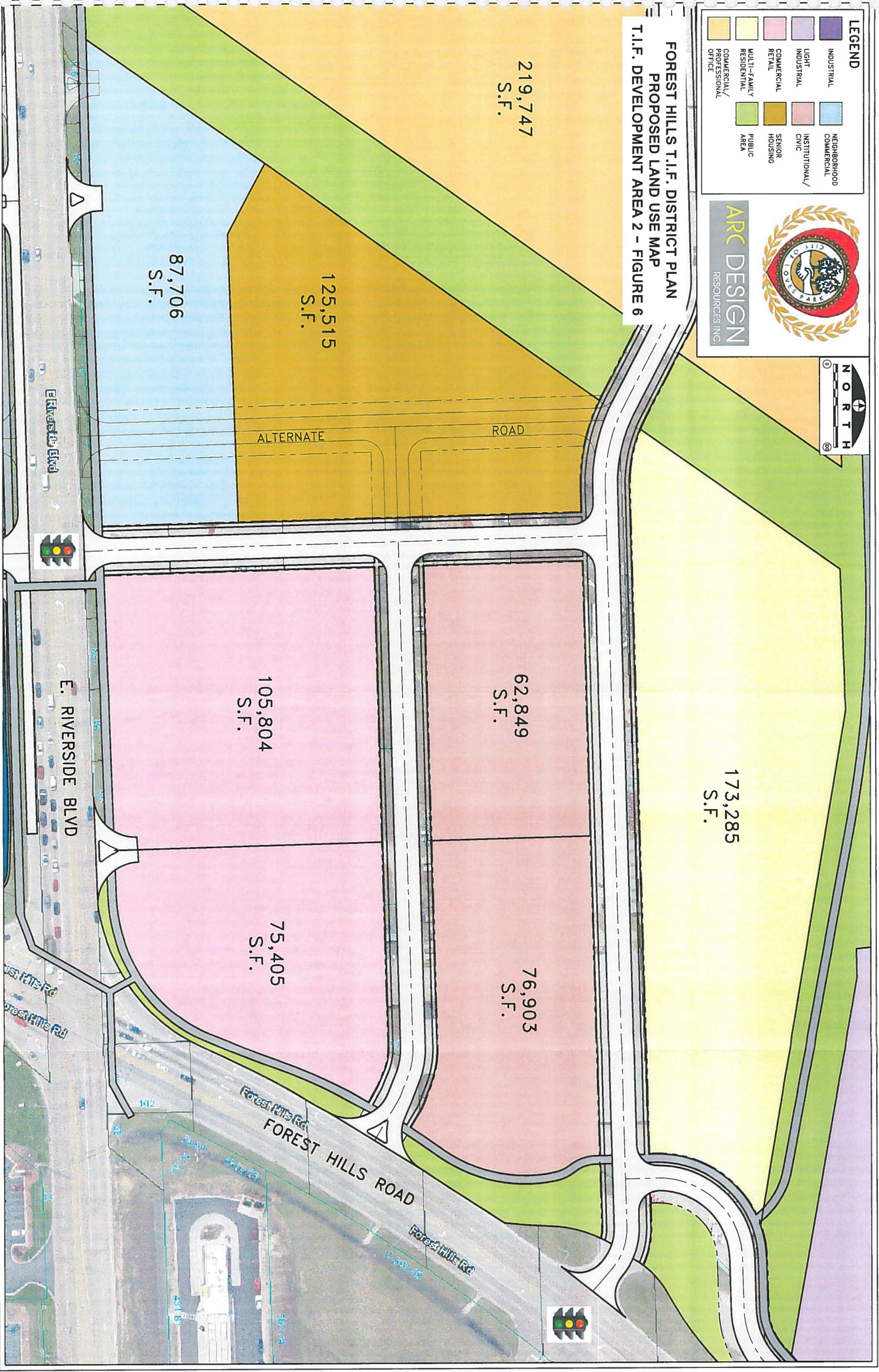
LEGEND	
	INDUSTRIAL
	NEIGHBORHOOD COMMERCIAL
	LIGHT INDUSTRIAL
	COMMERCIAL
	INSTITUTIONAL/CIVIC
	COMMERCIAL/PROFESSIONAL OFFICE
	MULTI-FAMILY RESIDENTIAL
	RETAIL
	SENIOR HOUSING
	PUBLIC AREA



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**FOREST HILLS T.I.F. DISTRICT PLAN
PROPOSED LAND USE MAP
T.I.F. DEVELOPMENT AREA 2 - FIGURE 6**





LEGEND

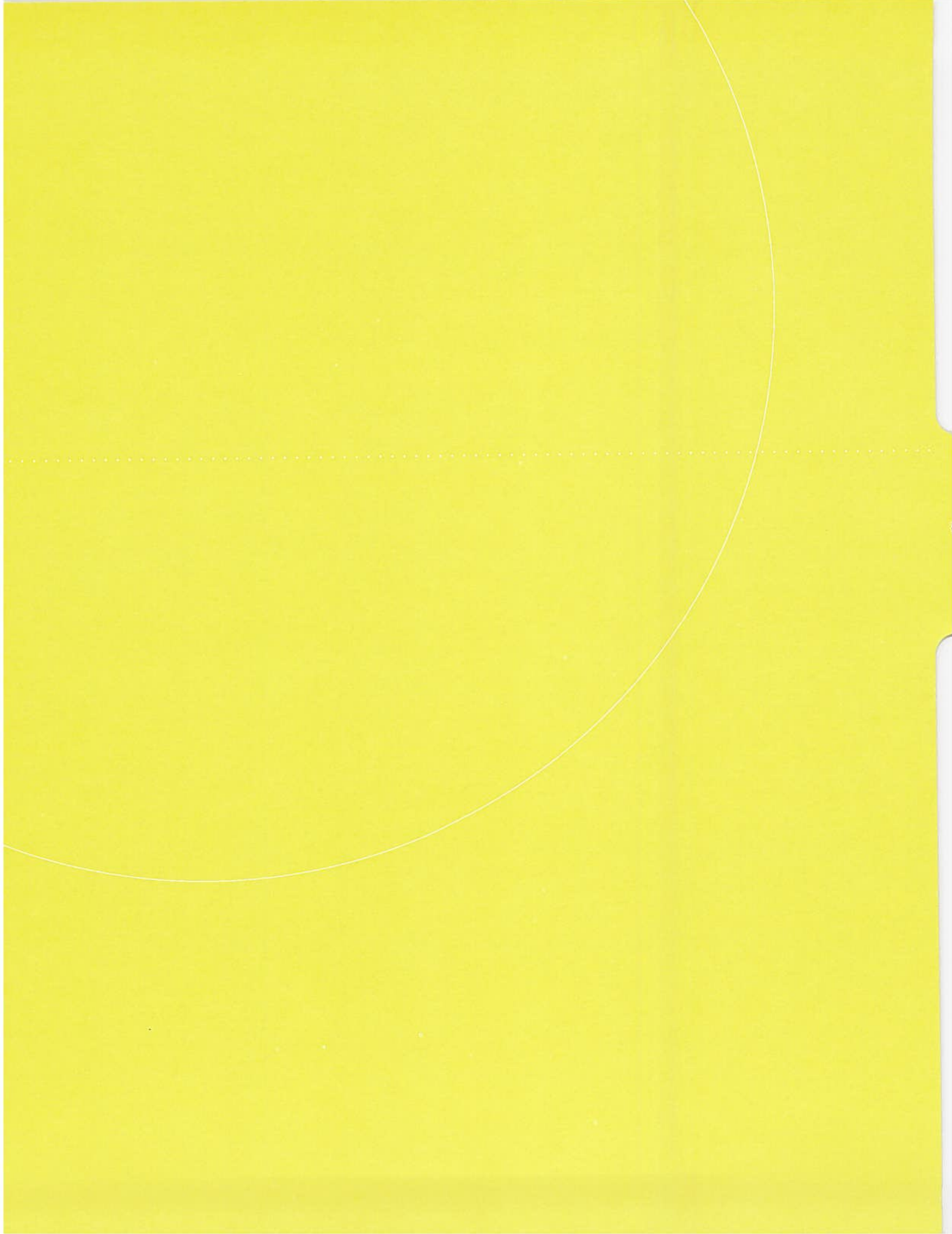
-  EXISTING SANITARY
-  PROPOSED SANITARY
-  EXISTING STORM
-  PROPOSED STORM
-  EXISTING WATERMAIN
-  PROPOSED WATERMAIN



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FOREST HILLS T.I.F. DISTRICT PLAN
EXISTING & PROPOSED INFRASTRUCTURE SYSTEM
T.I.F. DEVELOPMENT AREA 2 - FIGURE 7





TIF Development Area 3a

Land Use

This area is located directly north of Development Area 2 and contains a mix of Industrial and Light Industrial land uses. The Industrial use is made up by the internationally known Aqua Aerobics with approximately 150 employees. South of Aqua Aerobics are smaller businesses located within four buildings making up the Light Industrial land use.

We expect this area will maintain its current industrial character as illustrated in Figure 8. Enhancements to this development area are an improved road system and multi-purpose trail system that makes connections both to the north and south. These connections will allow employees of this area to make shopping and other types of trips before, during and after work. Large open space areas both southwest and northeast of Aqua Aerobics will allow employees to enjoy the open space system during breaks, their lunch hours and before and after work.

Traffic and Transportation

As illustrated in Figure 9, the plan for this area is to widen the existing roadway and provide a multi-purpose trail that connects this development area to property to the north and south. North of Aqua Aerobics, the roadway and trail would swing west and connect with Windsor Drive. Projected cost for the improved roadway and bike trail would be approximately \$183,750.

Drainage

There are no expected drainage improvements required for this development area.

Sanitary Sewer

There are no expected sanitary sewer improvements required for this development area.

Water Mains

There are no expected water main improvements required for this development area.

Cost Evaluation

We have established the cost of infrastructure at a total of approximately \$205,800. A breakdown of each cost is contained in Appendix B.

Arc Design Resources referenced 2012 parcel value information provided by the Rockford Township Assessors office. The total land area of the property is 928,884 square feet or 21.3 acres. About 65 percent of that is occupied by Aqua Aerobics. The total value of the property (land and improvements) is \$4,398,162 or \$4.74 per square foot. Strictly looking at the land value (\$581,028) gives us a square footage value of \$0.63 for the raw land.

Since the land use for this area is expected to remain constant, Arc Design Resources applied a 25 percent increase in value of the land and total value on account of the planned improvements of the property and the surrounding TIF. Based upon this, the raw land value would increase to \$664,244. This would be an increase of \$83,216 (\$664,244 - \$581,028) over the existing raw land value for Development Area 3a. The improved total value would increase to \$4,986,033, an increase of \$587,871 (\$4,986,033 - \$4,398,162) over the existing improved values of the property. Given that the cost of the infrastructure improvements as discussed above are \$205,800, the improved values once the property is developed would exceed these costs by \$382,071 (\$587,871 - \$205,800). Potential increases in sales tax and property tax based upon the improvement of these parcels were not accounted for in this analysis.

TIF Development Area 3a	Square Feet	Land Value/Sq. Ft.	Total Land Value	Total Property Value/Sq. Ft.	Total Property Value
Existing Land Use					
Commercial & Industrial	928,840	\$0.63 (1)	\$581,028	\$4.74 (1)	\$4,398,162
Future Land Use					
Light Industrial	347,006	\$0.79	\$274,135	\$5.93	\$2,057,746
Industrial	493,809	\$0.79	\$390,109	\$5.93	\$2,928,287
Total Future Values	840,815	\$0.79	\$664,244	\$5.93	\$4,986,033
DIFFERENCE	-88,025	\$0.16	\$83,216	\$1.19	\$587,871

(1) Rounded Value

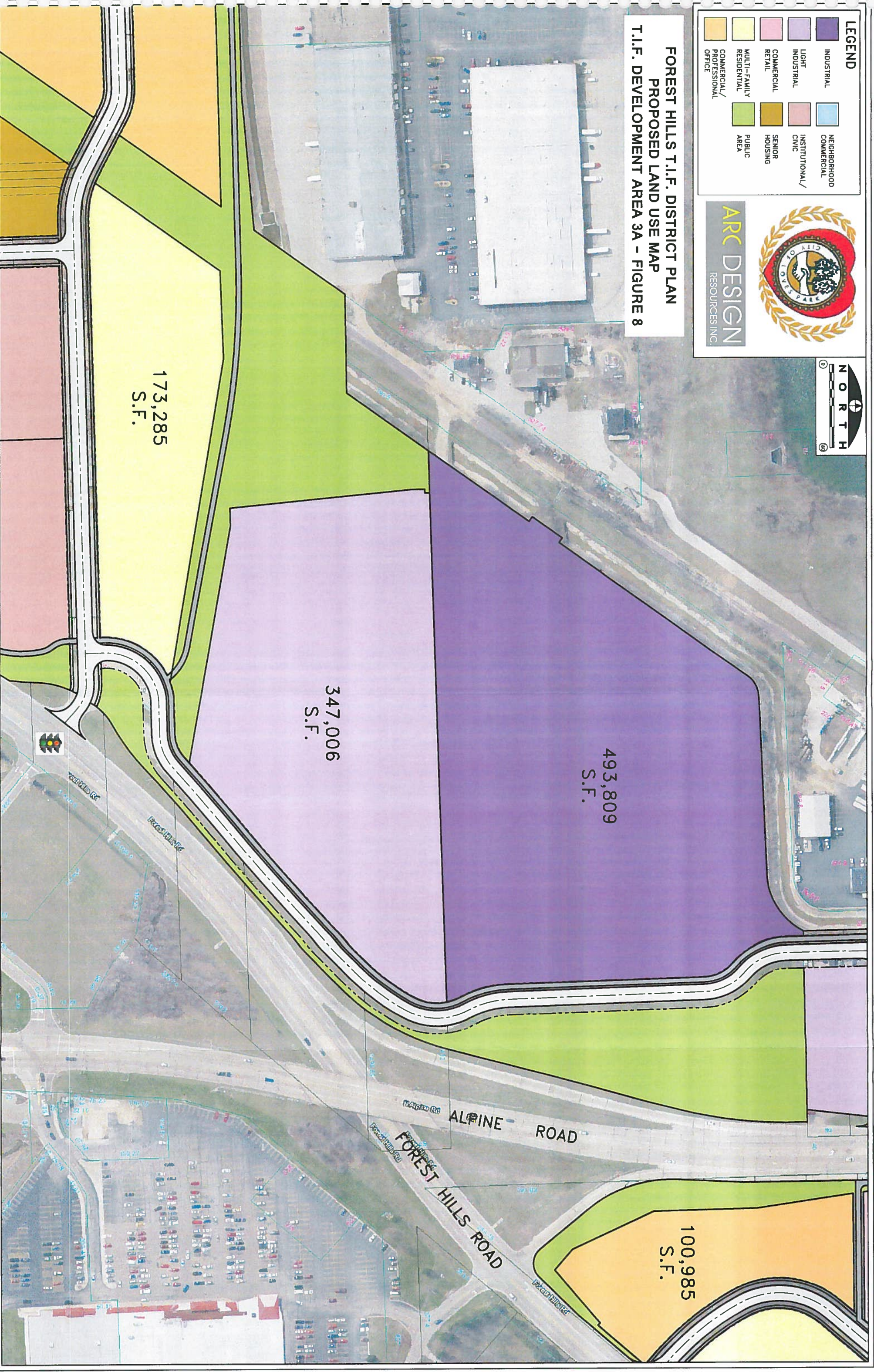


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LEGEND	
	INDUSTRIAL
	LIGHT INDUSTRIAL
	COMMERCIAL RETAIL
	NEIGHBORHOOD COMMERCIAL
	PUBLIC AREA
	COMMERCIAL/PROFESSIONAL OFFICE
	MULTI-FAMILY RESIDENTIAL
	SENIOR HOUSING
	INSTITUTIONAL/CIVIC










**FOREST HILLS T.I.F. DISTRICT PLAN
PROPOSED LAND USE MAP
T.I.F. DEVELOPMENT AREA 3A - FIGURE 8**





LEGEND

-  EXISTING SANITARY
-  PROPOSED SANITARY
-  EXISTING STORM
-  PROPOSED STORM
-  EXISTING WATERMAIN
-  PROPOSED WATERMAIN
-  PROPOSED WATERMAIN



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**FOREST HILLS T.I.F. DISTRICT PLAN
EXISTING & PROPOSED INFRASTRUCTURE SYSTEM
T.I.F. DEVELOPMENT AREA 3A - FIGURE 9**



TIF Development Area 3b

Land Use

This area is located directly north of Development Area 3a and generally located to the southwest of the Windsor Road/Alpine Road intersection. The current land uses include an auto dealership, storage units, small industrial uses and residential.

As illustrated on Figure 10, we expect that future land uses would include Commercial Retail at the Windsor Road/Alpine Road intersection and Light Industrial uses south along Alpine Road. These Light Industrial uses are consistent with the industrial use to the west and Aqua Aerobics to the south. A small open space corridor is planned to follow the planned north/south internal roadway and open drainage culvert.

Traffic and Transportation

As illustrated in Figure 11, the roadway improvement plan calls for the extension north of a roadway that runs along the "back-side" of the parcels to Windsor Road. At its connection with Windsor Road the driveway will be a right-in/right-out only due to the existing raised median on Windsor and the adjacent driveway to the west. An east-west roadway is also planned between this roadway and a full access driveway at Alpine Road. This full access is critical for the viability of this development area as it provides direct access from the south on Alpine Road. A multi-purpose trail is proposed to run along the internal roadway to Windsor Road. It would also run east/west along Windsor Road to Alpine Road. The intersection of Windsor Road and Alpine Road is proposed to contain full pedestrian crossing improvements in order to provide connectivity for land uses on all four corners of the intersection. This will connect the TIF to Paddle and Trail Ltd., Windsor Lake and the Victory Sports Center in Development Area 4.

Drainage

The improvement plan calls for constructing 400 feet of new storm sewer along the proposed internal east/west roadway, connecting with an existing culvert on Alpine Road and the culvert on the west side of the development area. The total cost of storm sewer for this development area is projected at \$40,000.

Sanitary Sewer

The improvement plan calls for running about 230 feet of new sanitary sewer pipe along the north/south internal roadway which will connect to the existing system running along the south edge of the development area. We projected two new service lines at 10 feet each to serve the new parcels on the north and south sides of the internal roadway. The total cost projected for sanitary service is approximately \$31,200.

Water Mains

We project that about 230 feet of new water main would be required for the development area. This water main would run along the new east/west internal roadway connecting with the existing main on Alpine Road. We projected two new service lines at 10 feet each to serve the new parcels on this development area. Total cost projected for water service is approximately \$31,200.

Cost Evaluation

We have established the total cost of infrastructure at approximately \$575,624. A breakdown of each cost is contained in Appendix B.

Arc Design Resources referenced 2012 parcel value information provided by the Rockford Township Assessors office as shown in Appendix C. The total land area of the property is 219,990 square feet or 5.1 acres. The total value of the property (land and improvements) is \$1,164,188 or \$5.29 per square foot. Strictly looking at the land value (\$275,946) gives us a square footage value of \$1.25 for the raw land.

Arc Design Resources researched the raw land and improved land values for successful parcels in the area surrounding the TIF for each type of land use proposed for the development area (see Appendix C). As shown in the table below, we applied these successful property values to the various proposed uses. Assuming that the property is redeveloped and achieves at least the values of other successful properties in the area, the raw land value would decrease to \$230,344. This would be a decrease of \$45,602 (\$230,344 - \$275,946) over the existing raw land value for Development Area 3b. This decrease is based upon the land taken for road and bike improvements as the raw land value would actually increase in value by \$0.12 to \$1.38. The improved total value would increase to \$1,287,191, an increase of \$123,003 (\$1,287,191 - \$1,164,188) over the existing improved values of the property. Given that the cost of the infrastructure improvements as discussed above are \$575,624, the improved values once the property is developed would be less than these costs by \$452,621 (\$123,003 - \$575,624). Potential increases in sales tax and property tax based upon the improvement of these parcels were not accounted for in this analysis.

TIF Development Area 3b	Square Feet	Land Value/Sq. Ft.	Total Land Value	Total Property Value/Sq. Ft.	Total Property Value
Existing Land Use					
Residential, Commercial & Industrial	219,990	\$1.25 (1)	\$275,946	\$5.29 (1)	\$1,164,188
Future Land Use					
Light Industrial	102,827	\$0.79	\$81,233	\$5.93	\$609,764
Commercial Retail	64,272	\$2.32	\$149,111	\$10.54	\$677,427
Total Future Values	167,099	\$1.38	\$230,344	\$7.70	\$1,287,191
DIFFERENCE	-52,891	\$0.12	\$45,602	\$2.41	\$123,003

(1) Rounded Value

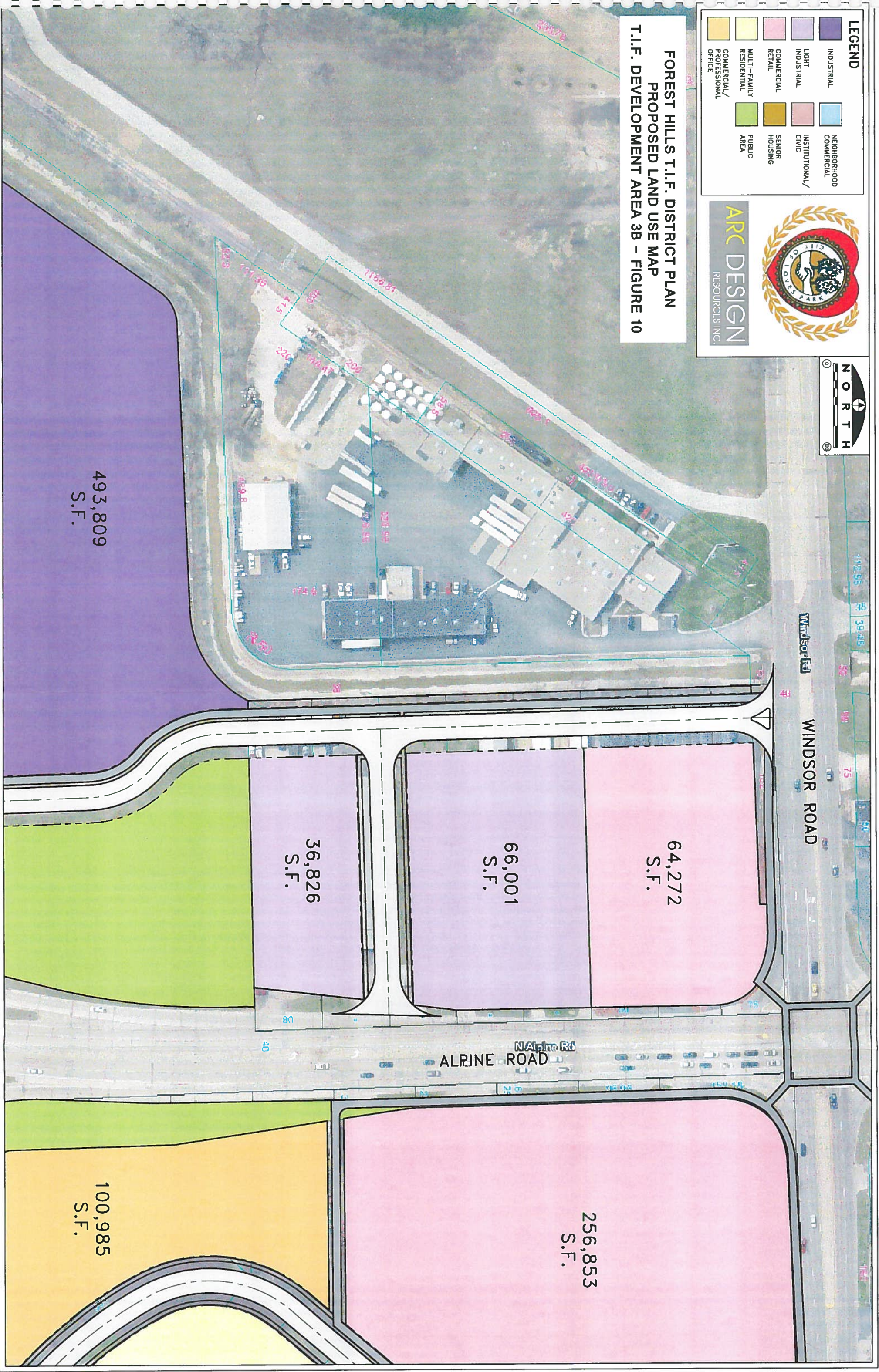
LEGEND

	INDUSTRIAL		NEIGHBORHOOD COMMERCIAL
	LIGHT INDUSTRIAL		INSTITUTIONAL/ CIVIC
	COMMERCIAL RETAIL		SENIOR HOUSING
	MULTI-FAMILY RESIDENTIAL		PUBLIC AREA
	COMMERCIAL/ PROFESSIONAL OFFICE		





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**FOREST HILLS T.I.F. DISTRICT PLAN
PROPOSED LAND USE MAP
T.I.F. DEVELOPMENT AREA 3B - FIGURE 10**

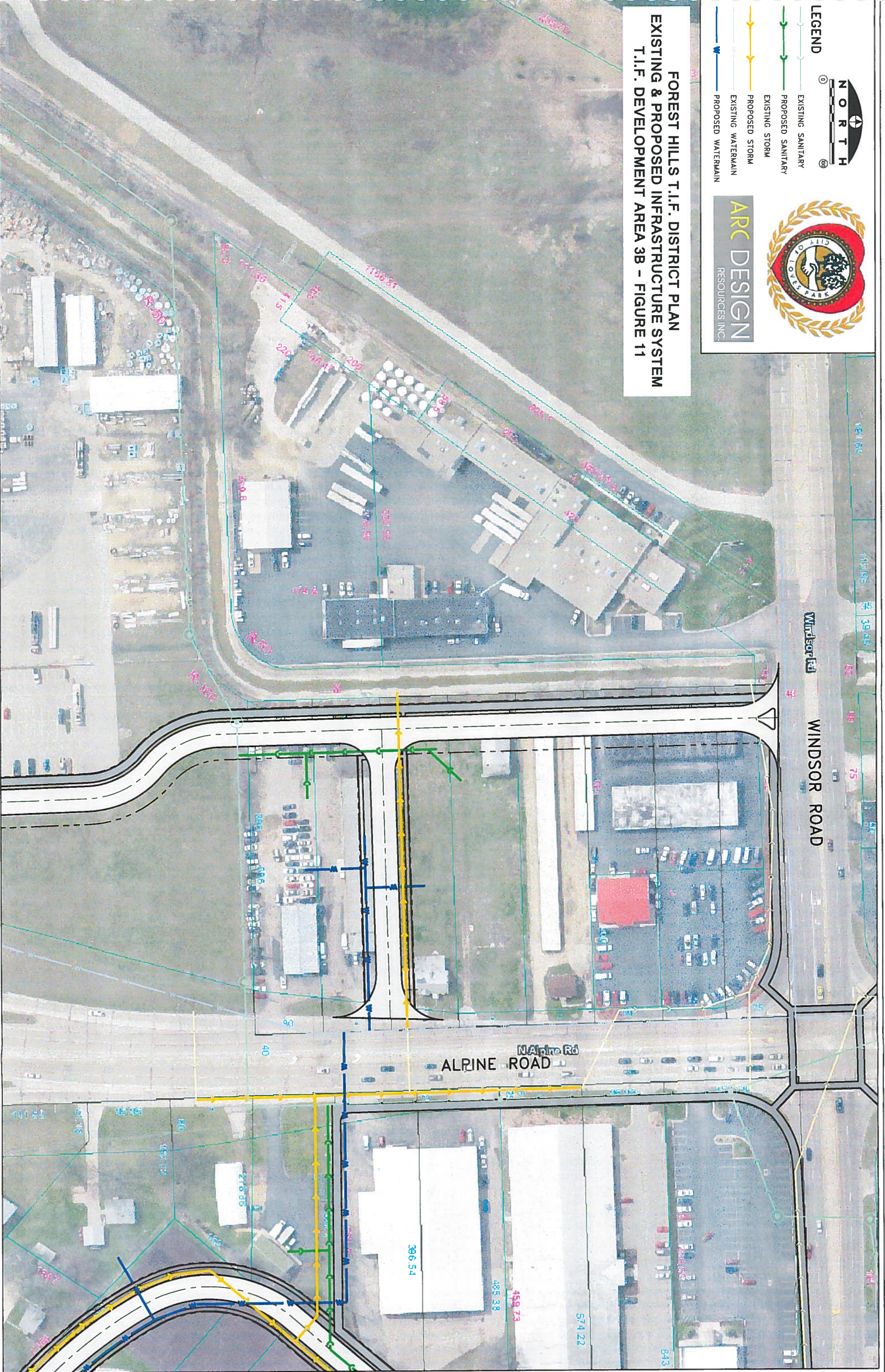




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- LEGEND**
-  EXISTING SANITARY
 -  PROPOSED SANITARY
 -  EXISTING STORM
 -  PROPOSED STORM
 -  EXISTING WATERMAIN
 -  PROPOSED WATERMAIN

**FOREST HILLS T.I.F. DISTRICT PLAN
EXISTING & PROPOSED INFRASTRUCTURE SYSTEM
T.I.F. DEVELOPMENT AREA 3B - FIGURE 11**



TIF Development Area 4

Land Use

Development Area 4 is bounded by Alpine Road to the west, Windsor Road to the north and Forest Hills Road to the east and south. The current land uses contain a mix of recreational, restaurant, retail, industrial and residential land uses. Much of the property is underdeveloped.

As illustrated in Figure 12, the land use goal for Development Area 4 is to increase the viability of existing businesses and to provide greater opportunities for land owners by establishing larger development parcels framed by a new road system and utility infrastructure. Future land uses are expected to include Commercial Retail, Neighborhood Commercial, Commercial/Professional Office and Multi-Family Residential.

Traffic and Transportation

As illustrated in Figure 13, it is planned that an internal road system will be developed to tie the development together internally as well as connect this development area to the surrounding road system. A full intersection will be constructed on Forest Hills Drive at Harlem Crest Road. The City of Loves Park should explore connecting Harlem Crest Road with Renn Hart Hills Road to the southeast. Renn Hart Hills Road connects with Riverside Boulevard further south. A full intersection is planned on the north side of the development area at Windsor Road. Windsor Road should be widened to provide two lanes in each direction and a center left turn lane at this intersection. At the intersection of Alpine Road and Windsor Road, improvements should include a new westbound left turn lane. As part of the planned internal road system, a right-in/right-out only connection should be constructed on Forest Hills Road. Roadway improvement costs are projected at approximately \$444,000.

Drainage

New drainage lines should be constructed as part of this development area. Lines would run along the new internal roadway between Windsor Road and Forest Hills Road. Another would run along Alpine Road, connecting the singular culverts crossing under Alpine Road to the existing system to the north which feeds into the drainage culvert system. The projected cost of the new drainage infrastructure is approximately \$187,000.

Sanitary Sewer

New sanitary sewer lines would be required to serve the new development areas along with three new service lines for individual development parcels. The cost of these improvements would be approximately \$111,600.

Water Mains

The east side of this development area is not directly served by existing water mains. We have proposed a new water main running along Forest Hills Road from Windsor Road south to the internal road system and then west to the existing water main at Alpine Road. Along with three new service lines, we project the total cost for water main service at approximately \$190,600.

Cost Evaluation

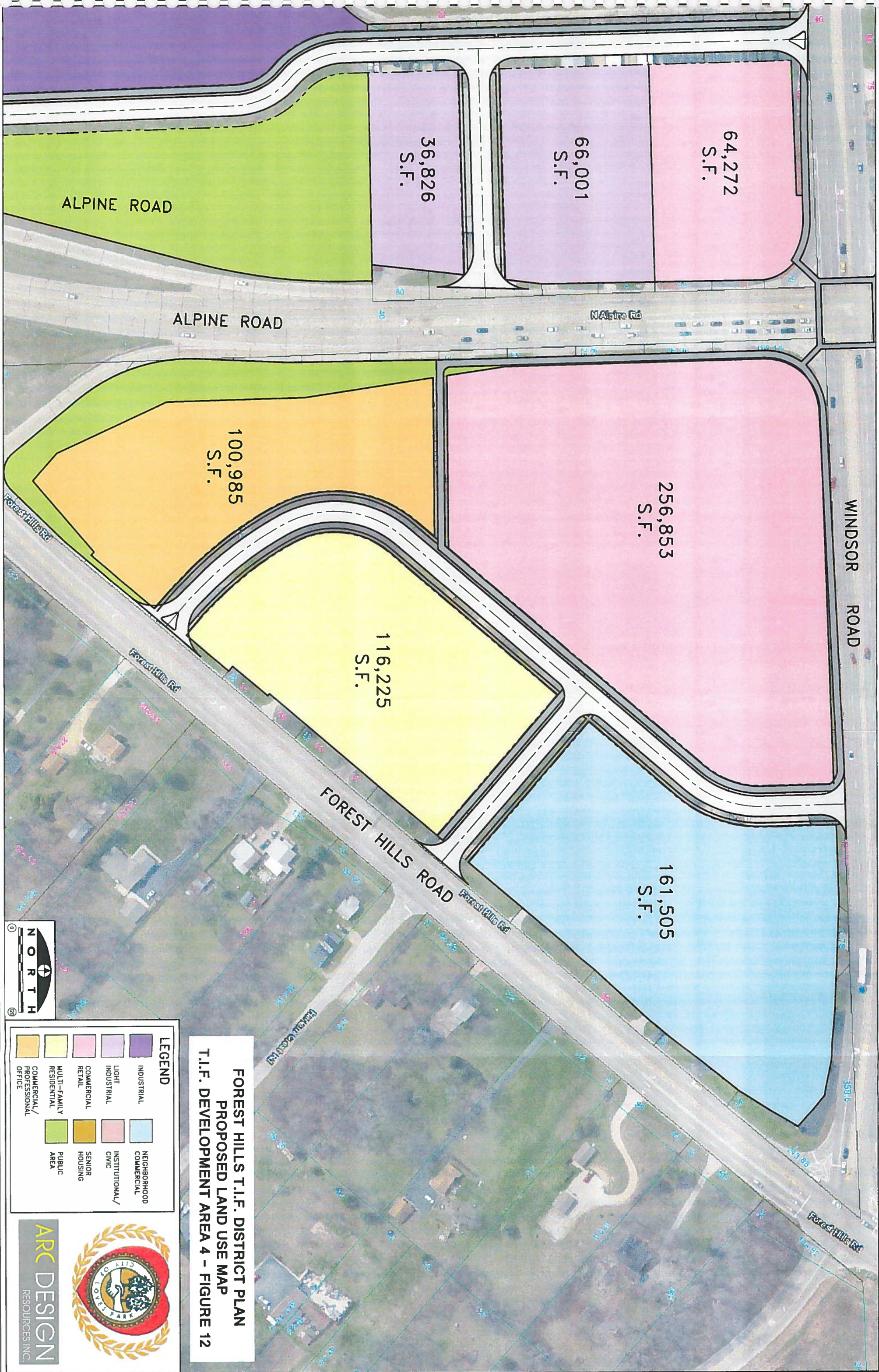
We have established the cost of infrastructure at a total of approximately \$1,112,608. A breakdown of each cost is contained in Appendix B.

Arc Design Resources referenced 2012 parcel value information provided by the Rockford Township Assessors office as shown in Appendix C. The total land area of the property is 747,315 square feet or 17.2 acres. The total value of the property (land and improvements) is \$3,044,493 or \$4.07 per square foot. Strictly looking at the land value (\$919,053) gives us a square footage value of \$1.23 for the raw land.

Arc Design Resources researched the raw land and improved land values for successful parcels in the area surrounding the TIF for each type of land use proposed for the development area (See Appendix C). As shown in the table below, we applied these successful property values to the various proposed uses. Assuming that the property is redeveloped and achieves at least the values of other successful properties in the area, the raw land value would increase to \$1,422,171. This would be an increase of \$503,118 (\$1,422,171 - \$919,053) over the existing raw land value for Development Area 4. The improved total value would increase to \$7,536,765, an increase of \$4,492,272 (\$7,536,765 - \$3,044,493) over the existing improved values of the property. Given that the cost of the infrastructure improvements as discussed above are \$1,112,608, the improved values once the property is developed would exceed these costs by \$3,379,664 (\$4,492,272 - \$1,112,608). Potential increases in sales tax and property tax based upon the improvement of these parcels were not accounted for in this analysis.

TIF Development Area 4	Square Feet	Land Value/Sq. Ft.	Total Land Value	Total Property Value/Sq. Ft.	Total Property Value
Existing Land Use					
Commercial & Industrial	747,315	\$1.24 (1)	\$919,053	\$4.07 (1)	\$3,044,493
Future Land Use					
Commercial/Professional Office	100,985	\$2.92	\$294,876	\$12.93	\$1,305,736
Commercial Retail	256,853	\$1.66	\$426,376	\$9.70	\$2,491,474
Neighborhood Commercial	161,505	\$3.39	\$547,502	\$15.26	\$2,464,566
Multi-Family Residential	116,225	\$1.32	\$153,417	\$10.97	\$1,274,988
Total Future Values	635,568	\$2.24	\$1,422,171	\$11.86	\$7,536,765
DIFFERENCE	-111,747	\$1.01	\$503,118	\$7.78	\$4,492,272

(1) Rounded Value



WINDSOR ROAD

64,272
S.F.

66,001
S.F.

36,826
S.F.

ALPINE ROAD

ALPINE ROAD

N Alpine Rd

256,853
S.F.

100,985
S.F.

116,225
S.F.

161,505
S.F.

FOREST HILLS ROAD



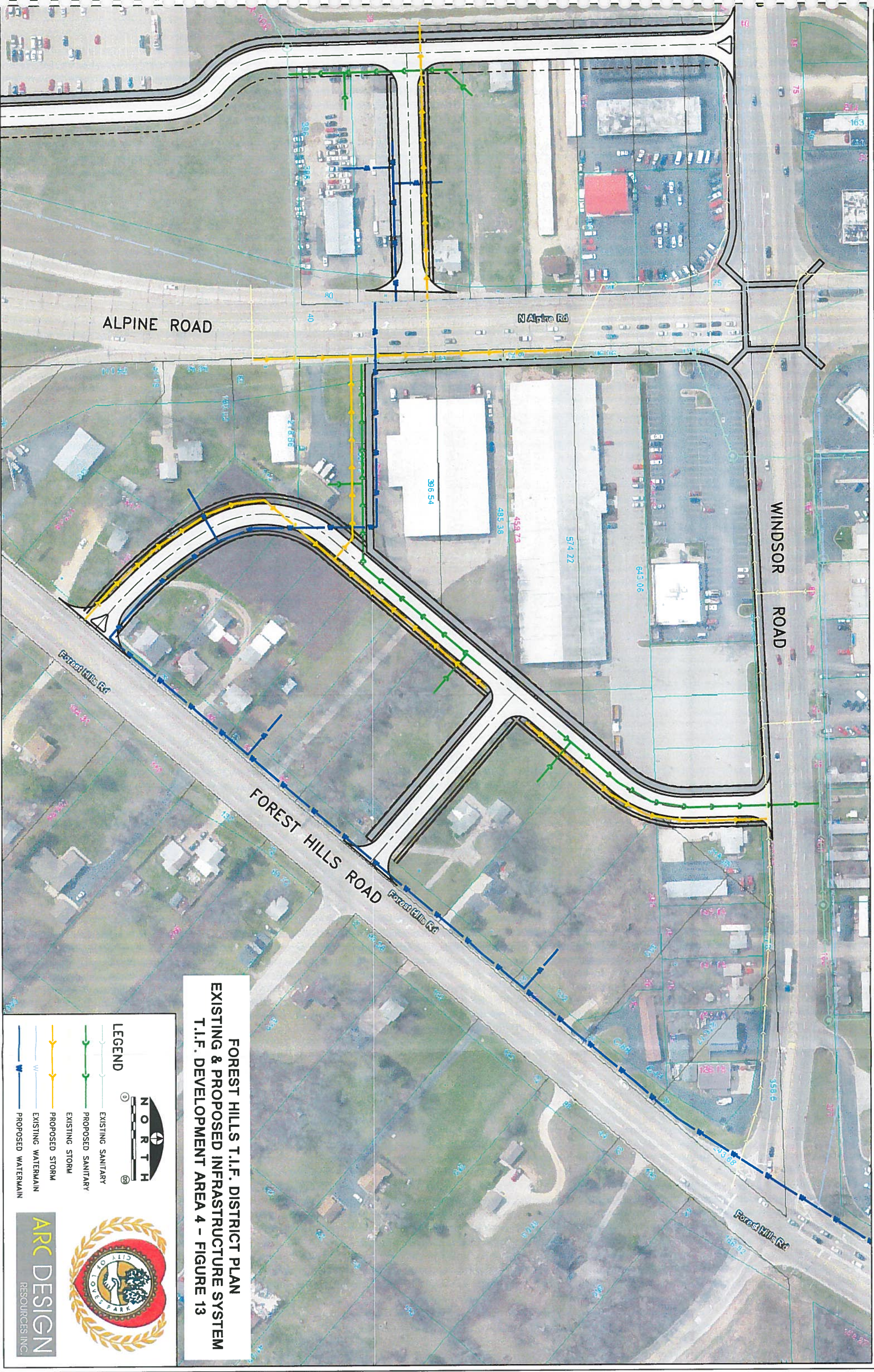
LEGEND

	INDUSTRIAL		NEIGHBORHOOD COMMERCIAL
	LIGHT INDUSTRIAL		INSTITUTIONAL/ CIVIC
	COMMERCIAL RETAIL		SENIOR HOUSING
	MULTI-FAMILY RESIDENTIAL		PUBLIC AREA
	COMMERCIAL/ PROFESSIONAL OFFICE		

**FOREST HILLS T.I.F. DISTRICT PLAN
PROPOSED LAND USE MAP
T.I.F. DEVELOPMENT AREA 4 - FIGURE 12**



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ALPINE ROAD

N Alpine Rd

WINDSOR ROAD

FOREST HILLS ROAD

Forest Hills Rd







Forest Hills Rd

Forest Hills Rd

**FOREST HILLS T.I.F. DISTRICT PLAN
EXISTING & PROPOSED INFRASTRUCTURE SYSTEM
T.I.F. DEVELOPMENT AREA 4 - FIGURE 13**

LEGEND



-  EXISTING SANITARY
-  PROPOSED SANITARY
-  EXISTING STORM
-  PROPOSED STORM
-  EXISTING WATERMAIN
-  PROPOSED WATERMAIN



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TIF Development Area 5

Land Use

This area is located on the western edge of the TIF and is currently used for industrial purposes.

As illustrated in Figure 14, this plan envisions a shift from heavy industrial use to Commercial/Professional Office. The entire area could be developed as a single development or split into smaller parcels. A 25 foot open space buffer and a multi-purpose trail would run along the Loves Park Creek culvert on the north side of the development area.

Traffic and Transportation

As illustrated in Figure 15, this plan proposes a new east/west roadway that would connect this area and Material Avenue to TIF Development Area 2. This crossing of the Union Pacific Railroad tracks will require an investment of time and legal fees in order to obtain track crossing approval from Union Pacific. The new east/west roadway is located along a property line in order for property both north and south of this roadway to share the access and the loss of land due to the roadway right of way. We expect that the existing access on Riverside Blvd. would be closed. Closure of the access on Riverside Boulevard should help shore up support from the Winnebago County Department of Transportation for other necessary improvements on Riverside Boulevard. Another component for TIF Development Area 5 is to convert the existing north/south railroad tracks running along the western edge of the site into a multi-purpose trail. This trail would ultimately run between the proposed bike lanes on Windsor Road and Riverside Boulevard, a much needed north/south bike connection in Loves Park. The total cost for transportation improvements is approximately \$293,500.

Drainage

One new drainage line should be constructed as part of this development area. This line would run along the new east/west roadway and tie into the existing drainage line running along Material Avenue. The cost of the drainage improvements would be approximately \$40,000.

A 25 foot open space buffer that contains a bike lane would run east/west along the north side of TIF Development Area 5, just south of the Loves Park Creek open culvert. This proposed open space can assist with storm water infiltration and flood control, partially paid for possibly with Illinois Environmental Protection Agency Green Infrastructure Grant Funds.

Sanitary Sewer

A new sanitary sewer line would be run along the new east/west roadway and tie into the existing sewer line running along Material Avenue. The cost of the drainage improvements, that include two new service lines, would be approximately \$50,400.

Water Mains

A new water main line would run along the new east/west roadway and tie into the existing water main line running along Material Avenue. The cost of the water line improvements, that include two new service lines, would be approximately \$50,400.

Cost Evaluation

We have established the cost of infrastructure at a total of approximately \$472,416. A breakdown of each cost is contained in Appendix B.

Arc Design Resources referenced 2012 parcel value information provided by the Rockford Township Assessors office as shown in Appendix C. The total land area of the property is 388,446 square feet or 8.9 acres. The total value of the property (land and improvements) is \$1,054,939 or \$2.72 per square foot. Strictly looking at the land value (\$315,227) gives us a square footage value of \$0.81 for the raw land.

Arc Design Resources researched the raw land and improved land values for successful parcels in the area surrounding the TIF for each type of land use proposed for the development area (See Appendix C). As shown in the table below, we applied these successful property values to the various proposed uses. Assuming that the property is redeveloped and achieves at least the values of other successful properties in the area, the raw land value would increase to \$961,883. This would be an increase of \$646,656 (\$961,883 - \$315,227) over the existing raw land value for Development Area 5. The improved total value would increase to \$4,259,297, an increase of \$3,204,358 (\$4,259,297 - \$1,054,939) over the existing improved values of the property. Given that the cost of the infrastructure improvements as discussed above are \$472,416, the improved values once the property is developed would exceed these costs by \$2,731,942 (\$3,204,358 - \$472,416). Potential increases in sales tax and property tax based upon the improvement of these parcels were not accounted for in this analysis.

TIF Development Area 5	Square Feet	Land Value/Sq. Ft.	Total Land Value	Total Property Value/Sq. Ft.	Total Property Value
Existing Land Use					
Industrial	388,446	\$0.81 (1)	\$315,227	\$2.72 (1)	\$1,054,939
Future Land Use					
Commercial/Professional Office	329,412	\$2.92	\$961,883	\$12.93	\$4,259,297
DIFFERENCE	-111,747	\$2.11	\$646,656	\$10.21	\$3,204,358

(1) Rounded Value



MATERIAL AVENUE

Material Ave

109,665
S.F.

219,747
S.F.

125,515
S.F.

87,706
S.F.

173,285
S.F.

ALTERNATE ROAD

LEGEND

	INDUSTRIAL		NEIGHBORHOOD COMMERCIAL
	LIGHT INDUSTRIAL		INSTITUTIONAL/ CIVIC
	COMMERCIAL RETAIL		SENIOR HOUSING
	MULTI-FAMILY RESIDENTIAL		PUBLIC AREA
	COMMERCIAL/ PROFESSIONAL OFFICE		

FOREST HILLS T.I.F. DISTRICT PLAN
PROPOSED LAND USE MAP
T.I.F. DEVELOPMENT AREA 5 - FIGURE 14



ARC DESIGN
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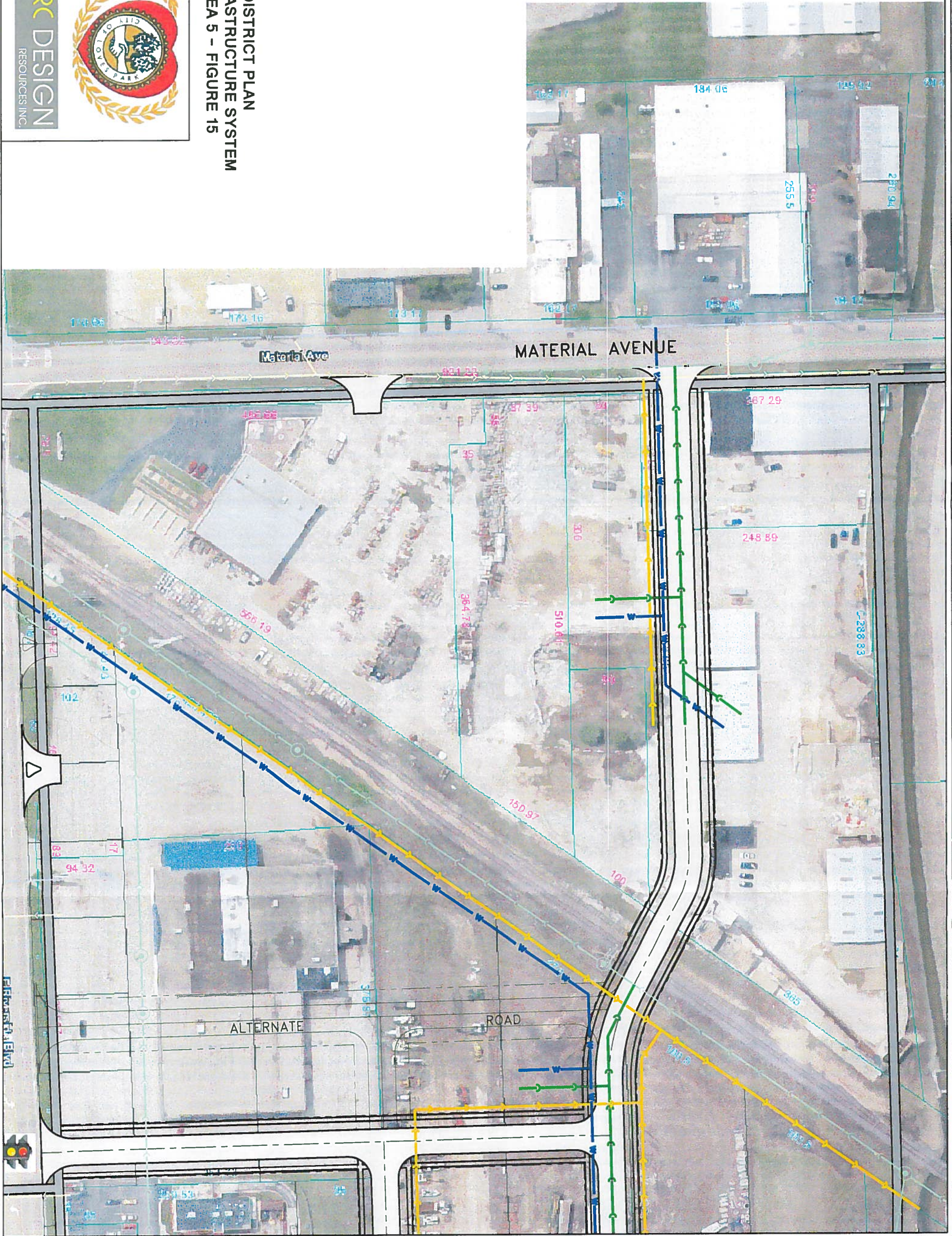
FOREST HILLS T.I.F. DISTRICT PLAN
 EXISTING & PROPOSED INFRASTRUCTURE SYSTEM
 T.I.F. DEVELOPMENT AREA 5 - FIGURE 15



- LEGEND**
- EXISTING SANITARY
 - PROPOSED SANITARY
 - EXISTING STORM
 - PROPOSED STORM
 - EXISTING WATERMAIN
 - PROPOSED WATERMAIN
 - EXISTING WATERMAIN
 - PROPOSED WATERMAIN



ARC DESIGN
 RESOURCES INC.



**Forest Hills Road
Tax Increment Financing
Redevelopment Project Area**

Eligibility Study



, Illinois

**Prepared by
City of Loves Park
Community Development Department**

March 2014

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I. Executive Summary

The purpose of this report entitled *Forest Hills Road Tax Increment Financing Redevelopment Project Area Eligibility Study* (the "Eligibility Study") is to: (i) document the blighting factors that are present within the Forest Hills Redevelopment Project Area (the "Project Area") in the Western portion of the City of Loves Park, Winnebago County, Illinois (the "City"), and (ii) to conclude whether the Project Area qualifies for designation as a redevelopment project area within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings and conclusions contained in this Eligibility Study are based on surveys, documentation, and analyses of physical conditions within the Project Area. The City is entitled to rely on the findings and conclusions of this Eligibility Study in designating the Project Area as a redevelopment project area under the Act.

The Project Area

The Project Area encompasses approximately 132.9 acres of land in the City. Approximately 30% of the 132.9 acres is dedicated as public right-of-way. The Area is generally bounded by: Material Avenue, to the West, Forest Hills Road, to the East, Riverside Boulevard, to South, and Windsor Road, to the North. The Project Area is a commercial corridor that contains a mix of land uses that include commercial, industrial, residential and public uses in approximately 64 primary and accessory buildings located within all or portions of 5 tax blocks. The boundaries of the Project Area are shown on Figure 1, Project Area Boundary.

Strategy

The City surveyed existing conditions and land uses within the Project Area. The conditions of the Project Area were documented and categorized by the types of blighting factors listed in the Act. An analysis was made of each of the blighting factors to determine the locations and extent to which each of the factors is present in the Project Area. Listed below are the types of surveys and analyses conducted by the City.

- Exterior conditions and uses of each building;

- Conditions of public and private: streets, driveways, sidewalks, curbs and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
- Existing land uses and their relationship to the surrounding community;
- Parcel size, building size and orientation; and
- Real estate property values for all tax parcels within the Area for years 2004-2012.

While some limited development and improvements to buildings have occurred on a few of the properties in the Project Area in recent years, the Project Area as a whole has not benefited from new private investment to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by aging and deteriorating properties, obsolescent buildings and sites, declining or lagging growth in property valuation, vacant lots, vacant buildings, vacant spaces within buildings, sites/parcels are irregular in shape and size, incompatible land use relationships, areas with inadequate storm water management, water and sanitary sewer utilities, structures below minimum code standards and deteriorating or obsolete infrastructure.

Summary Eligibility Conclusions

Based on the definitions set forth in the Act, the Project Area is found to be eligible for (i) classification as a "blighted area" and (ii) designation as a redevelopment project area. The summary findings of this report include:

- The Project Area is over 1½ acres.
- Nine of the 13 blight factors are present to a meaningful extent and reasonably distributed in the Project Area, including: "obsolescence," "deterioration," "excessive vacancies," lack of ventilation, light, or sanitary facilities," "inadequate utilities," "deleterious land-use," "environmental clean-up," "total equalized assessed valuation of the proposed redevelopment area has declined 4 of the last 5 years," and "lack of community planning." Two additional factors are present to a more limited extent but support the blighted area finding, including: "Dilapidation," and "structures below minimum code standards," and

- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The conclusion of the Eligibility Study is that the Project Area is in need of revitalization and redevelopment to ensure that it will contribute to the long-term physical, economic, and social well being of the City. The presence of blight factors in the Project Area indicates that the Project Area has not been subject to sound growth and development through investment by private enterprise, and would not reasonably be anticipated to redevelop without public action.

II. Basis for Redevelopment

The Illinois General Assembly determined, by adopting the Act, that in order to promote and protect the health, safety, morals and welfare of the public, blighted conditions need to be eradicated. The Act also states that the eradication of these blighted areas is essential to the public interest and that the use of tax incremental revenues to fund certain projects benefits the community. (65 ILCS 5/11-74.4-1)

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that each prospective redevelopment project qualifies as a "blighted area".

Eligibility of a Blighted Area

An improved area with industrial, commercial, and residential buildings or improvements is defined as a "blighted area" under the Act, by a combination of 5 or more of the 13 factors listed below, 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 development project area. (65 ILCS 5/11-74.4-3):

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities

- Excessive land coverage and overcrowding of structures and community facilities
- Deleterious land-use or layout
- Lack of community planning
- Environmental remediation costs have been incurred or are required
- Declining or lagging rate of growth of total equalized assessed valuation

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility be established for each and every property or tax parcel in the Project Area.

III. The Project Area

The Project Area encompasses approximately 132.9 acres of land in the City. Approximately 30% of the 132.9 acres is dedicated as public right-of-way. The Area is generally bounded by: Material Avenue, to the West, Alpine/Forest Hills Road, to the East, Riverside Boulevard, to South, and Windsor Road, to the North. The Project Area is a commercial corridor that contains a mix of land uses that include commercial, industrial, residential and public uses in approximately 64 primary and accessory buildings located within all or portions of 5 blocks.

City staff surveyed the Project Area to determine and document the physical condition of properties and infrastructure located within the Project Area. Based on the City's review of the Project Area, it has been concluded that sufficient criteria exists for The Project Area to be evaluated as a "blighted area". The boundaries of the Project Area are shown on Figure 1, *Project Area Boundary*.

While some limited development and improvements to buildings have occurred on a few of the properties in the Project Area in recent years, the Project Area as a whole has not benefited from new private investment to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by aging and deteriorating properties, obsolescent buildings and sites, declining or lagging growth in property valuation, vacant lots, vacant buildings, vacant spaces within buildings, sites/parcels or irregular shape and size, incompatible land use relationships, areas with inadequate storm water management, water and sanitary sewer utilities, structures below minimum code standards and deteriorating or obsolete infrastructure.

IV. Eligibility Survey and Analysis

An analysis was made of each of the blighting factors listed in the Act to determine whether each or any are present in the Project Area and, if so, to what extent and in what locations. Surveys and analyses within the Project Area included:

- Exterior survey of the condition and use of all buildings and sites;
- Field survey of the conditions of sidewalks, curbs, and gutters, lighting, parking facilities, landscaping, fences and walls, and general property maintenance;
- Analysis of Winnebago County Assessor records for equalized assessed valuations for tax parcels in the Project Area for assessment years 2004-2012.
- Utility analysis
- Analysis of current land uses to current zoning ordinances and the current zoning map; and
- Site coverage

The Project Area was evaluated on a parcel-by-parcel basis. There are 55 parcels within the Project Area. For purposes of this study, the 55 parcels have been grouped into blocks and are as follows:

12-05-302-001/002/003 – **Block 1** (Former Sears Essentials/U-Haul site)
12-05-176-016/017 – **Block 2** (Former Sears Hardware/CVS site)
12-05-176-014 – **Block 2** (Former Lube Pros)
12-05-176-015 – **Block 2** (Hardees)
12-05-176-019/012/013 – **Block 2** (Fiesta Cancun/former Hollywood Video site)
12-05-176-021 – **Block 2** (Batteries Plus site)
12-05-176-020 – **Block 2** (Vacant)
12-05-176-026 – **Block 2** (Former Sutherlands Lumber site)
12-05-176-027 – **Block 3** (City Property)
12-05-176-004/028/023 – **Block 3** (Industrial Strip Center)
12-05-126-007 – **Block 3** (Aqua Aerobics)
12-05-201-001/002– **Block 3** (Windsor Auto)
12-05-201-004 – **Block 3** (Storage-single building)
12-05-201-005 – **Block 3** (Residential)

12-05-201-006/007 –	Block 3 (Integrity Motors and SGT Automotive)
12-05-201-008 –	Block 3 (Storage facility)
12-05-202-028 –	Block 4 (Advanced Heating and Air Conditioning)
12-05-202-023 –	Block 4 (Residential)
12-05-202-004 –	Block 4 (Rock Valley Distributor)
12-05-202-027 –	Block 4 (Residential)
12-05-202-016/017 –	Block 4 (Jacobs Signs/Storage Units)
12-05-202-002/003/008 – /009/010	Block 4 (Victory Sports complex)
12-05-202-021 –	Block 4 (Residential)
12-05-202-001 –	Block 4 (Sunrise family restaurant)
12-05-202-025 –	Block 4 (Residential)
12-05-202-024 –	Block 4 (Residential)
12-05-202-018 –	Block 4 (Vacant)
12-05-202-020 –	Block 4 (Residential)
12-05-202-022 –	Block 4 (Rock Valley Distributor)
12-05-202-026 –	Block 4 (Convenience store)
12-05-202-005/006 –	Block 4 (Instant Jungle)
12-05-202-007 –	Block 4 (Residential)
12-05-202-019 –	Block 4 (Residential)
12-05-202-029 –	Block 4 (Residential)
12-05-202-015 –	Block 4 (Dale Bruaer Automotive)
12-05-152-007 –	Block 5 (Rock Valley Brick/Alpine Bank and Trust)
12-05-152-001/002/003 – /006	Block 5 (Meyer Material)
12-05-152-005 –	Block 5 (Alpine Bank and Trust)

Each blighting factor is rated on one of the three following categories:

- **Not Present** – Indicates that either no information was available or that no evidence could be documented as part of the various surveys and analysis.
- **Present to a Limited Extent** – Indicates that conditions exist which document that the factor is present, but the distribution of impact of the blighting condition is limited.
- **Present to a Major Extent** – Indicates that conditions exist which document that the factor is present throughout a major portion of the proposed Project Area and the presence of such conditions have an influence on adjacent and nearby development.

The following is a summary evaluation of the respective factors, presented in the order of their listing in the Act. A definition of each category is presented followed by the conditions that exist and the relative extent to which each factor is present.

1. Dilapidation

As defined in the Act, "dilapidation" refers to 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.

During the field survey, two types of building components were examined and are as follows:

Basic Structural – Includes the basic elements of a building: foundation walls, load bearing walls and columns, floor structure, roof and roof structure.

Structural Components – Includes normal additions to structures such as porches and steps, window and window units, doors and door units, chimneys, and gutters and downspouts.

Block 1 – Block 1 represents a former commercial big box retailer that ceased to operate in 2011. This block exhibits a **limited** amount of dilapidation. The specific factors are as follows:

- The standing identification sign on the North end of the property is in a state of severe decay marked by broken columns and support struts and foundation bolts that are nearly rusted through. The sign is rather large and near a stand-alone fast food restaurant; the decay is to a point where strong winds or vehicle contact could cause the sign to fall completely. The sign is in a complete state of dilapidation and needs to be razed.
- There are numerous structural cracks in the masonry walls and foundation.
- There are numerous utility/cable and electric boxes that are open with exposed cables and wiring posing a fire hazard.
- The parking lot, curbs and, in many cases, sidewalks are severely cracked, crumbling, cratered, weed and grass-infested and in need of

replacement or repair. The parking lot as a whole is filled with potholes and massive cracks; some of the potholes exceed 5-inch in depth, posing hazard to pedestrians and automobile drivers.

Therefore, Block 1 exhibits dilapidation to a Limited extent.

Block 2 – Block 2 represents buildings and parking lots that share commonalities in regards to building situation in site design and ingress/egress for traffic flow. While the majority of the uses have ceased operation, a few are still operational. With that said, the factors listed were sufficiently present on the majority of this block. This block exhibits a **major** amount of dilapidation. The factors are as follows:

- Signage is in a state of decay marked by rusted support struts and foundation bolts in need of repair or replacement. The foundation wall around the former Sutherland Lumber sign has completely collapsed, compromising the structural integrity of the sign.
- The parking lot and curbs are cracked; the paint is chipped and aged on the curb markers. The lot is in need of repair or replacement; there is evidence that the lot does not drain effectively, on the North end, due to the amount of standing water present on several site visits.
- Several light poles are in a state of severe disrepair marked by rusted poles and support bolts, cracked foundations, exposed wiring, causing great concern for public safety and welfare, therefore, in need of repair or replacement.
- Several of the buildings are in need of repainting, as the paint has cracked and chipped, discoloring the façade.
- The landscaping is unkempt with the majority of the landscaping consisting of weeds.
- There are numerous cracks in the masonry walls and foundations.
- The exterior vents, gutters and drainage mechanisms are detached, battered, broken, bent and inoperable and in need of replacement or repair.
- The buildings located on the former Sutherland Lumber site are in a state of complete decay with holes in the walls, missing sections of the roof, exposed wiring, animals living within the structures and missing

support beams compromising the structural integrity of the buildings. These structures should be razed.

- The external doors and their applicable framework, on the former Sears Hardware/CVS site, are rusted, cracked, chipped and are in need of complete repair or replacement.
- There is evidence of standing water on the roof of the former Sears/CVS building causing internal water damage to the structure. The roof is in need of repair or replacement.

Therefore, Block 2 exhibits dilapidation to a Major extent.

Block 3 – Block 3 represents a number of uses, primarily industrial in nature. This block exhibits a **limited** amount of dilapidation. The specific factors are as follows:

- The parking lots and curbs are cracked and the paint for parking lot and curb markers are non-existent. The parking lots are in need of repair or replacement.
- Numerous exterior vents, gutters and drainage mechanisms are battered, bent and inoperable and in need of repair or replacement.
- Several of the buildings are in need of repainting, as the paint has cracked, chipped and discolored the façade. There is evidence of water damage due to the discoloration on building façade and rooflines.
- One building, represented within block 3, is in a state of complete decay with holes in the walls, windows broken or missing, and missing sections of the structure is in need of repair or replacement.
- Exposed wiring was found on the majority of the structures, posing a fire hazard.
- Several of the buildings roof top heating/cooling units are rusted and in need of repair or replacement.
- Numerous garbage dumpsters are exposed, allowing access to humans and animals; there was an overflowing amount of trash in and around the dumpster.
- Gas and electric meters on the majority of the buildings are severely rusted and are in need of repair or replacement.

Therefore, Block 3 exhibits dilapidation to a Limited extent.

Block 4 – Block 4 represents a number of uses. This block exhibits a **limited** amount of dilapidation. The specific factors are as follows:

- Numerous exterior vents, gutters and drainage mechanisms are battered, bent and inoperable and in need of repair or replacement.
- Several of the buildings are in need of repainting, as the paint has cracked, chipped and discolored the façade. There is evidence of water damage due to the discoloration on building façade and rooflines.
- Exposed wiring was found on the majority of the structures, posing a fire hazard.
- Several of the buildings roof top heating/cooling units are rusted and in need of repair or replacement.
- Numerous garbage dumpsters are exposed, allowing access to humans and animals; there was an overflowing amount of trash in and around the dumpster.
- Gas and electric meters on the majority of the buildings are severely rusted and are in need of repair or replacement.

Therefore, Block 4 exhibits dilapidation to a Limited extent.

Block 5 – Block 5 represents two uses, primarily industrial in nature. This block exhibits a **limited** amount of dilapidation. The specific factors are as follows:

- Gas and electric meters on the majority of the buildings are severely rusted and are in need of repair or replacement.
- Numerous exterior vents, gutters and drainage mechanisms are battered, bent and inoperable and in need of repair or replacement.
- Several of the buildings are in need of repair, as there is evidence of minor damage to the exterior of some of the maintenance buildings.

Therefore, Block 5 exhibits dilapidation to a Limited extent.

2. Obsolescence

As defined in the Act, "obsolescence" refers to the condition or process of falling into disuse. Structures have become ill suited for the original use.

In making findings with respect to buildings, it is important to highlight both functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

Functional Obsolescence

Functional obsolescence occurs when buildings can no longer perform their intended function in an efficient manner. Buildings become obsolescent when they contain characteristics or deficiencies, which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic Obsolescence

Economic obsolescence occurs when the values of buildings decline due to market conditions, vacancies, neighborhood decline, property location within a community, or other factors that affect the economic value of buildings.

If functionally obsolescent properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion lead to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

Block 1 – This block exhibits a **major** amount of functional and economic obsolescence. The specific factors are as follows:

This block is extremely important to the revitalization of the redevelopment area. This block exhibits both functional and economic obsolescence. While the building that remains on the property is in a state of deterioration it could become functional again with upkeep and a possible redesign of the parking layout. The vast parking lot and subsequent traffic pattern in the lot makes it

difficult from a planning perspective to configure additional out lots that could make the site economically viable for redevelopment. Economic obsolescence exists due to the fact that a business ceased to operate in 2011 eliminating a large portion of the \$77,000 of it's categorized sales tax to the City (2010). A general lack of economic growth and excessive vacancies in the area hinders any natural development processes on this site.

Therefore, Block 1 exhibits obsolescence to a Major extent.

Block 2 – This block exhibits a **major** amount of functional and economic obsolescence. The specific factors are as follows:

Along with block 1, this block is extremely important to the revitalization of the redevelopment area. This block exhibits both functional and economic obsolescence. While some of the buildings that remain on the individual properties are within a state of deterioration, they could become functional again with upkeep. The buildings that remain on the former Sutherland Lumber site are in a severe state of dilapidation and deterioration. This is due to inadequate facilities, lack of lighting, and significant structural damage, hindering the buildings as being no longer functional, as they were originally intended. These buildings will need to be razed.

Additionally, the proper facilities for traffic circulation, vehicle and pedestrian, are completely deteriorated or non-existent. There is a general lack of pedestrian facilities within the site along with a lack of proper ADA compliant accessibility to the buildings. Ingress/egress points for traffic circulation are in a state of deterioration, consisting of a number of potholes and deteriorated surfaces. The secondary ingress/egress easement intended for traffic circulation is unimproved and subject to flooding.

From an economic obsolescence standpoint, 90% of the properties representing block 2 are vacant or consist of parking lots for vacant buildings. The vacancies experienced within block 2 have negatively impacted the amount of sales tax generated for the City. The lack of economic growth in the area, and the overall state of deterioration of the site will make it difficult to redevelop through general economic growth and redevelopment processes.

Therefore, Block 2 exhibits obsolescence to a Major extent.

Block 3 – This block exhibits a **limited** amount of functional and economic obsolescence. The factors listed were sufficiently present on each parcel to document. The specific factors are as follows:

While the majority of the uses located within block 3 are industrial and occupied, the design of the buildings, for their specific uses, and lack of parking and property access limit the potential users that could occupy the facility as redevelopment initiatives are undertaken by the City.

Therefore, Block 3 exhibits obsolescence to a Limited extent.

Block 4 – This block exhibits a **major** amount of functional and economic obsolescence. The factors listed were sufficiently present on each parcel to document. The specific factors are as follows:

The majority of the parcels located within block 4 are residential under commercial retail zoning, making the area functionally and economically obsolescent. The design of the buildings, for their specific uses, and lack of parking and property access limit the potential users that could occupy the facility as redevelopment initiatives are undertaken by the City.

Therefore, Block 4 exhibits obsolescence to a Major extent.

Block 5 – This block exhibits a **limited** amount of functional and economic obsolescence. The factors listed were sufficiently present on each parcel to document. The specific factors are as follows:

While the uses located within block 5 are industrial and occupied, the design of the buildings, for their specific uses, and lack of parking and property access limit the potential users that could occupy the facility as redevelopment initiatives are undertaken by the City.

Therefore, Block 5 exhibits obsolescence to a Limited extent.

3. Deterioration

As defined in the Act, "deterioration" refers to, 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, the condition of roadway, 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.

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration that is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.)

Block 1 – This block exhibits a **major** amount of deterioration. The specific factors are as follows:

- There are numerous structural cracks in the masonry walls and foundation.
- There is excessive litter around the building, parking lot, and the chain-length fence to the rear of the building and property line.
- Several gutters and drainage mechanisms are detached, broken and inoperable.
- Several of the external doors and their applicable framework are rusted, cracked, chipped, surrounded by litter and in need of complete repair or replacement.
- There are numerous utility/cable boxes that are open with exposed cables and wiring posing a fire hazard.
- The exterior walls are severely pocked and in need of new paint.
- The parking lot is severely cracked, crumbling, cratered, weed and grass-infested and in need of replacement or repairs.

- Several utility and electric boxes are severely rusted and chipped and in need of repair or replacement.
- Emergency vehicle parking indicators are virtually non-existent in front of the facility and need to be repainted and signage replaced.
- Several of the light poles in the parking lot are leaning, and many support bases are severely cracked, rusted and need to be repaired or replaced.

Therefore, Block 1 exhibits deterioration to a Major extent.

Block 2 – This block exhibits a **major** amount of deterioration. The specific factors are as follows:

- There are numerous structural cracks in the masonry walls and foundations, on a number of buildings.
- There is excessive litter around the buildings, parking lots and the chain-length fence to the rear of the buildings and property line.
- Fencing is broken and in a state of disrepair, rendering the fence useless and in need of repair or replacement.
- Several gutters and drainage mechanisms are detached, broken and inoperable.
- Several of the external doors and their applicable framework are rusted, cracked, chipped, surrounded by litter and in need of complete repair or replacement.
- There are numerous utility/cable boxes that are open with exposed cables and wiring posing a fire hazard.
- The exterior walls are severely pocked and in need of new paint.
- Parking lots are severely cracked, crumbling, cratered, weed and grass-infested and in need of repair or replacement.
- Several utility and electric boxes are severely rusted and chipped and in need of repair or replacement.

- Emergency vehicle parking indicators are virtually non-existent in front of the facility and need to be repainted and signage replaced.
- Several of the light poles in the parking lot are leaning, and many support bases are severely cracked, rusted and need to be repaired or replaced.
- The former Sutherland Lumber site is in a complete state of deterioration. Buildings are below acceptable building code. The parking lot and ingress/egress are mostly unimproved, excessive litter and piles of construction debris throughout the site.

Therefore, Block 2 exhibits deterioration to a Major extent.

Block 3 – This block exhibits a **limited** amount of deterioration. The specific factors are as follows:

- The parking lots and curbs are cracked and the paint for parking lot and curb markers are non-existent. The parking lots are in need of repair or replacement.
- Emergency vehicle parking indicators are virtually non-existent in front of the facility and need to be repainted and signage replaced.
- Several gutters and drainage mechanisms are detached, broken and inoperable.
- One building, represented within block 3, is in a state of complete decay with holes in the walls, windows broken or missing, and missing sections of the structure is in need of repair or replacement.
- There are numerous structural cracks in the masonry walls and foundations, on a number of buildings.
- Several of the buildings are in need of repainting, as the paint has cracked, chipped and discolored the façade. There is evidence of water damage due to the discoloration on building façade and rooflines.

Therefore, Block 3 exhibits deterioration to a Limited extent.

Block 4 – This block exhibits a **limited** amount of deterioration. The specific factors are as follows:

- Emergency vehicle parking indicators are virtually non-existent in front of the facility and need to be repainted and signage replaced.
- Several gutters and drainage mechanisms are detached, broken and inoperable.
- There are numerous structural cracks in the masonry walls and foundations, on a number of buildings.
- Several of the buildings are in need of repainting, as the paint has cracked, chipped and discolored the façade. There is evidence of water damage due to the discoloration on building façade and rooflines.

Block 5 – This block exhibits a limited amount of deterioration. The specific factors are as follows:

- Several gutters and drainage mechanisms are detached, broken and inoperable.
- Several of the buildings are in need of repair, as there is evidence of minor damage to the exterior of some of the maintenance buildings.
- The parking lots and curbs are cracked and the paint for parking lot and curb markers are non-existent. The parking lots are in need of repair or replacement.

Therefore, Block 5 exhibits deterioration to a Limited extent.

4. Presence of structures below minimum code standards

As defined in the Act, the "presence of structures below minimum code standards" refers to 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.

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum

standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys, conducted by the City. Of the total 61 buildings, 7 (11.4 percent) exhibited advanced deterioration and defects that are below the standards for existing buildings and related codes of the City. Also, many of these buildings as well as other buildings throughout the Project Area do not meet Americans with Disabilities Act standards for commercial properties.

Therefore, the Project Area exhibits the presence of structures below minimum code standard to a Limited extent.

5. Illegal use of individual structures

As defined in the Act, "illegal use of individual structures" refers to 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.

The Project Area is not impacted by illegal use of individual structures. There are no factors to document.

Therefore, Not Present

6. Excessive Vacancies

As defined in the Act, "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.

- **Block 1** is 90 percent vacant. A former big box retail store of approximately 85,000 square feet is currently vacant.
- **Block 2** is 90 percent vacant. That includes 62,000 square feet of unoccupied retail space and a 10.3-acre parcel with all of the buildings in need of being razed.

Therefore, present to a Major extent.

7. Lack of ventilation, light, or sanitary facilities

As defined in the Act, Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces of 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.

This refers to the substandard conditions that adversely affect the health and welfare of building occupants, (e.g., residents, employees, or visitors.)

Block 1 – This block exhibits a lack of ventilation, light, or sanitary facilities to a **major** extent. The specific factors are as follows:

- Several gutters and drainage mechanisms are detached, broken and inoperable.
- The air vents on the side of the building are rust damaged and in need of replacement.
- There is evidence of extensive littering around the facility including excessive rubbish, bottles/cans, landscaping debris, bags/boxes, a relatively decent set of tires lying in a creek behind the building, etc.
- There is evidence of excessive animal waste around the buildings within this parcels that has not been picked up.
- There is evidence of a large nest of birds around the landmark sign marked by excessive build-up of feces, feathers and bird nests, resulting in a potential health hazard for humans and other animals.
- The vacant building has no windows or transparent wall material in any area other than the front of the building, restricting the amount of natural light let into the building.

Therefore, the Block 1 exhibits a lack of ventilation, light, or sanitary facilities to a Major extent.

Block 2 – This block exhibits a lack of ventilation, light, or sanitary facilities to a **major** extent. The specific factors are as follows:

- Several gutters and drainage mechanisms are detached, broken and inoperable.
- The air vents on the side of the building are rust damaged or missing and in need of replacement.
- There is evidence of extensive littering around the facility including excessive rubbish, bottles/cans, landscaping debris, bags/boxes, oil drums, tires, vehicle parts, construction materials, etc.
- The vacant buildings have no windows or transparent wall material in any area other than the front of the building, restricting the amount of natural light let into the building.

Therefore, the Block 2 exhibits a lack of ventilation, light, or sanitary facilities to a Major extent.

Block 3 – This block exhibits a lack of ventilation, light, or sanitary facilities to a **limited** extent. The specific factors are as follows:

- The dumpster enclosures found within block 3 were found open or non-existent, allowing access to humans and animals; there was an overflowing amount of trash in and around some of the dumpsters.
- Numerous exterior light cases are broken and cracked and the light bulbs have been shattered. The lights are in need of repair or replacement.
- There are several exposed wires around the broken light fixtures that pose a fire hazard.
- A wire has been extended to an identification sign for a business that fronts Alpine Road. The primary structure appears to be supplying the power to the sign.
- Several gutters and drainage mechanisms are detached, broken and inoperable.

Therefore, the Block 3 exhibits a lack of ventilation, light, or sanitary facilities to a Limited extent.

Block 4 – This block exhibits a lack of ventilation, light, or sanitary facilities to a **major** extent. The specific factors are as follows:

- The dumpster found within block 4 where found open or non-existent, all with out dumpster enclosures, allowing access to humans and animals; there was an overflowing amount of trash in and around some of the dumpsters.
- Numerous exterior light cases are broken and cracked and the light bulbs have been shattered. The lights are in need of repair or replacement.
- Several gutters and drainage mechanisms are detached, broken and inoperable.
- Many of the occupied buildings have no windows or transparent wall material in any area other than the front of the building, restricting the amount of natural light let into the building.
- The air vents on the side of the building are rust damaged or missing and in need of replacement.

Therefore, the Block 4 exhibits a lack of ventilation, light, or sanitary facilities to a Major extent.

Block 5 – This block exhibits a lack of ventilation, light, or sanitary facilities to a **limited** extent. The specific factors are as follows:

- The buildings have no windows or transparent wall material in any area other than the front of the primary buildings, restricting the amount of natural light let into the building.
- Several gutters and drainage mechanisms are detached, broken and inoperable.

Therefore, the Block 5 exhibits a lack of ventilation, light, or sanitary facilities to a Limited extent.

8. Inadequate utilities

As defined by the Act, "inadequate utilities" refers to 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.

The water distribution system that serves the Project Area is antiquated and requires system upgrades or replacement. The inadequacy of the system is due to age. In addition, sanitary sewer and water do not serve 13 parcels located within block 4 of the Project Area.

The storm water management infrastructure within block 1 and block 2 is inadequate, evidenced by routine flooding during nominal rainfall. Due to the extraordinary cost to repair and/or replace, it is anticipated that TIF funds would be used to fix the issue with or without specific redevelopment efforts with blocks 1 and 2.

Numerous deficiencies were documented in the public lighting system within the Project Area. There are exposed and/or insufficient wiring systems that have deteriorated over the years and become hazardous. The majority of the lighting systems have issue with either cracked support bases needing repair or replacement or numerous light poles that are in various states of disrepair i.e. leaning profusely, broken light bulbs, broken encasements, etc.

Therefore, present to a Major extent.

9. Excessive land coverage and overcrowding of structures and community facilities.

As defined in the Act, "excessive land coverage and overcrowding of structures and community facilities" refers to 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 presents 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 reasonable required off-street parking, or inadequate provision for loading and service.

The Project Area is not impacted by excessive land coverage and overcrowding of structures and community facilities. There are no factors to document.

Therefore, Not Present.

10. Deleterious land-use or layout

As defined in the Act, "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.

All of the parcels in the Project Area demonstrate piecemeal development with no cohesive land-use plan or layout that was utilized.

Therefore, present to a Major extent.

11. Environmental clean-up

As defined in the Act, "environment clean-up" refers to the proposed redevelopment project area having incurred Illinois Environmental Protection Agency of 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.

Block 1 – The former retail operator had an automobile repair component and it is reasonable to expect that a Phase I environmental test will need to be conducted to determine the level, if any, of environmental remediation that will be necessary to redevelop the area.

Block 2 – It is reasonable, based on the observation of the former Sutherland site; to expect that a Phase I environmental test will need to be conducted to determine the level of environmental remediation necessary to redevelop the area. The former Sutherland site makes-up over 50% of block 2.

Block 3 – Is represented by a number of uses, primarily industrial in nature. It is reasonable to expect that a Phase I environmental test will need to be conducted to determine the level, if any, of environmental remediation that will be necessary to develop the area.

Block 4 – Is represented by a number of uses. It is unknown, and therefore unreasonable, to make a determination as to whether or not environmental

remediation will be necessary to develop this area, based on the current land-uses within block 4.

Block 5 – It is reasonable, based on the uses within this block; to expect that a Phase I environmental test will need to be conducted to determine the level of environmental remediation necessary to redevelop the area.

Therefore, present to a Major extent.

12. Lack of community planning

As defined in the Act, "lack of community planning" means that 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 or central area 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 or inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.

The City adopted a comprehensive plan in 1974, with an updated plan adopted in 1997. Few of the goals and objectives, specifically in the Forest Hills corridor, have been accomplished. One of the factors cited as a reason for the negative perception of the community's retail base is the poor appearance of specific parcels in the Forest Hills corridor. The plan confirmed that this area should be the focal point of the community.

Over the years, the Project Area has been dominated by a variety of hodge-podge uses ranging from mid-to-big box retail uses, most of which have ceased operations, to an apparently operating farm towards the north end of the boundary. Very little growth has occurred, and the area itself is in a general state of deterioration and is in drastic need of rejuvenation. While the community did begin the planning process and exploration of ways to revitalize and improve its retail and commercial corridors, it lacked funding to physically implement any of the desired plans and goals. The proposed TIF district will enable the City to fund the necessary improvements that will make the Forest Hills corridor a viable retail/commercial destination.

Therefore, present to a Major extent.

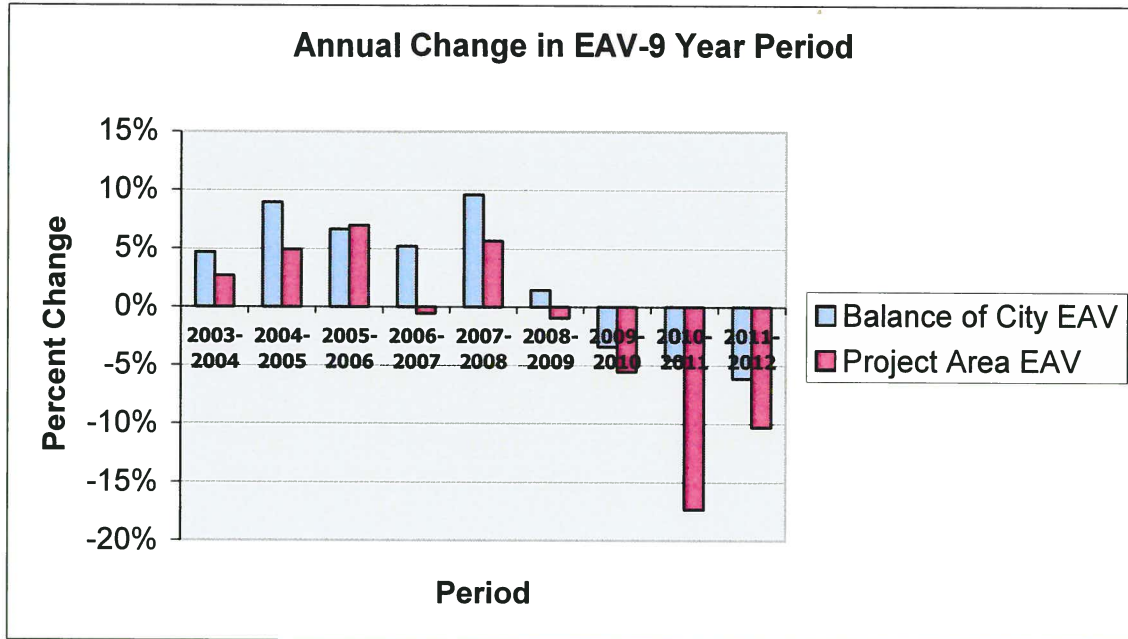
13. Declining or lagging equalized assessed valuation

As defined in the Act, a "declining or lagging equalized assessed valuation" means that the total equalized assessed value of the proposed redevelopment project area has declined 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 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 for which information is available.

Table 1: Growth of Total EAV of Project Area vs. The City

Year	City		Project Area	
	EAV*	% Change	EAV	% Change
2003	\$313,045,690		\$5,689,966	
2004	\$327,640,869	5%	\$5,840,146	3%
2005	\$356,916,269	9%	\$6,126,484	5%
2006	\$380,563,747	7%	\$6,789,232	11%
2007	\$400,228,545	5%	\$6,751,433	-1%
2008	\$438,622,579	10%	\$7,130,264	6%
2009	\$444,809,633	1%	\$7,066,526	-1%
2010	\$429,657,714	-3%	\$6,679,096	-5%
2011	\$409,948,786	-5%	\$5,549,926	-17%
2012	\$415,112,294	1%	\$5,009,743	-10%
Average Annual Growth 2004 to 2012		3%		-1%
* = City wide EAV minus Project Area EAV				

Chart 1: Annual Change in EAV



In five years between 2007-2012, the Project Area experienced declining growth rates from the total equalized assessed valuation ("EAV").

Therefore, present to a Major extent.

V. Eligibility Conclusion

The Project Area meets the requirements of the Act for designation as a “blighted area.” The conditions documented in the Project Area demonstrates the lack of growth and development through private investment in the Project Area, and therefore, it is not reasonable to expect the Project Area to be redeveloped through the natural redevelopment processes.

All blocks within the Project Area demonstrate similar examples of deterioration, decay, and general lack of property maintenance and upkeep. Overgrown landscaping, litter, excessive vacancies, and general lack of property maintenance and upkeep have plagued the Project Area, affecting neighboring properties and the corridor. The Project Area has experienced little to no new development in the last several years. The location and visibility of the Project Area makes this area a priority for redevelopment in the City. If not redeveloped, it is not reasonable to expect any redevelopment to occur within the neighboring uses in a timely manner.

The core of the Project Area, Blocks 1 and 2 are vacant, undisputable evidence that dilapidation, deterioration, blight and lack of maintenance makes them outdated to today’s standards and highly unlikely that they could be rehabbed to desirable uses.

The Project Area is in a primary commercial retail corridor, and, unless the conditions highlighted in this report are rectified, and an incentive mechanism implemented for the City to proactively recruit retailers, it is not reasonable to expect that this vital corridor will ever redevelop via natural redevelopment processes.

The location and distribution of blight factors are outlined in Table 2. The conclusion of the Eligibility study is that the Project Area is in need of revitalization and redevelopment to ensure that it will contribute to the long-term physical, economic, and social well being of the City. The presence of blight factors in the Project Area indicate that the Project Area has not been subject to sound growth and development through private investment, and it would not be reasonably anticipated to be redeveloped without public action.

APPENDIX

Table 2: Distribution of Blight Factors

	Overall Area Conclusion
Dilapidation	<i>L</i>
Obsolescence	<i>M</i>
Deterioration	<i>M</i>
Structures below code standards	<i>L</i>
Illegal use	<i>N</i>
Excessive vacancies	<i>M</i>
Lack of ventilation	<i>M</i>
Inadequate utilities	<i>M</i>
Land coverage	<i>N</i>
Deleterious land use and layout	<i>M</i>
Environmental	<i>M</i>
Community planning	<i>M</i>
EAV	<i>M</i>

Total M	9
Total L	2
Total Factors	11

Key:

M = Present to a Major Extent
L = Present to a Limited Extent
N = Not Present

Figure 1: Project Area Boundary

Forest Hills TIF District

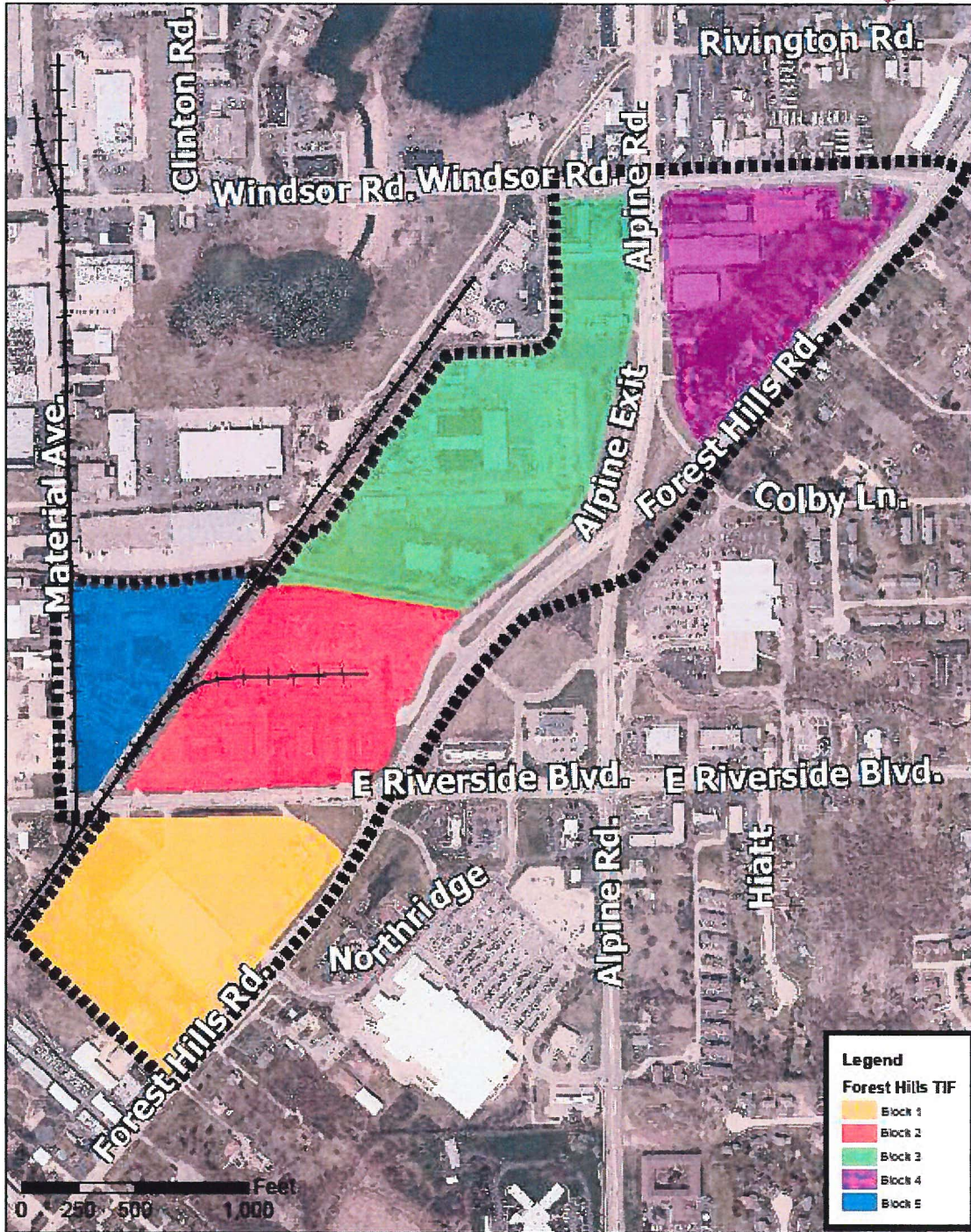
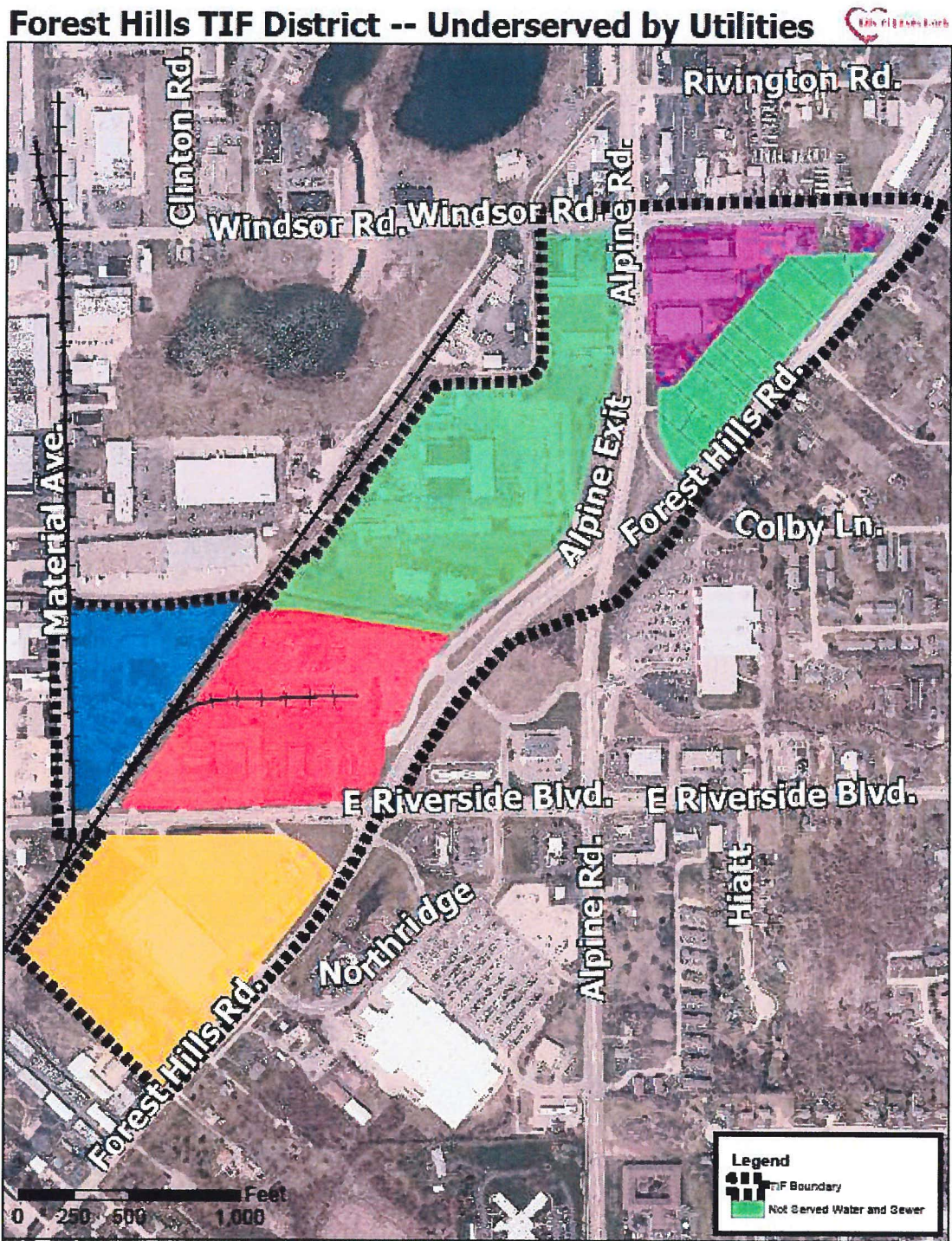


Figure 2: Properties underserved by utilities



Legal Description

Block 1

Part of the Southeast Quarter of Section 5, Township 44 North Range 2 East of the Third Principal Meridian bounded and described as follow to-wit.

Beginning at the intersection of the centerline of East Riverside Boulevard and the centerline of Forest Hills Road; thence Southwesterly along the centerline of Forest Hills Road to the intersection of said centerline and the Southerly line of the

Northerly 250 feet of Lot 6 as designated upon the plat of Hamilton Acres the plat of which is recorded in Book 22 of Plats on Page 333 in the Recorder's Office of Winnebago County, Illinois.; thence Northwesterly along Southerly line of the Northerly 250 feet of Lot 6 to the Easterly right-of-way line of the Chicago and Northwestern Railroad; thence Northeasterly along the Easterly right-of-way line of the Chicago and Northwestern Railroad and said line extended Northeasterly to the centerline of East Riverside Boulevard; thence Easterly along the centerline of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 2

Part or the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Easterly right-of-way line of Forest Hills Road,
extended Southwesterly and the centerline of East Riverside Boulevard; thence Westerly along the centerline of East Riverside Boulevard to the Easterly right-of-way line of the Chicago and Northwestern Railroad extended Southerly; thence Northeasterly along said Easterly right-of-way line to the Northerly line of Lot 7 as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page 74 in the Recorder's Office of Winnebago County, Illinois;
thence Easterly along the North line of said Lot 7 to the Southerly line of a Drainage Way as designated upon said plat; thence Southeasterly along the Southerly line of said Drainage Way and said Southerly line extended to the Easterly right-of-way line of Forest Hills Road; thence Southwesterly along the Easterly right-of-way line of Forest Hills Road and said right-of-way line extended to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 3

Part of the North half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian and part of the South half of Section 32, Township 45 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the point of intersection of the Easterly right-of-way line of Forest Hills Road and the Southerly line, extended Southeasterly, of a Drainage Way as designated upon the plat of Baudhuin Farms the plat of which is recorded in Book 22 of Plats on Page 74 in the Recorder's Office of Winnebago County, Illinois; thence Northwesterly along the South line of said Drainage Way extended Southeasterly and the Southerly line of said Drainage Way to the South line of Lot 8 as designated upon said plat; thence Westerly along the Southerly line of Lot 8 as designated upon said Plat to the Westerly line of said Lot 8; thence Northeasterly along the Westerly line of said lot 8 to the Southwest corner of Lot 9 as designated upon said plat; thence Easterly along the South line of said Lot 9 to a point which lies 50 perpendicularly distant from the Westerly line of said Lot 9 and the Southeasterly corner of a Drainage Way recorded as Document 71-25-1731 in said Recorder's Office; thence Northeasterly, Easterly and Northeasterly along the Easterly, Southerly and Easterly lines of said Drainage Way to the Southwest corner of a Drainage Way recorded as Documents 71-23-1061, 71-23-1062 and 71-23-1063 in said Recorder's Office; thence Northerly along the Easterly line of said Drainage Way, and said Easterly line extended Northerly to the Northerly right-of-way line of Windsor Road; thence Easterly along the Northerly right-of-way line of Windsor Road and said right-of-way line extended Easterly to the centerline of Alpine Road; thence Southerly along the centerline of Alpine Road to the point of intersection of the centerline of Alpine Road and a line which lies between the intersection of the Southerly right-of-way line of Forest Hills Road and the Easterly line of Alpine Road and the Northwest corner of M Dodd Subdivision the plat of which is recorded in Book 49 of Plats on Page 39 in said Recorder's Office; thence Southwesterly along aforesaid line to the Northwest corner of said M Dodd Subdivision; thence Southwesterly along the Easterly right-of way line of Forest Hills Road to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 4

Part of the North half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian and part of the South half of Section 32, Township 45 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit:

Beginning at the intersection of the Northerly right-of way line of Windsor Road extended Easterly and the Easterly right-of way line of Forest Hills Road; thence southwesterly along the Easterly right-of way line of Forest Hills Road to the intersection of the Northerly right of line of Colby Lane and the Easterly right-of way line of Forest Hills Road; thence Southwesterly to the intersection of the Southerly right-of-way line of Colby Lane and the Easterly right-of-way line of Forest Hills Road; thence Southwest along the Easterly right-of-way line of Forest Hills Road to the Easterly right-of-way line of Alpine Road thence Southwesterly along a line which lies between the intersection of the Easterly right-of way line of Alpine Road and the Southerly right-of-way line of Forest Hills Road and the Northwest corner of M Dodd Subdivision thence Southwesterly along aforesaid line to the centerline of Alpine Road; thence Northerly along the centerline of Alpine Road to the point of intersection of the centerline of Alpine Road and the Northerly right-of-way line of Windsor Road extended Westerly; thence Easterly along the Northerly right-of way line of Windsor Road extended Westerly and Northerly right-of way line of Windsor Road to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Excepting there from the following described premises bounded and described as follows to-wit:

Part of Lots 1, 2,& 3 as designated upon the plat of Renn Hart Hills Subdivision Commencing at Northwest corner of Block 1 as designated upon said plat; thence Easterly along the North line of said Block 1, a distance of 804.03 to the point of beginning of this description; thence Southerly parallel with the Westerly line of said Block 1, a distance of 158.18 feet; thence Easterly parallel with the Northerly line of said Block 1, a distance of 150.00 feet; thence Northerly parallel with the Westerly line of said Block 1 to the Northerly right-of-way line of Windsor Road; thence Westerly along the Northerly right-of way line of Windsor Road, a distance of 150.00 feet; thence Southerly parallel with the Westerly line of said Block 1 to the point of beginning. Situated in the County of Winnebago, State of Illinois.

Block 5

Part of the West half of Section 5, Township 44 North, Range 2 East of the Third Principal Meridian bounded and described as follows to-wit::

Beginning at the intersection of the Westerly right-of way line of Material Avenue extended southerly and the Southerly right-of-way line of East Riverside Boulevard; thence Northerly along the Westerly right-of way line of Material Avenue, extended Southerly and the Westerly right-of way line of Material

Avenue to the Southerly line of the Drainage Way as designated upon the Plat of Larson's Industrial Tracts the plat of which is recorded in Book 27 of Plats on Page 37 in the Recorder's Office of Winnebago County, Illinois; thence Easterly along the Southerly line of said Drainage Way and said Southerly line extended Easterly to the Easterly right-of way line of the Chicago and Northwestern Railroad; thence Southwesterly along said Easterly right-of-way line to the Southerly right-of-way line of East Riverside Boulevard; thence Westerly along the Southerly right-of-way line of East Riverside Boulevard to the point of beginning. Situated in the County of Winnebago, State of Illinois.