TAX INCREMENT REDEVELOPMENT
PLAN NO. 2

Prepared for
The City of DeKalb, Illinois

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PREFACE

The City of DeKalb proposes to establish a Tax Increment Financing Redevelopment Project Area that will be in conformance with its overall economic development and revitalization strategies. The boundaries of the Project Area were generally established by July 1994 by the City, as a result of planning studies by the City.

Documented herein are the findings that the area qualifies as a "Conservation Area". A program of public and private actions will be proposed to correct the Area's problems and facilitate private investment. The City of DeKalb has initiated a comprehensive and carefully coordinated Redevelopment Plan in an attempt to address these problems.

The Redevelopment Plan is not a proposal to substitute public investment for private investment. Public investment incentives will be used to transform the Redevelopment Project Area into a stable environment to conserve the area and attract private investment. Through public installation of infrastructure improvements and economic incentives, the stage is set for the growth and development of the Redevelopment Project Area with private capital.

To assure that the required public support is forthcoming, the City of DeKalb proposes, pursuant to the Illinois Tax Increment Allocation Redevelopment Act to adopt a Tax Increment Redevelopment Plan to assist in financing the public costs of redevelopment. Tax increment financing must assume the lead role as the catalyst for environmental revitalization and private investment by providing the necessary infrastructure and incentives. Through the Redevelopment Plan, the City can serve as the central force for marshalling the assets and energies of the private sector for the unified private-public redevelopment effort.

Because of the magnitude of the public investment required, the City cannot implement the Redevelopment Plan without the use of tax increment financing. Further, the ultimate benefits of the Redevelopment Plan will accrue to all taxing bodies in the form of an expanded and/or stabilized tax base, improved public infrastructure, as well as new and expanded business and employment opportunities.
INTRODUCTION

A significant portion of the proposed DeKalb Tax Increment Financing Redevelopment Project Area No. 2 has for a number of years registered virtually no growth and it is in a state of decline in some areas. This situation is documented by the deterioration of properties as well as the loss of some commercial businesses. This decline has led to a reduction in employment and opportunities and diminishing physical facilities.

The City of DeKalb proposes to use the conservation and economic implementation vehicle of tax increment financing, as well as other economic development resources to arrest the decline in the DeKalb Redevelopment Project Area No. 2. Tax increment financing will induce the investment of private capital. The Redevelopment Project Area, overall, has not been subject to overall economic growth. The prospect for private and public investment is minimal without the adoption of the proposed Redevelopment Plan. Possible private actions include the renovation of existing residential structures and properties, as well as construction of new office, commercial, light industrial and public facilities.

It is proposed by the City of DeKalb that the existing residential, industrial, commercial and public land areas that are situated in the Redevelopment Project Area should be developed and revitalized through the redevelopment of the area for various land uses. This type of activity will require close cooperation between the City of DeKalb, public entities and the existing business community.

The public improvements that are anticipated for the Redevelopment Project Area includes, but are not limited to: street construction and renovation; street lighting; street trees; sidewalks; alley improvements, storm sewers; water lines; community recreation facilities; public buildings and facilities; public parking; demolition and site clearance; land acquisition; as well as open space and visual improvements.

The City of DeKalb also proposes a vigorous residential revitalization program to stabilize the Redevelopment Project Area.

Tax increment financing is permitted by the Illinois Tax Increment Redevelopment Act and sets forth the requirements and procedures for establishing a Redevelopment Project Area. The Redevelopment Plan documents the qualifications of the area as a "Conservation Area". The purpose of the Redevelopment Plan is to provide an instrument that can be used to correct the blighting conditions and stabilize existing development in the Redevelopment Project Area over a 23 year
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period of time. The Redevelopment Plan identifies the specific activities, sources of funds, procedures and various other necessary regulations in order to implement tax increment in the DeKalb Redevelopment Project Area No. 2, pursuant to the State law. The adoption and implementation of the Redevelopment Plan is necessary to provide for the development and revitalization of the Redevelopment Project Area.

Coordinated planning is necessary to realize the full revitalization potential of the selected Redevelopment Project Area in a cost-effective and timely manner. Without a comprehensive Redevelopment Plan to stabilize and preserve the Redevelopment Project Area, blighting conditions may continue to occur and spread. The increased deterioration in conjunction with decreased assessed value, will result in decreased real property taxes and will make further demands upon the limited public services and revenues.

It is essential that DeKalb's tax increment financing program assume the lead role in catalyzing private redevelopment by eliminating the conditions of deferred maintenance, deterioration, inadequate utilities, excessive vacancy, deleterious land use, obsolescence, and lack of planning which have been problems in the past. Through the Redevelopment Plan, the City of DeKalb can be the catalyst for a unified private-public redevelopment effort.
II. TAX INCREMENT FINANCING

A. INTRODUCTION

Tax increment financing is a local funding mechanism created by the "Tax Increment Allocation Redevelopment Act." The Act, which became effective on January 10, 1977, is recorded in the 65 ILCS 5/11-74.4-1 et. seq.

Tax increment financing is a technique intended to be used by municipalities to eradicate deteriorated conditions and carry out redevelopment, rehabilitation and conservation measures. Thus, tax increment financing is a tool which allows a municipality to institute a redevelopment program which will capture redevelopment costs, the real property taxes derived from the redeveloped property which exceed the real property taxes derived from the property prior to redevelopment.

The concept behind the tax increment law is straightforward and allows a municipality to carry out redevelopment activities on a local basis. Redevelopment which occurs in a designated Redevelopment Project Area will increase the equalized assessed valuation of the property and, thus, generate increased property tax revenues. This increase or "increment" can be used to finance the project costs, such as land acquisition, site clearance, building rehabilitation, interest subsidy and the construction of public infrastructure.

The Illinois General Assembly made various findings in adopting the Tax Increment Allocation Redevelopment Act, among them were:

1. That there exists in many municipalities within the State blighted and conservation areas; and

2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest and welfare.

These findings were made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public.
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To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that redevelopment project areas qualify either as a "Blighted Area" or as a "Conservation Area" or as a combination of both Blighted Areas and Conservation Areas within the definitions for each set forth in the Act. The eligibility requirements and definition of blighting factors are specifically outlined in the text, "Findings Of Eligibility Of The Redevelopment Project Area," in the Appendix of the this Report.
III. REDEVELOPMENT PROJECT AREA

A. BOUNDARY DELINEATION

There are a number of factors that need to be taken into consideration when establishing the boundary of a Tax Increment Financing Redevelopment Project Area. There were established planning guidelines and standards herein that have been followed in the delineation of the Redevelopment Project Area boundary, as well as in the preparation of this Redevelopment Plan. In many cases these standards and guidelines exceed those minimums established by the Tax Increment Allocation Redevelopment Act.

The boundaries of the Tax Increment Financing Redevelopment Project Area No. 2 were generally established by the City of DeKalb, in consultation with PGAV, Inc. (planning consultant) and planning studies in May 1994.

There was conducted by PGAV-Urban Consulting extensive field investigations in March, August and September 1994, and discussions and interviews with City officials and staff. Based on these interviews, investigations and qualification requirements, the boundary of the Redevelopment Project Area was determined. The legal description of the boundary of the DeKalb Tax Increment Financing Redevelopment Project Area No. 2 is presented in Exhibit I of the Appendix.

The boundary is also delineated on the TIF Qualification Factors Map. The boundary that has been drawn is sound and logical, consistent with the State Statute's public programs for development growth, the eliminating of blighted areas and/or preventing blight from occurring.

B. PROGRAM REQUIREMENTS/FINDINGS

The following findings have been made with respect to establishing the DeKalb Redevelopment Project Area No. 2.

1. The Redevelopment Project Area meets the requirements of the Statute as a "Conservation Area". Further, the factors are present to a meaningful extent and are reasonably distributed throughout the Area.

2. The Redevelopment Project Area exceeds the minimum size of 1-1/2 acres.

3. The Redevelopment Project Area is contiguous, contained within a single, perimeter boundary.
4. All properties included in Redevelopment Project Area will substantially benefit from being included in the Area.

5. The Redevelopment Plan is consistent with the Land Use Development Plan of the 1984 Comprehensive Plan, Amended for the community.

6. The Redevelopment Project Area has not been subject to growth and private investment and is not likely to do so without the adoption of this Redevelopment Plan.

7. The Redevelopment Project Area and Plan do not anticipate the creation or demand for additional services and any significant financial impact from the various taxing districts.

TIF No. 2 is virtually developed except for about 8 residential buildable lots and about 43 acres of light industrial land (35 acres undeveloped). Since new development is basically non-residential and other light industrial is minimal, there is no anticipated additional demand on services by the taxing districts.

The TIF Plan activities include various public facilities and utilities to meet the needs of several taxing districts. These activities are identified in Tables II and III of the Appendix. It is possible that many of the taxing districts will continue to obtain financial or improvements assistance from the Central Area TIF should there be a surplus of funds or through other statutory requirements. The distribution of surplus funds and reducing the number of years of the TIF program are alternative measures that will be explored, where possible, to address the financial impacts on tax districts.

Although the estimated increase in the assessed valuations of TIF No. 2 is about $6.5 million, the costs of the revitalization improvements will be consumed by the tax incremental revenues from TIF No. 2. The assessed valuation of TIF No. 2 encompasses a range of 3.2% to 10.9% of any affected taxing district's assessed valuation. The financial impact of the increased valuation is not considered significant in consideration of the long-range tax base stabilization effects of the TIF Plan.
8. There will be a commitment to fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance. Each recipient of Tax Increment Financing assistance will be required to adhere to fair employment practices and affirmative action programs in the conduct of their business and in any redevelopment activities in which they may become involved within the Redevelopment Project Area.
IV. BASIS FOR REDEVELOPMENT

A. INTRODUCTION

A Redevelopment Project Area according to the Tax Increment Allocation
Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.) is that area designated by a
municipality (city, village or incorporated town) in which the finding is made that
there exists conditions which cause the area to be classified as a Blighted Area,
Conservation Area, or Industrial Park Conservation Area. The criteria and the
individual factors that are employed in pursuing the evaluation of the physical
conditions in the area under investigation are outlined in the text, "Findings Of
Eligibility Of The Redevelopment Project Area", contained in the Appendix of the
Report.

B. INVESTIGATION AND ANALYSIS OF BLIGHTING FACTORS

There was performed both a quantitative and qualitative investigation, as well
as a partial statistical analysis of the physical conditions and the presence of the ten
blighting factors, in addition to the existence of structures that are thirty-five years
of age or more. The results of this investigation and evaluation of the Redevelopment
Area for each of the blighting factors that were determined to exist are documented
and summarized in the Table, Blighting Factors Matrix Summary and Qualifications
Factors Map on pages 10 and 11.

1. Analysis Of An Improved Area

An on-site exterior field survey was made in the latter part of March, August
and September 1994, by PGAV staff (Consultant) of each six geographic
sections. The "windshield survey" utilized the age of buildings factor and ten
(10) additional blighting factors, as follows, to qualify the six geographical
sections as "Conservation Areas":

- Depreciation of Physical Maintenance
- Deterioration
- Dilapidation
- Obsolescence
- Excessive Vacancy
- Abandonment
- Excessive Land Coverage
- Inadequate Utilities
- Deleterious Land Use Or Layout
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- Lack of Community Planning

In addition, the City's planning staff and Planning and Development Director, were consulted with respect to T.I.F. activities, comprehensive planning, wetlands, zoning, housing conditions and various other information. The Director of the Public Works Department and staff were consulted with respect to utilities (water lines and storm sewers), street and sidewalk conditions, street lighting and pedestrian access requirements of 1990 The Americans With Disability Act (ADA). The DeKalb Sanitary District was consulted in September 1994, about sanitary sewer conditions and inadequacies.

The six (6) geographical areas of TIF No. 2 contain about 913 main buildings and approximately 865 lots or parcels. In 1994, PGAV (Consultant) made a field examination and evaluation of each property and/or structure to determine the presence of individual blighting factors. The field survey and conditions, as they relate to each factor, are summarized by six Sections in Table One, Blighting Factors Matrix Summary and Qualifications Factors Map on the following pages. 10 and 11.

* AGE OF STRUCTURES

Summary of Finding

The Redevelopment Project Area contains a total of 913 main structures of which 87.8 percent or 822 main structures are thirty-five years of age or older as determined by field surveys made by PGAV-Urban Consulting in March, August and September 1994.

The Redevelopment Project Area is characterized as an area that contains a very high percentage of older structures, and many structures and/or site improvements that are in need of repair. The geographical distribution of the main structures that are thirty-five (35) years old or more is very widespread throughout all Sections of the Redevelopment Project Area, ranging from 55% in Section 1 to a high of 98% in Section 4.
### TABLE ONE
BLIGHTING FACTORS MATRIX SUMMARY

<table>
<thead>
<tr>
<th>Section</th>
<th>1 Bldgs. 35 Years of Age or Older</th>
<th>2 Depreciation of Physical Maintenance</th>
<th>3 Deterioration</th>
<th>4 Dilapidation</th>
<th>5 Obsolescence</th>
<th>6 Excessive Vacancy</th>
<th>7 Abandonment</th>
<th>8 Excessive Land Use orCoverage</th>
<th>9 Inadequate Utilities</th>
<th>10 Deleterious Land Use or Layout</th>
<th>11 Lack of Community Planning</th>
<th>Total Number of Blighting Factors Present</th>
<th>50% or More of Development Has 3 or More Factors</th>
<th>Number of Buildings</th>
<th>Number of Lots</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>31 = 55%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>8</td>
<td>X</td>
<td>56</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>182 = 94%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>9</td>
<td>X</td>
<td>193</td>
<td>176</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>54 = 86%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>9</td>
<td>X</td>
<td>63</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>209 = 98%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>9</td>
<td>X</td>
<td>214</td>
<td>212</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>176 = 87%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>8</td>
<td>X</td>
<td>203</td>
<td>197</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>170 = 92%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>8</td>
<td>X</td>
<td>184</td>
<td>184</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>822 = 87.8%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>8.5 AVG.</td>
<td>X</td>
<td>913</td>
<td>865</td>
<td></td>
</tr>
</tbody>
</table>

(X) DENOTES 50% OR MORE OF DEVELOPMENT EXHIBITS FACTOR
ALL SECTIONS QUALIFY ON AN INDIVIDUAL BASIS AS "CONSERVATION AREAS"
QUALIFICATION FACTORS MAP
TAX INCREMENT REDEVELOPMENT
AREA NO. 2
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DEPRECIATION OF PHYSICAL MAINTENANCE

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, site and public improvements comprising the proposed redevelopment area.

Summary of Findings

The large majority of the Redevelopment Project Area exhibits characteristics that reflect a depreciation in physical maintenance.

The depreciation of site improvements was found to exist in a predominant manner in all Sections of the Redevelopment Area. The circumstances are combined characteristics in building and site deterioration, obsolescence, as well as the need for streets, alleys, sidewalks, curbs, street lighting, water lines, sanitary sewer and storm drainage improvements that need replacement, new construction or major renovation. Nearly all the properties are impacted to some degree by a decline in physical maintenance based on field observations by PGAV in 1994 and through recent 1994 public utility information provided by the City and Sanitary District.

DETERIORATION

Deterioration refers to any physical deficiencies or disrepair of main structures and/or site improvements requiring treatment or repair.

Summary of Findings

There were recorded deteriorating conditions in a majority of the total 865 lots and 913 main structures and the surface improvements of developed properties throughout the Redevelopment Project Area. The deteriorated surface improvements were primarily pavement and storm drainage facilities. The typical deteriorated conditions were pavement cracking, crumbling, potholes, depressions, loose paving material, water ponding, weeds, etc. In some instances, deterioration existed in fences, signs, retaining walls and steps. There are many parcels with good structures and deterioration of site improvements. The field survey of main building conditions in the Redevelopment Project Area found structures with major defects in the secondary structural components and/or major defects in primary structural components, including walls, roofs, windows, doors, foundations, gutters, downspouts, porches, chimneys, fascia materials, masonry, etc. Deterioration
is very predominant throughout all Sections of the Redevelopment Area. PGAV, Inc. determined the extent of deterioration from field surveys in 1994.

* **DILAPIDATION**

Dilapidation refers to an "advanced" state of disrepair of main buildings or improvements or the neglect of necessary repairs, suffering the building or improvements to fall into a state of decay.

**Summary of Findings**

The field survey of blighting factors conducted by the Consultant found that only 2.2% of the 913 main structures in the Redevelopment Project Area are considered dilapidated. The condition of serious deterioration of the structural components of walls, foundations and roofs normally necessitates the clearing and removal of such structures as the most feasible and economical means to remove blight. The field survey was done in March, August and September 1994 by PGAV, Inc.

* **OBSOLESCENCE**

An obsolete building or improvement is one which is no longer used or going out of use -not entirely disused, but gradually becoming so.

**Summary of Findings**

Obsolete platting of parcels and public right-of-ways is a condition that exists to a limited extent in the Area. The obsolete platting of narrow and shallow lots is not conducive for contemporary development standards.

Obsolete site and building improvements were found to exist to major extent in all Sections of the Redevelopment Project Area. Obsolete improvements included roadways, lighting and extensive open drainage ditches along street frontages caused by obsolete construction of streets without enclosed or improved open storm sewers, curbs and gutters. Several streets in the Redevelopment Project Area are without sidewalks. Several private driveways and off-street parking and service areas lack paved surfaces on the lots. Most of the nonresidential paved surfaces lacked storm water detention facilities. A majority of the Area has undersized 4" water lines. Field tile in some of the southern and eastern sections of the Area are obsolete storm drainage improvements. The building and obsolete site improvements are based on field
inspections in 1994 by PGAV, Inc. and information from the Public Works Department.

* EXCESSIVE VACANCIES

Excessive vacancies refer to the presence of structures which are unoccupied or underutilized in a high percentage (50 or more) of the total floor space and which represents an adverse influence on the area because of the frequency, extent, or duration of such vacancies.

Summary of Findings

The field investigation by PGAV of the Redevelopment Project Area indicates there exists a few of the 913 structures that have excessive vacancy of floor space. The Area had less than 10 vacancies, mostly in Section 3. Vacancies resulted in mostly the old commercial and industrial buildings as well as a couple of residences.

* ABANDONMENT

Summary of Findings

Abandonment includes buildings that have been abandoned from the original designed use or they have been or will be vacant for a period of 12 months or more. None of the buildings in the Area considered abandoned.

* EXCESSIVE LAND COVERAGE

Summary of Findings

Excessive land coverage was determined to exist in certain locales in the Area. Most cases of excessive land coverage in Sections 1, 4 and 6 were because of inadequate parking and/or off-street loading facilities, building coverage in rear yard areas, residences on small corner lots and two main residential buildings on one lot. All Sections exhibited excessive land coverage.

* INADEQUATE UTILITIES

This factor relates to water lines, storm drainage and sanitary sewers which may be considered to be inadequate. Inadequate utilities would include those which are (a) of insufficient capacity to serve the uses in the redevelopment.
project and surrounding areas, (b) deteriorated, antiquated, obsolete, or in disrepair or (c) lacking.

Summary of Findings

The Redevelopment Project Area, as a whole, is basically served by undersized 4" and 6" water lines and no distribution mains, old and obsolete storm drainage field tile, and old deteriorated sanitary sewers (west of 6th Street).

The undersized water mains are throughout all Sections of the Project Area, residential Sections 2, 3, 4, 5 and 6. The non-residential area (Section 1) are served by 6" lines or they are without a distribution system. As a result, water pressure is low and greater fire protection is needed in the TIF Area.

The 50 year old storm drainage field tile in the southern portion of the TIF Area is obsolete, inadequate in size and deteriorated. As a result, 50% of the Area (Sections 2, 4, 5 and 6) has silting and flooding conditions. Storm water retention ponds are needed to regulate flow through the system. The data for inadequate water and storm drainage facilities was provided to PGAV, Inc. by the DeKalb Department of Public Works in August and September 1994.

The DeKalb Sanitary District was consulted by PGAV, Inc. in September of 1994 about the inadequacy of sewers. Due to an aging system, inflow and infiltration has occurred in deteriorated sewers in Sections 3, 4 and 5, east of 6th Street. The lines in this area are in need of a "liner process" to rehabilitate the cracked and disjointed sewer pipes. Also, manholes in the Area need evaluation and repair.

* DELETERIOUS LAND USE OR LAYOUT

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Summary of Findings

There are a few instances of incompatible and mixed land uses. Residential and commercial or industrial uses are mixed in an incompatible manner in some areas. In instances, the commercial and industrial uses create vehicular and pedestrian traffic which are incompatible with each other. Spot residential buildings in a predominantly commercial or industrial area restrict
the potential expansion, new development and revitalization of the Redevelopment Project Area. Another example is two residences on a single family lot. A somewhat limited amount (9% or 77 use lots) of deleterious non-residential and residential land uses exist in mainly Sections 1, 2, 4, 5 and 6 in the Area. PGAV, Inc. determined the extent of deleterious land uses via field surveys in 1994.

* LACK OF COMMUNITY PLANNING

Summary of Findings

There was found to exist throughout the Redevelopment Project Area the lack of or inadequate community planning. However, the Area was nearly all developed prior to the adoption of the DeKalb Comprehensive Development Plans in 1993. A major part of the Area reflects an outdated street layout as several local streets provide through traffic from within the Area and via streets from adjoining areas. Also, the Area has inadequate size water lines throughout and a storm sewer system (in certain areas). The changes in land use patterns and development needs over the years has resulted in inadequate land space for future economic development in the non-residential Section 1 of the Area. There is a juxtaposition of residential, commercial, industrial and public land uses, excessive land coverage, storm drainage problems, undersized water and storm sewer lines, sanitary sewer deterioration and building deterioration that resulted from a lack of planning. Several narrow and shallow commercial, industrial and public land use lots are not of sufficient size to meet the space needs for either new or expansion development.

Over-subdivided properties (i.e., corner lots), poor access arrangements, inadequate service arrangements, poor property exposure, etc. were all found to exist in many parts of the Area. Generally, Sections 2, 4, 5 and 6 were determined to exhibit most of the lack of community planning. About 38% of the Area lots were considered as a lack of planning factor.

C. ANALYSIS AND CONCLUSION OF INVESTIGATION OF BLIGHT

The DeKalb TIF No. 2 Redevelopment Project Area is impacted by a number of blighting factors. The blighting factors that were determined to exist in the Redevelopment Project Area are summarized and aggregated by six Sections in Table One, Blighting Factors Matrix Summary and the Qualification Factors Map. Thus, the Redevelopment Project Area was determined to meet and exceed the qualifications to be classified as a "Conservation Area".
The determination that the TIF No. 2 Redevelopment Project Area qualifies as a "Conservation Area" was based on the findings of the presence to a meaningful extent, as well as the reasonable geographic distribution of three or more blighting factors and fifty (50) percent or more of the main structures are thirty-five (35) years of age or older.

D. FINDINGS OF NEED FOR TAX INCREMENT FINANCING

It was determined in the Investigation and Analysis of Blighting Factors in the Redevelopment Project Area, presented elsewhere in this document, that the Area as a whole, is a "Conservation Area". However, the Act states that no redevelopment plan shall be adopted without meeting the four following requirements of conformance with the City's 1993 Comprehensive Development Plan, the Area is not subject to growth, an estimated date for completion of the Plan and the Area would not be developed and stabilized "but for" tax increment financing.

1. Area Not Subject to Growth

Presently, the Redevelopment Project Area is primarily characterized by the lack of incentives to generate growth and development. This deficiency has impeded growth and development within the area by public entities and private enterprise. Although the tax base has exhibited some limited growth in the area. The general area exhibits the lack of sound, long-term public infrastructure and public facilities for the future stabilization of existing development. The Area has virtually shown no development in the last several years. From 1989 to October 1994, only one building permit for a main structure was issued by the City. A single family residential permit was issued in April 1994. The value of the home increased the assessed valuation of the property by approximately $42,000.

From 1989 to 1994, the City's equalized assessed valuation increased 66% or about $117.5 million. Over the same time period the equalized assessed valuation of TIF No. 2 increased about 55% or about $9.6 million. The increases are due to reassessments of property. However, the difference of the 11% increase and the lack of building further reflects the lack of growth and development in the Project Area of TIF No. 2.

Over the past five years, there has been no commercial or industrial developments in the non-residential sections of the Area, including Industrial Drive. Approximately, 43 acres of light industrial land is available for
development. From a residential development viewpoint, only approximately eight residential buildable lots appear to be useable in the Area.

Proposed public and private redevelopment projects are contingent upon adoption of a Redevelopment Project Area and Redevelopment Plan as there is no likelihood that money required to make all the public improvements to serve the development sites, absent tax increment financing funds, can be generated by the City. Absent participation and assistance by the public sector, private investment (including rehabilitation) will not take place in the Redevelopment Project Area, as a whole, the tax base will erode, and the health, safety and welfare of the public will be impaired.

2. Conformance with the City's Comprehensive Plan

The Comprehensive Development Plan for the City of DeKalb was prepared and adopted in 1993. The proposed General Land Use Plan of the Redevelopment Plan conforms and represents the City's proposal for the Land Use element of the Comprehensive Plan, Amended for the particular geographical area. The General Land Use Plan has been viewed by the City Council and the City Planning and Development Department. The Redevelopment Project Area is planned for mainly residential, commercial, industrial and public land uses that conform to the future Development Plan for the City.

3. Estimated Dates for Completion of the Redevelopment Project

The obligations incurred to finance the improvements will be repaid by increments collected over an estimated period of approximately twenty years from the date of adoption of the ordinance approving the Redevelopment Plan. The estimated date for the completion of the Redevelopment Plan shall be no later than 23 years from the date of adoption of the Redevelopment Plan by the City.

4. Would Not Be Developed But For Tax Increment Financing

The City Council has found that the Redevelopment Project Area would not reasonably be developed without the use of tax increment revenues, and that such incremental revenues will be exclusively utilized for the development and revitalization of the Redevelopment Project Area.
Underscoring the economic need for municipal financial assistance in the form of tax increment financing is the fact that without the City's commitment to provide such municipal financial assistance, there will not be commitment for public and private development and revitalization.

In an effort to generate development interest, the City has and will continue to market the Redevelopment Project Area for redevelopment proposals. This process and through discussions in the community further reinforced the need for municipal assistance in order to realize economic development in the Redevelopment Project Area. Unless the Redevelopment Plan is adopted by the City of DeKalb, the revitalization and development of the Redevelopment Project Area No. 2 is not practical and economically feasible for the community.

E. FINDINGS AND CONCLUSION

The Redevelopment Project Area No. 2 does not create an additional demand for services or a significant financial impact on the taxing districts as outlined in Section III., B.7, above. Also, the Project Area meets the criteria for "Findings of Need" as described in Section D.

The Redevelopment Project Area shall be designated as a "Conservation Area" as defined by the Tax Increment Allocation Redevelopment Act. The Redevelopment Project Area exhibits blighting factors contained in the Illinois State Statutes, 65 ILCS 5/11-74.4-1 et. seq. See the "Findings of Eligibility Of The Redevelopment Project Area", in the Appendix.
V. REDEVELOPMENT PLAN

A. INTRODUCTION

There is presented in this section the Redevelopment Plan for the DeKalb TIF Redevelopment Project Area No. 2. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an area qualifies as either Conservation, Blighted or Industrial Park Conservation Area, there shall be prepared a Redevelopment Plan. A Redevelopment Plan is defined in the Act as a comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a "Blighted Area" or "Conservation Area" or combination thereof or "Industrial Park Conservation Area," and thereby to enhance the tax bases of the taxing districts which extend into the Redevelopment Project Area.

B. PROPOSED GENERAL LAND USE PLAN

The proposed General Land Use Plan for the DeKalb TIF Redevelopment Project Area No. 2 is presented on the following page. The proposed development and land use categories are designated thereon.

The General Land Use Plan conforms to the proposed Land Use element of the 1993 Comprehensive Plan of the City of DeKalb for the geographical area covered by the proposed 1994 Plan. Furthermore, the General Land Use Plan has been reviewed by the City's Planning and Development Department and City Council. All redevelopment projects shall be subject to the provisions of the City of DeKalb Zoning Ordinances and other applicable codes as may be in existence and may be amended from time-to-time. The General Land Use Plan generally conforms to the City's Zoning Districts for the land areas also.

The City of DeKalb proposes to realize its goals of conservation of desirable features in the Redevelopment Project Area while eliminating the conditions of blight and obsolescence. The City will, thereby, be encouraging private investment in new commercial, industrial, residential, and public facilities through the utilization of tax increment financing.

The City of DeKalb proposes to undertake a Redevelopment Plan and Project which consists of planned economic development activities, sound fiscal policies, marketable land uses, and private and public activities. The anticipated Redevelopment Program policies are as follows:
GENERAL LAND USE PLAN
TAX INCREMENT REDEVELOPMENT AREA NO. 2
DeKalb, Illinois
C. POLICIES

1. The City of DeKalb may provide assistance for site control as needed to advance the redevelopment project, including the acquisition of property and dedication of land for public street right-of-way.

2. Economic development programs, as well as loans and grants from the State of Illinois and the federal government to assist redevelopment projects may be pursued by the City as needed to provide financial feasibility for development.

3. The City will provide appropriate utilities, recreation facilities, school and library facility improvements, parking, public works, site improvements and street improvements, including lighting, sidewalks, signalization and alleys.

4. Financial assistance for the rehabilitation and enhancement of existing residential, commercial, industrial and public properties in conformance with the Redevelopment Plan will be provided by the City.

5. There will be established by the City of DeKalb a new Redevelopment Project Area or tax increment district as a mechanism through which private redevelopment and rehabilitation can be realized.

6. Relocation assistance will be provided by the City, as may be necessary, in the form of advisory and consultation services, and possible financial assistance.

D. OBJECTIVES

The objectives of the Redevelopment Plan are:

1. Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a "Conservation Area" by carrying out the Redevelopment Plan.

2. Prevent the recurrence of blighting conditions by actions outlined herein.

3. Enhance the real estate tax base for the City of DeKalb and all other taxing districts which extend into the DeKalb TIF Redevelopment Plan.
Project Area No. 2 through the implementation and completion of the project identified herein.

4. Encourage and assist private investment, redevelopment and rehabilitation within the Redevelopment Project Area through the provision of financial assistance for new development and rehabilitation as permitted by the State Tax Increment Allocation Redevelopment Act.

5. Improve the overall environment of the area so as to encourage the conservation and rehabilitation of existing private developments wherever possible in a manner that is compatible with surrounding land uses.

6. Promote and provide opportunities for residential, office, retail, commercial, industrial and public uses to serve the general citizenry of the City of DeKalb.

7. Provide for safe and efficient traffic circulation, facilitate effective emergency response time and accessibility, and general access within the Redevelopment Project Area.

8. Improve land, utilities, and community recreation, education and other public facilities to attract quality revitalization and development in the Redevelopment Project Area.

9. Provide planned public improvements and facilities in the Redevelopment Project Area relative to its competition in the marketplace.

10. Create new permanent jobs in the Redevelopment Project Area.

11. Implement needed public infrastructure construction in the Redevelopment Project Area.

12. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner. This would then permit all additional future real estate taxes to be distributed to local taxing bodies.

The City of DeKalb has considered alternative means of financing the necessary public infrastructure projects and financial incentives within the Redevelopment Project Area. It was determined that tax increment financing...
TIF No. 2  
DeKalb, Illinois

constitutes one of the most effective means available for enabling the development of the Redevelopment Project Area to proceed. The City as whole and all other local taxing bodies will benefit from the development of the Redevelopment Project Area and the achievement of the aforesaid objectives.

E. REDEVELOPMENT PROJECT

To achieve the objectives proposed in the Plan for the Redevelopment Project Area, a number of improvement activities will need to be undertaken. An essential element of the Redevelopment Plan is a combination of private developments, as well as public investments in infrastructure improvements, as indicated in the estimated Description of Public Improvements and Project Costs in the Appendix. These improvement activities may include but are not restricted to the following:

1. Private Redevelopments Project Activity

To achieve a total Redevelopment Plan, many improvement activities may be employed. Thus, a combination of private investments and public improvements is an essential element of the Redevelopment Plan.

The private activities that are proposed for the Redevelopment Project Area include various types of residential, industrial and commercial/office uses and businesses. A limited amount of acreage (about 45 acres) is available for new developments.

In addition to the above noted private activities, the Redevelopment Project Area may include, but are not limited to the following:

- Rehabilitation of existing public, residential, industrial and commercial buildings and site improvements where said rehabilitation can bring the building and property into conformity with the Redevelopment Plan.

2. Public Redevelopment Improvement Activities

Public improvements will be used to serve and complement private investment, including existing development and new facilities. These improvements may include, but not be limited to: street improvements, public facilities, sidewalks, curbs and gutters, alleys, land assembly, demolition and site preparation, public utilities (water, sanitary and storm sewer facilities), landscaping, signalization, traffic control and
lighting, as well as other programs of financial assistance, may be provided by the City. Thus, to achieve the objectives of the Redevelopment Plan, the City of DeKalb may undertake the following public improvements.

a. Street construction and related signalization, rebuilding, resurfacing, pavement removal and reconstruction.

b. Sidewalk and pedestrian walkway construction and/or replacement.

c. Curb and gutter construction and/or replacement.

d. Alley improvements.

e. Street lighting replacement or upgrading, including pedestrian area lighting in residential and nonresidential, commercial and public use areas.

f. Storm sewers and related drainage facilities.

g. Landscaping of streets, entry and traffic islands, including signs on public right-of-way.

h. Demolition, site clearance and environmental preparation.

i. Land acquisition and disposition, as necessary.

j. Public parks, recreation facilities, public and educational facilities, open space and related facilities.

k. Water lines, as needed.

l. Sanitary sewer improvements.

m. Public parking.
VI. IMPLEMENTATION STRATEGY

The development of and the carrying out of a well-devised implementation strategy is a key element in the success of the DeKalb TIF Redevelopment Project Area No. 2. Thus, in order to maximize program efficiency and to take advantage of current conservation-redevelopment actions and with full consideration of available funds, a phased implementation strategy will be employed. However, to achieve a total Redevelopment Plan, a number of actions will need to be undertaken. Thus, a combination of private investments and public improvements is an essential element of the Redevelopment Plan.

A. PRIORITIES FOR PUBLIC ACTIONS

The City of DeKalb anticipates undertaking the following activities.

1. Adoption of Redevelopment Plan, No. 2.

2. Construction of streets and public utilities (e.g. sanitary and storm drainage) for new economic development, including any environmental mitigation plans and engineering analyses that are necessary.

3. Land acquisition and disposition for new public and private economic developments.

4. Provide a marketing program to entice revitalization and private development.

5. Provide interest subsidy to developers, as needed for economic feasibility.

6. Initiate a residential, industrial, commercial and public facilities rehabilitation assistance program.

7. Undertake the various public improvements including street improvements, sidewalks, lighting, parking, public recreation and educational facilities and buildings, open space, public utilities and other similar improvements in the Redevelopment Project Area. Public improvements and facilities will be coordinated with the time and completion of private development projects.
B. ESTIMATED REDEVELOPMENT PROJECT COSTS

The City may include as Redevelopment Project costs all reasonable costs incurred or estimated to be incurred and any costs which are incidental to the Redevelopment Project and Redevelopment Plan.

Such costs include, without limitation to, the following:

1. Costs of studies, surveys, development of plans and specifications, wetland mitigation plans, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, environmental, marketing, financial, planning or other services.

2. Property assembly costs, including but not limited to acquisition of land and other property, real or personal or interest therein, demolition of buildings, and the clearing and grading of land.

3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures.

4. Cost of construction of public works or improvements.

5. Cost of job training and retraining.

6. 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 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.

7. All or a portion of taxing districts' capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs.
8. 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.

9. Payments in lieu of taxes.

10. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project. Such payments in any one year may not exceed 30% of such annual interest costs and relocation costs incurred pursuant to the Tax Increment Allocation Redevelopment Act.

The estimated total cost associated with the eligible redevelopment activities described, herein, is presented in the Appendix. Any bonds issued shall have a life of not more than 20 years. This estimate includes all reasonable or necessary costs incurred or estimated to be incurred in the implementation of the Redevelopment Plan. These estimated costs are subject to refinement as specific plans and designs are finalized.

C. MOST RECENT EQUALIZED ASSESSED VALUATION

The total equalized 1994 assessed valuation for the DeKalb TIF Tax Increment Redevelopment Project Area No. 2 has been estimated at approximately $27,097,738. This figure will be verified by the County Clerk of DeKalb County.

D. REDEVELOPMENT VALUATION

Thus, contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that major private developments may occur within the Redevelopment Project Area designated.

The private redevelopment investment in this Redevelopment Project Area is expected to increase the assessed tax valuation from approximately $27.1 to about $33.6 million upon completion of the potential private projects.

E. SOURCE OF FUNDS

The source of funds to pay for Redevelopment Project Costs associated with implementing the Redevelopment Plan shall be funds collected pursuant to tax increment allocation financing to be adopted by the City. Under such financing, tax
increment revenue in the form of increases in the equalized assessed value (EAV) of property, in the Redevelopment Project Area shall be allocated to a special fund each year (the "Special Allocation Fund"), and the assets of the Special Allocation Fund shall be used to pay Redevelopment Project Costs and retire obligations incurred to finance Redevelopment Project Costs. In order to expedite the implementation of the Redevelopment Plan and construction of the public improvements, the City of DeKalb pursuant to the authority granted to it under the Tax Increment Allocation Redevelopment Act may issue obligations to pay for the Redevelopment Project Costs. These obligations may be secured by future amounts to be collected and allocated to the Special Allocation Fund. Such obligations may take the form of any loan instruments authorized by the Tax Increment Allocation Redevelopment Act. The City may use tax increment revenues from the 1986 DeKalb Central Tax Increment Plan and Project Area, Amended (1989 and 1995) of the City in accordance with State Statutes, Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et. seq.), except for State retail sales tax. Also, the City's local retail sales tax may be used as a financial resource to finance project costs, including local sales tax from the 1989 and 1995 Amended Redevelopment Plan.

If available, revenues from other economic development funding sources may include State and Federal Programs, the local sales tax, and land disposition proceeds from the sale of land in the Redevelopment Project Area. The final decision concerning redistribution of yearly increment revenues may be made a part of a bond ordinance. It is assumed that the cost of implementing the Redevelopment Plan will require committing all increment funds from the Tax Increment Conservation - Redevelopment Area to debt retirement. It is estimated that present financial feasibility requires revenues available each year equal to 125% - 175% of the annual debt services payment in connection with the retirement of the bonds. In the event there is any excess of the funds deemed necessary by ordinance for the retirements of obligations, reserves, sinking funds, and redevelopment project costs, this may be declared as surplus and will be available for distribution to the various taxing districts in the Redevelopment Project Area in the manner provided by Statute.

F. NATURE AND TERM OF OBLIGATION

Without excluding other methods of City financing, the principal source of funding will be Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan, for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the payment of principal and interest on the bonds and not needed for other redevelopment project costs or early bond retirements may be declared as surplus and become available for distribution annually to the taxing bodies to the extent that this
distribution of surplus does not impair the financial feasibility of the project. One or more bond issues may be sold at any time in order to implement this Redevelopment Plan.

G. COMPLETION OF REDEVELOPMENT PROJECT AND RETIREMENT OF OBLIGATIONS TO FINANCE PROJECT COSTS

The estimated date for the completion of the Redevelopment Plan is no later than 23 years from the date of adoption of the Redevelopment Plan by the City. Any obligations incurred to finance the Conservation - Redevelopment Project Costs are to be retired no later than 20 years after the date of such issuance and prior to said expiration of the Redevelopment Plan.

H. FAIR EMPLOYMENT PRACTICES AND AFFIRMATIVE ACTION

The City of DeKalb will insure that all private and public redevelopment activities are constructed in accordance with fair employment practices and affirmative action by any and all recipients of Tax Increment Financing assistance. Each recipient of TIF assistance will be required to adhere to fair employment practices and affirmative action programs in the conduct of their business and in any redevelopment activities in which they may become involved within the Redevelopment Project Area.
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VII. REVIEWING AND AMENDING THE TIF PLAN

A. AMENDING REDEVELOPMENT PLAN

The DeKalb TIF Redevelopment Plan No. 2 may be amended in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et.seq. Also, all reporting requirements and other statutory provisions will be adhered to.

The Act stipulates that once the City adopts an ordinance approving a redevelopment plan, the redevelopment project, and project area, no ordinance shall be adopted which alters the tax increment financing district boundaries, or affects the proposed general land use or the nature of the project without complying with the public hearing procedures provided in the Tax Increment Allocation Redevelopment Act. The City shall comply with these requirements in connection with any amendments to this Redevelopment Plan proposed in the future.
THAT PART OF THE SOUTH HALF OF SECTION 22, 23 AND 24, AND THAT PART OF
THE NORTH HALF OF 25, 26 AND 27, ALL IN TOWNSHIP 40 NORTH, RANGE 4 EAST
OF THE THIRD PRINCIPAL MERIDIAN, DEKALB COUNTY, ILLINOIS, DESCRIBED AS
FOLLOWS: BEGINNING AT THE INTERSECTION OF THE EAST LINE OF THE WEST
HALF OF SAID SECTION 26 WITH THE SOUTH LINE OF TAYLOR STREET; THENCE
WESTERLY ALONG SAID SOUTH LINE TO THE EAST LINE OF SEVENTH STREET;
THENCE SOUTHERLY ALONG SAID EAST LINE, TO THE EASTERLY EXTENSION OF
THE SOUTH LINE OF CULVER STREET; THENCE WESTERLY ALONG SAID SOUTH
LINE AND SAID SOUTH LINE EXTENDED TO THE WEST LINE OF FOURTH STREET;
THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF TAYLOR
STREET; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEstERLY LINE
OF FIRST STREET; THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE AND
SAID LINE EXTENDED, TO THE SOUTH LINE OF BUSH STREET; THENCE
WESTERLY ALONG SAID SOUTH LINE TO THE WEstERLY LINE OF HAISH
AVENUE; THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE TO THE
SOUTHERLY LINE OF ROOSEVELT STREET; THENCE WESTERLY ALONG SAID
SOUTHERLY LINE TO THE WEstERLY LINE OF LEONARD AVENUE; THENCE
NORTHERLY ALONG SAID WESTERLY LINE TO THE SOUTH LINE OF GURLER
STREET; THENCE EASTERLY ALONG SAID SOUTHERLY LINE AND SAID LINE
EXTENDED; TO THE EASTERLY LINE OF FIRST STREET; THENCE NORTHERLY
ALONG SAID EASTERLY LINE TO THE SOUTHERLY LINE OF FRANKLIN STREET;
THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE AND SAID LINE
EXTENDED TO THE EASTERLY LINE OF FOURTH STREET; THENCE
NORTHEASTERLY ALONG SAID EASTERLY LINE, TO THE SOUTHERLY LINE OF
GROVE STREET; THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY LINE AND
SAID LINE EXTENDED TO THE EASTERLY LINE OF EIGHTH STREET; THENCE
NORTHEASTERLY ALONG SAID EASTERLY LINE TO THE SOUTHERLY LINE OF
LINCOLN HIGHWAY (RTE 38) THENCE SOUTHEASTERLY ALONG SAID SOUTHERLY
LINE; TO THE EAST LINE OF THE WEST 130.0 FEET OF ASSESSORS LOT 15 OF
SAID SECTION 24; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE
NORTHERLY LINE OF OUTLOT "A" IN LINCOLN INDUSTRIAL PARK; THENCE
SOUTHEASTERLY ALONG THE NORTHERLY LINE OF OUTLOTS "A" AND "B" IN
SAID LINCOLN INDUSTRIAL PARK, TO THE EAST LINE OF SAID OUTLOT "B";
THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID
OUTLOT B; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE EAST LINE OF
THE FIRST ADDITION TO LINCOLN INDUSTRIAL PARK; THENCE SOUTHERLY
ALONG SAID EAST LINE AND SAID EAST LINE EXTENDED TO THE SOUTH LINE OF
THE NORTH HALF OF SAID SECTION 25; THENCE WESTERLY ALONG SAID SOUTH
LINE TO THE WEST LINE OF SAID SECTION 25; THENCE NORTHERLY ALONG THE
EAST LINES OF SAID SECTIONS 25 AND 24 TO A LINE 450.0 FEET NORTHERLY
OF, AS MEASURED AT RIGHT ANGLE THEREFROM AND PARALLEL WITH THE
SOUTH LINE OF PARCEL "E" OF EVANS SUBDIVISION; THENCE WESTERLY ALONG
SAID PARALLEL LINE 225.0 FEET; THENCE SOUTHERLY AT RIGHT ANGLE OF THE
LAST DESCRIBED COURSE 80.0 FEET TO A LINE 370.0 FEET NORTHERLY OF AS
MEASURED RIGHT ANGLE FROM AND PARALLEL WITH THE SOUTH LINE OF SAID PARCEL E; THENCE WESTERLY ALONG SAID PARALLEL LINE 253.0 FEET THENCE NORTHERLY PARALLEL WITH THE EASTERLY LINE OF SEVENTH AVENUE 102.58 FEET TO THE SOUTHERLY LINE OF LOT 4 IN THE DEKALB INDUSTRIAL DISTRICT SUBDIVISION; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 4 TO THE EAST LINE OF SIMONDS AVENUE; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTH LINE OF PARCEL E OF SAID EVANS SUBDIVISION; THENCE WESTERLY (SAID SOUTH LIEN ALSO BEING THE SOUTH LINE OF SAID SECTION 23); THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEST LINE OF THE FIRST ADDITION TO DEKALB INDUSTRIAL DISTRICT SUBDIVISION; THENCE NORTHERLY ALONG SAID WEST LINE 192.75 FEET TO THE NORTH LINE OF SAID FIRST ADDITION; THENCE EASTERLY ALONG SAID NORTH LINE 50.9 FEET TO THE WEST LINE OF SAID SIMONDS AVENUE; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTHERLY LINE OF K & S INDUSTRIAL SUBDIVISION; THENCE WESTERLY ALONG SAID SOUTHERLY LINE TO THE EAST RIGHT OF WAY LINE IN CHICAGO NORTHWESTERN RAILROAD COMPANY; THENCE SOUTHERLY ALONG SAID EASTERLY LINE TO AN EASTERLY EXTENSION SOUTH LINE TAYLOR STREET; THENCE WESTERLY ALONG SAID SOUTH LINE TO A POINT OF BEGINNING ALL IN THE CITY OF DEKALB, DEKALB COUNTY, ILLINOIS,

NOTE: LEGAL DESCRIPTION PROVIDED BY THE CITY.
EXHIBIT II

FINDINGS OF ELIGIBILITY OF THE REDEVELOPMENT PROJECT AREA

In determining whether or not the proposed redevelopment project area meets the eligibility requirements of the "Illinois Tax Increment Allocation Redevelopment Act" as found in the Illinois Statutes, 65 ILCS 5/11-74.4-1 et.seq., various methods of research and field surveys were accomplished by PGAV staff. These include the below:

1. Examination of local records and contacts with local individuals knowledgeable as to area conditions and history, age of buildings and site improvements, construction and real estate matters and related items.

2. Meetings with City staff to discuss adequacy and condition and municipal code compliance of local buildings, streets, utilities, etc.

3. Prior experience by PGAV staff in working on over 60 T.I.F. districts for a variety of previous clients.

4. Library and record data on file at the offices of PGAV concerning codes, ordinances, etc.

5. On-site field surveys of project area conditions by trained property inspectors on the staff of PGAV. These personnel are trained in techniques and procedures of determining conditions of local properties, utilities, streets, etc. and determination of eligibility of designated areas for tax increment financing.

6. Use of accepted definitions and guidelines to determine area eligibility as established by the Illinois Department of Revenue T.I.F. manual in conducting eligibility compliance review for State of Illinois tax increment finance districts.

7. Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977. These include recognition that:

   i. There exists in many Illinois municipalities areas that are conservation or blighted areas, within the meaning of the T.I.F. statute.

   ii. The eradication of blighted areas and the treatment of conservation areas by redevelopment projects are essential to the public interest.
iii. These findings are made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public.

iv. To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these is that the municipality must demonstrate that redevelopment project areas qualify either as a "blighted area" or as a "conservation area" or as a combination of both blighted areas and conservation areas within the definition for each as set forth in the Act. These conditions are discussed below:

Eligibility of a Blighted Area

A blighted area may be either Improved or vacant. If the area is Improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

- Age,
- Dilapidation,
- Obsolescence,
- Deterioration,
- Illegal use of individual structures,
- Presence of structures below minimum code standards,
- Excessive vacancies,
- Overcrowding of structures and community facilities,
- Lack of ventilation, light, or sanitary facilities,
- Inadequate utilities,
- Excessive land coverage,
- Deleterious land-use or lay-out,
- Depreciation of physical maintenance,
- Lack of community planning.

If the area is vacant, it may be found to be eligible as a blighted area based on the finding that the sound growth of the taxing districts is impaired by one of the following criteria:

- A combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
The area immediately prior to becoming vacant qualified as a blighted improved area;

The area consists of an unused quarry or unused quarries;

The area consists of unused rail yards, rail tracks or railroad rights-of-way;

The area, prior to its designation, is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area, which improvements have been in existence for at least 5 years;

The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites; or

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

Eligibility of a Conservation Area

Conservation areas are those areas which are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked. Such areas are not yet blighted areas.

To qualify as a conservation area, it must be shown that 50 percent or more of the structures in the area have an age of 35 years or more that there is a presence of a combination of three or more of the following fourteen factors:

- Dilapidation,
- Obsolescence,
- Deterioration,
- Illegal use of individual structures,
- Presence of structures below minimum code standards,
- Abandonment,
- Excessive vacancies,
- Overcrowding of structures and community facilities,
- Lack of ventilation, light, or sanitary facilities,
- Inadequate utilities,
- Excessive land coverage,
Deleterious land-use or lay-out,
Depreciation of physical maintenance,
Lack of community planning.

While the Act defines a blighted area and a conservation area, respectively, it does not define the various factors for each, nor does it describe what constitutes presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable and defensible criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. The following basic rules should be followed:

1. The minimum number of factors must be present and the presence of each must be documented;
2. Each factor to be claimed should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The effect of the factors should be reasonably distributed throughout the redevelopment project area.

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 must be established for each and every property in the project area.

Thus, while it may be concluded that the mere presence of the minimum number of stated factors may be sufficient to make a finding that an area is a "blighted area" or "conservation area," the evaluation should be made on the basis that the factors are present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary. Secondly, the distribution of factors throughout the study area should be reasonable so that basically good areas are not arbitrarily found to be "blighted" or "conservation" areas simply because of proximity to areas which are blighted.

Evaluation of Blighting Factors

This section is intended to provide assistance to Illinois Municipalities in evaluating each of the various blighting factors listed in the Act to determine conformance to the Act's definitions of "blighted area" and "conservation area." Conditions may vary from municipality to municipality, and the specific criteria developed to support findings for each factor may similarly vary. Additionally, there is overlap among the factors and, in some instances, evidence in support of one factor may also support the presence of other factors.

The following should, therefore, be considered as guidelines and should be adapted for local use based on local conditions.
Qualifying an Improved Areas as Either a Blighted Area or Conservation Area

The Act lists fourteen factors to be considered in designating an improved area as "blighted area," and an "age" test plus fourteen factors in designating an improved area as a "conservation area."

Age is, therefore, treated differently for each. For conservation areas, age is a factor which must be found as a precondition to all other factors. As set forth in the Act, a conservation area is an improved area in which 50 percent or more of the structures have an age of 35 years or more, along with the presence of at least three of the remaining factors listed in the "conservation area" definition. For blighted areas, age is treated as one of the fourteen factors listed in the "blighted area" definition in the Act, and not as a separate precondition. Furthermore, age is not defined for blighted areas as it is for conservation areas.

Abandonment is listed as an additional factor to be considered for conservation areas. Abandonment is not among the factors to be considered for blighted areas.

The thirteen remaining factors are common to both improved "blighted area" and "conservation area" definitions. These are:

- Dilapidation,
- Obsolescence,
- Deterioration,
- Illegal use of Individual structures,
- Presence of structures below minimum code standards,
- Excessive vacancies,
- Overcrowding of structures and community facilities,
- Lack of ventilation, light, or sanitary facilities,
- Inadequate utilities,
- Excessive land coverage,
- Deleterious land-use or lay-out,
- Depreciation of physical maintenance,
- Lack of community planning.

Thus, the guidelines set forth below for these thirteen factors are the same for both conservation and blighted areas.

1) Age

Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally,
older buildings tend not to be ideally suited for modern-day uses meeting contemporary space and development standards.

Age as a prerequisite factor is determining an area's qualification as a "conservation area" is clearly set forth in the Act--50 percent or more of the structures must have an age of 35 years or more. City records, including building department files, photographs, aerials, etc., may be used to document the presence of this factor. Architects or others familiar with building construction types and periods may also offer professional opinions of building age.

On the other hand, no criteria are set forth in the Act to define age for a "blighted area," although a lead might be taken from the "conservation area" definition that "to percent or more of the structures in the area have an age of 35 years or more." In general, the Department of Revenue will apply this definition as a reasonable criterion for blighted areas, as well. However, there may be some exceptions which might be considered. For example, many industrial and commercial structures may have been built in a period before the emergence of contemporary development standards which reflect changed technological or market conditions. Such buildings may be considered old because of their functional unsuitability today, whether or not they are 35 years of age or more. This may require professional or expert opinion from a redevelopment specialist, real estate counsellor, or appraiser. Age, as a factor, may thus be considered in certain cases for periods less than 35 years, so long as a reasonable justification can be presented.

2) Dilapidation

Dilapidation refers to an "advanced" state of disrepair of buildings or improvements or the neglect of necessary repairs, suffering the building or improvement to fall into a state of decay. Dilapidation as a factor, then, should be based upon the documented presence and reasonable distribution of buildings and improvements that are in an advanced state of disrepair. Reasonable and defensible criteria should be developed to be used in determining the comparative quality of all buildings and improvements in the proposed project area, including specific showing of those found to be in an advance state of disrepair.

At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that (a) major repair is required or (b) the defects are so serious and so extensive that the buildings must be removed. Documenting this factor will require a building condition analysis, discussed later in this manual.
3) Obsolescence

An obsolete building or improvement is one which is no longer used. An obsolescent building or improvement is one which is becoming obsolete or going out of use -- not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples which might be cited included:

**Functional Obsolescence**

Structures are typically built for specific uses or purposes and their design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolescent when they contain characteristics or deficiencies which limit the use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

**Economic Obsolescence**

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

**Obsolete Platting**

Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Platting that created inadequate r.o.w. widths for streets, alleys and other public r.o.w.'s or which omitted easements for public utilities, should also be considered obsolete.

**Obsolete Site Improvements**

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements.
Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

4) Deterioration

Deterioration refers to physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

**Deterioration of Buildings**

While deterioration may be evident in basically sound buildings, e.g., lack of painting, loose or missing materials, or holes and cracks over limited areas, such deterioration can be corrected through normal maintenance.

Such deterioration would not be sufficiently advanced to warrant classifying a building as being deteriorated or deteriorating within the purposes of the Act.

Deterioration which is not easily correctable in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

**Deterioration of Surface Improvements**

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration; surface cracking, crumbling, potholes, depressions, loose paving materials, weeds protruding through the surface, etc.

Field surveys should document and map the location, extent and distribution of deteriorating buildings and other site improvements such as fences, walls, signs, utility vaults, utility poles, dead or dying trees, bushes and other landscaping.

5) Presence of Structures Below Minimum Code Standards

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from this type of occupancy, to be safe for occupancy against fire and similar hazards, and/or establish minimum standards essential for safe and sanitary habitation. Structures below minimum
code are characterized by defects or deficiencies which presume to threaten health and safety.

6) Illegal Use of Individual Structures

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution sale and/or consumption of;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

7) Excessive Vacancies

Establishing the presence of this factor require the identification, documentation and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancies refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

8) Lack of Ventilation, Light or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor should be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupant, e.g., residents, employees or visitors.
Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows, i.e., bathrooms, and dust, odor or smoke-producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows for interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios;
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens; and
- Adequate ingress and egress to and from all rooms and units.

9) Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate.

Inadequate utilities would include those which are (a) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas, (b) deteriorated, antiquated, obsolete, or in disrepair or (c) lacking.

10) Excessive Land Coverage and 11) Overcrowding of Structures and Community Facilities

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial, properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development.
12) Deleterious Land-Use or Layout

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

13) Depreciation of Physical Maintenance

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor may include, but is not limited to, the following:

- **Buildings:** unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; loose or missing shingles; damaged building areas still in disrepair; etc. This information may be collected as part of the building conditions surveys undertaken to document the existence of dilapidation and deterioration.

- **Front yards, side-yards, back yards and vacant parcels:** accumulation of trash and debris; broken sidewalks; lack of vegetation; lack of paving and dust control; potholes, standing water; fences in disrepair; lack of mowing and pruning of vegetation, etc.

- **Public or private utilities.**

- **Streets, alleys and parking areas:** potholes; broken-up or crumbling surfaces; broken curbs and/or gutters; areas of loose or missing materials; standing water, etc.

14) Lack of Community Planning

This may be counted as a factor if the proposed redevelopment area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area’s development. This, of course, may be documented by establishing the date of adoption of the City’s master plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels or inadequate size or shape to meet contemporary development standards.
15) Abandonment

This factor only applies to "conservation area" designation. Abandonment usually refers to the relinquishing of all right, title, claim and possession with intention of not reclaiming the property or resuming its ownership, possession or enjoyment. However, in some cases, a determination of abandonment is appropriate if the occupant walks away without legally relinquishing title. For example, a structure not occupied for over 12 months should probably be characterized as abandoned.

However, mere vacancy over an extended period of time may not necessarily constitute abandonment. Secondary source information may be required to document the relinquishing of property and the intention not to return.

Evidence supporting abandonment may include:

- Unsuccessful attempts to locate owners of properties that give the appearance of abandonment (e.g., long-term vacancy, apparent neglect over a long period of time, "gutting" of buildings, etc.);

- Nonpayment of property taxes for extended periods of time, along with the observable evidence of long-term disuse and neglect.

**Qualifying a Vacant Area As A Blighted Area**

Vacant land means any parcel or combination of parcels of real properties without industrial, commercial and residential buildings which has not been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, unless such parcel is included in an Industrial Park Conservation Area or such parcel has (or parcels have) been subdivided. As indicated earlier, there are seven classifications under which such a vacant area or a major vacant portion of an improved area may be found to be blighted. The criteria for each are discussed below.

1. A vacant area may be found to be a blighted area based on a combination of two or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; deterioration of structures or site improvements in neighboring areas adjacent to the vacant land. These are further discussed as follows:

   - Obsolete Platting of Vacant Land. Obsolete platting of vacant land would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on planned basis and in a manner compatible with contemporary standards and requirements.
• Diversity of Ownership of Vacant Land. Diversity of ownership of vacant land refers to a situation where different ownerships and interests in the land are sufficient in number to retard or impede the ability to assemble the land for development meeting contemporary development standards.

• Tax and Special Assessment Delinquencies. Evidence of nonpayment of real estate property taxes and/or special assessments for an unreasonable period of time must be shown to document the presence of this factor. This could also include evidence of forfeiture.

• Flooding on all or Part of Such Vacant Land. Evidence to support this finding may be derived from municipal engineering records, U.S. Army Corps of Engineers or other federal or State agency documents, and other secondary source information which satisfactorily documents the condition of flooding.

• Deterioration of Structures or Site Improvements in Neighboring Areas. If a vacant area is adjacent to an improved area which evidences deterioration of structures or site improvements within the guidelines otherwise set forth for deterioration of a "blighted area," this factor may be found to be present.

2. The area immediately prior to becoming vacant qualified as a blighted improved area. An area that has been previously designated as blighted under state or local urban renewal or redevelopment legislation or ordinances, and in which buildings and site improvements have been removed subsequent to such designation, may still be presumed to be blighted so long as its prior designation can be documented.

3. The area consists of an unused quarry or unused quarries. For purposes of this classification, a quarry refers to an open excavation where the works are visible at the surface, or a place or pit where stone, slate, marble, etc. is dug out or separated from a mass of rock, or other similar open excavations.

4. The area consists of unused railyards, rail tracks or railroad rights-of-way. This blight classification is self-evident. The presence of the rail usage must be shown.

5. The area prior to its designation is subject to chronic flooding which adversely impacts on real property in the area and such flooding is substantially caused by one or more improvements in or in proximity to the area, which improvements have been in existence for at least 5 years. Evidence to support this finding may be derived from municipal engineering records, U.S. Army Corps of Engineers or other federal or State agency documents, and other secondary source information which satisfactorily
documents the condition of flooding as described herein. The existence of the improvement (or improvements) for at least 5 years must be documented along with evidence that the improvements caused the flooding.

6. The area consists of an unused disposal site, containing earth, stone, building debris or similar materials, which were removed from construction, demolition, excavation or dredge sites. This blight classification is self-evident. The presence of the unused disposal site must be documented.

7. The area is not less than 50 nor more than 100 acres and 75 percent of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within five years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose. Specific evidence must be produced to document each of the requirements described in this classification.

"Provision (1) of the subsection (a) "refers to the factors listed in Vacant Land Classification 1, as described above. Therefore, in addition to the specific requirements set forth in this paragraph, the presence of one of the four following factors must be indicated: obsolete platting; diversity of ownership; tax and special assessment delinquency; and deterioration of structures or site improvements adjacent to such land.

**Boundary Delineation**

The Act for the most part does not establish specific guidelines or principles for delineating the boundaries of tax increment financing redevelopment projects.

However, it is clear that sound and logical boundaries should be drawn consistent with the Act's public purposes of eliminating blighted areas and preventing blight from occurring. While the added emphasis of tax increment financing on economic revitalization does not diminish the Act's public purposes nature, the Act's primary purposes should not be disregarded or set aside in planning for local economic revitalization.

This section outlines certain mandatory requirements along with some suggested guidelines for establishing or revising tax increment redevelopment project boundaries. These are:
Mandatory Requirements

1. A redevelopment project area must be **contiguous**, contained within a single, perimeter boundary.

2. A redevelopment project area must not be less in the aggregate than 1-1/2 acres in size.

3. In a redevelopment project area, the minimum number of blighting factors must be **present** to warrant either a "blighted area" or "conservation area" designation. Additionally, these factors should each be present to a meaningful extent and should be **reasonably distributed** throughout the redevelopment project area.

4. A redevelopment project area must be delineated to ensure that no properties will be included in the area that do not **substantially benefit** from being included. Care should be exercised in determining whether parcels to be included do, in fact, meet the "substantial benefit" test.

Substantial benefit may be shown for the following classes or types of properties, if properly justified:

- Properties that are part of a site to be assembled for redevelopment consistent with the objectives of the redevelopment plan and the municipality's economic revitalization program. Boundaries should be delineated in a well-thought-out and planned manner to ensure that such redevelopment occurs: (a) on a coordinated rather than a piecemeal basis so that land-use, access, vehicular circulation, pedestrianway, parking, service and urban design systems functionally come together to meet contemporary development principles and standards, (b) in a manner which will contribute to the elimination of blighting factors or prevent their occurrence, and (c) within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the community.

- Properties not subject to acquisition or land assembly which are reasonably expected to be improved or rehabilitated with public assistance or privately as a result of the positive benefits generated through implementation of the redevelopment plan.

- Properties not subject to acquisition or land assembly, but enjoying or benefitting from an enhanced and stabilized environment and improved image resulting from (a) new development in the area, (b) installation of public improvements and supporting facilities (including landscaping and amenity), (c) improved access and circulation systems, (d) new or improved parking systems, etc.
Guidelines Beyond Mandatory Requirements

1. Redevelopment project areas should be shaped to circumscribe blighted or conservation areas embracing the municipality's program of blight removal, blight prevention, and economic revitalization.

2. Major demarcation features are suggested for use as boundaries, such as streets, alleys, rivers, lake fronts, other waterways, rail lines, major land-use dividers, etc. Entire street or alley rights-of-way should be included within the project boundary, rather than using the center-line or interior right-of-way line.

3. Sound planning factors should also be considered in delineating projects, e.g., to include homogeneous or related functional land-use areas, areas necessary for access, circulation, or parking, etc., so long as the area as a whole otherwise qualifies as a "blighted" or "conservation" area.
**TABLE II**

**DESCRIPTION OF PUBLIC PROJECTS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CATEGORY I: SITE IMPROVEMENTS</strong></td>
<td>$10,700,000</td>
</tr>
<tr>
<td>Construction, reconstruction and installation of the below:</td>
<td></td>
</tr>
<tr>
<td>A. Streets, alleys, sidewalks and parking areas</td>
<td>$6,250,000</td>
</tr>
<tr>
<td>B. Storm sewers, water mains and wells</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>C. Sanitary sewers</td>
<td>$200,000</td>
</tr>
<tr>
<td>D. Street lighting</td>
<td>$50,000</td>
</tr>
<tr>
<td>E. Railroad crossing safety improvements</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

| **CATEGORY II: PUBLIC FACILITIES**              | $4,000,000      |
| A. Renovation and Improvement programs at public facilities (schools, public buildings, parks and Barb City Manor) |             |

**TOTAL** $14,700,000
### TABLE III

#### PROJECT BUDGET

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimated Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. <strong>GENERAL ADMINISTRATION/IMPLEMENTATION:</strong> Management Administration and implementation of total T.I.F. program - 23 years</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2. <strong>STUDIES, SURVEYS, PLANS, SPECIFICATIONS:</strong> Professional services marketing, engineering, legal, financial, planning, architectural or special services.</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>3. <strong>PUBLIC WORKS AND IMPROVEMENTS:</strong> Construction, reconstruction and installation of streets, sidewalks, alleys, parking areas, utilities, lighting and rehabilitation programs at public works and buildings.</td>
<td>$14,700,000</td>
</tr>
<tr>
<td>4. <strong>INTEREST SUBSIDIES:</strong> Allowance for payment of interest cost incurred by a redeveloper related to construction, renovation or rehabilitation and job training.</td>
<td>$500,000</td>
</tr>
<tr>
<td>5. <strong>LAND ACQUISITION:</strong> Property assembly costs, demolition of buildings, clearance and grading of land.</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>6. <strong>FINANCING COSTS:</strong> Costs associated with issuance of financial obligations.</td>
<td>$300,000</td>
</tr>
<tr>
<td>7. <strong>BUILDING REHABILITATION PROGRAM:</strong> Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings/fixtures.</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>8. <strong>CONTINGENCY:</strong> Cost overruns or necessary and related items.</td>
<td>$1,100,000</td>
</tr>
</tbody>
</table>

**TOTAL** $23,100,000