

**CITY OF GENEVA, IL**

**Tax Increment Financing (“TIF”) Eligibility Study, and  
Redevelopment Plan and Project**

# **Geneva Fox River Redevelopment Project Area (TIF #3)**

**REPORT:** February 23, 2016



VISION | ECONOMICS | STRATEGY | FINANCE | IMPLEMENTATION

# Table of Contents

SECTION	PAGE NUMBER
1. Executive Summary.....	2
2. Introduction .....	6
3. Eligibility Study.....	11
4. Redevelopment Plan and Project .....	23
5. Financial Plan .....	28
6. Required Findings and Tests .....	35
7. Provisions for Amending Redevelopment Plan and Project .....	38
8. Commitment to Fair Employment Practices and Affirmative Action Plan.....	39

Appendix 1: Boundary and Legal Description

Appendix 2: Summary of EAV by PIN

## LIST OF MAPS

Map 1: Community Context.....	7
Map 2: Proposed RPA Boundary.....	8
Map 3: Existing Land Use .....	10
Map 4A: Age of Structures.....	16
Map 4B: Lack of Growth in EAV .....	17
Map 4C: Deterioration .....	18
Map 4D: Inadequate Utilities.....	19
Map 4E: Excessive Vacancies .....	20
Map 5: Proposed Future Land Use .....	26

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# 1. Executive Summary

In March 2014, *SB Friedman Development Advisors* (“*SB Friedman*”) was engaged by the City of Geneva (the “City”) to conduct a formal Tax Increment Financing (“TIF”) Eligibility Study and prepare a Redevelopment Plan and Project. This report details the eligibility factors found within the Geneva Fox River Redevelopment Project Area (the “RPA” or “TIF #3”) in support of its designation as a “conservation area” within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended (the “Act”). In addition to the eligibility analysis, this report also contains the Redevelopment Plan and Project for the RPA.

The RPA consists of 84 tax parcels and 49 buildings located east and west of the Fox River. The RPA covers approximately 98.7 acres (40.5 acres of parcel area within the RPA, 16.0 acres of public rights-of-way, and 42.2 acres of non-parcelized river area), and generally includes parcels fronting the river, from Woodward Avenue to the Union Pacific railroad; parcels on both frontages of State Street, from the Fox River to School Street; and parcels fronting the river on the west bank between State Street and Stevens Street, west to 1<sup>st</sup> Street or River Lane. The eastern boundary of the RPA is adjacent to the existing East State Street TIF District. The RPA primarily includes commercial and multifamily residential properties, and public open space along the river.

## Determination of Eligibility

This report concludes that the RPA is eligible for TIF designation as a “conservation area” under the Illinois TIF statute (65 ILCS 5/11-74.4-1 and subsequent amendments and supplements, or the “Act”), because at least 50 percent of the structures are 35 years of age or older and the following four (4) improved eligibility factors have been found to be present to a meaningful extent and reasonably distributed throughout the RPA:

1. Lack of Growth in Equalized Assessed Value
2. Deterioration
3. Excessive Vacancies
4. Inadequate Utilities

## Redevelopment Plan Goal, Objectives and Strategies

The overall goal of this Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the RPA as a “conservation area.” Accordingly, this Redevelopment Plan is intended to provide the mechanisms necessary to support public and private development, strengthening the Fox River area as a neighborhood-level commercial and residential district, and to improve connections to the downtown and Fox River. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment.

**Objectives.** Seven (7) broad objectives support the overall goal of area-wide revitalization of the RPA. These include:

1. Facilitate redevelopment of vacant or underutilized properties by providing resources for site assembly and preparation, including demolition and environmental cleanup, where necessary, and marketing of vacant and underutilized sites for redevelopment and new development.
2. Facilitate the rehabilitation of existing properties within the RPA, as well as the possible preservation of architecturally or historically significant buildings, and encourage the construction of new commercial, residential, civic/cultural and park/open space development that is compatible with the existing character of the area, where appropriate. The City may use TIF funds to encourage new private sector development by reimbursing developers for eligible construction costs, such as, but not limited to, stormwater facilities, demolition, environmental remediation and site preparation.
3. Provide resources for streetscaping, landscaping, and a coordinated package of identification, special event and wayfinding monument signage to improve the image, attractiveness and accessibility of the RPA; create a cohesive identity for the RPA and surrounding area; strengthen connections between the RPA, downtown and Fox River; and provide, where appropriate, for buffering between different land uses and screening of unattractive service facilities, such as parking lots and loading areas.
4. Replace or repair public infrastructure, where needed, including streets, sidewalks, bike routes, curbs, gutters, alleys, Fox River improvements, underground water and sanitary systems, and stormwater management and detention of adequate capacity to create an environment conducive to private investment and mitigate flooding.
5. Support the goals and objectives of other overlapping plans, including but not limited to the City's Comprehensive Plan and Downtown Station Area Master Plan; and coordinate available federal, state and local resources to further the goals of this Redevelopment Plan and Project;
6. Provide opportunities for locally owned, women-owned and minority-owned businesses to share in the job creation and construction opportunities associated with the redevelopment of the RPA.
7. Support job training and "welfare to work" programs, and increase employment opportunities for City residents.

**Strategies.** These objectives will be implemented through four (4) specific and integrated strategies. These include:

1. **Redevelop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites, including parking lots, is anticipated to have a positive impact on other properties beyond the individual project sites.
2. **Facilitate Property Assembly, Demolition and Site Preparation.** Sites may be acquired and assembled for use by the City to attract future private investment and development. The consolidated ownership of these sites will make them easier to market to potential developers and will streamline the redevelopment process. In addition, financial assistance may be

provided to private developers seeking to acquire land and assemble sites to undertake projects supportive of this Redevelopment Plan and Project.

To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, or through other programs, and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written development agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

- 3. Encourage Private Sector Activities.** Through the creation and support of public-private partnerships or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners and businesses, to undertake redevelopment and new construction projects, and other improvements that are consistent with the goals of this Redevelopment Plan and Project.
- 4. Implement Public Improvements.** A series of public improvements throughout the RPA may be designed and implemented to build upon and improve the character of the area, and to create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement, and not replace, existing funding sources for public improvements in the RPA.

These improvements may include new streets, streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with this Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation or restoration of public improvements on one or more parcels.

## Required Findings and Tests

The conditions required under the Act for the adoption of this Eligibility Study and Redevelopment Plan and Project are found to be present within the RPA.

First, the equalized assessed value (EAV) of the RPA has declined over all five of the last five year-to-year periods, and has not kept pace with the Consumer Price Index. In addition, the EAV of the RPA declined at a faster rate than the balance of the City in four out of five of the past year-to-year periods. On the whole, the RPA has not been subject to widespread growth and development through investment by private enterprise. Building permit activity over the past five years indicates some investment in commercial remodels. However, the level of investment has not been significant enough to reverse the trends of declining property values.

Second, the City is required to find that, but for the designation of the TIF district and the use of Tax Increment Financing, it is unlikely that significant investment will occur in the RPA. Without the support

of public resources, the redevelopment objectives of the RPA will most likely not be realized. The area-wide improvements and development assistance needed to revitalize the RPA as a healthy, mixed-use district are extensive and costly, and the private market on its own has shown little ability to absorb these costs. Public resources to assist with public infrastructure improvements and project-specific development costs are needed to leverage private investment and facilitate area-wide redevelopment. TIF assistance may be used to fund rehabilitation, infrastructure improvements, and expansion to public facilities. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area- and City-wide redevelopment, are unlikely to occur.

Third, the RPA includes only the contiguous real property that is expected to substantially benefit from the proposed Redevelopment Plan and Project improvements.

Finally, the proposed land uses described in this Redevelopment Plan and Project are consistent with approved land uses in the City of Geneva Comprehensive Plan and the Downtown/Station Area Master Plan. The redevelopment opportunities identified in this Redevelopment Plan and Project will be substantially supported and their implementation facilitated through the creation of the TIF district.

## 2. Introduction

### The Redevelopment Project Area

This document serves as the Eligibility Study and Redevelopment Plan and Project for the Geneva Fox River Redevelopment Project Area (the “RPA”), which is located east and west of the Fox River in the City of Geneva. In March 2014, *SB Friedman* was engaged by the City of Geneva (the “City”) to conduct a formal Eligibility Study and prepare a Redevelopment Plan and Project (the “Redevelopment Plan”) for the RPA.

The Eligibility Study and Redevelopment Plan document summarizes the analyses and findings of *SB Friedman’s* work, which, unless otherwise noted, is solely the responsibility of *SB Friedman*. The City is entitled to rely on the findings and conclusions of this Eligibility Study and Redevelopment Plan in designating the RPA as a redevelopment project area under the Act. *SB Friedman* has prepared this Eligibility Study and Redevelopment Plan with the understanding that the City would rely: 1) on the findings and conclusions of the Eligibility Study and Redevelopment Plan in proceeding with the designation of the RPA and the adoption and implementation of the Redevelopment Plan; and 2) on the fact that *SB Friedman* has obtained the necessary information to conclude that the RPA can be designated as a redevelopment project area under the Act, and that the Eligibility Study and Redevelopment Plan will comply with the Act.

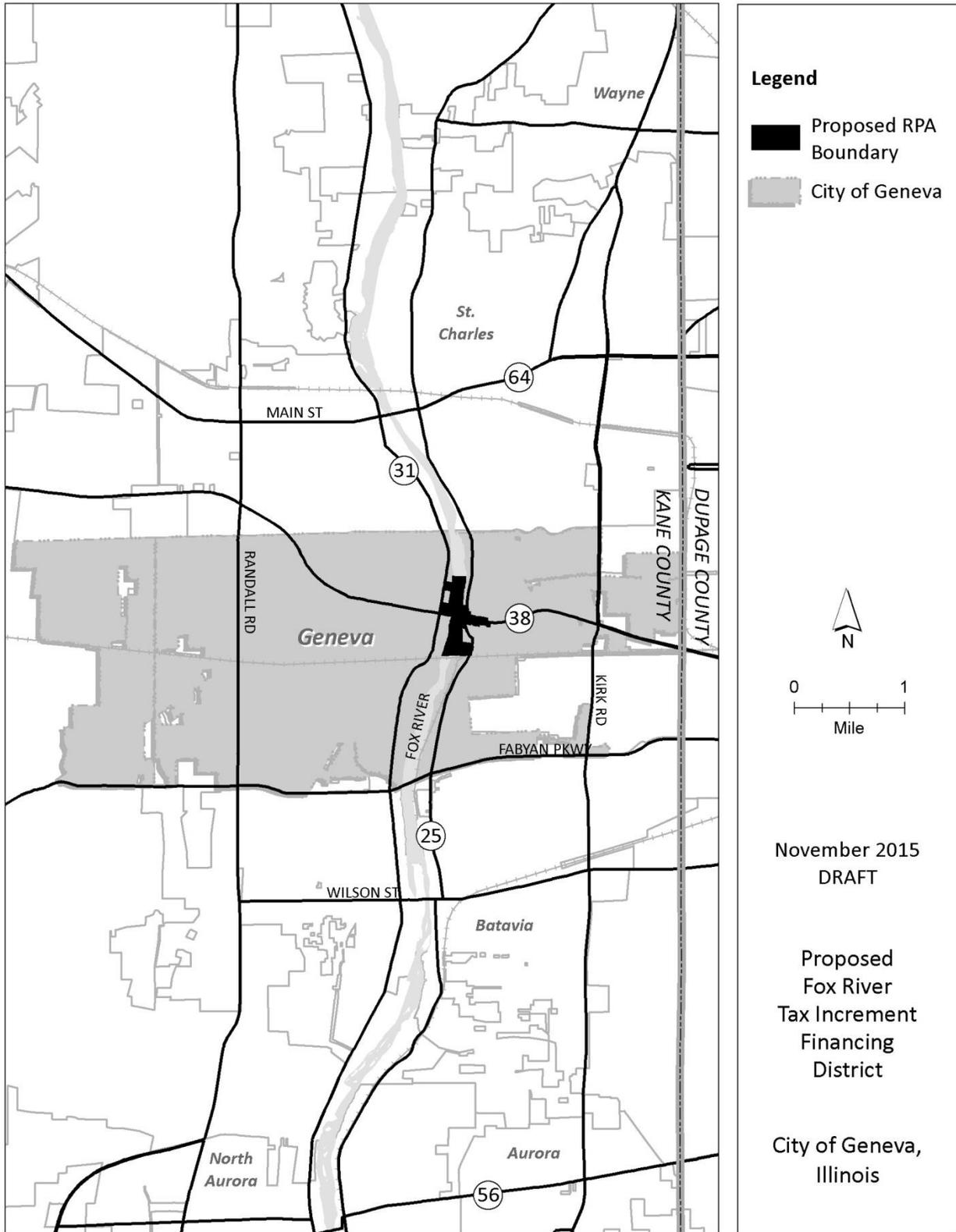
The community context of the RPA is shown on **Map 1** on the following page. The RPA covers approximately 98.7 acres (40.5 acres including only the area of parcels within the RPA) and generally includes parcels fronting the river, from Woodward Avenue to the Union Pacific railroad; parcels on both frontages of State Street, from the Fox River to School Street; and parcels fronting the river on the west bank between State Street and Stevens Street, west to First Street or River Lane. On whole, the RPA consists of 49 buildings within 84 tax parcels and is composed of commercial, vacant, residential and public open space uses, as well as public rights-of-way adjacent to these parcels.

**Map 2** details the boundary of the RPA, which includes only those contiguous parcels of real property that are expected to benefit substantially from the Redevelopment Plan improvements discussed herein. The boundaries encompass a mixed-use area that, as a whole, suffers from a lack of investment, leading to excessive vacancies, deterioration of buildings and associated infrastructure, inadequate utilities, and a lack of growth in property values. Without a comprehensive approach to address these issues, the RPA could continue its decline, thereby further discouraging future development. The Redevelopment Plan addresses these issues by providing resources for rehabilitation and improvements to the area’s infrastructure, public facilities and buildings, and for the assemblage and marketing of land.

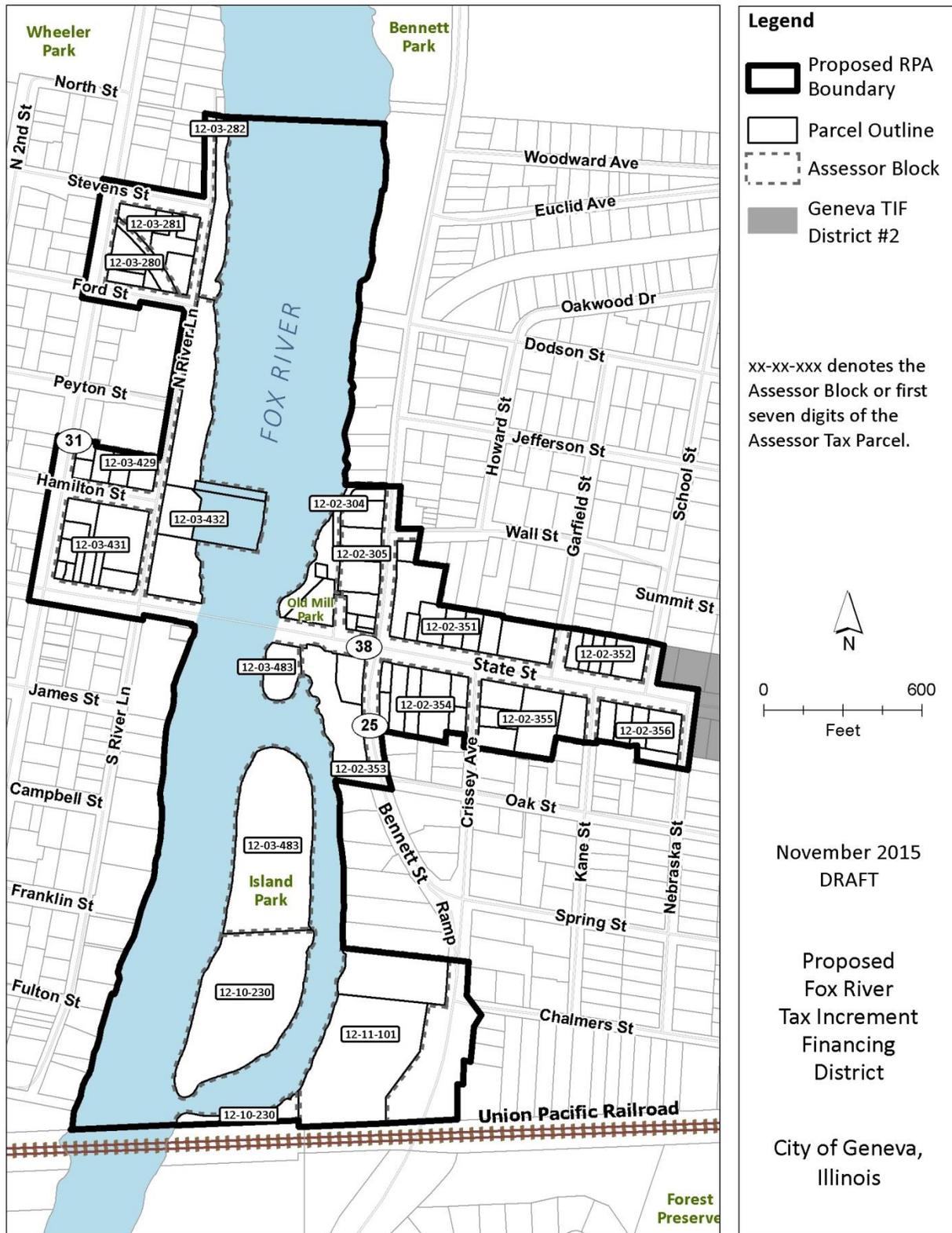
**Appendix 1** contains the legal description of the RPA.

The Eligibility Study included herein covers events and conditions that existed and that were determined to support the designation of the RPA as a “conservation area” under the Act, at the completion of our research on November 5, 2015 and not thereafter. Events or conditions, such as governmental actions and additional developments occurring after that date, are excluded from the analysis.

### Map 1: Community Context



### Map 2: Proposed RPA Boundary



## Existing Land Use

Based on *SB Friedman's* research, the following seven (7) land uses have been identified within the RPA:

- Residential
- Commercial
- Vacant
- Industrial
- Parks/Open Space
- Public Rights-of-Way
- Mixed Use Industrial/Residential

The existing land use pattern in the RPA is shown in **Map 3** on the following page. This map represents the land use in the area on a parcel-by-parcel basis.

The following is a description of predominant existing land uses in the RPA:

**Residential.** A senior retirement community, “Geneva Place,” located at the northwest corner of East State Street and South Bennett Street, contains 53 multi-family units. In total there are 78 single-family, multi-family and senior housing units within the RPA on both sides of the Fox River.

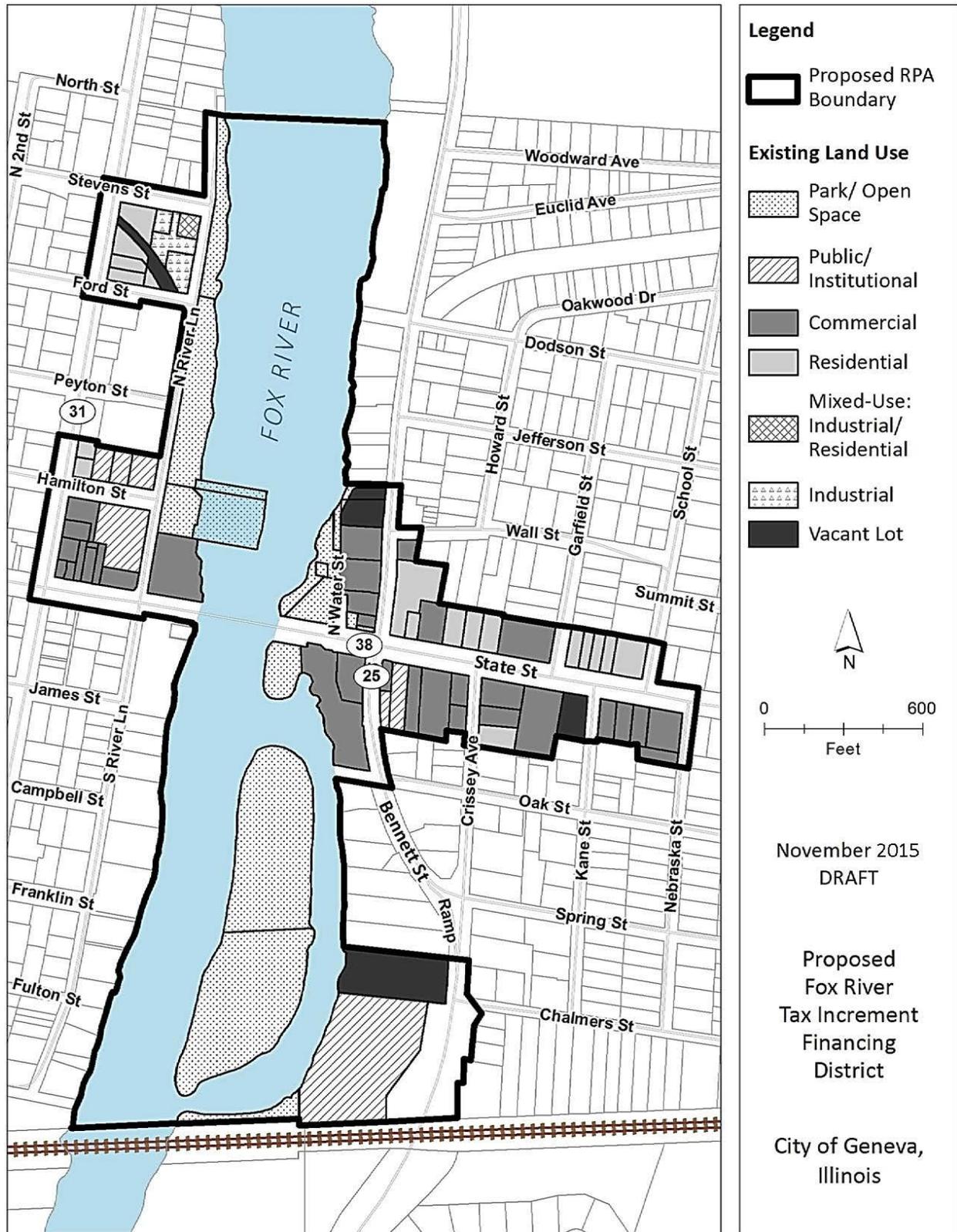
**Commercial.** The RPA includes the eastern portion of the Downtown Geneva Business District, centered along East State Street, as well as West State Street between 1<sup>st</sup> Street and the Fox River. The eastern end of the corridor contains mostly small offices. Two sports rental shops are located near the Fox River on the east bank. On the west bank of the Fox River, there are commercial parcels with retail and office uses along West State Street and just north of State Street on 1<sup>st</sup> Street and River Lane.

**Vacant.** Several vacant parcels are clustered near the intersection of East State Street and South Bennett Street that offer future redevelopment potential.

**Industrial.** There are several parcels between Ford Street and Stevens Street on River Lane, on the west bank of the river, that are the site of a former bottling plant. The structures on these parcels are primarily vacant.

**Parks/Open Space.** The RPA contains over 14 acres of parks and open space fronting the Fox River. Old Mill Park is located at the northwestern corner of East State Street and North Water Street. Island Park is located south of State Street on the Fox River. The Fox River Trail connects both parks and extends regionally as far as Aurora, to the south, and Algonquin, to the north. Garden Club Park is located on the west bank of the river.

### Map 3: Existing Land Use



## 3. Eligibility Study

### Provisions of the Illinois Tax Increment Allocation Redevelopment Act

Based upon the conditions found within the RPA at the completion of *SB Friedman's* research, it has been determined that the RPA meets the eligibility requirements of the Act as a "conservation area." The following text outlines the provisions of the Act to establish eligibility.

Under the Act, two primary avenues exist to establish eligibility for an area to permit the use of Tax Increment Financing for area redevelopment: declaring an area as a "blighted area" and/or a "conservation area."

"Blighted areas" are those improved or vacant areas with blighting influences that are impacting the public safety, health, morals or welfare of the community, and are substantially impairing the growth of the tax base in the area. "Conservation areas" are those improved areas which are deteriorating and declining, and soon may become blighted if the deterioration is not abated.

The statutory provisions of the Act specify how a district can be designated as a "blighted area" and/or "conservation area," both based upon evidentiary findings of certain eligibility factors listed in the Act. The eligibility factors for each designation are identical for improved land. A separate set of factors exists for the designation of vacant land as a "blighted area." There is no provision for designating vacant land as a "conservation area."

### Factors for Improved Land

For improved land to constitute a "blighted area," a combination of five (5) or more of the following thirteen (13) eligibility factors listed at 65 ILCS 5/11-74.4-3 must: (a) meaningfully exist, and (b) be reasonably distributed throughout the RPA. "Conservation areas" must have a minimum of fifty percent (50%) of the total structures within the area aged 35 years or older, plus a combination of three (3) or more of the 13 eligibility factors, which are detrimental to the public safety, health, morals or welfare, and could result in such an area becoming a "blighted area."

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

**Obsolescence.** The condition or process of falling into disuse. Structures have become ill-suited for the original use.

**Deterioration.** With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking, and surface storage areas evidence deterioration, including but not limited to, surface

cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces.

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

**Illegal Use of Individual Structures.** The use of structures in violation of the applicable federal, state or local laws, exclusive of those applicable to the “Presence of Structures below Minimum Code Standards.”

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

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

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

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

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

**Environmental Clean-Up.** The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances or underground

storage tanks required by state or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

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

**Lack of Growth in Equalized Assessed Value.** The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five consecutive annual periods prior to the year in which the redevelopment project area is designated; or is increasing at an annual rate that is less than the balance of the municipality for three of the last five consecutive annual periods for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers, published by the United States Department of Labor or successor agency, for three of the last five consecutive annual periods prior to the year in which the RPA is designated.

## Factors for Vacant Land

According to the Act, there are two ways by which vacant land can be designated as “blighted.” One way is to find that at least two (2) of six (6) factors from the list discussed below under the “**Two-Factor Test**” are present to a meaningful extent and reasonably distributed throughout the RPA. The second way is to find that at least one (1) of the six (6) factors discussed under the “**One-Factor Test**” is present to a meaningful extent and reasonably distributed throughout the RPA.

### TWO-FACTOR TEST

Under the provisions of the “blighted area” section of the Act, if the land is vacant, a combination of two (2) or more of the following six (6) factors may be identified, which combine to impact the sound growth in tax base for the proposed TIF district.

**Obsolete Platting of Vacant Land.** This occurs where parcels of limited or narrow size, or configurations of parcels of irregular size or shape, make it difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or where platting has failed to create rights-of-ways for streets or alleys, has created inadequate right-of-way widths for streets, alleys or other public rights-of-way, or has omitted easements for public utilities.

**Diversity of Ownership.** Diversity of ownership is when adjacent properties are owned by multiple parties. This factor applies when the number of owners of parcels of vacant land is sufficient to retard or impede the ability to assemble the land for development.

**Tax and Special Assessment Delinquencies.** This factor is present when tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last five years.

**Deterioration of Structures or Site Improvements in Neighboring Areas adjacent to the Vacant Land.** Evidence of structural deterioration and area disinvestment in blocks adjacent to the vacant land may substantiate why new development had not previously occurred on the vacant parcels.

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

**Lack of Growth in Equalized Assessed Value.** The total equalized assessed value of the proposed redevelopment project area has declined for three of the last five consecutive annual periods prior to the year in which the redevelopment project area is designated; or is increasing at an annual rate that is less than the balance of the municipality for three of the last five consecutive annual periods for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers, published by the United States Department of Labor or successor agency, for three of the last five consecutive annual periods prior to the year in which the RPA is designated.

## ONE-FACTOR TEST

As mentioned above, under the provisions of the “blighted area” section of the Act, if the land is vacant, an area qualifies as “blighted” if one (1) or more of the following six (6) factors is found to be present to a meaningful extent:

- The area contains unused quarries, strip mines or strip mine ponds;
- The area contains unused rail yards, rail track, or railroad rights-of-way;
- The area, prior to its designation, is subject to: (i) chronic flooding that adversely impacts on real property in the area, as certified by a registered professional engineer or appropriate regulatory agency, or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding;
- The area contains unused or illegal dumping sites;
- The area was designated as a town center prior to January 1, 1982, is between 50 and 100 acres in size, and is 75% vacant land; or
- The area qualified as “blighted” prior to becoming vacant.

Additionally, under the “blighted area” section of the Act, eligibility may be established for those vacant areas that would have qualified as a “blighted area” immediately prior to becoming vacant. Under this test for establishing eligibility, building records may be reviewed to determine that a combination of five (5) or more of the thirteen (13) “blighted area” eligibility factors, listed above, were present immediately prior to demolition of the area’s structures.

## Methodology Overview and Determination of Eligibility

Analysis of the eligibility factors was conducted through research involving an extensive exterior survey of the properties within the RPA, as well as a review of property records and infrastructure data.

Property records included assessor information, building permits and code violations. In addition, to verifying the age of area buildings, field observations were compared to the recorded age of the buildings in property records obtained from the Geneva Township Assessor's Office.

Our survey of the area established that there are a total of 84 parcels and 49 buildings (not including ancillary structures) within the RPA. All properties were examined for qualification factors consistent with either "blighted area" or "conservation area" requirements of the Act. Since 75.5% of the structures (37 out of 49 identified structures) were found to be 35 years of age or older, and the RPA has four (4) eligibility factors present to a meaningful extent, we concluded that the Geneva Fox River RPA could qualify as a "conservation area."

To arrive at this designation, *SB Friedman* calculated the number of eligibility factors present on a building-by-building or parcel-by-parcel basis within the RPA. When appropriate, we calculated the presence of eligibility factors on infrastructure associated with the structures. Eligibility factors were correlated to buildings using property files created from field observations and record searches. This information was then graphically plotted on a tax parcel map of the RPA to establish the distribution of eligibility factors, and to determine which factors were present to a major extent.

## Conservation Area Findings

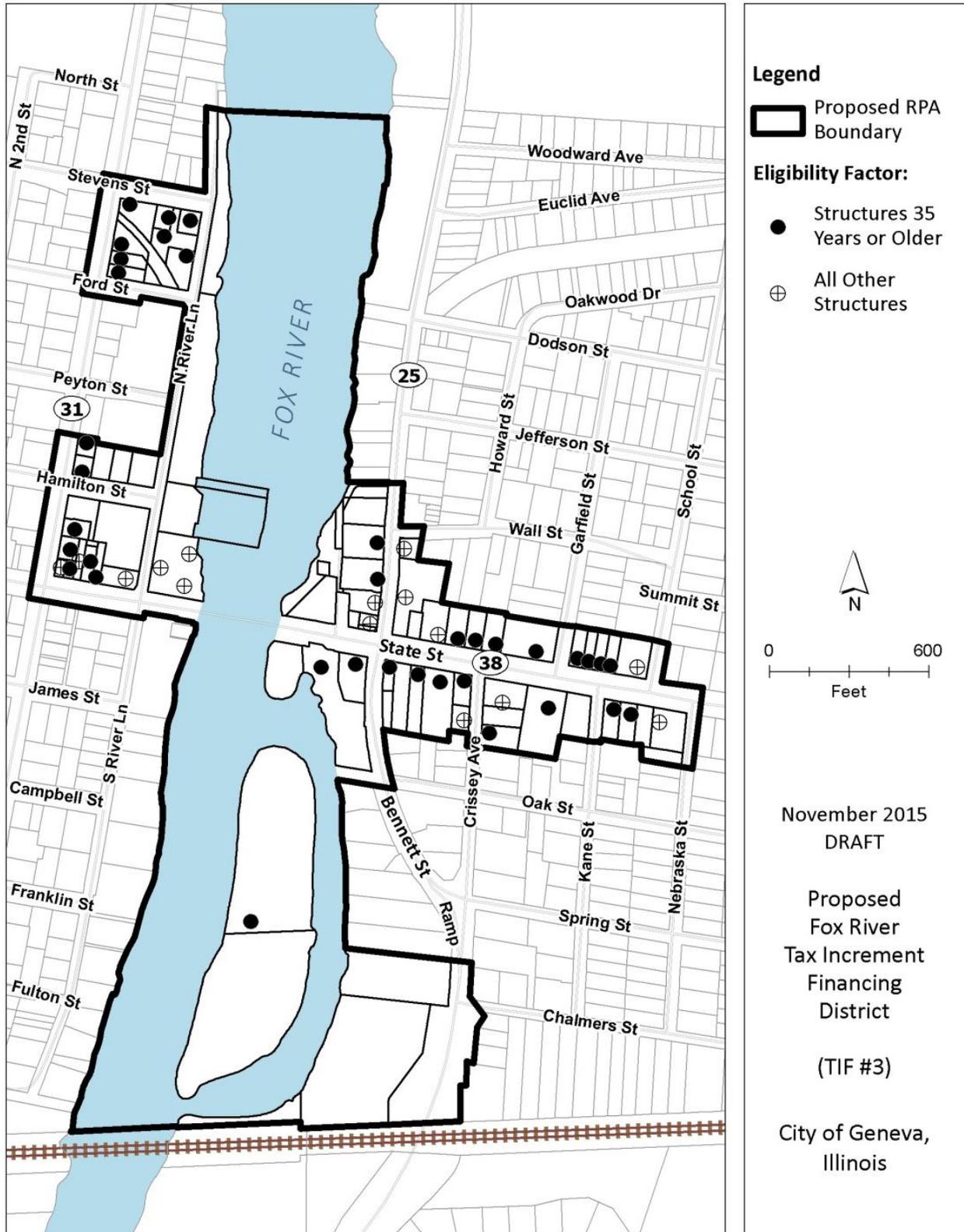
As required by the Act, within a "conservation area," at least three (3) of the thirteen (13) eligibility factors for improved property must be found to be present to a major extent within the RPA and at least 50% of the buildings must be 35 years of age or older. Parcel data containing building construction years for all parcels in the RPA were obtained from the Geneva Township Assessor's Office. This data only indicated building construction years for taxable properties. Based on this data, a total of 37 buildings (excluding exempt properties) were determined to be at least 35 years of age or older, as of 2015; this represents 75.5% of the 49 total buildings located within the RPA, including the number of buildings located on exempt property. The actual number and percent of buildings meeting the age criteria as defined by the Act may be higher than this, depending on the age of buildings located on exempt properties for which data were not available.

Our research has revealed that the following four (4) factors for improved property are present to a major extent:

1. Lack of Growth in Equalized Assessed Value (EAV)
2. Deterioration
3. Excessive Vacancies
4. Inadequate Utilities

**Map 4A** on the following page shows the age of buildings within the RPA, and Maps **4B** through **4E** on the following pages illustrate the distribution of eligibility, highlighting each parcel where the respective factors were found to be present to a meaningful degree. The following sections summarize our field research as it pertains to each of the major eligibility factors identified within the RPA.

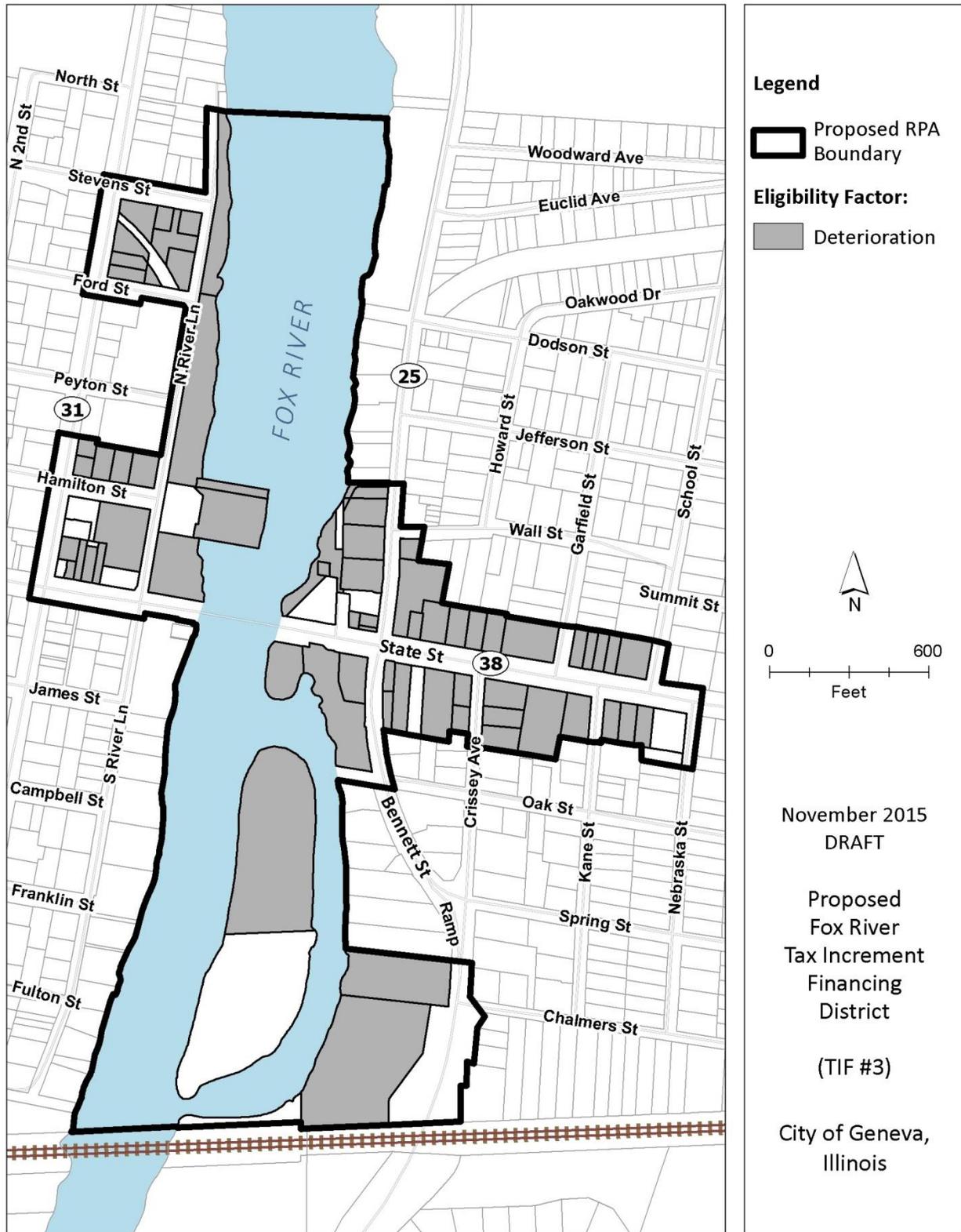
### Map 4A: Structures Aged 35 Years or Older



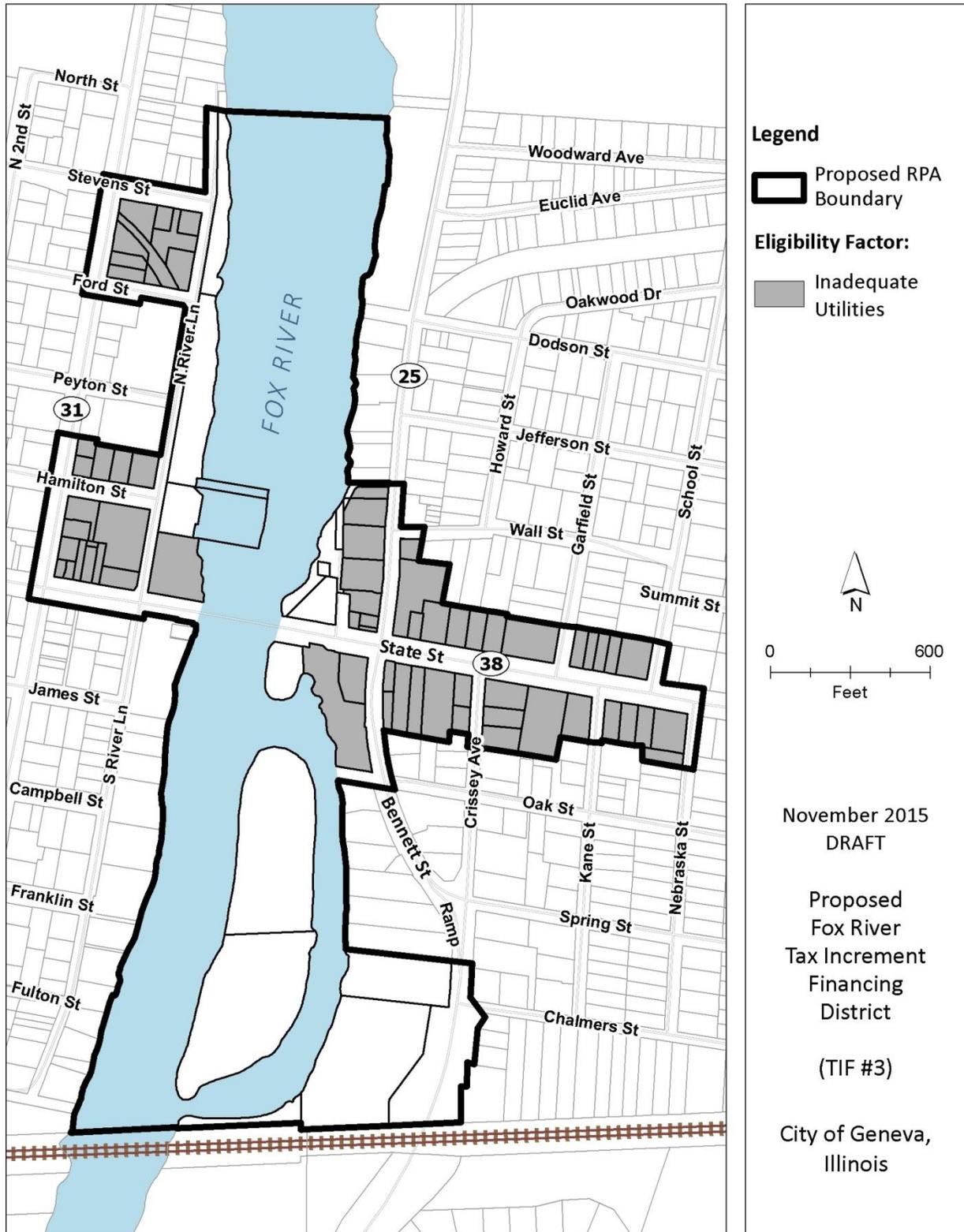
Map 4B: Lack of Growth in EAV



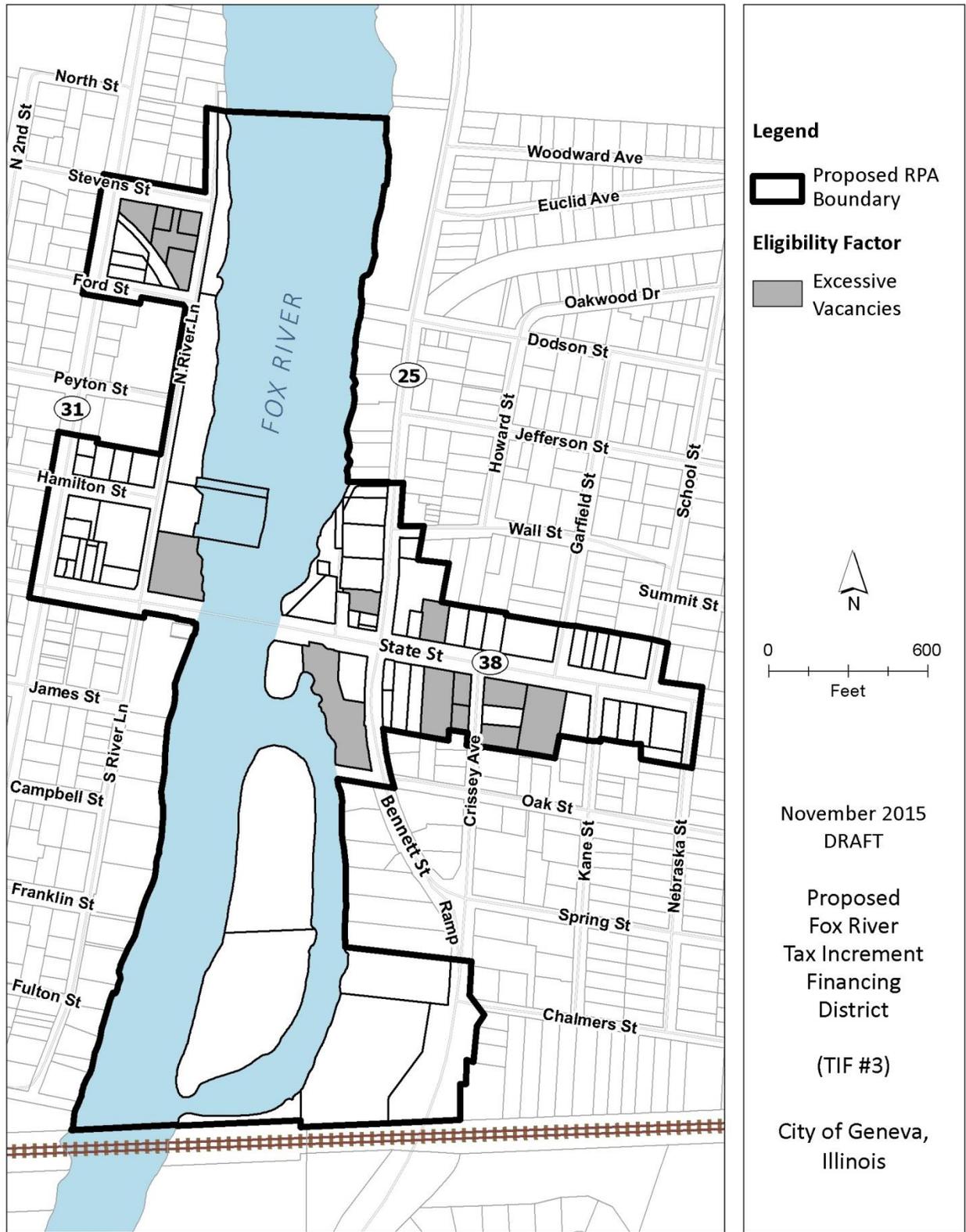
### Map 4C: Deterioration



### Map 4D: Inadequate Utilities



### Map 4E: Excessive Vacancies



## 1. LACK OF GROWTH IN EAV

In order to qualify for this factor, the total EAV of the area must have either: a) declined; b) increased at an annual rate that is less than the balance of the City; or c) increased at a rate that is less than the Consumer Price Index (CPI) for All Urban Consumers for at least three of the last five calendar year-to-year periods prior to the year in which the RPA is designated. The total EAV is a measure of the property value in the RPA. The EAV history of all the included tax parcels in the RPA was tabulated for the last six years (five year-to-year periods) for which assessed values and EAV were available. The most recent year for which final information is available is 2014.

A lack of growth in EAV has been found for the RPA in that the rate of growth in EAV has both declined, and has been less than the rate of growth in the Consumer Price Index during all five of the last five year-to-year periods. The EAV of the RPA has also grown slower than the balance of the City over four of the last five year-to-year periods (2009-2010, 2010-2011, 2012-2013, 2013-2014). The basis for this finding is summarized in **Table 1** below. Lack of growth in EAV is one of the strongest indicators that the area as a whole has been falling into a state of decline.

**Table 1: Percent Change in Annual Equalized Assessed Value (EAV) [1]**

Change in EAV by Year	Year-to-Year Period				
	2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013	2013 - 2014
RPA	-4.8%	-22.7%	-2.9%	-4.3%	-6.2%
CPI [2]	1.4%	2.7%	1.5%	1.1%	1.7%
City less RPA	-4.1%	-6.1%	-3.5%	-4.0%	0.4%
Decline in EAV	YES	YES	YES	YES	YES
Slower Growth than CPI	YES	YES	YES	YES	YES
Slower Growth than Balance of the City	YES	YES	NO	YES	YES

Sources: Kane County Treasurer's Office; Bureau of Labor Statistics.

[1] Qualifying periods shown in red.

[2] Consumer Price Index for all urban consumers and all items, in the Chicago-Gary-Kenosha area, not seasonally adjusted.

This eligibility factor was analyzed area-wide and is considered to be present to a meaningful extent for the entire Geneva Fox River RPA.

## 2. DETERIORATION

Of the 84 total parcels in the RPA, physical deterioration was observed on 69 parcels (82.1%). The most common form of deterioration was on surface improvements, including parking, alleys and storage areas; catalogued deterioration included cracks, depressions, potholes, crumbling curbs and protruding weeds. Building deterioration included brick spalling, buckling shingles, cracked and crumbling stairs, and water damage. This factor was found to be meaningfully present and reasonably distributed throughout the RPA.

### 3. INADEQUATE UTILITIES

According to a memo written by the City's Superintendent of Water and Wastewater, dated December 15, 2015 ("the Utility Memo"), the RPA's water, sanitary sewer and storm sewer infrastructure is insufficient to support redevelopment. The findings of the Utility Memo are summarized below:

- **Water Infrastructure.** Approximately 60% of the RPA is served by water mains in need of replacement because they are antiquated and of insufficient capacity, including portions of the water main along First Street, River Lane and State Street. In addition, 20% of the RPA is lacking a water main.
- **Sanitary Sewer.** Approximately 65% of the sanitary sewer within the RPA is in need of replacement because it is antiquated. This includes the sanitary sewer on State Street from North First Street to River Lane, west of the river, and from Water Street to Woodward Street, east of the river, as well as along other roads both east and west of the river. In addition, 3% of the sanitary sewer is in need of replacement because it is of insufficient capacity to serve current uses within the RPA, and 10% of the sanitary sewer within the RPA is lacking.
- **Storm Sewer.** Approximately 60% of the storm sewer within the RPA is in need of replacement because it is antiquated, including the storm sewer on State Street from First Street to the Fox River on the west, and from Woodward Street to the Fox River on the east.

Based on the findings of the Utility Memo, this factor is considered to be present to a meaningful extent and reasonably distributed throughout the RPA.

### 4. EXCESSIVE VACANCIES

The TIF Act defines excessive vacancies as the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies. Overall, approximately 26.8% of the total square footage in the RPA is unoccupied. Within the RPA, eleven (11) out of 49 buildings are 100% vacant, and four (4) buildings are under-occupied, including the commercial buildings at Geneva on the Dam, which are approximately 84% occupied.

All of the commercial buildings that are 100% vacant (6 buildings) and all of the industrial buildings (4 buildings, of which three are 100% vacant and one is in use partially as storage, and partially as a residence) are also obsolete. Obsolescence, combined with widespread deterioration and inadequate utilities, reduces the attractiveness of these properties to potential tenants, and have the adverse impacts of decreased fiscal revenues and employment opportunities that could be realized. The loss of property tax revenue, on the whole, is apparent in the RPA's declining EAV over all five of the past five year-to-year periods, as well its inability to keep pace with the Consumer Price Index or the EAV of the balance of the City.

## 4. Redevelopment Plan and Project

### Redevelopment Needs of the RPA

The existing physical conditions in the RPA suggest four primary redevelopment needs for the area:

1. Redevelopment of vacant and underutilized parcels;
2. Property assembly, demolition and site preparation;
3. Rehabilitation of existing buildings; and
4. Utility and infrastructure improvements.

This Redevelopment Plan and Project identifies the tools for the City to support the enhancement of the RPA as a vibrant mixed-use area, and to provide necessary infrastructure improvements and other investments. These investments both benefit property owners in the RPA and support public and private improvements that serve the best interests of the RPA and the City as a whole.

Currently, the RPA is characterized by lack of growth in EAV, deterioration, excessive vacancies, and inadequate utilities. It is our understanding that the City of Geneva does not have the financial resources to help fund the improvements necessary to reduce or eliminate these blighting conditions. This situation limits the potential for growth and contributes to the lack of new investment within the RPA.

The goals, objectives and strategies discussed below have been developed to address these needs and to facilitate the sustainable redevelopment of the RPA. Public improvements, including those related to roadways, utilities and streets, will help to create an environment conducive to private investment and redevelopment within the RPA. To support specific projects and encourage future investment in the RPA, public resources, including Tax Increment Financing, may be used for: property assembly facilitation, demolition, site preparation and/or rehabilitation; and to improve or repair RPA public facilities and/or infrastructure. In addition, Tax Increment Financing may be used to subsidize developer interest costs related to specific redevelopment projects.

### Goal, Objectives and Strategies

The overall goal of this Redevelopment Plan and Project is to reduce or eliminate the conditions that qualify the RPA as a “conservation area.” Accordingly, this Plan provides the mechanisms necessary to support public and private development to strengthen the Fox River area as a neighborhood-level commercial and residential district, and improve connections to the downtown and Fox River. This goal is to be achieved through an integrated and comprehensive strategy that leverages public resources to stimulate private investment.

**Objectives.** Seven (7) broad objectives support the overall goal of area-wide revitalization of the RPA. These include:

1. Facilitate redevelopment of vacant or underutilized properties by providing resources for site assembly and preparation, including demolition and environmental cleanup, where necessary, and marketing of vacant and underutilized sites for redevelopment and new development.

2. Facilitate the rehabilitation of existing properties within the RPA, as well as the possible preservation of architecturally or historically significant buildings, and encourage the construction of new commercial, residential, civic/cultural, and park/open space development that is compatible with the existing character of the area, where appropriate. The City may use TIF funds to encourage new private sector development by reimbursing developers for eligible construction costs, such as, but not limited to, stormwater facilities, demolition, environmental remediation and site preparation.
3. Provide resources for streetscaping, landscaping, and a coordinated package of identification, special event and wayfinding monument signage to improve the image, attractiveness and accessibility of the RPA; create a cohesive identity for the RPA and surrounding area; strengthen connections between the RPA, downtown and Fox River; and provide, where appropriate, for buffering between different land uses and screening of unattractive service facilities, such as parking lots and loading areas.
4. Replace or repair public infrastructure, where needed, including streets, sidewalks, bike routes, curbs, gutters, alleys, Fox River improvements, underground water and sanitary systems, and stormwater management and detention of adequate capacity to create an environment conducive to private investment and mitigate flooding.
5. Support the goals and objectives of other overlapping plans, including but not limited to the City's Comprehensive Plan and Downtown Station Area Master Plan; and coordinate available federal, state and local resources to further the goals of this Redevelopment Plan and Project.
6. Provide opportunities for locally owned, women-owned and minority-owned businesses to share in the job creation and construction opportunities associated with the redevelopment of the RPA.
7. Support job training and "welfare to work" programs, and increase employment opportunities for City residents.

**Strategies.** These objectives will be implemented through four (4) specific and integrated strategies. These include:

1. **Redevelop Vacant and Underutilized Sites.** The redevelopment of vacant and underutilized properties within the RPA is expected to stimulate private investment and increase the overall taxable value of properties within the RPA. Development of vacant and/or underutilized sites, including parking lots, is anticipated to have a positive impact on other properties beyond the individual project sites.
2. **Facilitate Property Assembly, Demolition and Site Preparation.** Sites may be acquired and assembled for use by the City to attract future private investment and development. The consolidated ownership of these sites will make them easier to market to potential developers and will streamline the redevelopment process. In addition, financial assistance may be provided to private developers seeking to acquire land and assemble sites to undertake projects supportive of this Redevelopment Plan and Project.

To meet the goals of this Redevelopment Plan and Project, the City may acquire and assemble property throughout the RPA. Land assemblage by the City may be by purchase, exchange, donation, lease, eminent domain, or through other programs, and may be for the purpose of: (a) sale, lease or conveyance to private developers; or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Site preparation may include such preparatory work as demolition of existing improvements and environmental remediation, where appropriate. Furthermore, the City may require written development agreements with developers before acquiring any properties. As appropriate, the City may devote acquired property to temporary uses until such property is scheduled for disposition and development.

- 3. Encourage Private Sector Activities.** Through the creation and support of public-private partnerships or through written agreements, the City may provide financial and other assistance to encourage the private sector, including local property owners and businesses, to undertake redevelopment and new construction projects, and other improvements that are consistent with the goals of this Redevelopment Plan and Project.
- 4. Implement Public Improvements.** A series of public improvements throughout the RPA may be designed and implemented to build upon and improve the character of the area, and to create a more conducive environment for private development. Public improvements that are implemented with TIF assistance are intended to complement, and not replace, existing funding sources for public improvements in the RPA.

These improvements may include new streets, streetscaping, street and sidewalk lighting, alleyways, underground water and sewer infrastructure, parks or open space, and other public improvements consistent with the Redevelopment Plan and Project. These public improvements may be completed pursuant to redevelopment agreements with private entities or intergovernmental agreements with other public entities, and may include the construction, rehabilitation, renovation or restoration of public improvements on one or more parcels.

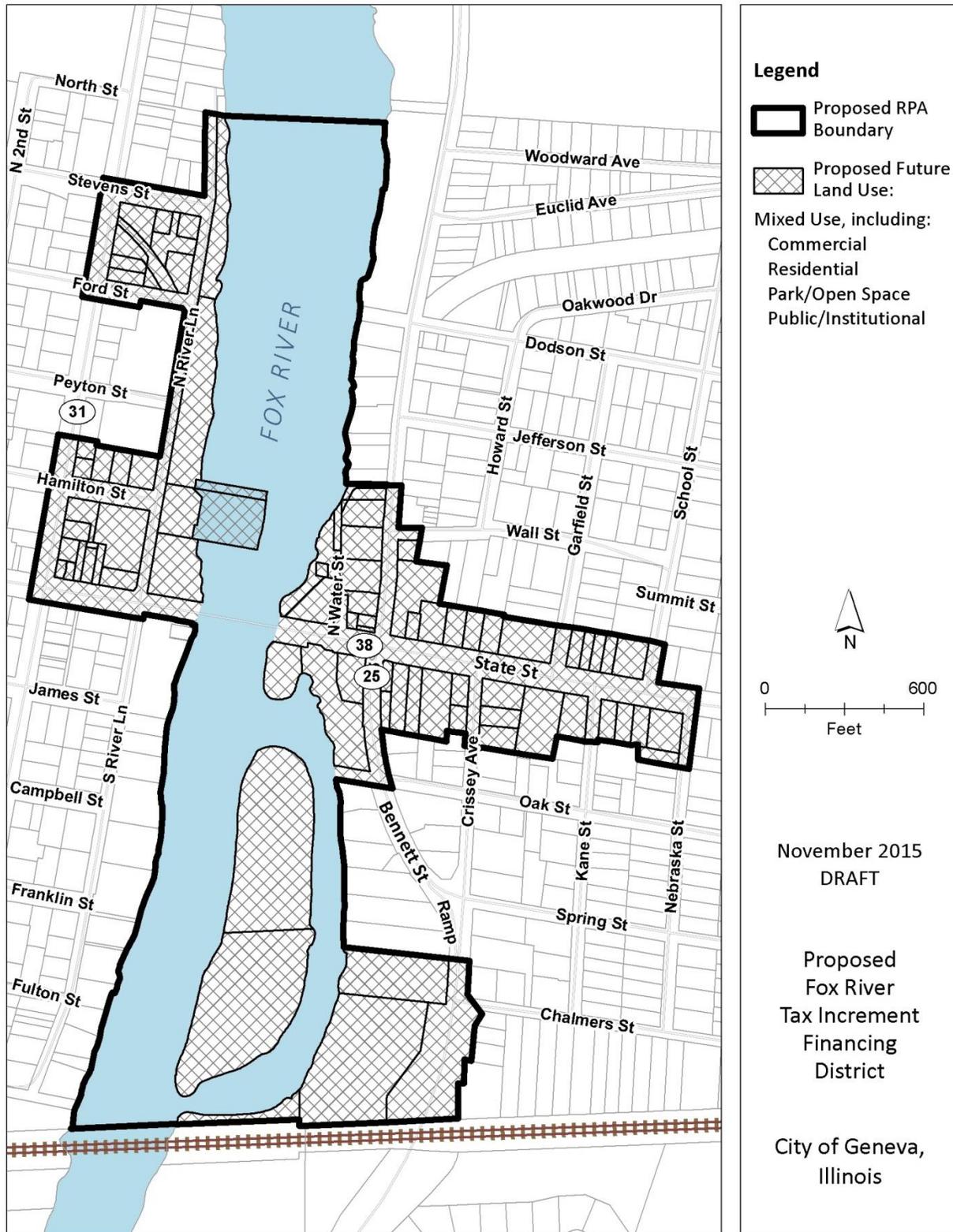
## Proposed Future Land Use

The proposed predominant future land use of the RPA reflects the objectives of this Redevelopment Plan and Project, which works to support the improvement of the RPA as a vibrant, mixed-use district and to support public improvements, such as infrastructure, streetscaping and street beautification, that serve the redevelopment interests of the local community and the City.

The proposed objectives are compatible with historic land use patterns and support current development trends in the area. The proposed mixed-use designation is shown on **Map 5** on the following page. The future land use designation allows for the following mix of uses:

- Commercial
- Residential
- Public/Institutional
- Park/Open Space

### Map 5: Proposed Future Land Use



## Housing Impact and Related Matters

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

*SB Friedman's* field survey identified that there are 78 housing units in the RPA, of which approximately 74 are inhabited. The City of Geneva hereby certifies that no residential displacement will occur as a result of this Redevelopment Project and Plan. Therefore, a housing impact study has not been prepared for this Redevelopment Plan and Project.

# 5. Financial Plan

## Eligible Costs

The Act outlines several categories of expenditures that can be funded using tax increment revenues. These expenditures, referred to as eligible redevelopment project costs, include all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to this Redevelopment Plan and Project pursuant to the Act. The City proposes to realize its goals and objectives of redevelopment through public finance techniques, including but not limited to Tax Increment Financing, and by undertaking certain activities and incurring certain costs. Some of the costs listed below are eligible costs under the Act pursuant to an amendment to the Act that became effective November 1, 1999. Such eligible costs may include, without limitation, the following:

1. Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan, including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, related hard and soft costs, and other related expenses; provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
2. Costs of marketing sites within the RPA to prospective businesses, developers and investors, provided however, that no such charges for professional services may be based on a percentage of the tax increment collected;
3. Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, clearing and grading of land, site preparation, and site improvements that serve as an engineered barrier addressing ground-level or below-ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers;
4. Costs of rehabilitation, reconstruction, repair or remodeling of existing public or private buildings, fixtures and leasehold improvements;
5. Costs of the construction of public works or improvements consistent with the Act, including the costs of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
6. Costs of job training and retraining projects, including the costs of “welfare to work” programs implemented by businesses located within the RPA;
7. Financing costs, including but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued thereunder, including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months thereafter, and including reasonable reserves related thereto and interest accruing during a construction period;

8. All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of this Redevelopment Plan and Project, to the extent the municipality by written agreement accepts and approves such costs;
9. An elementary, secondary or unit school district's increased costs attributable to assisted housing units will be reimbursed, as provided in the Act;
10. A library district's increased per patron costs attributable to net new persons eligible to obtain a library card living in assisted housing units, as further defined in the Act;
11. 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, or under the Act;
12. Payment in lieu of taxes, as defined in the Act;
13. Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs: (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the RPA; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and taxing district(s), which agreement describes the program to be undertaken, including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by the community college district of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public and Community College Act, as cited in the Act, and by the school districts of cost pursuant to Section 10-22.20a and 10-23.3a of the School Code, as cited in the Act; and
14. Interest costs incurred by a developer related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - a. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - b. Such payments in any one (1) year may not exceed thirty percent (30%) of the annual interest costs incurred by the developer with regard to the development project during that year;
  - c. If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this paragraph (14), then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
  - d. The total of such interest payments paid pursuant to the Act may not exceed thirty percent (30%) of the total of: (i) cost paid or incurred by the developer for the

- redevelopment project, and (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;
- e. The percentage increases from thirty percent (30%) to seventy-five percent (75%) for the interest cost incurred by a developer for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act; and
  - f. Instead of the interest costs described above in paragraphs 14b. and 14d., a municipality may pay from tax incremental revenues up to fifty percent (50%) of the cost of construction, renovation and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act.

Unless explicitly stated in the Act, and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

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

## Estimated Redevelopment Project Costs

The estimated eligible costs of this Redevelopment Plan and Project are shown in **Table 2** on the following page. The total eligible cost provides an upper limit on expenditures that may be funded using incremental property tax revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Other sources of funds may also be used to defray costs within the district. Additional funding including, but not limited to, state and federal grants, private developers' contributions, land sales, sales taxes, and other outside sources may be pursued and used by the City as a means of financing improvements and facilities within the RPA. These expenditures may be in addition to those funded from tax increment revenues, and may be in addition to the budget shown in **Table 2**, which limits expenditure of incremental property tax only.

Adjustments to the estimated line item costs in **Table 2** are expected and may be made by the City without amendment to this Redevelopment Plan and Project. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth below are not intended to place a limit on the described expenditures; adjustments may be made, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs, provided, however, that any such adjustments shall not exceed the Total Redevelopment Costs described in **Table 2**.

**Table 2: Estimated Redevelopment Project Costs**

Project/Improvement	Estimated Project Costs
Administration	\$750,000
Costs of Studies, Surveys, Plans, etc. as authorized in the Act	\$750,000
Site Marketing Costs	\$750,000
Property Assembly Costs	\$7,000,000
Costs of Building Rehabilitation	\$10,000,000
Costs of Construction of Public Works	\$8,000,000
Costs of Job Training (Businesses)	\$200,000
Financing Costs	\$500,000
Taxing District Capital Costs [1]	\$50,000
School District Increased Costs [1]	\$50,000
Library District Increased Costs [1]	\$50,000
Relocation Costs	\$200,000
Payments in Lieu of Taxes	\$50,000
Costs of Job Training (Community College)	\$150,000
Interest Costs (Developer or Property Owner)	\$1,450,000
Construction Costs for Affordable Housing	\$50,000
<b>TOTAL REDEVELOPMENT COSTS [2] [3] [4]</b>	<b>\$30,000,000</b>

[1] This category may include paying for or reimbursing: (i) an elementary, secondary or unit school district's increased per capita tuition costs attributed to assisted housing units, (ii) a library district's increased per patron costs attributed to assisted housing units, and (iii) capital costs of taxing districts impacted by the redevelopment of the RPA. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay or reimburse all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of this Redevelopment Plan and Project.

[2] Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

[3] Increases in estimated Total Redevelopment Costs of more than 5%, after adjustment for inflation from the date of this Redevelopment Plan adoption, are subject to this Redevelopment Plan's amendment procedures, as provided under the Act.

[4] The amount of the Total Redevelopment Costs that can be incurred in the RPA will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the RPA, but will not be reduced by the amount of redevelopment project costs incurred in the RPA that are paid from incremental property taxes generated in contiguous redevelopment project areas, or those separated from the RPA by a public right-of-way.

In the event the Act is amended after the date of the approval of this Redevelopment Plan and Project by the City Council to: (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/1-74.4-3(q)(11)), this Redevelopment Plan and Project shall be deemed to incorporate such additional, expanded or increased eligible costs as eligible costs under the Redevelopment Plan. In the event of such amendment(s) to the Act, the City may add any new eligible redevelopment project costs as a line item in **Table 2**, or otherwise adjust the line items in **Table 2** without amendment to this Redevelopment Plan and Project. In no instance, however, shall such additions or adjustments result in any increase in the total redevelopment project costs without a further amendment to this Redevelopment Plan.

## Phasing and Scheduling of the Redevelopment

Certain projects within the RPA that receive TIF funding shall be governed by the terms of written redevelopment agreements entered into between a designated developer and the City. Other projects will consist of City reimbursements of the specified eligible redevelopment costs of applicants who qualify under various programs developed by the City and approved by the City Council.

Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). As provided in the Act, this Redevelopment Plan and Project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City Finance Manager is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving this RPA is adopted (by December 31, 2039, if the ordinances establishing the RPA are adopted in 2016).

## Sources of Funds to Pay Costs

Funds necessary to pay for redevelopment project costs and/or municipal obligations, which may be issued or incurred to pay for such costs, are to be derived principally from tax increment revenues and/or proceeds from municipal obligations, which have as a repayment source tax increment revenue. To secure the issuance of these obligations and the developer's performance of redevelopment agreement obligations, the City may require the utilization of guarantees, deposits, reserves and/or other forms of security made available by private sector developers. The City may incur redevelopment project costs that are paid from City funds other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes. In addition, the City may utilize other funding sources, as discussed above, to pay for costs within the district, in addition to those funded by incremental property tax revenues.

The tax increment revenue, which will be used to fund tax increment obligations and eligible redevelopment project costs, shall be the incremental real property tax revenues. Incremental real property tax revenue is attributable to the increase of the current EAV of each taxable lot, block, tract, or parcel of real property in the RPA over and above the certified initial EAV of each such property. Without the use of such incremental revenues, the RPA is not likely to redevelop.

Other sources of funds, which may be used to pay for development costs and associated obligations issued or incurred, include land disposition proceeds, state and federal grants, sales taxes, investment income, private investor and financial institution funds, and other sources of funds and revenues as the municipality and developer from time to time may deem appropriate.

The RPA may be contiguous to, or be separated only by a public right-of-way from other redevelopment areas created under the Act. Currently, the RPA is adjacent to the existing East State Street TIF District. The City may utilize net incremental property tax revenues received from the RPA to pay eligible redevelopment project costs or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the RPA made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the RPA, shall not exceed the Total Redevelopment Costs described in **Table 2** of this Redevelopment Plan.

If sufficient incremental tax revenues are generated, the City Council may elect to increase the City's contribution to debt service payments for public improvements funded in public-private partnership structures such as Special Service Areas.

If necessary, the redevelopment plans for other contiguous redevelopment project areas that may be or already have been created under the Act may be drafted or amended, as applicable, to add appropriate and parallel language to allow for sharing of revenues between such districts.

## Issuance of Obligations

To finance project costs, the City may issue bonds or obligations secured by the anticipated tax increment revenue generated within the RPA, or such other bonds or obligations as the City may deem appropriate. The City may require the utilization of guarantees, deposits, or other forms of security made available by private sector developers to secure such obligations. In addition, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

All obligations issued by the City pursuant to this Redevelopment Plan and the Act shall be retired within the timeframe described under "Phasing and Scheduling of the Redevelopment" sub-section above. Also, the final maturity date of any such obligations that are issued may not be later than 20 years from their respective dates of issue. One or more of a series of obligations may be sold at one or more times in order to implement this Redevelopment Plan and Project. The amounts payable in any year as principal and interest on all obligations issued by the City shall not exceed the amounts available from tax increment revenues, or other sources of funds, if any, as may be provided by ordinance. Obligations may be of parity or senior/junior lien nature. Obligations issued may be serial or term maturities, and may or may not be subject to mandatory, sinking fund or optional redemptions.

In addition to paying redevelopment project costs, tax increment revenues may be used for the scheduled and/or early retirement of obligations, and for reserves and bond sinking funds. To the extent that real property tax increment is not required for such purposes or otherwise required, pledged, earmarked or designated for anticipated redevelopment costs, revenues shall be declared surplus and become available for distribution annually to area taxing districts in the manner provided by the Act.

## Most Recent EAV of Properties in the Redevelopment Project Area

The purpose of identifying the most recent equalized assessed value (EAV) of the RPA is to provide an estimate of the initial EAV, which the Kane County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the RPA. The 2013 EAV of all taxable parcels in the RPA is approximately \$7,464,206. The total EAV is subject to verification by the Kane County Clerk. After verification, the final EAV figure shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Kane County. It is anticipated that the district will be adopted in 2016, in which case the Certified Initial EAV will likely be defined based on 2014 equalized assessed values. The total EAV amounts by PIN for the RPA are summarized in **Appendix 2**.

## Anticipated Equalized Assessed Value

By 2039 (collection year 2038), the EAV for the RPA is anticipated to be approximately \$26.4 million. This estimate is based on several key assumptions, including: (1) an inflation factor of 2.0% per year on the EAV of all properties within the RPA; (2) an equalization factor of 1.0; and (3) that the proposed redevelopment projects include approximately \$10 million of private development over the first five years of the TIF district. No new development projects are currently anticipated for the district; however, it is likely that new development could occur over the life of the district. Depending upon the actual redevelopment that occurs, EAV may be a higher or lower amount than indicated above.

## 6. Required Findings and Tests

### Lack of Growth and Private Investment

The City is required to evaluate whether or not the RPA has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a Tax Increment Financing district. The equalized assessed value (EAV) of the RPA has declined over all five of the last five year-to-year periods, and has not kept pace with growth in the Consumer Price Index or the balance of the City. A review of building permits over the past five years indicated that the majority of building activity represents only minor maintenance and repairs to existing structures. The impact of this activity has not been significant enough to reverse the trend of declining property values.

***Finding:*** *The Redevelopment Project Area (RPA) on the whole has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan and Project.*

### But for...

The City is required to find that, but for the designation of the TIF district and the use of Tax Increment Financing, it is unlikely that significant investment will occur in the RPA.

Without the support of public resources, the redevelopment objectives for the RPA would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the RPA are extensive and costly, and the private market, on its own, has shown little ability to absorb these costs. Excessive vacancy throughout the area demonstrates that the private market has been unwilling to invest in these properties. Public resources to assist with site preparation and public infrastructure improvements are needed to leverage private investment and facilitate area-wide redevelopment. TIF funds can be used to support building rehabilitation, utility and infrastructure improvements, site assembly and preparation, and environmental remediation. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur.

***Finding:*** *But for the adoption of this Redevelopment Plan and Project, critical resources will be lacking that would otherwise support the redevelopment of the RPA, and the RPA would not reasonably be anticipated to be redeveloped.*

### Conformance to the Plans of the City

The Act specifies that the Redevelopment Plan and Project “conform to the comprehensive plan for the development of the municipality as a whole.” The Future Land Use maps included in the City’s 2003 Comprehensive Plan indicate a mix of uses for the RPA, including downtown commercial, neighborhood/corridor commercial, transitional mixed-use, parking, multi-family residential, public/institutional and park/open space uses. The future land uses outlined in this Plan include commercial and residential uses, public/institutional uses, and park/open space. Thus, the Redevelopment Plan and Project conform to the City’s Comprehensive Plan.

## Dates of Completion

The dates of completion of each project and retirement of obligations are described under “Phasing and Scheduling of the Redevelopment” in Section 5 above.

## Financial Impact of the Redevelopment Project

As explained above, without the adoption of this Redevelopment Plan and Project and Tax Increment Financing, the RPA is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that conditions found to qualify the RPA as a “conservation area” under the Act will continue to exist and spread, and that the entire area will become a less attractive place to maintain and improve existing buildings and sites. The relative decline of property values within the RPA may continue and lead to a decline of property values in surrounding areas, thus reducing real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. The redevelopment program will be staged gradually over the 23-year life of the RPA. If a redevelopment project is successful, various new projects will be undertaken that will assist in alleviating the conditions found to qualify the RPA as a “conservation area” under the Act, creating new jobs and promoting rehabilitation and development in the RPA.

This Redevelopment Plan and Project is expected to have short- and long-term financial impacts on the affected taxing districts. During the period when Tax Increment Financing is utilized, real estate tax increment revenues from the increases in EAV over and above the Certified Initial EAV (established at the time of adoption of this document by the City) may be used to pay eligible redevelopment project costs for the RPA. At the time when the RPA is no longer in place under the Act, the real estate tax revenues resulting from the redevelopment of the RPA will be distributed to all taxing districts levying taxes against property located in the RPA. These revenues will then be available for use by the affected taxing districts.

## Demand on Taxing District Services and Program to Address Financial and Service Impact

Redevelopment within the RPA may result in additional demands on services and facilities provided by taxing districts. At this time, no special programs are proposed for these taxing districts. The nature of the redevelopment that is likely to occur as a result of the implementation of the Redevelopment Plan and Project consists of a mix of commercial, residential and public/institutional use.

The City intends to monitor development in the area and, with the cooperation of the affected taxing districts, will attempt to ensure that any increased needs are addressed in connection with any particular development.

Therefore, while redevelopment activities in the RPA may have an impact on the school districts or other taxing districts, no significant impacts are currently anticipated. Should service demands increase, the

City will work with the affected taxing districts to determine which, if any, programs are necessary to provide adequate services.

The following major taxing districts presently levy taxes on properties within the RPA:

- Kane County
- Kane County Forest Preserve
- Geneva Township
- Geneva Township Road District
- City of Geneva
- Geneva School District 304
- Waubensee College 516
- Geneva Park District
- Geneva Library
- Geneva Special Service Area 1
- Geneva Special Service Area 22

## 7. Provisions for Amending Plan and Project

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

## **8. Commitment to Fair Employment Practices and Affirmative Action Plan**

The City of Geneva is an equal opportunity employer. As part of this Redevelopment Project and Plan, the City will work with any developers who assist in the redevelopment of the RPA to implement an effective affirmative action program that conforms to City policies and practices.

This program will ensure equal opportunity for all personnel regardless of race, color, religion, sex, age, marital status, handicapped status, nation of origin, sexual preference, creed, or ancestry. This program will also meet City standards for any applicable prevailing wage rate as ascertained by the Illinois Department of Labor to all project employees. All entities involved are responsible for conformance to the policy that is put in place.

## Appendix 1: Boundary and Legal Description

That part of Sections 2, 3, 10 and 11, Township 39 North, Range 8 East of the Third Principal Meridian described as follows: Beginning at the intersection of the Northerly Right-of-Way line of the Chicago and Northwest Railway Company and the Westerly bank of the Fox River; Thence Northerly along said Westerly bank to the Southerly Right-of-Way line of Illinois State Route 38; Thence Westerly along said Southerly Right-of-Way line to the Easterly Right-of-Way line of River Lane per document recorded in book 801 page 543; Thence Southerly along said Easterly Right-of-Way line to the Northerly line and extension thereof of Herrington's James Subdivision of Block 53 recorded in book 15 page 3; Thence Westerly along said extension and Northerly line to the Northeast corner of Block 52 in the Original Town of Geneva; Thence Northerly along the Westerly Right-of-Way of Illinois State Route 31 to the Northeast corner of Lot 1 in Block 35 in the Original Town of Geneva; Thence Easterly along the extension of the Northerly line of said lot 1 to the Westerly line of Lot 4 in River North recorded as document 98K026069; Thence Southerly along the Westerly line of said Lot 4 to the Southwest corner of Lot 4; Thence Easterly along the Southerly line of Lot 4 to the Southeast corner of Lot 4; Thence Northerly along the Easterly line of Lots 4 and 5 in River North, 545.50 feet to an angle point in Lot 5; Thence Northwesterly along line forming an angle of 134 Degrees 58 Minutes 23 seconds from the last described course measured clockwise therefrom 14.84 feet to the Northerly line of Lot 5; Thence Westerly along said Northerly line, 159.91 feet to the Northwest corner of Lot 5; Thence Southerly along the Westerly line of Lot 5 a distance of 25.0 feet; to the Southerly Right-of-Way line of Ford Street; Thence Westerly along said Southerly Right-of-Way line and extension thereof to the Northeast corner of Lot 10 in Block 20 of Original Town of Geneva; Thence Northerly along the Westerly Right-of-Way line of Illinois State Route 31 to the Southeast corner of Park Place; Thence Easterly along the Northerly Right-of-Way line of Stevens Street and extension thereof to the Southeast corner of Lot 1 in Block 1 in Original Town of Geneva; Thence Northerly along the Easterly line of said Block 1 and extension thereof to a line that is 13.5 feet Northerly and parallel to the North line of Block 1; Thence Easterly along a line parallel with the Northerly Line of Lot 1 to the Easterly bank of the Fox River; Thence Southerly along said Easterly bank to the South Line of the North 6.0 Feet of Lot 1 in Block 13 in Howard and Baird's Addition to Geneva, as Amended by IRA Minard; Thence Easterly along said South line and extension thereof to the Easterly Right-of-Way of Illinois State Route 25; thence Southerly along said Easterly Right-of-Way Line to the Southwest corner of Bennett Street Townhouses; Thence Easterly along said Southerly line of said Bennett Street Townhouses to a Northerly extension of the most Easterly line of a tract conveyed by document 1951579 said point being 79.12 feet East of Illinois State Route 25; Thence Southerly along said Northerly extension and Easterly line to the Northerly line of Geneva Place Resubdivision; Thence Easterly along said Northerly line to the Northeast corner of said Geneva Place Resubdivision; Thence Southerly along the Easterly line of said Resubdivision to the Northerly line of Outlot 1 in Block 15 of Howard and Baird's Addition as Amended by IRA Minard; Thence Easterly along said Northerly line to a Northerly extension of the Westerly line as conveyed by document 2007K121367; Thence Southerly along said extension line to a point 5 feet South of the Northerly line of Outlot 1; Thence Easterly along a line parallel to the Northerly line of Outlot 1 to the Westerly Right-of-Way of Garfield Street ; Thence Easterly along a line to the Northwest corner of Lot 1 in Block 3 in Howard and Baird's Addition to Geneva as Amended by IRA Minard; Thence Easterly along the Northerly Line of said Block 3 and extension thereof to the Easterly Right-of-Way Line of School Street; Thence Southerly along said Easterly Right-of-Way line to the Northerly Right-of-Way line of Illinois State Route 38; Thence Easterly along said Northerly Right-of-Way line to a point on the Northerly extension of the

Easterly Right-of-Way of Nebraska Street; Thence Southerly along said extension and Easterly Right-of-Way line to the Northwest corner of Lot 9 in L. Dearborn's Addition to Geneva; Thence Westerly to the Southeast Corner of Lot 7 in Block 3 in L. Dearborn's Addition to Geneva; Thence Westerly along the Southerly line of said Lot 7 to the Southwest corner of said lot 7; Thence Northerly along the Westerly Line of said lot 7 to the Northwest corner of said lot 7; Thence Westerly along the Northerly line of Lot 6 in L. Dearborn's Addition to Geneva to the Northwest corner of Lot 6; Thence Westerly to the Westerly Right-of-Way line of Kane Street being a point 85.0 feet Northerly of the Northeasterly Corner of Block 1 of A.B. Moore's Addition; Thence Westerly along a line forming an angle of 95 degrees 01 minutes from South to West with the Westerly line of Kane Street 106.65 feet; Thence Southerly 84.40 feet to a point on the Northerly Line of Block 1 of A. B. Moore's Addition to Geneva which is 114.40 feet Westerly of the Northeast corner of said Block; Thence Westerly along said Northerly line of Block 1 and extension thereof to the Easterly Line of Lot 1 in F.S. Wrate's Subdivision ; Thence Northerly along said Easterly line to the Northeast corner of said Lot 1; thence Westerly along the Northerly line to the Northwest corner of said Lot 1; Thence Southerly along Westerly line of said lot 1 a distance of 40.0 feet ; Thence Westerly along a Northerly line of said lot 1 a distance of 47 feet to the Northeast corner of Jarvis Subdivision Unit No. 2; Thence Westerly along the Northerly Line of said Jarvis Subdivision Unit no.2 to the Easterly Right-of-Way line of Illinois State Route 25; Thence Southerly along said Easterly line to the Southerly Right-of-Way line of Oak Street also being the Northwest corner of Lot 1 in Jarvis Subdivision; Thence Westerly along the Southerly Right-of-Way line of Oak Street to the Easterly bank of the Fox River; Thence Southerly along said Easterly bank to the South line of the North 100 feet as measured at right angles to the North line of Lot 15 in County Clerk's Assessment Plat ; Thence Easterly along said Southerly line and extension thereof to the Easterly Right-of-Way line of Crissey Avenue; Thence Southerly along said Easterly Right-of-Way line to the Northerly right-of-Way line of Chalmers Street; Thence Southeasterly to the Southerly Right-of-Way line at a point of intersection with the Easterly Right-of-Way of Illinois State Route 25; Thence Southerly along said Easterly Right-of-Way line to the Northerly Right-of-Way Chicago and Northwest Railway Company; Thence Westerly along said Northerly Right-of Way line to the Point of Beginning, in Geneva, Kane County, Illinois.

## Appendix 2: Summary of EAV (by PIN)

Count	PIN	2014 EAV
1	12-02-304-001	\$0
2	12-02-304-003	\$0
3	12-02-304-004	\$0
4	12-02-304-005	\$0
5	12-02-305-009	\$165,818
6	12-02-305-014	\$0
7	12-02-305-019	\$133,372
8	12-02-305-020	\$173,493
9	12-02-305-033	\$25,936
10	12-02-305-034	\$10,646
11	12-02-305-035	\$0
12	12-02-305-036	\$0
13	12-02-305-037	\$0
14	12-02-305-038	\$180,867
15	12-02-351-001	\$0
16	12-02-351-014	\$87,911
17	12-02-351-015	\$71,655
18	12-02-351-016	\$79,586
19	12-02-351-018	\$73,432
20	12-02-351-020	\$87,889
21	12-02-351-026	\$1,140,975
22	12-02-351-027	\$18,753
23	12-02-351-028	\$169,346
24	12-02-352-006	\$63,560
25	12-02-352-007	\$45,777
26	12-02-352-008	\$41,318
27	12-02-352-009	\$50,081
28	12-02-352-010	\$69,578
29	12-02-353-002	\$161,136
30	12-02-353-008	\$231,137
31	12-02-354-001	\$97,783
32	12-02-354-002	\$0
33	12-02-354-004	\$87,796
34	12-02-354-005	\$40,347
35	12-02-354-006	\$101,443
36	12-02-354-013	\$0
37	12-02-354-014	\$91,173

Count	PIN	2014 EAV
38	12-02-355-001	\$105,484
39	12-02-355-002	\$41,807
40	12-02-355-003	\$55,816
41	12-02-355-012	\$23,881
42	12-02-355-013	\$134,475
43	12-02-356-001	\$88,357
44	12-02-356-002	\$89,073
45	12-02-356-003	\$20,390
46	12-02-356-004	\$132,622
47	12-02-356-009	\$16,659
48	12-03-483-001	\$0
49	12-03-483-002	\$0
50	12-10-230-001	\$0
51	12-11-101-001	\$85,968
52	12-11-101-002	\$0
53	12-03-280-002	\$59,196
54	12-03-280-003	\$74,318
55	12-03-280-004	\$573
56	12-03-280-005	\$69,949
57	12-03-280-006	\$3,382
58	12-03-281-001	\$86,838
59	12-03-281-005	\$9,295
60	12-03-281-006	\$7,411
61	12-03-281-007	\$13,858
62	12-03-282-001	\$0
63	12-03-281-004	\$110,652
64	12-03-429-002	\$81,871
65	12-03-429-003	\$87,089
66	12-03-429-022	\$0
67	12-03-429-023	\$0
68	12-03-429-024	\$0
69	12-03-431-005	\$130,319
70	12-03-431-008	\$121,574
71	12-03-431-010	\$123,989
72	12-03-431-016	\$150,451
73	12-03-431-020	\$212,696
74	12-03-431-023	\$15,355
75	12-03-431-024	\$197,263
76	12-03-431-025	\$71,832
77	12-03-431-026	\$126,969

<b>Count</b>	<b>PIN</b>	<b>2014 EAV</b>
<b>78</b>	<b>12-03-431-027</b>	<b>\$25,073</b>
<b>79</b>	<b>12-03-431-028</b>	<b>\$0</b>
<b>80</b>	<b>12-03-432-002</b>	<b>\$0</b>
<b>81</b>	<b>12-03-432-005</b>	<b>\$927,466</b>
<b>82</b>	<b>12-03-432-006</b>	<b>\$0</b>
<b>83</b>	<b>12-03-432-007</b>	<b>\$0</b>
<b>84</b>	<b>12-03-432-009</b>	<b>\$0</b>
<b>Total</b>		<b>\$7,002,759</b>