

I. *The Village of Forreston*

The Village of Forreston (the “*Village*”) is located in Ogle County, Illinois approximately 120 miles west of Chicago, 12 miles south of Freeport, 20 miles north of Dixon and 30 miles west of Rockford.

A brief history of the Village of Forreston is provided by its 2005 Comprehensive Plan:

Originally laid out and platted in by George W. Hewitt in the fall of 1854, Forreston was the offspring of the Illinois Central railroad. The Illinois Central added two additions to the newly platted Village, in 1855 and in 1861. Forreston was incorporated by a vote of the residents at a meeting held in the schoolhouse on September 21, 1867. 172 ballots were cast, 128 votes for incorporate, 44 against incorporation. The Village of Forreston is named for the township in which it is situated. The origin of the name “Forreston” is not clear, but it may have come from the name of an early settler by the name of Forrester, or from the rest provided by the near-by White Oak Grove to weary travelers – FOR REST and then ON.

The same year, the Village was laid out, a railroad depot and a boarding house for railroad employees was constructed. The following year, 1855, the Village began to grow with the construction of two warehouses, a combination stable/boarding house, two grain elevators, three stores, a blacksmith shop, a tavern and several dwellings. Mr. William F. Daniels operated a post office from within his store and became the first post master. The Village grew steadily with the construction of a hotel in 1857, and a second hotel shortly thereafter, and a department store in 1859. The first schoolhouse was constructed in 1856 with Miss Maria Blair as the first teacher. The first private bank was started in 1867. The first Village newspaper, *The Forreston Journal*, began publishing on April 6, 1876.

With the influx of new residents, most of Germanic origin, the growing Forreston Village needed churches to serve the religious needs of its people. The first church in Forreston, the Evangelical Lutheran Church of Forreston, was organized in October 1859 with services being held in the school house. The Forreston Reformed Church was organized in May 1865 and built a church building in 1866. The Church of the Evangelical Association constructed a church in 1870. Many churches in Forreston and the surrounding area conducted their services in the German language, and offered at least on service a month in the German language into the 1940’s.

The Village’s population as of the 2010 census was 1,446 and the U.S. Census Bureau estimates the population as of July 1, 2016 at 1,366 a projected reduction of approximately 7% since 2000 when the population was reported in 1469.

The Village is served by Forrestville Valley School District 221 with an elementary, middle school and high school located within the Village. Forreston boasts a new library, a new Fire Department and ambulance building (manned by volunteers), two fine parks and three ball diamonds. Active organizations in the Village include the LEO Club, the Lions, the American Legion, Ogle County Preservation; Girl Scouts, Boy Scouts and 4-H Groups.

II. ***Business District Development and Redevelopment Plan.***

The Village of Forreston, Ogle County, Illinois (the “*Village*”) engaged the services of Community Funding & Planning Services (“*CFPS*”) and Kathleen Field Orr & Associates, as legal counsel (“*KFO*”) to assess the eligibility of a proposed area within the boundaries of the Village for designation as a “Business District” pursuant to the Business District Development and Redevelopment Law, 65 ILCS 5/11—74.3-1 et seq. (the “*BDD Act*”). The BDD Act provides municipalities with the means to redevelop and revitalize commercial and industrial areas and has been successfully used in the redevelopment of commercial highway districts, aging downtown districts and industrial areas which lack essential components mandated by modern retailing, manufacturing and business operations.

The objectives of the BDD Act are to attract sound industrial and commercial growth; to reduce or eliminate blighting conditions in order to attract private investment; and, to assure opportunities for development and redevelopment thereby enhancing the tax base of the municipality and all affected taxing districts.

A. *Statutory Basis for a Business District.*

The declaration of the public purpose of the BDD Act is found at Section 11-74.3-1:

“It is essential to the economic and social welfare of each municipality that business districts be developed, redeveloped, improved, maintained, and revitalized, that jobs and opportunity for employment be created within the municipality, and that, if blighting conditions are present, blighting conditions be eradicated by assuring opportunities for development or redevelopment, encouraging private investment, and attracting sound and stable business and commercial growth. It is further found and determined that as a result of economic conditions unfavorable to the creation, development, improvement, maintenance, and redevelopment of certain business and commercial areas within municipalities opportunities for private investment and sound and stable commercial growth have been and will continue to be negatively impacted and business and commercial areas within many municipalities have deteriorated and will continue to deteriorate, thereby causing a serious menace to the health, safety, morals, and general welfare of the people of the entire state, unemployment, a decline in tax revenues, excessive and disproportionate expenditure of public funds, inadequate public and private investment, the unmarketability of property, and the growth of delinquencies and crime. In order to reduce threats to and to promote and protect the health, safety, morals, and welfare of the public and to provide incentives which will create employment and job opportunities, will retain commercial businesses in the state and related job opportunities and will eradicate blighting conditions if blighting conditions are present, and for the relief

of unemployment and the maintenance of existing levels of employment, it is essential that plans for business districts be created and implemented and that business districts be created, developed, improved, maintained, and redeveloped.” [Emphasis added]

Moreover, the BDD Act declares that:

“The exercise of the powers provided in the BDD Act is dedicated to the promotion of the public interest, to the enhancement of the tax base within business districts, municipalities, and the state and its political subdivisions, the creation of employment, and the eradication of blight, if present within the business district, and the use of such powers for the creation, development, improvement, maintenance, and redevelopment of business districts of a municipality is hereby declared to be for the public safety, benefit, and welfare of the residents of the state and essential to the public interest and declared to be for public purposes.”

B. Required Findings:

In order to designate a Business District and approve a plan for its development and redevelopment, the BDD Act mandates the Village to make the following findings:

1. That the area within the proposed Business District on the whole has not been subject to growth and development by private enterprise;
2. That the area within the proposed Business District would not reasonably be anticipated to be developed or redeveloped without the adoption of a business district plan;
3. That the plan for the Business District conforms to the comprehensive plan for the development of the Village as a whole; and,
4. That the proposed Business District is a contiguous area which includes only those parcels of real property which directly and substantially shall benefit from the proposed plan for the Business District.

III. *Proposed Business District*

The proposed Routes 26/72 & Forreston Downtown Business Development District includes the real estate identified in *Exhibit A* hereto. The area contains a mix of commercial, industrial, residential and public uses as well as vacant areas. As a whole, the improved areas are characterized by aging properties, as deteriorated buildings, deteriorated site improvements, vacant buildings, and vacant land. The proposed Routes 26/72 & Forreston Downtown Business Development District covers approximately 130 acres and can be generally described as follows:

All of the properties on the east side of Routes 26/72 (Walnut Avenue) to the corporate boundaries on the east from the corporate boundaries on the north to parcel 02-28-329-001 on the south; generally all parcels east of Chestnut Avenue and west of Locust Street from Spruce Street on the north to Queen Street on the south; parcels generally bounded by Green Street to the north, Ash Avenue to the west, Chestnut Avenue to the east and Avon Street to the south; the properties generally bounded on the north by Avon Street, the Alley to the west, Plum Avenue to the east and Main Street to the south, including parcel 02-28-384-005; the parcels bounded by Main Street to the north, the Alley to the west (including parcels 02-33-133-005 and -006), to Cherry Street on the south (including parcels 02-33-137-006, 02-38-251-013 and -015), to Plum Avenue on the east; essentially all properties surrounding the intersection of Main Street and Locust Avenue, including parcel 02-33-211-008; and all parcels fronting Main Street on the north side from Locust Avenue to the front Main Street from Plum Avenue on the west to the eastern corporate boundaries; and properties generally bounded by Cherry Street to the north, Ash Avenue to the west, Oak Avenue to the east and Elm Street to the north (the “*Proposed Business District*”).

The Village has determined that, once approved, the Proposed Business District shall have a term of twenty-three (23) years.

IV. Routes 26/72 & Forreston Downtown Business Development District Plan

A. BD District Documents

As a result of the survey and investigation by CFPS, the Village has been advised that the Proposed Business District qualifies as a business district pursuant to the BDD Act as stated in the Village of Forreston, Ogle County, Illinois Eligibility Report attached hereto as *Exhibit B*, which survey and investigation analyzes the blighting factors now found in the Proposed Business District. This planning document (the “*Business District Redevelopment Plan*”) provides a development and redevelopment plan for those properties included in the Proposed Business District and, as required by the BDD Act, must include, at a minimum, the following:

- A general description of each project proposed to be undertaken within the Proposed Business District, including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or property to be improved within the Proposed Business District;
- The name of the Proposed Business District;
- The estimated Business District Project Costs;
- The anticipated sources of funds to pay Business District Project Costs;
- The anticipated type and term of any obligations to be issued; and,
- The rate of any tax to be imposed pursuant to subsections (10) or (11) of Section V as hereinafter set forth or Section 11-74.3-3 of the BDD Act and the period of time for which the tax shall be imposed.

B. Business Districts Goals and Objectives

General Goals and Objectives for the Routes 26/72 & Forreston Downtown Business Development District are:

- To upgrade existing buildings by eliminating and improving the deteriorating components while preserving the character of the historical downtown;
- To increase activity in order to create an environment that will contribute to the health, safety and welfare by inducing new businesses and services not currently locally available to Village residents;
- To increase employment opportunities;
- To improve roadways and storm water facilities thereby eliminating certain factors qualifying the Proposed Business District as blighted;

- To improve the infrastructure within the Proposed Business District to provide safe and efficient areas for commercial operations;
- To encourage private investment that will increase the value of properties thereby improving real estate values and the tax base of the Village and all affected taxing districts; and,
- To create a positive visual image in the Proposed Business District through landscaping, site improvements and high-quality signage.

C. Strategies

- Provide financial assistance to those property owners who are prepared to renovate or rehabilitate their properties from increased revenues generated by such development;
- Provide technical assistance in the planning and design of new development or the redevelopment of existing buildings;
- To provide a welcoming atmosphere to encourage innovative ideas to improve the character of the Proposed Business District; and,
- To create efficient procedures to review development and redevelopment proposals without compromising zoning and building code requirements.

V. *Powers Conferred by the BDD Act*

The Village believes that the area comprising the Proposed Business District would benefit from the designation as a “business district” as such designation grants the President and Board of Trustees of the Village of Forreston the following powers:

- (1) To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan. A contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers’ occupation taxes or service occupation taxes (including, without limitation, service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (10)) the municipality receives from the development or redevelopment of properties in the business district. Contracts entered into pursuant to this subsection shall be binding upon any successor President and Board of Trustees of the municipality and any party to such contract may seek to enforce and compel performance of the contract by civil action, mandamus, injunction, or other proceeding.
- (2) Within a business district, to acquire by purchase, donation, or lease and to own, convey, lease, mortgage or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements, and options with respect thereto, all in the manner and at such price authorized by law. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality or agreement relating to the development of property, shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by the municipality, and no agreement relating to the development of property, within a business district shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith.
- (2.5) To acquire property by eminent domain in accordance with the Eminent Domain Act.
- (3) To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.
- (4) To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of a business district for use in accordance with a business district plan.
- (5) To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within a business district.

- (6) To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.
- (7) To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district.
- (8) To pay or cause to be paid business district project costs. Any payments to be made by the municipality to developers or other nongovernmental persons for business district project costs incurred by such developer or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such business district project costs. A municipality is not required to obtain any right, title, or interest in any real or personal property in order to pay business district project costs associated with such property. A municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.
- (9) To apply for and accept grants, guarantees, donations of property or labor or any other thing of value for use in connection with a business district project.
- (10) If the municipality has by ordinance found and determined that the business district is a blighted area under the BDD Act, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.
- (11) If the municipality has by ordinance found and determined that the business district is a blighted area under the BDD Act, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.

In order to impose a tax pursuant to item (10) or item (11) cited above, the President and Board of Trustees shall undertake the following:

1. Hold a public hearing prior to designation of the business district and approval of the business district development plan.
2. Affirm that the area proposed to be designated as a business district is contiguous and includes such parcels of real property as shall be directly and substantially benefitted by the proposed development.

3. Shall find that the proposed business district is a blighted area and has not been subject to growth and development through private investment and without a business district development plan is not reasonably anticipated to be developed.

Upon the finding that the Proposed Business District is “blighted,” the Retailers’ Occupation Tax may be imposed in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the gross receipts from such sales made in the Proposed Business District in the course of selling tangible personal property, other than an item of tangible personal property titled and registered with an agency of the state’s government. The Retailers’ Occupation Tax may not be imposed for more than 23 years and may not be imposed on “food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics for human use. A Service Occupation Tax may be imposed in a quarter percent (.25%) increments at a total rate not to exceed one percent (1%) of the selling price of tangible personal property sold within the Proposed Business District incident to making sales of service. The Retailer’s Occupation Tax and Service Occupation Tax shall hereafter collectively be referred to as “Taxes.” Taxes, if imposed, shall be collected by the Illinois Department of Revenue and then disbursed to the Village.

The finding that the Proposed Business District is a “blighted” area also authorizes the Village to impose a hotel operators’ occupation tax in quarter percent (.25%) increments at a total rate not to exceed one percent (1%) on the gross receipts of the hotel for a period not to exceed twenty-three (23) years (the “*Hotel Tax*”). This tax must be collected by the Village directly from any hotel operating within the Proposed Business District.

VI. Routes 26/72 & Forreston Downtown Business Development District Projects

The Village proposes to achieve its development and redevelopment goals and objectives for the Proposed Business District through the use of public financing techniques and the imposition of the Taxes as authorized under the BDD Act to undertake the activities, improvements and projects described below. The Village also maintains the flexibility to undertake additional activities, improvements and projects authorized under the BDD Act and other applicable laws, if the need for activities, improvements and projects changes as redevelopment occurs during the term of the Proposed Business District:

- Improve roadways, curbs and gutters in order to provide for storm water runoff, eliminating cracked paving, potholes and deteriorating road conditions;
- Revitalize and upgrade buildings through site planning, façade improvements, and construction methods that provide coordinated design features, provide focus to the streetscape and buildings in the Proposed Business District;
- Construct sidewalks where needed and improve existing uneven sidewalks, streetscape design, pedestrian access, distinctive lighting, landscaping, and other appropriate site amenities;
- Create parking areas to serve future business development;
- Provide and upgrade infrastructure to serve the development, including the construction of and improvements to water, sanitary sewer, utility and stormwater management infrastructure;
- Construct or provide accent paving in crosswalks, street trees and ornamental plantings, and community banners;
- Undertake site clearance and site preparation, to permit subdividing or combining parcels to attract commercial and industrial development; and,
- Make access improvements to provide safe, convenient, efficient and effective access to the businesses in the Proposed Business District for automobiles, trucks and delivery vehicles;
- Review current signage and the need to provide attractive coordinated designs and positive visual images; and,
- Encourage use of directional signage to assist potential customers to find products and services provided within the Proposed Business District.

VII. Business District Project Costs

Section 11-74.3-5 of the BDD Act defines “Business district project costs” as the sum total of all costs incurred by a municipality, other governmental entity, or nongovernmental person in connection with a business district, in the furtherance of a business district plan, including, without limitation, the following:

- (1) Costs of studies, surveys, development of plans and specifications, implementation and administration of a business district plan, and personnel and professional service costs including architectural, engineering, legal, marketing, financial, planning, or other professional services, provided that no charges for professional services may be based on a percentage of tax revenues received by the municipality;
- (2) Property assembly costs, including but not limited to, acquisition of land and other real or personal property or rights or interests therein, and specifically including payments to developers or other nongovernmental persons as reimbursement for property assembly costs incurred by that developer or other nongovernmental person;
- (3) Site preparation costs, including but not limited to clearance, demolition or removal of any existing buildings, structures, fixtures, utilities, and improvements and clearing and grading of land;
- (4) Costs of installation, repair, construction, reconstruction, extension, or relocation of public streets, public utilities, and other public site improvements within or without the business district which are essential to the preparation of the business district for use in accordance with the business district plan, and specifically including payments to developers or other nongovernmental persons as reimbursement for site preparation costs incurred by the developer or nongovernmental person;
- (5) Costs of renovation, rehabilitation, reconstruction, relocation, repair, or remodeling of any existing buildings, improvements, and fixtures within the business district, and specifically including payments to developers or other nongovernmental persons as reimbursement for costs incurred by those developers or nongovernmental persons;
- (6) Costs of installation or construction within business district buildings, structures, works, streets, improvements, equipment, utilities, or fixtures, and specifically including payments to developers or other nongovernmental persons as reimbursements for such costs incurred by such developer or nongovernmental person;
- (7) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations, payment of any interest on any obligations issued under the BDD Act that accrues during the estimated period of construction of any development or redevelopment project for which those obligations are issued and for not exceeding 36 months thereafter, and any reasonable reserves related to the issuance of those obligations; and

- (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.

VIII. Anticipated Project Costs

The following is a list of “business district project costs” that are to be funded with the Taxes generated from business operations within the Proposed Business District exclusive of any costs incurred in connection with financing costs as explained in Section IX hereof.

(1) Costs of studies, development plans, engineering and professional services	\$ 100,000.00
(2) Land assembly	\$ 500,000.00
(3) Site preparation, including land clearance	\$ 200,000.00
(4) Repair and remodeling of existing buildings	\$ 1,000,000.00
(5) Improvements to public utilities	\$ 1,000,000.00
(6) Streetscape improvements	\$ 1,000,000.00
(7) Construction of improvements	\$ 2,000,000.00
(8) Interest costs	\$ 400,000.00
(9) Relocation costs	\$ 50,000.00
	<u>\$ 6,250,000.00</u>

The Village reserves the right to exceed budgeted costs in particular estimated development project costs categories so long as the total estimated cost is not exceeded over the 23-year life of the Proposed Business District, unless otherwise amended.

VIII. Sources of Funds to Pay Development Project Costs

Upon designation of the Routes 26/72 & Forreston Downtown Business Development District by Village ordinance, the Village intends to impose the retailers' occupation tax, at a rate not to exceed one percent (1%) of the gross receipts from sales made in the course of any business within the Routes 26/72 & Forreston Downtown Business Development District. Such tax shall not be applicable to the sales of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics for human use.

The Village also intends to impose a service occupation tax upon all persons engaged within the boundaries of the Routes 26/72 & Forreston Downtown Business Development District in the business of making sales of service at a rate not to exceed one percent (1%) of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service. Such tax may not be imposed on food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics for human use.

As hereinbefore provided, the retailers' occupation tax and the service occupation tax shall be collectively referred to as the "*Taxes*."

The proceeds of these Taxes shall be used during the term of the designation of the Routes 26/72 & Forreston Downtown Business Development District (not to exceed 23 years from the date of adoption of this Business District Plan) for the planning, execution and implementation of the Business District Plan, the payment of business district project costs as set forth in the Business District Plan and permitted by the BDD Act and the payment of obligations of the Village issued to provide for the payment of business district project costs.

A Village ordinance shall also be adopted by the President and Village Board of Trustees to create a separate fund entitled the "Routes 26/72 & Forreston Downtown Business Development District Tax Allocation Fund" in order to receive the revenues generated by the Taxes. Pursuant to the BDD Act, all funds received from the Taxes must be deposited into this special fund.

Funds necessary to pay for business district project costs and to secure municipal obligations issued for such costs are to be derived primarily from the Taxes. Other sources

of funds which may be used to pay for business district project costs or to secure municipal obligations are state and federal grants, investment income, private financing and other legally permissible funds the Village may deem appropriate. All such funds shall be deposited in the Routes 26/72 & Forreston Downtown Business Development District Tax Allocation Fund.

IX. *Issuance of Obligations*

The Village may issue obligations pursuant to the BDD Act and other authorities in order to pay for business district project costs. The obligations may be secured by the Taxes, and other sources that the Village may deem appropriate. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the BDD Act.

All obligations issued by the Village pursuant to this Business District Plan and the BDD Act shall be retired within twenty-three (23) years from the date of adoption of the ordinance approving this Business District Plan. One or more series of obligations may be issued from time to time in order to implement this Business District Plan.

Obligations may be issued on either a taxable or tax-exempt basis, as general obligation bonds, general obligation debt certificates, alternate bonds or revenue bonds, or other debt instruments, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; with or without redemption provisions, and on such other terms, all as the Village may determine and deem appropriate.

X. *Establishment and Term of the Routes 26/72 & Forreston Downtown Business Development District*

The establishment of the Routes 26/72 & Forreston Downtown Business Development District shall become effective upon adoption of an ordinance by the President and Village Board of Trustees adopting the Business District Plan and designating the Routes 26/72 & Forreston Downtown Business Development District. Development agreements between the Village and any developers or other private parties shall be consistent with the provisions of the BDD Act and this Business District Plan.

Pursuant to the BDD Act, the Routes 26/72 & Forreston Downtown Business Development District Taxes and Hotel Tax described in Section V may not be imposed for more than twenty-three (23) years pursuant to the provisions of the BDD Act. The Routes 26/72 & Forreston Downtown Business Development District shall expire upon the termination of the imposition of the Taxes and the final payout of the same from the Routes 26/72 & Forreston Downtown Business Development District Tax Allocation Fund, which shall be no later than 23 years from the date of adoption of the ordinance approving this Business District Plan.

XI. Formal Findings

Based upon the information described in the attached *Exhibit C*, the President and Village Board of Trustees of the Village of Forreston finds and determines the following:

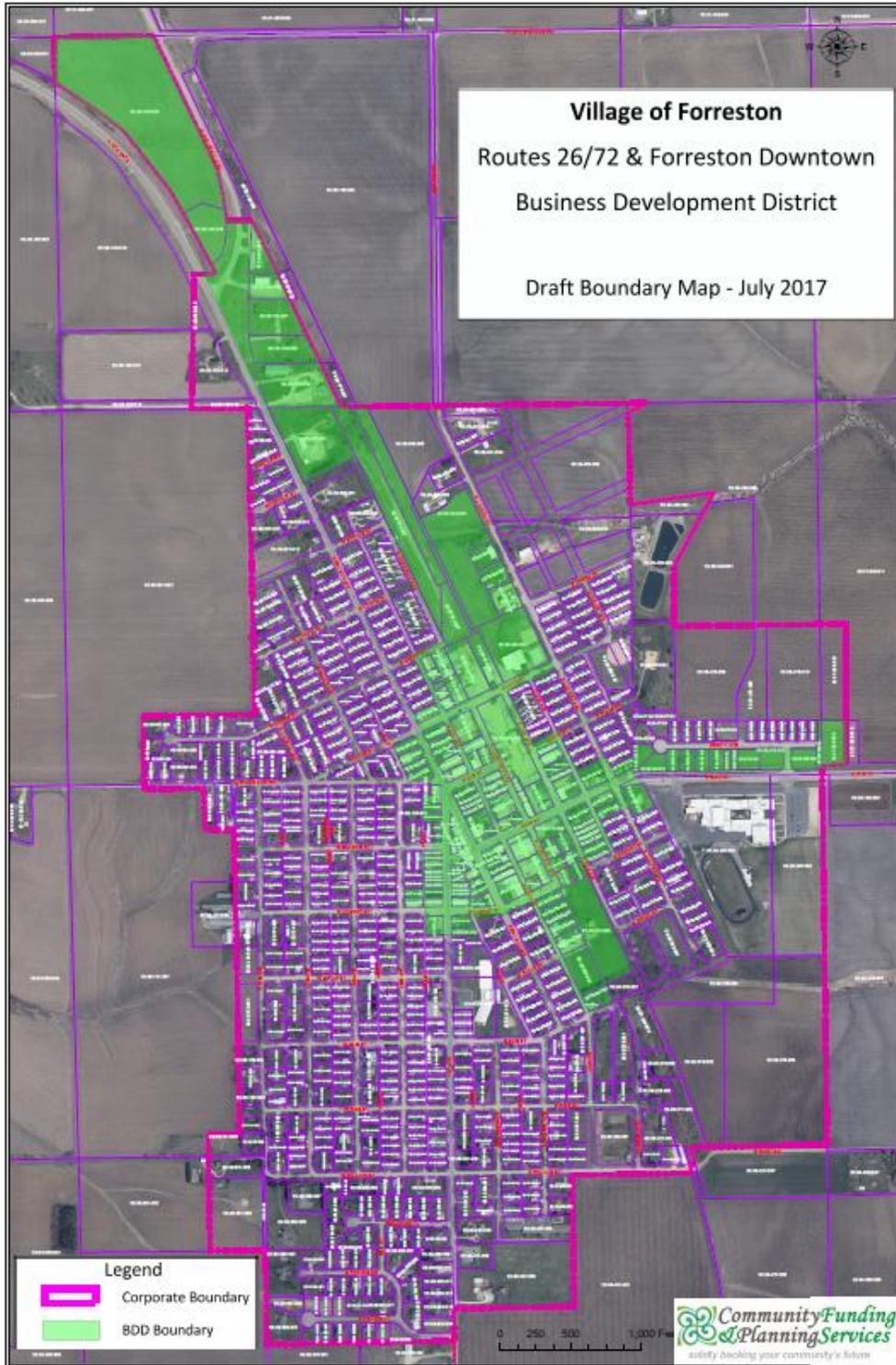
- (a) the Routes 26/72 & Forreston Downtown Business Development District is a contiguous area and includes only parcels of real property directly and substantially benefitted by this Business District Plan;
- (b) the Routes 26/72 & Forreston Downtown Business Development District Plan is consistent with the Village of Forreston's Comprehensive Plan for the development of the Village as a whole;
- (c) the Routes 26/72 & Forreston Downtown Business Development District is a blighted area as defined in the BDD Act by reason of obsolete platting, defective streets, deterioration of structures and, deterioration of site improvements;
- (d) the Routes 26/72 & Forreston Downtown Business Development District constitutes an economic liability to the Village in its present condition and use; and,
- (e) the Routes 26/72 & Forreston Downtown Business Development District on the whole has not been subject to growth and development by private enterprises or would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district development or redevelopment plan.

XII. Provisions for Amending the Business District Plan

The President and Village Board of Trustees of the Village of Forreston may amend this Business District Plan from time to time by adopting an ordinance providing for such amendment.

EXHIBIT A

Proposed Business District - Map:



Proposed Business District - Legal Description:

A part of Section 28, and part of the Southwest Quarter of the Southwest Quarter of Section 27, and part of the North Half of Section 33, all in Township 25 North, Range 8 East of the Fourth Principal Meridian, Ogle County, Illinois, more particularly described as follows: Beginning at the Northwest corner of said Section 28; Thence East, along the North line thereof, to where it intersects with the Westerly Right of Way line of North Baileyville Road; Thence Southerly, along said Right of Way line, to where it intersects with the North line of the South Half of the Northwest Quarter of said Section 28; Thence East, along said North line, to a point on the Westerly Right of Way line of the former Illinois Central Gulf Railroad, said point being the Northeast corner of the parcel of land having a parcel identification number of 02-28-100-005, conveyed to Smokin' Gun Worx LLC in document number 201506077; Thence Southeasterly, along the said Westerly Right of Way line of said Railroad, to where it intersects with the North line of the Southeast Quarter of said Section 28; Thence East, along said North line, to the Northwest corner of the parcel of land having a parcel identification number of 02-28-333-006; Thence Southeasterly, along the Westerly line of said parcel, and the Southeasterly extension thereof, to the Northwest corner of the parcel of land having a parcel identification number of 02-28-402-004; Thence Easterly, along the Northerly line of said parcel, to the Northeast corner thereof, being on the Westerly Right of Way line of North Locust Street; Thence Southerly, along said Westerly Right of Way line of North Locust Street, to where it intersects with the Southerly Right of Way of East Avon Street; Thence Westerly, along said Southerly Right of Way line of East Avon Street, to where it intersects with the Easterly Right of Way line of North Oak Avenue; Thence Southerly, to where it intersects with the Northerly Right of Way line of State Street; Thence Easterly, along said Northerly Right of Way line of State Street, to where it intersects with the Easterly Right of Way line of Plum Avenue; Thence Southerly, along said Easterly Right of Way line of Plum Avenue, to the Northwest corner of the parcel of land conveyed to Russell and Marsha Johnson by a Warranty Deed recorded as Document Number 201305308 and having a parcel identification number of 02-28-460-009; Thence Easterly, along the North line of said parcel, and the Easterly extension thereof, to where it intersects with the Easterly Right of Way line of North Locust Avenue; Thence Southerly, along said Easterly Right of Way line of North Locust Avenue, to the Northwesterly corner of the parcel of land having a parcel identification number of 02-28-461-010; Thence Northeasterly, along the Northerly line of said parcel, and the Northeasterly extension thereof, to where it intersects with the Westerly line of Lot 10 in "Village East Estates", being a subdivision located in the Southeast Quarter of said Section 28; Thence North, along the West line of said Lot 10, to the Northwest corner thereof; Thence East, along the North line of said Lot 10, 132.13 feet, more or less, to the Northeast corner thereof, being on the Right of Way line of Hewitt Avenue in said Subdivision; Thence Easterly, along the Southerly Right of Way line of said Hewitt Avenue, to the Northeast corner of Lot 1 of said "Village East Estates"; Thence Northeasterly, to the Southeast corner of Lot 35 of "Prairie Ridge Plat 1", a Subdivision in the Southeast Quarter of Section 28; Thence North, along the East line of said Lot 35, 140.00 feet, more or less, to the Northeast corner thereof; Thence East, on the Easterly extension of the North line of said "Prairie Ridge Plat 1", 30 feet, more or less, to the East line of the Southeast Quarter of said Section 28; Thence East, on said Easterly extension, 219.25 feet, more or less; Thence South, parallel with the East line of the Southeast Quarter of said Section 28, to the North Right of Way line of Illinois Route 72 (Main Street); Thence Westerly, along said North Right of Way line, to the Southwest corner of aforementioned Lot 10 in "Village East Estates"; Thence Southeasterly, across Illinois Route 72, to the Northeast corner of the parcel of land described in a Warranty Deed recorded in Deed Book 1994 at Page 7326, and having a parcel identification number of 02-33-226-001; Thence Southeasterly, along the Easterly line thereof, to the Southeast corner of said parcel; Thence Southwesterly, along the South line thereof, to the Southwest corner of said parcel, being on the Easterly Right of Way line of South Locust Avenue; Thence Northerly, along said Easterly Right of Way line, to where it intersects with the Northeasterly extension of the Southerly line of the parcel of land described in a Warranty Deed recorded in Deed Book 1993 at Page 5427, and having a parcel identification number of 02-33-211-008; Thence Southwesterly, along the Southerly line of said parcel, to the Southwest corner thereof, being on the Easterly Right of Way line of Plum Avenue; Thence Southerly, along said Easterly Right of Way line, to where

it intersects with the Northerly Right of Way line of East Cherry Street; Thence Southwesterly, along said Northerly Right of Way line of East Cherry Street, to where it intersects with the Westerly Right of Way line of South Oak Avenue, also being the Easterly Right of Way line of the former Illinois Central Gulf Railroad; Thence Southerly, along said Easterly Right of Way line of Railroad, to the Southeast corner of the parcel of land having a parcel identification number of 02-33-213-005; Thence Southwesterly, along the Southerly line of said parcel, to the Northeasterly corner of the parcel of land having a parcel identification number of 02-33-254-003; Thence Southeasterly, along said parcel, to the Southeast corner thereof, being on the Northerly Right of Way line of East Elm Street; Thence Southwesterly, along said Northerly Right of Way line of East Elm Street, to where it intersects with the Westerly Right of Way line of South Ash Avenue; Thence Northerly, along said Westerly Right of Way line of South Ash Avenue, to where it intersects with the Southerly Right of Way line of East Cherry Street; Thence Westerly, along said Southerly Right of Way line of East Cherry Street, to the Northeast corner of Lot 1 in Block 2 of Hewitt's 1st Addition to the Village of Forreston; Thence Southeasterly, along the East line of Lot 1 and Lot 2 in said Block 2, to the Southeast corner of said Lot 2; Thence West, along the South line of said Lot 2, to the Southwest corner thereof; Thence West, across 1st Avenue, to the Southeast corner of Lot 2 in Block 9 of the Original Town of Forreston; Thence West, along the South line of said Lot 2, to the Southwest corner thereof; Thence North, along the West line of Lots 2 and 1 in said Block 9, and the Northerly Extension thereof, to the Southwest corner of Lot 6 in Block 8 of said Original Town of Forreston; Thence West, along the South line of Lot 6 and Lot 7 in said Block 8, to the Southwest corner of said Lot 7; Thence North, along the West line of Lots 7 and 8 in said Block 8, to the Northwest corner of said Lot 8; Thence East, along the North line thereof, and the Easterly extension thereof, to the Southwest corner of Lot 4 in said Block 8; Thence North, along the West line of Lots 1, 2, 3 & 4 in said Block 8, and the West line of Lots 2, 3, 4, 5 & 6 in Block 1 of said Original Town of Forreston, to the Northwest corner of Lot 2 in said Block 1; Thence East, along the North line of said Lot 2 in Block 1, to the Southwest corner of the East 75 feet of Lot 1 in said Block 1; Thence North, along the West line of said East 75 feet of Lot 1, and the Northerly extension thereof, to where it intersects with the North Right of Way line of West White Oak Road; Thence West, along said North Right of Way line of West White Oak Road, to the Southwest corner of Lot 4 in Block 13 of Railroad Addition to the Village of Forreston; Thence Northwesterly, along the Westerly line of Lots 1, 2, 3 & 4 in said Block 13, to the Northwest corner of Lot 1 in said Block 13; Thence Easterly, along the North line of said Lot 1 and the Easterly extension thereof, to the Northwesterly corner of Lot 15 in Block 14 of said Railroad Addition, also being the Easterly Right of Way line of North Walnut Avenue; Thence Northerly, along said Easterly Right of Way line of North Walnut Avenue, to the Northwest corner of Lot 11 in Block 11 of said Railroad Addition; Thence Northeasterly, along the North line thereof, to the Northeast corner of said Lot 11, also being a point on the Westerly Right of Way line of North Ash Avenue; Thence Northerly, along said Westerly Right of Way line of North Ash Avenue, to where it intersects with the Northerly Right of Way line of East Green Street; Thence Easterly, along said Northerly Right of Way line of East Green Street, to where it intersects with the Easterly Right of Way line of North Chestnut Avenue, said point also being on the Westerly Right of Way line of the former Illinois Central Gulf Railroad; Thence Northerly, along said Easterly Right of Way line of North Chestnut Avenue, and the Westerly Right of Way line of said Railroad, to the Southeast corner of the parcel of land described in Book 243 at Page 476, and having a parcel identification number of 02-28-329-001; Thence Southwesterly, along the South line thereof, to where it intersects with the Easterly Right of Way line of North Walnut Avenue (Illinois Route 26); Thence Northerly, along said Easterly Right of Way line of North Walnut Avenue (Illinois Route 26), to where it intersects with the West line of Section 28; Thence North, along said West line, to the Point of Beginning.

7/30/2017

EXHIBIT B

ELIGIBILITY REPORT

VILLAGE OF FORRESTON,
OGLE COUNTY, ILLINOIS

**ROUTES 26/72 & FORRESTON DOWNTOWN
BUSINESS DEVELOPMENT DISTRICT**

ELIGIBILITY REPORT

**VILLAGE OF FORRESTON, OGLE COUNTY, ILLINOIS
ROUTES 26/72 & FORRESTON DOWNTOWN
BUSINESS DEVELOPMENT DISTRICT**

ELIGIBILITY REPORT

The proposed Routes 26/72 & Forreston Downtown Business Development District includes the real estate identified in Exhibit A of the Development Plan of the proposed Routes 26/72 & Forreston Downtown Business Development District Development Plan. The District contains a mix of commercial, industrial, residential and public uses as well as vacant areas. As a whole, the improved areas are characterized by aging properties, deteriorated buildings, deteriorated site improvements, vacant buildings, and vacant land. The District covers approximately 130 acres and can be generally described as follows:

All of the properties on the east side of Routes 26/72 (Walnut Avenue) to the corporate boundaries on the east from the corporate boundaries on the north to parcel 02-28-329-001 on the south; generally all parcels east of Chestnut Avenue and west of Locust Street from Spruce Street on the north to Queen Street on the south; parcels generally bounded by Green Street to the north, Ash Avenue to the west, Chestnut Avenue to the east and Avon Street to the south; the properties generally bounded on the north by Avon Street, the Alley to the west, Plum Avenue to the east and Main Street to the south, including parcel 02-28-384-005; the parcels bounded by Main Street to the north, the Alley to the west (including parcels 02-33-133-005 and -006), to Cherry Street on the south (including parcels 02-33-137-006, 02-38-251-013 and -015), to Plum Avenue on the east; essentially all properties surrounding the intersection of Main Street and Locust Avenue, including parcel 02-33-211-008; and all parcels fronting Main Street on the north side from Locust Avenue to the front Main Street from Plum Avenue on the west to the eastern corporate boundaries; and properties generally bounded by Cherry Street to the north, Ash Avenue to the west, Oak Avenue to the east and Elm Street to the north (the “*Proposed Business District*”).

The legal description of the Proposed Business District is included as Exhibit A of the Routes 26/72 & Forreston Downtown Business Development District Development Plan.

In order for the Village of Forreston to designate the Proposed Business District as a “business district” under the Business District Development and Redevelopment Law (65 ILCS 5/11-74.3-1 *et seq.*) (the “*BDD Act*”) and to implement a sales tax or a hotel tax to fund improvements to the Proposed Business District, the Village is required to make a formal finding that the Proposed Business District is a “blighted area” which is defined by the BDD Act as:

“Blighted area” means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or

property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.”

The BDD Act also requires the municipality to determine that the Proposed Business District has not been subject to growth and development through private investment and would not reasonably be anticipated to experience investment and redevelopment without the adoption of the proposed Routes 26/72 & Forreston Downtown Business Development District Development Plan.

I. ANALYSIS OF THE PROPOSED BUSINESS DISTRICT

The Proposed Business District encompasses the Village's manufacturing district, its downtown business district and its residential district along the highway corridor. The proposed area includes a wide range of mixed uses as well as vacant areas. As a whole, the improved areas are characterized by aging properties, deteriorated buildings, deteriorated site improvements, vacant buildings, and vacant land.

Forreston is fortunate to have two State routes that traverse through the heart of the community's downtown district. Illinois Routes 26 and 72 enter the Village from the north and split on Main Street in the downtown district, with Route 26 continuing south and Route 72 traversing east. Per the Illinois Department of Transportation, the traffic count along Routes 26 and 72 range between 1800 and 2300 cars per day. Forreston is located roughly 12 miles south of Freeport, which is the largest community and County Seat of Stephenson County, and is roughly 30 miles southwest of Rockford and roughly 100 miles west of Chicago.

The Village of Forreston's manufacturing district located in the center of the Village, represents a large percentage of the businesses in the community, with a vast array of services provided ranging from a waste disposal company to a trucking company. The downtown district is located at the intersection of the two State Routes, and provides a nice, but small selection of retail services.

In order to determine if the proposed Business District demonstrated those factors which constitute a "blighted area" are significantly present throughout the area, an investigation was conducted of the existing conditions including:

- 1) a survey of the properties and use of the structures within the proposed district;
- 2) a survey of the adequacy of existing streets, the condition of the streets, storm drainage, traffic patterns, lighting, parking facilities, and sidewalks;
- 3) review of county parcel records; and,
- 4) discussions with Village officials, the Village's engineer and local residents to ascertain the existing conditions acting as hurdles to new development and improvement.

The Proposed Business District is comprised of 154 parcels of which approximately 120 parcels are improved with structures. A majority (75%) of the improved structures are considered to be 'deteriorated', and more than 60% of the area contains site deterioration. Additionally, a large majority of the improved structures are more than fifty years old.

Although the Village has issued roughly 170 building permits during the last five years, only 17% (or 29) have been issued for properties located within the proposed District. Additionally, of the 29 permits issued, a large majority of the permits were for signage, with 3 issued for building additions.

Further, the equalized assessed valuation (EAV) for the Village of Forreston’s proposed Business District has steadily decreased since 2011, with a slight increase in 2016. The proposed business district EAV from 2011 to 2016 has seen a decrease of \$208,385, or roughly -7.18%. The Village of Forreston’s overall EAV has also seen a steady decrease since 2011, with a slight increase in 2016. For the period 2011 to 2016, the Village’s overall EAV decreased by \$1,571,274 or -10.88% (see Table 1 below).

Table 1 – Equalized Assessed Valuation

	2016	2015	2014	2013	2012	2011
Proposed Business District EAV	\$2,899,891	\$2,860,905	\$2,886,631	\$2,947,415	\$2,983,590	\$3,108,276
Percentage Change	1.34%	-0.90%	-2.11%	-1.23%	-4.18%	
Village of Forreston Overall EAV	\$14,445,302	\$13,996,036	\$14,072,099	\$14,422,331	\$15,243,576	\$16,016,576
Percentage Change	3.11%	-0.54%	-2.49%	-5.70%	-5.07%	

While there was some residential development a number of years ago along the highway corridor, there’s been very little commercial development, and definitely not enough significant private investment to make an economic difference in the Village of Forreston’s economy.

The Proposed Business District is plagued by deteriorated structures, deteriorated roadways, lacking and deteriorated sidewalks, lacking and archaic street lighting, lacking storm water management and vacancies.

The Proposed Business District has several land uses and includes the following zoning districts:

- B1 – Business
- M1 – Manufacturing
- R1 – Single Family Residential
- R3 – Multi-Family Residential

II. EXISTENCE OF BLIGHTING FACTORS

A. Deterioration of Buildings and Site Improvements

Field surveys were conducted to identify the physical condition of buildings, parking lots, service and loading areas, lighting, streets, curbing, storm sewer and sidewalks. A significant number of the properties and sites within the Proposed Business District exhibit deterioration and/or dilapidation at varying degrees.

Building maintenance has been deferred on a majority of site improvements to a point where a wide range of deteriorated conditions are very visible. For example:

- Minor deterioration, which encompasses the presence of peeling paint and deferred maintenance of window components, doors, siding, gutters, soffit and fascia exists throughout the proposed District;
- Major deterioration encompasses work that must be subcontracted out, such as deteriorated brick and mortar, roofs that need to be replaced, deteriorated steps and entry ways, broken windows, and damaged or missing siding and gutter systems, as also evident throughout the proposed District
- Structures adjacent to the proposed District have been condemned and are no longer habitable;

Per Chapter 10 – Building and Property Maintenance of the Village of Forreston’s Codes, it clearly defines the requirements for building and property maintenance. Chapter 7-10-1: Maintenance Required states, “All buildings and structures and all parts thereof shall be maintained in a safe, sanitary and nonhazardous manner. All means of egress, devices, safeguards and equipment shall be kept in good working order. The exterior of all premises and the condition of all buildings, structures and components thereon shall be maintained so as to prevent and repair deterioration. The appearance of all buildings, structures and components thereon shall reflect a level of maintenance consistent with the maintenance standards set forth herein so as to ensure that the property itself may be preserved safely, that hazards to public health and safety be avoided and that neighboring property values not be diminished.

Further, Chapter 7-10-2 Maintenance Standards states,

A. Maintenance Of Structure: Each owner and occupant shall keep all exterior components of every structure in good repair, including, but not limited to, walls, roofs, chimneys, cornices, gutters, downspouts, drains, porches, steps, landings, fire escapes, exterior stairs, windows, shutters, doors, storefronts, signs, marquees and awnings.

B. Surface Covering Of Structures: All surfaces shall be covered with a protective coating such as paint, plastic siding, or other material which preserves the structure and does not contribute to deterioration.

C. Surface Deterioration Of Structures: All surfaces shall be maintained free of deterioration, including, but not limited to, broken glass, loose or missing shingles or siding, crumbling brick, stone and mortar, and peeling, scaling or deteriorated paint.

Of the 120 improved structures within the Proposed Business District, 90 (75%) were identified to be deteriorated. This is directly attributable to the age of the buildings, as roughly 54% of the structures are more than fifty years old. These determinations were based upon visible defects of building components from the exterior surveys, along with a review of parcel information available at the Ogle County Courthouse and GIS System. Additionally, many of these buildings, as well as other buildings throughout the area, also do not meet the Americans with Disabilities Act standards for commercial properties.

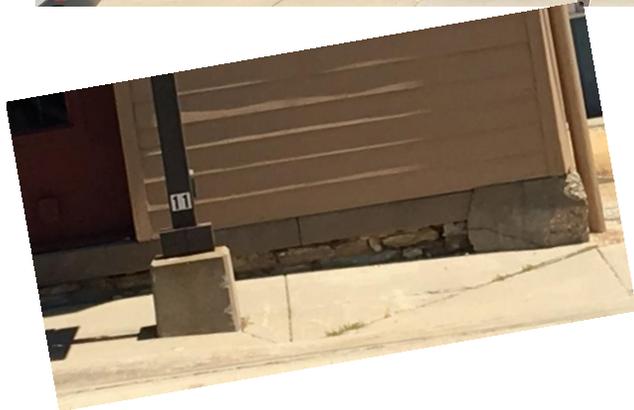
Within the Village’s proposed District, there are two State highways --- Route 26 and Route 72. These highways are maintained and upgraded by the Illinois Department of Transportation. The other interior roadways within the Village are basically chip-n-seal roadway surfaces. Some of the roadways have many layers of chip-n-seal, creating a very high crown on the roadway and sometimes making the roadway higher than the curb area. Some of the roadways have no pavement markings with minimal cross-walk designations; many of the Village roadways have no curb and gutter and no storm water facilities. There is very limited street lighting throughout the proposed area; some areas only have lighting at the intersections. Given the fact that there is also very little sidewalk in certain areas, combined with limited lighting, makes for a very unsafe environment for pedestrians walking in the Village.

Parking areas, curbing, and sidewalks (or lack thereof) throughout the Proposed Business District were found to have deteriorated conditions in the form of missing and cracked pavement and concrete, potholes, loose paving materials, and weeds protruding through paved surfaces. The necessary site improvements needed to encourage private investment are sorely lacking in the Proposed Business District, and will require substantial investment on the part of the Village.

Below are examples of photos documenting the preceding conditions:



Deterioration of Buildings and Site Improvements





Accessibility Issues



Deteriorated Site Improvements



Vacancies



B. Obsolete Platting;

A very significant blighting factor to be found in the Proposed Business District is obsolete platting, a factor which contributes to deleterious use of properties. A majority of the parcels in the Village's "V" shaped downtown business district were first platted around 1860 and many have retained their original dimensions. A significant number of the parcels in the downtown district are too narrow in width (a majority range in size from twenty to twenty-five feet), and the length varies from sixty-five feet to one-hundred twenty feet. These lot dimensions prohibit modern commercial redevelopment on parcels within the downtown business district. Additionally, the Village's Zoning Ordinance provides for dimensional requirements for parcels located within the manufacturing district. The Ordinance calls for front, side and rear yard minimum measurements; many of the structures located within the manufacturing district fall short of meeting the dimensional requirements.

Finally, excessive land coverage and overcrowding of structures and community facilities is present within the Proposed Business District as indicated primarily by buildings that cover most or all of the parcels upon which they are situated, or have multiple buildings on a single tax parcel. The properties affected are mainly commercial and do not contain adequate setbacks, off-street parking space, access to public right-of-way and adequate loading and service areas.

Development within the Village of Forreston occurred prior to the benefit of a comprehensive community plan, or guidelines requiring proper land use arrangements, building setbacks and loading or service requirements. In 2002, the Village adopted a Comprehensive Amendment of the Zoning Ordinance for the Village of Forreston; the original zoning ordinance was adopted in 1974. In 2002, a community survey was conducted that secured citizen input which served as an integral component in the planning process which led to the creation and adoption in 2005 of the Village of Forreston's first Comprehensive Plan. The Plan is meant to be the center-piece of the community development planning process, stating community development goals and outlining public policies for guiding future growth. It establishes an identifiable destination that allows for both the public body and private interests to plan and budget with an idea as to the direction the Village may move into the future, and helps ensure that future growth is not only anticipated, but planned for. The Plan also functions as a practical guide to coordinate day-to-day decisions so they make sense in the future.

The purpose of the Zoning Ordinance are many, starting with, to promote and protect the health, safety, comforts and general welfare of the people; to divide the Village into zones or districts restricting and regulating therein the location, erection, construction, reconstruction, alteration and use of buildings, structures and land for residential, business, manufacturing and other specified uses; to protect the character and stability of the residential, business, and manufacturing areas within the Village, and to promote orderly and beneficial development of such areas; to establish reasonable standards...; to establish building lines and locations for designed uses; to prohibit uses....; to limit congestion....; to prevent overcrowding....; and to conserve the taxable value of land and buildings throughout the Village.

III. DETERMINATION OF ELIGIBILITY UNDER THE BDD ACT

The Proposed Business District meets the requirements of the BDD Act for designation as a blighted area. Blight, as defined in the BDD Act, is present and the presence of these blighting conditions has hindered growth and development in the Proposed Business District. The blighting conditions in the area have been present for an extended period of time, and the market alone has not been able to support new development to mitigate these conditions. The Village is looking at new economic development tools, such as creating a Business Development District and a Tax Increment Financing District to provide an additional revenue source to address public infrastructure needs and to assist existing businesses with redevelopment efforts and attract new businesses. It has become apparent that private investment alone cannot be reasonably expected and some additional financial incentives are required.

The conclusion of this Eligibility Study is that the Proposed Business District qualifies as a blighted commercial area under the requirements of the BDD Act and the area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic and social well-being of the Village of Forreston.