

# ***VILLAGE OF FORRESTON***

*Ogle County, Illinois*

## **ROUTES 26/72 & FORRESTON DOWNTOWN REDEVELOPMENT PROJECT AREA**



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# ROUTES 26/72 & FORRESTON DOWNTOWN REDEVELOPMENT PROJECT AREA

## *Redevelopment Plan*

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## **I. Tax Increment Financing**

In February 1977, the Illinois General Assembly passed the Tax Increment Allocation Redevelopment Act (the “Act”) which has since been amended many times (65 ILCS 5/11-74.4-1 *et seq.*). The Act provides a means for municipalities after the approval of a Redevelopment Plan, designation of a “redevelopment project area” (“*Redevelopment Project Area*”) and adoption of the Act, to finance “Redevelopment Project Costs” (“*Redevelopment Project Costs*”) with “incremental property tax revenues” (“*Incremental Property Taxes*”). Incremental Property Taxes are derived from the increase in the equalized assessed valuation (EAV) of taxable real property within the Redevelopment Project Area over and above the equalized assessed value of such property as of the date tax increment allocation financing is adopted (“*Initial EAV*”). Any year-to-year increase in EAV over the Initial EAV of such real property is then multiplied by the current tax rate, which results in Incremental Property Taxes.

The Act defines a number of items that may be eligible Redevelopment Project Costs. Incremental Property Taxes may pay for eligible Redevelopment Project Costs or may be pledged to pay, notes or other obligations issued for that purpose. As authorized by the Act, a municipality may issue bonds payable solely from Incremental Property taxes to pay eligible Redevelopment Project Costs. In addition, a municipality may pledge, as payment, additional municipal revenues including revenues from municipal property taxes or other revenue sources, and may issue bonds backed by the general obligation of the municipality for this purpose.

As stated above, as a result of the adoption of TIF, Incremental Property Taxes are captured as new tax revenues generated by the increase in the EAV over the Initial EAV. This increased EAV of properties can result from a municipality’s redevelopment program, improvements, various developments and redevelopment activities, and the reassessment of properties. Under the Act, all taxing districts continue to receive property taxes levied by application of their tax rates on the Initial EAV of properties within the Redevelopment Project Area. Taxing districts benefit from the increased property tax base after Redevelopment Project Costs and obligations have been paid and the designation of the redevelopment project is terminated. If the taxing districts include buildings and structures within the Redevelopment Project Area, those facilities are eligible for repair, remodeling, and rehabilitation to the extent funds are available.

Any capitalized term not otherwise defined herein shall have the same meaning ascribed to such term by the Act.

By necessity, the Act has been amended an extraordinary number of times since 1977. The Act initially contemplated receipts of Incremental Property Taxes for a period of twenty-three (23) years from the exact date of the ordinances approving the plan, designating the redevelopment project area and adopting the Act. By 1981, it was determined that the date of the termination of the designation of a “redevelopment project area” on any date other than December 31 was not practical as incremental real estate taxes could not easily be prorated for a portion of a year. Section 11-74.4-3.5 was therefore amended to read:

“Unless otherwise stated in this Section, the estimated dates of completion of the redevelopment project and retirement of obligations issued to finance redevelopment project costs (including refunding bonds under Section 11-74.4-7) may not be later than December 31 of the year in which the payment to the municipal treasurer, as provided in subsection (b) of Section 11-74.4-8 of this Act, is to be made with respect to ad valorem taxes levied in the 23<sup>rd</sup> calendar year after the year in which the ordinance approving the redevelopment project area was adopted if the ordinance was adopted on or after January 15, 1981.”

On a case by case basis, the General Assembly has also amended the Act numerous times to extend the estimated date of completion, in each instance naming the specific municipality and stating the date of the original ordinances approving the plan and designation of the redevelopment project area. Most extensions of the estimated date of completion have been no later than December 31 in which payment is made to the municipal treasurer of the taxes levied in the 35<sup>th</sup> year after the date of the original ordinances; however, the length of each extension of the designation of a redevelopment project area by a municipality is determined by the General Assembly.

## II. *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 2002 Amendment to the Village’s 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, 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 one service a month in the German language into the 1940’s.”

The Village’s population as of the 2010 census was 1,446. 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 as 1,469.

The Village is served by Forrestville Valley School District 221 with an elementary, middle and high school located in town. Forreston boasts of 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.

### **III. *Routes 26/72 & Forreston Downtown Redevelopment Project Area***

The Village has identified specific properties for designation as a Redevelopment Project Area which includes approximately 255 acres, divided into 209 parcels of real estate of which 196 are improved (approximately 190 acres) and 13 are vacant (approximately 65 acres). The uses within this proposed area include commercial, manufacturing, residential and institutional (the “*Rts. 26/72 & Forreston Downtown RPA*”).

The legal description of the proposed *Rts. 26/72 & Forreston Downtown RPA* is set forth on *Exhibit A*. A map of the proposed *Rts. 26/72 & Forreston Downtown TIF* is shown on *Exhibit B*. The President and Village Board of Trustees authorized an eligibility study (the “*Eligibility Study*”) of the proposed *Rts. 26/72 & Forreston Downtown RPA* in order to document those factors which are present to a meaningful extent thereby qualifying said area as a Redevelopment Project Area pursuant to the Act. A copy of the Eligibility Study is attached hereto as *Exhibit C* and made a part hereof by this reference.

The Eligibility Study summarizes those factors as set forth in the Act which must be present in a proposed redevelopment project area to qualify as either a “blighted” improved area, a “blighted” vacant area or a “conservation” area. The study specifically identifies the factors present in the proposed *Rts. 26/72 & Forreston Downtown RPA* which qualify the improved parcels of real estate as a “conservation” area and the factors which qualify the vacant parcels as a “blighted” area. With regard to the improved area of the proposed *Rts. 26/72 & Forreston Downtown RPA*, the Eligibility Report concludes that this area:

“...as a whole is characterized by aging and deteriorating properties, vacant buildings and spaces within buildings, sites/parcels of irregular shape and size, excessive land coverage, deleterious land-use or layout, lack of community planning, and deteriorating and inadequate infrastructure.”

With regard to the vacant areas (65 acres) of the proposed *Rts. 26/72 & Forreston Downtown RPA*, the Eligibility Study has determined that development has been impeded by diversity of ownership, obsolete platting and proximity to adjacent deteriorating structures. The vacant area includes two parcels of property which shall be annexed to the Village prior to the approval of this Redevelopment Plan. The Village has not entered into an annexation agreement with the owner and upon annexation, these properties shall be zoned R-1.

The designation of the proposed *Rts. 26/72 & Forreston Downtown RPA* as a Redevelopment Project Area will allow the Village to address some of the area’s deficiencies including but not limited to:

- Bringing underutilized properties to productive reuse;
- Establishing land uses that will compliment adjacent uses and that will increase efficiency and economic relationships;

- Coordinating land assembly in order to provide sites sufficient for modern development;
- Entering into redevelopment agreements to induce new development to locate within the proposed Rts. 26/72 & Forreton Downtown RPA;
- Improving appearance of the proposed Rts. 26/72 & Forreton Downtown RPA through additional facade, landscape, design guidelines, streetscape, and signage programs;
- Improving infrastructure within the proposed Rts. 26/72 & Forreton Downtown RPA.

## **IV. *Redevelopment Plan to Address Existing Conditions***

### **A. *Redevelopment Plan Requirements***

Pursuant to the Act, the Village of Forreston anticipates the designation of the proposed Rts. 26/72 & Forreston Downtown RPA as a Redevelopment Project Area in order to use tax increment financing to pay Redevelopment Project Costs to stimulate private investment for development and redevelopment thereby eliminating those conditions which qualified the improved parcels of the proposed Rts. 26/72 & Forreston Downtown RPA as a “conservation” area and the vacant parcels as a “blighted” area. Under the Act, the preparation of a Redevelopment Plan setting forth a guide to be undertaken for activities with a goal toward stimulating comprehensive and coordinated development in order to induce private investment is the initial step.

As required by the Act, each Redevelopment Plan must include the program to be undertaken by the municipality in order to complete its objectives and must set forth the following:

1. an itemized list of estimated Redevelopment Project Costs;
2. evidence indicating that the Redevelopment Project Area on the whole has not been subject to growth and development through investment by private enterprise;
3. an assessment of any financial impact of the Redevelopment Project Area on or any increased demand for services from any taxing district affected by the plan and a program to address such financial impact or increased demand;
4. the sources of funds to pay development or redevelopment costs;
5. the nature and term of the obligations to be issued, if any;
6. the most recent equalized assessed valuation of the proposed Rts. 26/72 & Forreston Downtown RPA;
7. an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the proposed Rts. 26/72 & Forreston Downtown RPA;
8. a commitment to fair employment practices and an affirmative action plan;
9. if it concerns an industrial park conservation area, the Redevelopment Plan shall also include a general description of any proposed developer, user and tenant of any property; a description of the type, structure and general character of the facilities to be developed, a description of the type, class and number of new

employees to be employed in the operation of the facilities to be developed; and,

10. If property is to be annexed to the municipality, the Redevelopment Plan shall include the terms of the annexation agreement.

#### *B. Required Findings by the Municipality*

The Act prohibits the adoption of a Redevelopment Plan unless the municipality complies with the following:

1. The municipality finds that the proposed Redevelopment Project Area 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 the Redevelopment Plan.
2. The municipality finds that the Redevelopment Plan conforms to the comprehensive plan for the development of the municipality as a whole, or, for municipalities with a population of 100,000 or more, regardless of when the Redevelopment Plan was adopted, the Redevelopment Plan either: (i) conforms to the strategic economic development or Redevelopment Plan issued by the designated planning authority of the municipality, or (ii) includes land uses that have been approved by the planning commission of the municipality.
3. The Redevelopment Plan establishes the estimated dates of completion of the redevelopment projects and retirement of obligations issued which may be issued to finance Redevelopment Project Costs. Those dates may not be later than the dates set forth under Section 11-74.4-3(n)(j)(3); *i.e.*, not later than December 31 of the year in which the payment to the municipal treasurer of Incremental Property Taxes is to be made with respect to real estate taxes levied in the twenty-third year after the year in which the ordinance approving the Redevelopment Project Area (as hereinafter defined) is adopted.

#### *C. Certification as to Residential Units*

The proposed Rts. 26/72 & Forreton Downtown RPA includes inhabited residential units. Section 11-74.4-3(n)(5) of the Act provides that if the municipality certifies within its Redevelopment Plan that its implementation shall not displace residents from ten (10) or more residential units, a housing impact study is not required as a part of said Redevelopment Plan. The Village finds and certifies that this Redevelopment Plan will not result in the displacement of ten (10) or more residential units.

## V. *Redevelopment Project Area Goals and Objectives*

### A. *Redevelopment Project Area Goals*

In order to benefit from the Act and achieve comprehensive and coordinated private investment in new public and private improvements within the proposed Rts. 26/72 & Forreston Downtown RPA, the Village must identify the general goals and objectives of the Redevelopment Plan in order to accomplish new residential, commercial, and industrial opportunities to increase the Village's tax base and provide job opportunities for its residents. These include:

1. Improving the quality of life in the proposed Rts. 26/72 & Forreston Downtown RPA and the Village.
2. Creation of an environment within the proposed Rts. 26/72 & Forreston Downtown RPA that will contribute more positively to the health, safety and general welfare of the Village and preserve or enhance the value of properties in and adjacent to the proposed Rts. 26/72 & Forreston Downtown RPA.
3. Improved street and utility infrastructure, along with enhanced landscape, streetscape and signage with a strong positive visual image.
4. Addition of new housing to attract new residents.
5. Addition of new services to the Village, and expanding existing businesses and services for Village and area residents.
6. Encouraging redevelopment of existing vacant buildings in the proposed Rts. 26/72 & Forreston Downtown RPA in order to eliminate all impediments to the best uses of all structures.
7. Strengthening the economy and future economic viability of the Village and the larger community through the addition of new destination locations, anchor developments and improvements thereby increasing the property tax base of the Village and overlapping taxing districts.
8. Sound economic development within the Rts. 26/72 & Forreston Downtown RPA that is consistent with the Comprehensive Plan for the development of the Village as a whole.

### B. *Redevelopment Objectives.*

The designation of the proposed Rts. 26/72 & Forreston Downtown RPA as a Redevelopment Project Area under the Act shall grant the Village the power to:

1. Reduce or eliminate those conditions which qualified said proposed Rts. 26/72 & Forreton Downtown RPA as a Redevelopment Project Area as a “conservation” area for the improved parcels and a “blighted” area for the vacant parcels under the Act. With regard to the improved area of the proposed Rts. 26/72 & Forreton Downtown RPA, those conditions included deterioration, excessive land coverage, inadequate utilities, lack of community planning and declining or lagging equalized assessed valuation. With regard to the vacant area, those conditions included obsolete platting of vacant parcels, diversity of ownership and deterioration of structures or site improvements in neighboring areas.
2. Stimulate through incentives, if necessary, new private investment in improvements and redevelopment within the proposed Rts. 26/72 & Forreton Downtown RPA.
3. Provide needed public improvements to the infrastructure or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day standards for such facilities. Infrastructure improvements should address the problems cited in the Eligibility Study in order to encourage development and redevelopment of the proposed Rts. 26/72 & Forreton Downtown RPA.
4. Provide needed revenues, if necessary, to induce a broad range of public improvements.
5. Provide the renovation and rehabilitation of structures where economic obsolescence is a material impediment to the development or redevelopment of the properties within the proposed Rts. 26/72 & Forreton Downtown RPA.
6. Address deteriorating street pavement.
7. Improve the visual attractiveness of the Village through landscaping and coordination of design in the proposed Rts. 26/72 & Forreton Downtown RPA.
8. Improve opportunities for residential, commercial and industrial development and redevelopment.
9. Assemble or encourage the assembly of land into parcels of appropriate shape and size to address current obsolete platting or excessive land coverage.

10. Enhance the sustainability of the Village by re-establishing it as a desirable place to live and work thereby retaining and increasing its population.
11. Improve opportunities for development and redevelopment within the proposed Rts. 26/72 & Forreton Downtown RPA and adjacent areas.

*C. Redevelopment Implementation Strategy.*

The implementation and execution of a well-devised redevelopment strategy is a key element in the success of this Redevelopment Plan. In order to maximize program efficiency and to take advantage of development interest in the proposed Rts. 26/72 & Forreton Downtown RPA, and with full consideration of available funds, the Village intends to proceed in an expeditious manner.

A combination of public and private investments and public and private improvements is an essential element of this Redevelopment Plan. In order to achieve the increased investment and improvements in the proposed Rts. 26/72 & Forreton Downtown RPA, the Village may enter into agreements, including agreements with private developers, proposing that TIF assistance may be provided, where deemed appropriate, to facilitate private projects and development. The Village may also contract with other entities, including governmental units, to accomplish certain public and private projects as contained in Section VII of this Redevelopment Plan.

## **VI. *Lack of Development, Growth and Fiscal Impact on Taxing Districts.***

### **A. *Evidence of the Lack of Development and Growth within the Proposed Routes 26/72 & Forreton Downtown RPA***

As documented in the Eligibility Study, the proposed Rts. 26/72 & Forreton Downtown RPA has suffered from a lack of growth and development through investment by private enterprise, the improved portion qualifying as a “conservation” area under the Act and the vacant portion qualifying as a “blighted” area.. Absent financial assistance from the Village, whether in the form of financing of improvements to the public infrastructure or providing incentives to investors, development or redevelopment in the proposed Rts. 26/72 & Forreton Downtown RPA is not reasonably anticipated to occur.

The proposed Rts. 26/72 & Forreton Downtown RPA’s blighting conditions, as documented in the Eligibility Study, are reasonably present to a meaningful extent, are reasonably distributed throughout proposed Rts. 26/72 & Forreton Downtown RPA, and will continue to worsen if not addressed by the Village. In addition, these conditions discourage private sector investment whether in development of residential opportunities, commercial or industrial enterprises or in the redevelopment of existing facilities. Accordingly, the Village finds that actions taken, at least in part, through the implementation of this Redevelopment Plan will significantly mitigate such problems.

### **B. *Assessment of Fiscal Impact on Affected Taxing Districts***

The following taxing districts currently levy taxes against properties located within the proposed Rts. 26/72 & Forreton Downtown RPA:

- Village of Forreton
- Forreton Fire District
- Highland Community College
- Multi-Township Assessment District (*Brookville and Forreton*)
- Ogle County
- Forreton Township
- Forreton Unit School District 221

It is not anticipated that redevelopment projects implemented as part of this Redevelopment Plan will have a negative financial impact on or cause increased demand for services or capital improvements from any taxing district affected by the Redevelopment Plan. No current property taxes will be diverted from any taxing district. Capital funds will also be available to assist in the development of public improvements. The list of estimated Redevelopment Project Costs set forth in Section VIII of this Redevelopment Plan provide for significant amounts to pay taxing district capital costs in accordance with the Act should impacts be greater than expected.

***Village of Forreton:*** It is anticipated, as of the finalized date of this report, that there should be minimal increased demand on Village services.

***Forreton Fire District:*** It is anticipated, as of the finalized date of this report, that there should be no increased demand on Fire District protection services.

***Forreton Township:*** It is anticipated, as of the finalized date of this report, that there should be no increased demand on Township services.

***Ogle County:*** It is anticipated, as of the finalized date of this report, that there should be no increased demand on Ogle County services.

***Unit School District 221:*** It is anticipated, as of the finalized date of this report, that there should be no increased demand on Unit School District 221 services; provided, however, should development of “assisted housing” occur, i.e., residential development receiving any incentives as a result of the inclusion within the proposed Rts. 26/72 & Forreton Downtown RPA, all obligations as set forth in the Act regarding payments due as a result of a net increase of students when including the numbers of students residing in “assisted housing” shall be met.

***Highland Community College:*** It is anticipated, as of the finalized date of this report, that there should be no additional demand for services from Highland Community College.

Due to the foregoing, no program is provided in this report to address service impacts because it is anticipated that there should be no incremental demand resulting from the implementation of this Redevelopment Plan.

Should demand increase beyond existing service and program capabilities for any taxing district, the Village will work with the affected taxing district to determine what, if any, program is necessary to provide adequate services. The Village may also enter into intergovernmental agreements with taxing districts where revenues generated by the proposed Rts. 26/72 & Forreton Downtown RPA can be used for all or a portion of various improvements to the applicable capital facilities, to the extent that such increased capital needs result from redevelopment projects incurred in furtherance of the objectives of this Redevelopment Plan.

## **VII. *Redevelopment Activities***

Pursuant to the goals and objectives as stated in Section V, the Village shall implement a coordinated program of specific actions including, but not limited to, the activities listed below. The Village proposes to achieve the redevelopment goals and objectives of this Redevelopment Plan for the proposed Rts. 26/72 & Forreston Downtown RPA through the use of Incremental Property Taxes available to the Village pursuant to the Act and through such public financing techniques as deemed necessary to undertake some or all of the following activities and improvements:

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

The Village may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, design façade improvements, design streetscape improvements, undertake studies and surveys, to provide administration or legal services to establish, implement and administer the Redevelopment Plan.

2. *Property Assembly*

The Village, or an agent for the Village, may acquire and assemble land for the purpose of development or redevelopment. Underutilized or misused property may be acquired by purchase, exchange, donation, or lease by private developers or the Village for the purpose of new development or redevelopment. The Village may also acquire and assemble properties for dedication for construction of public improvements or facilities; for temporary usage until disposition for development; or, for demolition, site preparation or site improvement.

3. *Land Preparation*

The Village may assist in the preparation of land to including demolition, environmental remediation, flood mitigation, or site improvement.

4. *Rehabilitation and Lease Hold Improvements*

The Village may assist in rehabilitation, remodel, repair and of lease hold improvements or reimburse a portion of the costs incurred by business owners for rehabilitation projects in furtherance of the goals and objectives of this Redevelopment Plan.

5. *Development or Redevelopment Agreements*

The Village may enter into development and redevelopment agreements with private or public entities in the furtherance of this Redevelopment Plan. Such agreements may be for the assemblage of land, construction of improvements or facilities, reimbursement of eligible Redevelopment Project Costs under the Act or any other lawful purpose. Agreements may contain terms and provisions

that are more specific than the controls that are summarized in this Redevelopment Plan.

In the case where a private individual or entity received benefits under the Act for the purpose of originating, locating, maintaining, rehabbing, or expanding a business facility and abandons or relocates its facility in violation of a redevelopment agreement, the Village reserves the right to collect reimbursement for funds extended in accordance with the Act.

#### 6. *Provision of Public Works or Improvements*

The Village may provide public works and improvements that are necessary to service the proposed Rts. 26/72 & Forreston Downtown RPA in accordance with this Redevelopment Plan and the Village's Comprehensive Plan. Public works and improvements may include, but are not limited to, the following:

- *Streets, Sidewalks, Lighting, Utilities, and Parking*

Public infrastructure improvements may be necessary to adequately serve the proposed Rts. 26/72 & Forreston Downtown RPA and potential new development. Improved access will be necessary to develop portions of the Rts. 26/72 & Forreston Downtown RPA. Certain infrastructure improvements, in connection with and adjacent to the Rts. 26/72 & Forreston Downtown RPA, may be necessary to advance the goals and objectives of this Redevelopment Plan. It is expected that streets, sidewalks, utilities (including any electrical or data upgrades needed to accommodate current technology), and parking improvements will be part of any redevelopment activity.

- *Landscaping*

Landscape/buffer improvements, street lighting, signage, and general streetscape beautification improvements may be provided.

- *Sanitary Sewer System*

Improvements and rehabilitation of sanitary sewer mains to eliminate sewer backup including the relining of existing sewer mains and replacement of manholes. In addition, improvements to the Village's wastewater treatment system may be made.

- *Water System*

Improvements and rehabilitation of the Village's water system, which includes water mains, its water source, and its water storage.

- *Stormwater Management*

Analysis of the existing stormwater management structure and improvements as needed to be created to reduce stormwater runoff and provide proper drainage.

- *Coordinate Design for Improvement within the Redevelopment Project Area*

Where possible, design elements should be planned in such a way as to make the proposed Rts. 26/72 & Forreston Downtown RPA aesthetically pleasing. Consistent and coordinated design patterns should be promoted.

## 7. *Interest Subsidy*

Funds may be provided to developers for a portion of costs associated with affordable housing construction, renovation or rehabilitation.

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

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

## **VIII. *Redevelopment Project Costs***

### *A. Eligible Redevelopment Project Costs*

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

- (i) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected except that on and after November 1, 1999, no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, “redevelopment project costs” shall not include lobbying expenses;
- (ii) The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
- (iii) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- (iv) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and, the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- (v) Costs of the construction of public works or improvements; except that on and after November 1, 1999, redevelopment project cost shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (g) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the

municipality prior to November 1, 1999; or, (ii) the municipality makes a reasonable determination in the redevelopment plan supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

- (vi) Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the redevelopment project area;
- (vii) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding thirty-six (36) months following completion and including reasonable reserves related thereto;
- (viii) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project;
- (ix) 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;
- (x) Payment in lieu of taxes as defined in the Act;
- (xi) Costs of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and, (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to sections 3-37, 3-38, 3-40 and 3-40.1 of the

Public Community College Act (as cited in the Act) and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code (as cited in the Act);

- (xii) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that;
  - (a) Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - (b) Such payments in any one year may not exceed thirty percent (30%) of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
  - (c) If there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts 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:
    - (i) cost paid or incurred by the redeveloper for such redevelopment project, plus
    - (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and,
  - (e) Up to seventy-five percent (75%) of the interest cost incurred by a redeveloper 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.
- (xiii) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- (xiv) A library district's or an elementary, secondary, or unit school district's increased costs attributable to assisted housing units will be reimbursed as provided in the Act; and,
- (xv) Up to fifty percent (50%) of the cost of construction, renovation and/or rehabilitation of all low- and very low-income housing units (for ownership or rental) as defined in Section 3 of the Illinois Affordable Housing 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 benefits under the Act.

*B. Estimated Redevelopment Project Costs*

A wide range of redevelopment activities and improvements will be required to implement the Redevelopment Plan. The activities and improvements and their estimated costs (2018 dollars) are summarized below. To the extent that obligations are issued to pay for such Redevelopment Project Costs prior to, and in anticipation of, the adoption of TIF and designation of the proposed Rts. 26/72 & Forreston Downtown RPA as a Redevelopment Project Area, the Village may directly pay or be reimbursed from Incremental Property Taxes for such Redevelopment Project Costs to their fullest extent.

While all of the costs in the budget below are eligible Redevelopment Project Costs under the Act and this Redevelopment Plan, inclusion herein does not commit the Village to finance all of these costs with TIF funds.

(i) Total Redevelopment Project Budget

1. Costs of studies, surveys, development of plans and specifications, implementation and administration (annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a Redevelopment Project Area or approved a Redevelopment Plan) of the Redevelopment Plan including, but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, as provided for by 65 ILCS 5/11-74.4-3(q)(1-1.5).  
\$200,000.00
2. Costs of marketing sites within the Rts. 26/72 & Forreston Downtown RPA to prospective businesses, developers, and investors, as provided for by 65 ILCS 5/11-74.4-3(q)(1.6).  
\$100,000.00
3. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land, as provided for by 65 ILCS 5/11-74.4-3(q)(2).  
\$2,000,000.00

4. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment; including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, as provided for by 65 ILCS 5/11-74.4-3(q)(3).

\$1,750,000.00
5. Costs of the construction of public works or improvements, including any direct or indirect costs relating to Green Globes or LEED certified construction elements or construction elements with an equivalent certification, as provided for by 65 ILCS 5/11-74.4-3(q)(4).

\$500,000.00
6. Costs of job training and retraining projects, including the cost of “welfare to work” programs implemented by businesses located within the Rts. 26/72 & Forreton Downtown RPA, as provided for by 65 ILCS 5/11-74.4-3(q)(5).

\$ 50,000.00
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 including interest accruing during the estimated period of construction of a redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto, as provided for by 65 ILCS 5/11-74.4-3(q)(6).

\$ 300,000.00
8. To the extent the Village, by written agreement, accepts and approves the same, all or a portion of a taxing district’s capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan (impacts such as those on the Village may be addressed through these funds), as provided for by 65 ILCS 5/11-74.4-3(q)(7).

\$100,000.00
9. Relocation costs to the extent that a municipality determines that relocation costs shall be paid or the municipality is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of Section 11-74.4-3 of the Act, as provided for by 65 ILCS 5/11-74.4-3(q)(8).

\$10,000.00

10. Payment in lieu of taxes, as provided by 65 ILCS 5/11-74.4-3(q)(9).

\$ 200,000.00

11. Cost of job training, retraining, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a Redevelopment Project Area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including, but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, as provided for by 65 ILCS 5/11-74.4-3(q)(10).

\$ 50,000.00

12. Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided for by 65 ILCS 5/11-74.4-3(q)(11).

\$300,000.00

13. Contributions of incremental revenues transferred to contiguous redevelopment project areas, as provided for by 65 ILCS 5/11-74.4-4(q).

\$200,000.00

***Total Estimated Costs***

***\$5,760,000.00***

(ii) *Notes regarding Redevelopment Project Costs:*

- a. All costs are in 2018 dollars and may be increased annually after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for all Urban Consumers in U.S. Cities, published by the U.S. Department of Labor, as allowed by the Act.

- b. Private redevelopment costs and investment are in addition to the above.
- c. To the extent permitted by law, the Village reserves the right to adjust and transfer budgeted amounts within the Total Estimated Costs within the Total Redevelopment Project Budget among the categories of eligible Redevelopment Project Costs set forth therein, provided any such adjustment or transfer shall not increase the Total Redevelopment Project Budget, other than as otherwise provided in *a.* above.
- d. Certain infrastructure work in connection with and appurtenant to the Rts. 26/72 & Forreton Downtown RPA can be undertaken under the Act.
- e. Total budgeted costs exclude any additional financing costs, including interest expense, capitalized interest, and any and all closing costs associated with any obligations issued, which shall be in addition to the Total Redevelopment Project Budget.
- f. In the case where a private individual or entity received benefits under the Act for the purpose of originating, locating, maintaining, rehabilitating, or expanding a business facility abandons or relocates its facility in violation of a redevelopment agreement, the Village of Forreton reserves the right to collect reimbursement for funds extended in accordance with the Act.

The Village may pay directly or reimburse developers who incur Redevelopment Project Costs authorized by a development or redevelopment agreement.

The Village reserves the right to utilize revenues received under the Act for eligible costs from one Redevelopment Project Area in another Redevelopment Project Area that is either contiguous to, or is separated only by a public right-of-way from, the Redevelopment Project Area from which the revenues are received.

### *C. Sources of Funds to Pay Redevelopment Project Costs.*

Incremental Property Taxes are expected to be a principal source of funds to pay Redevelopment Project Costs and provide security for municipal general and revenue obligations issued for that purpose. As stated above, the Village may also derive funds from Incremental Property Taxes received from contiguous Redevelopment Project Areas. The Village may pledge as payment additional revenues including revenues from the Rts. 26/72 & Forreton Downtown RPA, municipal property taxes, certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, and bonds backed by the general obligation of the Village. In addition, the Village may utilize state and federal grants or loans and certain investment income. Finally, the Village may permit the utilization of guarantees, deposits, and other forms of security made available by private sector developers.

The Village certifies that Incremental Property Taxes will be exclusively utilized for the development of the Rts. 26/72 & Forreston Downtown RPA or in a contiguous Rts. 26/72 & Forreston Downtown RPA as permitted by the Act. Certain infrastructure work in connection with and appurtenant to the Rts. 26/72 & Forreston Downtown RPA can be undertaken under the Act. Incremental Property Taxes will be used according to the budget set forth in this Redevelopment Plan for the development of the Rts. 26/72 & Forreston Downtown RPA.

*D. Nature and Term of Obligations to Be Issued.*

The Village may issue obligations secured by or payable from Incremental Property Taxes pursuant to the Act. To enhance the security of such municipal obligations, the Village may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act. All obligations issued by the Village pursuant to this Redevelopment Plan and the Act shall be retired by the end of the 24<sup>th</sup> year after the year of adoption of the initial ordinances approving the Redevelopment Project Area and Redevelopment Plan.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds, and any other lawful purpose. To the extent that Incremental Property Taxes are not needed for these purposes, any excess Incremental Property Taxes may then become available for distribution annually to taxing districts within the Rts. 26/72 & Forreston Downtown RPA in the manner provided by the Act.

The scheduled final maturity date of any financial obligation may not exceed twenty (20) years from the date of issuance. One or more series of obligations may be issued to implement the Redevelopment Plan for the Rts. 26/72 & Forreston Downtown RPA. Subsequent obligations, if any, may be issued as junior lien obligations or as parity obligations.

**IX. *Most Recent Equalized Assessed Valuation for the Redevelopment Project Area.***

The most recent equalized assessed valuation for the proposed Rts. 26/72 & Forreton Downtown RPA is based on the 2016 certified equalized assessed valuation and is \$3,485,995.

The current zoning map is attached hereto as *Exhibit D*.

The current land use map is attached hereto as *Exhibit E*.

**X. *Anticipated Equalized Assessed Valuation for the Redevelopment Project Area.***

Upon completion of the redevelopment of the Rts. 26/72 & Forreton Downtown RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the Rts. 26/72 & Forreton Downtown RPA would increase to between approximately \$3,000,000 to \$7,000,000 depending upon market conditions and the scope of the redevelopment projects.

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

The Village is committed to and will affirmatively implement the assurance of equal opportunity in all personnel and employment actions with respect to this Redevelopment Plan. This includes, but is not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc. without regard to any non-merit factor, including race, national origin, color, religion, sex, sexual orientation, gender identity, disability (physical or mental), age, marital status, status as a parent, or genetic information.

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

## ***XII. Completion of Redevelopment Project and Retirement of Obligations Issued to Finance Redevelopment Project Costs.***

The Redevelopment Project is estimated to be completed and all obligations issued to finance Redevelopment Project Costs are to be retired upon receipt of the incremental property taxes generated from the twenty-third (23<sup>rd</sup>) year after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for retirement of bonded obligations shall not be later than December 31 of the year in which the payment to the Village treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance designating the Redevelopment Project Area was adopted. The date for completion of the Redevelopment Project cannot be more than estimated.

### ***XIII. Provisions for Amending the Redevelopment Plan and Project***

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

## ***Exhibit A***

### *Legal Description of the Rts. 26/72 & Forreston Downtown Redevelopment Project Area*

A part of Section 28, and part of the Southwest Quarter of the Southwest Quarter of Section 27, and part 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 Westerly extension of the North line of the parcel of land having a parcel identification number of 02-28-100-023; Thence Northeasterly, along said North line, to the Northeast corner of said parcel, said point also being on the Easterly Right of Way line of the former Illinois Central Gulf Railroad; Thence Southeasterly, along said Easterly Right of Way line, to where it intersects with the North line of the Southeast Quarter of said Section 28; Thence East, along said North line, to the Northeast corner of the parcel of land having a parcel identification number of 02-28-401-005; Thence Southeasterly along the Easterly line of said parcel, and the Southeasterly extension thereof, to the Southeasterly corner of the parcel of land having a parcel identification number of 02-28-401-004; Thence Southwesterly, along the Southerly line of said parcel, and the Southwesterly extension thereof, to where it intersects with the Westerly Right of Way line of North Locust Street; Thence Southeasterly, along said Right of Way line, to the Southeasterly corner of the parcel of land having a parcel identification number of 02-28-333-008; Thence Southwesterly, along the Southerly line of said parcel, to the Southwest corner thereof; Thence Southeasterly, along the Westerly line of the parcel having a parcel identification number of 02-28-402-004, to where it intersects with the Northerly line of the parcel of land having a parcel identification number of 02-28-454-004; Thence Northeasterly, along said Northerly line, to the Southwesterly corner of the parcel of land having a parcel identification number of 02-28-405-004; Thence Northwesterly, along the Westerly line of said parcel and the Northwesterly extension thereof, to the Northwest corner of the parcel of land having a parcel identification number of 02-28-405-005; Thence Northeasterly, along the North line of said parcel, to the Westerly Right of Way line of North Locust Street; Thence Southeasterly, along said Right of Way line, to where it intersects with the Northerly Right of Way line of East Green Street; Thence Northeasterly, along said Right of Way line, to where it intersects with the Northwesterly extension of the Easterly line of Lot 1 in Block 9 of Railroad Addition to the Village of Forreston; Thence Southeasterly, along said Easterly line of Lot 1, to the Southeast corner thereof; Thence Southwesterly, along the Southerly line of said Lot 1 to the Easterly Right of Way line of North Locust Avenue; Thence Southeasterly, along said Right of Way line, to where it intersects with the Southerly Right of Way line of East Avon Street; Thence Southwesterly, along said Right of Way line, to the Easterly Right of Way line of Plum Avenue; Thence Southeasterly, along said Right of Way line, to the Northwest corner of Lot 12 in Block 15 of Railroad 1<sup>st</sup> Addition to the Village of Forreston; Thence Northeasterly, along the Northerly line of said Lot 12 and the Northerly line of Lot 4 in Block 16 of Railroad Addition to the Village of Forreston, to the Northeast corner of said Lot 4; Thence Southeasterly along the Easterly line of Lots 4 & 5 in said Block 16, and the Easterly line of Lots 1 through 5 in Block 17 of said Railroad Addition, to where it intersects with the West line of Lot 10 of "Village East Estates" Subdivision in said Village of Forreston; Thence South, along said West line, to the Southwest corner of said Lot 10; Thence East, along the South line of said "Village East Estates" Subdivision, to where it intersects with the East line of the East line of said Section 28; Thence South, along said East line of Section 28, and the East line of the Northeast Quarter of Section 33, to the Southeast corner of the Northeast corner of said Section 33; Thence West, along the South line thereof, to the Easterly Right of Way line of the former Illinois Central Gulf Railroad; Thence

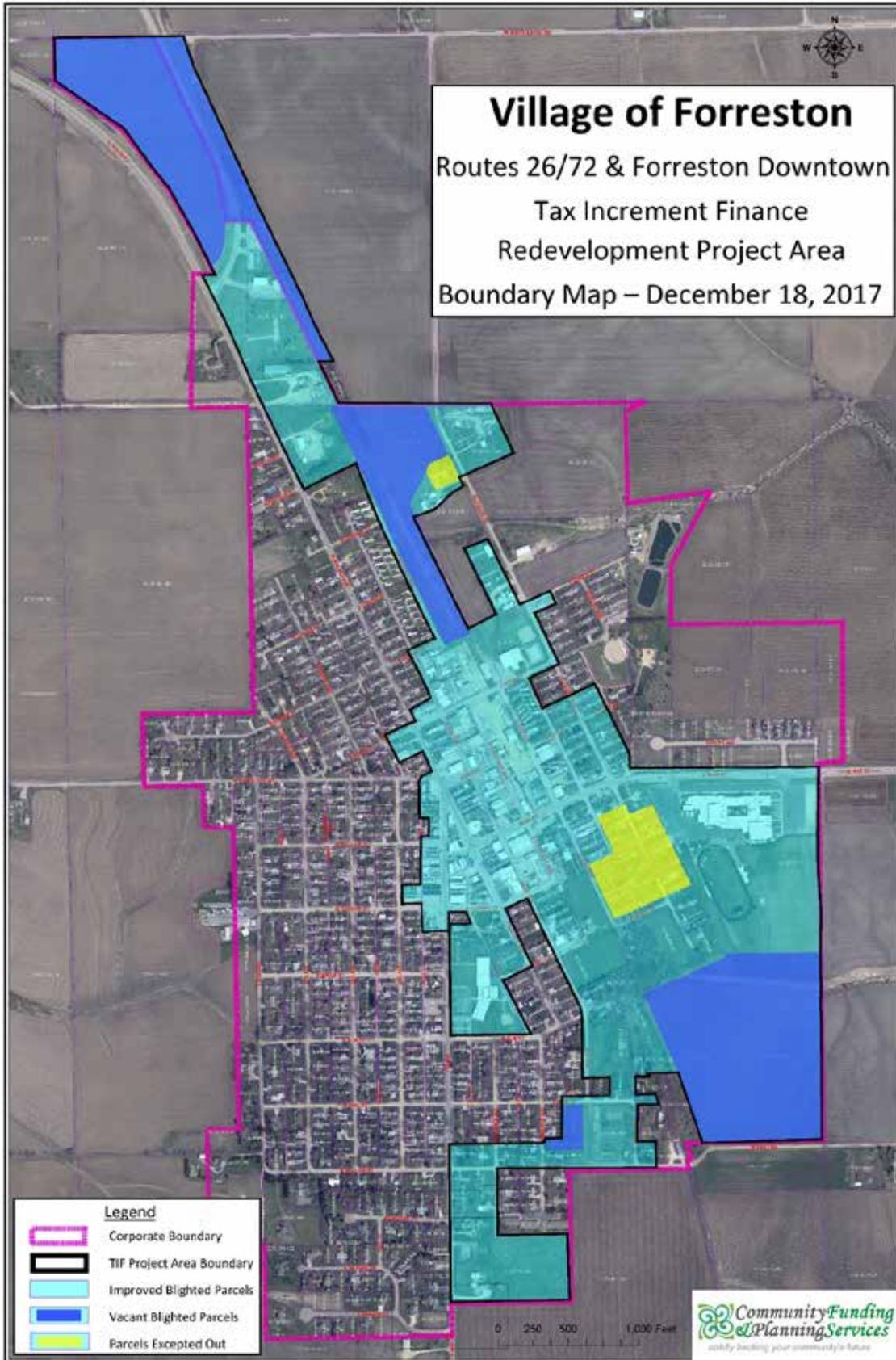
Northwesterly, along said Easterly Right of Way line, to the Southeast corner of the parcel of land having a parcel identification number of 02-33-276-006; Thence West, along the South line of said parcel, to the Westerly Right of Way line of said former Railroad; Thence Southerly, along said Westerly Right of Way line, to the Southeast corner of the parcel of land having a parcel identification number of 02-33-276-001; Thence West, along the South line of said parcel, to the East Right of Way line of South Cedar Avenue; Thence South, along said East Right of Way line, to the North Right of Way line of East Pine Street; Thence East, along said North Right of Way line, to the Westerly Right of Way line of said former Railroad; Thence Southerly, along said Right of Way line, to the South Right of Way line of East Pine Street; Thence West, along said South Right of Way line, to the East Right of Way line of South Cedar Avenue; Thence South, along said East Right of Way line, to the Northwest corner of the parcel of land having a parcel identification number of 02-33-426-001; Thence East, along the North line of said parcel, to the Northeast corner thereof; Thence South, along the East line of said parcel, and the Southerly extension thereof, to where it intersects with the South Right of Way line of East Willow Street; Thence West, along said South Right of Way line of East Willow Street, to the East Right of Way line of South Gardner Avenue; Thence South, along said East Right of Way line, to where it intersects with the North line of the parcel of land having a parcel identification number of 02-33-407-009; Thence East, along said North line, to the Northeast corner of said parcel; Thence South, along the East line of said parcel, to the Southeast corner thereof; Thence West, along the South line of said parcel, to the East Right of Way line of Illinois Route 26; Thence North, along said Right of Way line of Illinois Route 26, to the Northwest corner of the cemetery, having a parcel identification number of 02-33-401-001, being the Northwest corner of Lot 4 in Block 8 of Hewitt's 3<sup>rd</sup> Addition to the Village of Forreton; Thence East, along the North line of Lot 4 and Lot 1 in said Block 8, to the Northeast corner of said Lot 1; Thence East, along the North line of Lot 4 and Lot 1 in Block 7 of said Hewitt's 3<sup>rd</sup> Addition, and the Easterly extension thereof, to where it intersects with the East Right of Way line of South Walnut Avenue; Thence North, along said Right of Way line, to the Northwest corner of the parcel of land having a parcel identification number of 02-33-403-002; Thence East, along the North line of said parcel, to where it intersects with the West line of Lot 4 in Block 6 of said Hewitt's 3<sup>rd</sup> Addition; Thence North, along the West line of Lots 1, 2, 3 & 4 in said Block 6, and the Northerly extension thereof, to where it intersects with the North Right of Way line of East Pine Street; Thence East, along said Right of Way line of East Pine Street, to the Southeast corner of the parcel of land having a parcel identification number of 02-33-258-002; Thence North, along the East line of said parcel, to the Northeast corner thereof; Thence West, along the North line of said parcel, and the Westerly extension thereof, to the West Right of Way line of Ash Avenue; Thence Northerly, along said Right of Way line of Ash Avenue, to where it intersects with the South Right of Way line of East Cherry Street; Thence Westerly, along said Right of Way line of East Cherry Street, to where it intersects with the East Right of Way line of South Walnut Avenue; Thence Southerly, along said East Right of Way line of South Walnut Avenue, to where it intersects with the South Right of Way line of East Birch Street; Thence Westerly, along said South Right of Way line of East Birch Street, the Northwest corner of Lot 1 in Block 2 of Neal's Addition to the Village of Forreton; Thence Southerly, along the West line of said Block 2, to the Southwest corner of Lot 5 in said Block 2 of Neal's Addition; Thence West, along the North Right of Way line of East Elm Street, to where it intersects with the East Right of Way line of 1<sup>st</sup> Avenue (Illinois Route 26); Thence North, along said East Right of Way line to the Northwest corner of the parcel of land having a parcel identification number of 02-33-251-015; Thence Easterly, along the North line of said parcel, to the West line of an alley along the Easterly line of Block 2 of Hewitt's 1<sup>st</sup> Addition to the Village of Forreton; Thence Northwesterly, along said West line of the alley, to the South Right of Way line of East Cherry Street; Thence West, along said South Right of Way line, to the East Right of Way line of 1<sup>st</sup> Avenue (Illinois Route 26); Thence South, along said East Right of Way line, to where it intersects with the Easterly Extension of the South line of Lot 2 in Block 9 of the Original Town of Forreton; 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 Easterly, along said North Right of Way line, to the West Right of Way line of Illinois Route 26; Thence Northerly, along said West Right of Way line, to the Northeast corner of Lot 3 in Block 13 of Railroad Addition to the Village of Forreston; Thence Southwesterly, along the North line of said Lot 3, to the Northwest corner thereof; Thence Northwesterly, along the Westerly line of Lots 1 & 2 in said Block 13, and the Northerly extension thereof, to the Northerly Right of Way line of West Avon Street; Thence Northeasterly, along said Northerly Right of Way line, to 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 Westerly Right of Way line of North Chestnut Avenue; Thence Northwesterly, along said Westerly Right of Way line, to where it intersects with the North Right of Way line of West Spruce Street; Thence Northeasterly, along said North Right of Way line, to where it intersects with the Westerly Right of Way line of the former Illinois Central Gulf Railroad; Thence Northwesterly, along said Westerly Right of Way line, to the Northeast corner of the parcel of land having a parcel identification number of 02-28-330-001; Thence Southwesterly, along the Northerly line of said parcel, to where it intersects with the Easterly Right of Way line of Illinois Route 26 (North Walnut Avenue); Thence Northerly, along said Easterly Right of Way line, to where it intersects with the West line of Section 28; Thence North, along said West line, to the Point of Beginning.

Excepting, however, the following parcels: Lot 1 of Palmer's Simple Subdivision, according to the plat thereof recorded in Plat Book E at Page 6, and having a parcel identification number of 02-28-333-007; Also excepting: beginning at the Northeast corner of Lot 4 in Block 13 of Neal's Addition to the Village of Forreston; Thence Southeasterly, along the East line of said Block 13, and the East line of Block 12 in said Neal's Addition, to the Southeast corner of Lot 5 in said Block 12; Thence Southwesterly, along the Southerly line of said Block 12, and the Southerly line of Block 9 in said Neal's Addition, to the Southwest corner of Lot 10 in said Block 9; Thence Northwesterly, along the Westerly line of said Block 9 to the Northwest corner of Lot 1 in said Block 9; Thence Northeasterly, along the Northerly line of said Lot 1 to the Northwest corner of Lot 15 in said Block 9; Thence Northwesterly, along the East Right of Way line of Plum Avenue, to the Northwest corner of Lot 13 in Block 8 of said Neal's Addition; Thence Northeasterly, along the North line of said Lot 13 and the Easterly extension thereof, to where it intersects with the Easterly Right of Way line of South Locust Avenue; Thence Southerly, along said Easterly Right of Way line to the Northwest corner of Lot 4 in said Block 13; Thence Northeasterly, along the North line of said Lot 4, to the point of beginning.

Draft - December 15, 2017

*Exhibit B*



# ROUTES 26/72 & FORRESTON DOWNTOWN REDEVELOPMENT PROJECT AREA

## ELIGIBILITY STUDY

Village of Forreton, Ogle County, Illinois



This Eligibility Study is subject to change based on the review and comment by the Village and may be revised before a final Eligibility Study is issued by the Village for purposes of the public hearing.

Prepared By:  
Community Funding & Planning Services  
Kathleen Field Orr & Associates

December 5, 2017

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## I. EXECUTIVE SUMMARY

The purposes of this report entitled *Routes 26/72 & Forreston Downtown Tax Increment Financing Redevelopment Project Area Eligibility Study* (the “Eligibility Study”) are to: (i) document the blighting factors that are present within the Routes 26/72 & Forreston Downton Redevelopment Project Area (the “Project Area”) in the Village of Forreston, Ogle County, Illinois (the “Village” or “Forreston”), and (ii) conclude whether the Project Area qualifies for designation as a redevelopment project area within the definitions set forth in the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 – 74.4-1, et seq., as amended (the “Act”). A map of the proposed Project Area is included on Figure 1 – *Redevelopment Project Area Boundary*.

The findings and conclusions contained in this Eligibility Study are based on surveys, documentation, and analyses of records and physical conditions within the Project Area. The Village is entitled to rely on the findings and conclusions of this Eligibility Study in designating the Project Area as a redevelopment project area under the Act. Community Funding & Planning Services (“CFPS”) and Kathleen Field Orr & Associates as legal counsel (“KFO”), collectively referred to as the “Consultant Team”, prepared this Eligibility Study and the related *Routes 26/72 & Forreston Downtown Tax Increment Financing Redevelopment Plan and Project* (the “Redevelopment Plan”) with the understanding that the Village would rely on the findings and conclusions of this Eligibility Study and the related Redevelopment Plan in proceeding with the designation of the Project Area as a redevelopment project area under the Act. The determination of whether the Project Area qualifies for designation as a combination “conservation area” and “vacant blighted area” pursuant to the Act may be made by the Village after careful review and consideration of the conclusions contained in this Eligibility Study.

### **The Redevelopment Project Area**

The Redevelopment Project Area is an irregularly shaped area and encompasses the following contiguous subareas that include roughly 209 parcels of both improved land as well as vacant land:

Generally, all of the properties east of North Walnut Avenue (IL Route 26/72) bounded by the corporate boundaries on the north and east, and Magnolia Street on the south; generally, the properties east of North Chestnut Avenue from Magnolia Street on the north and East Spruce Street on the south (including PIN #02-28-333-003 and 02-28-454-007), to the improved properties on the east side of N. Locust Street; all of the properties in the business and manufacturing districts south of East Green Street (including PIN #02-28-405-004, -005, and -006 along N. Locust Street) and north of East Avon Street bounded by Ash Avenue on the west (including PIN #02-28-384-005), and North Locust Avenue on the east (including PIN #02-28-455-001); generally, all business and manufacturing properties south of E. Avon Street, fronting both side of N. Walnut Avenue and 1<sup>st</sup> Avenue on the west to mostly all properties fronting both sides of N. Locust Avenue on the east, excepting out certain residential properties near the E. Avon Street and N. Locust Street intersection, to Main Street on the south; generally all parcels

south of Main Street from parcels fronted on the west side of 1<sup>st</sup> Avenue (including PIN #02-33-133-005 and -006) to East Cherry Street on the south and parcels on the east side of S. Locust Avenue to the east, excepting out five residential parcels along S. Locust Street; generally all parcels bounded by E. Cherry Street on the north, 1<sup>st</sup> Avenue on the west, E. Elm and E. Birch Streets on the South, and S. Walnut Avenue on the east; parcels bounded by E. Cherry Street on the north and S. Ash Street on the west to E. Willow Street on the south and the Village corporate limits on the east (excepting out certain residential properties as noted on the Redevelopment Project Area map); generally properties on the north side of E. Willow Street from S. Ash Street on the east (including PIN #02-33-261-004) to 1<sup>st</sup> Avenue on the west; and generally properties bound by E. Willow Street to the north, 1<sup>st</sup> Avenue to the west and S. Garden Avenue on the east to the southern corporate limits including PIN #02-33-407-009.

The Project Area contains a mixture of business/commercial, residential, manufacturing, municipal/institutional uses, and vacant land, on approximately 255 acres, which includes 209 total parcels, with 196 of the parcels containing improved structures. The vacant area consists of approximately 65 of the total 255 acres, and includes parcels located at the north end, and south east end of the Village's corporate limits;

Public uses within the Project Area include the following: Village Hall, Maintenance Building, Township Buildings, Park Facilities, Fire Station, Police Station, School District, Public Library, Cemetery, and the Village's Water Reservoir and Well.

While some residential development has occurred on the east side of the Village, a majority of the residential properties were built roughly 15 years ago, with the two newest units being built just two years ago. The Project Area as a whole has not benefited from new private investment to develop vacant and underutilized parcels or to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by aging and deteriorating properties, vacant buildings and spaces within buildings, sites/parcels of irregular shape and size, some structures below minimum code standards, excessive land coverage, deleterious land-use or layout and deteriorating and inadequate infrastructure.

These conditions, combined with the general lack of private investment in the area have caused the Village to initiate the Eligibility Study. The Village of Forreston engaged the Consultant Team to analyze conditions in the Project Area to determine whether the Project Area qualifies for designation as a "redevelopment project area" based on criteria for a "blighted area", a "conservation area", or combination thereof, or an "industrial park conservation area", as defined in the Act.

### ***Eligibility Criteria***

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 1 ½ acres, and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an industrial park conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the Act, “blighted area” means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality that, if improved, shows the presence of at least five of thirteen factors defined in the Act, and if vacant, is impaired by the presence of at least two of six qualifying criteria set forth in the Act. According to the Act, the presence of blighting conditions indicates that such areas are detrimental to the public safety, health, morals or welfare of the community.

### **Eligibility Evaluation**

The approach taken to evaluate the presence of blight factors within the Project Area is listed below:

- Survey of the Project Area to document the physical conditions of buildings and site improvements for the improved areas.
- Document and analyze existing land uses and their relationships with one another, and the size, configuration and layout of buildings and parcels.
- Review supporting secondary and previously prepared plans and documents.
- Review Ogle County property / parcel records.
- Tabulate the extent and distribution of blight factors.
- Evaluate the extent and distribution of blight factors within the Project Area, and conclude whether the extent and distribution of the factors are sufficient to qualify the area for designation as a redevelopment project area.

### **Summary Eligibility Conclusions**

Based on the definitions set forth in the Act, the Project Area is found to be eligible for classification as a combination “conservation area” and “vacant blighted area” overall and therefore qualifies for a redevelopment project area. The vacant blighted area includes the vacant property located at the north and southeastern areas of the Village’s corporate limits within the Project Area, and the improved blighted area encompasses the balance of the Project Area (“Improved Area”). The summary findings of this report include:

- The Project Area is over 1 ½ acres
- 110 (or 56%) of the buildings in the Improved Area are over 35 years old. Additionally, roughly 44% of the buildings are more than 100 years old.
- Five of the 13 blight factors (three are required) are present to a meaningful extent and reasonably distributed in the Improved Area, including deterioration; excessive land coverage; inadequate utilities; lack of community planning, and declining or lagging equalized assessed valuation.

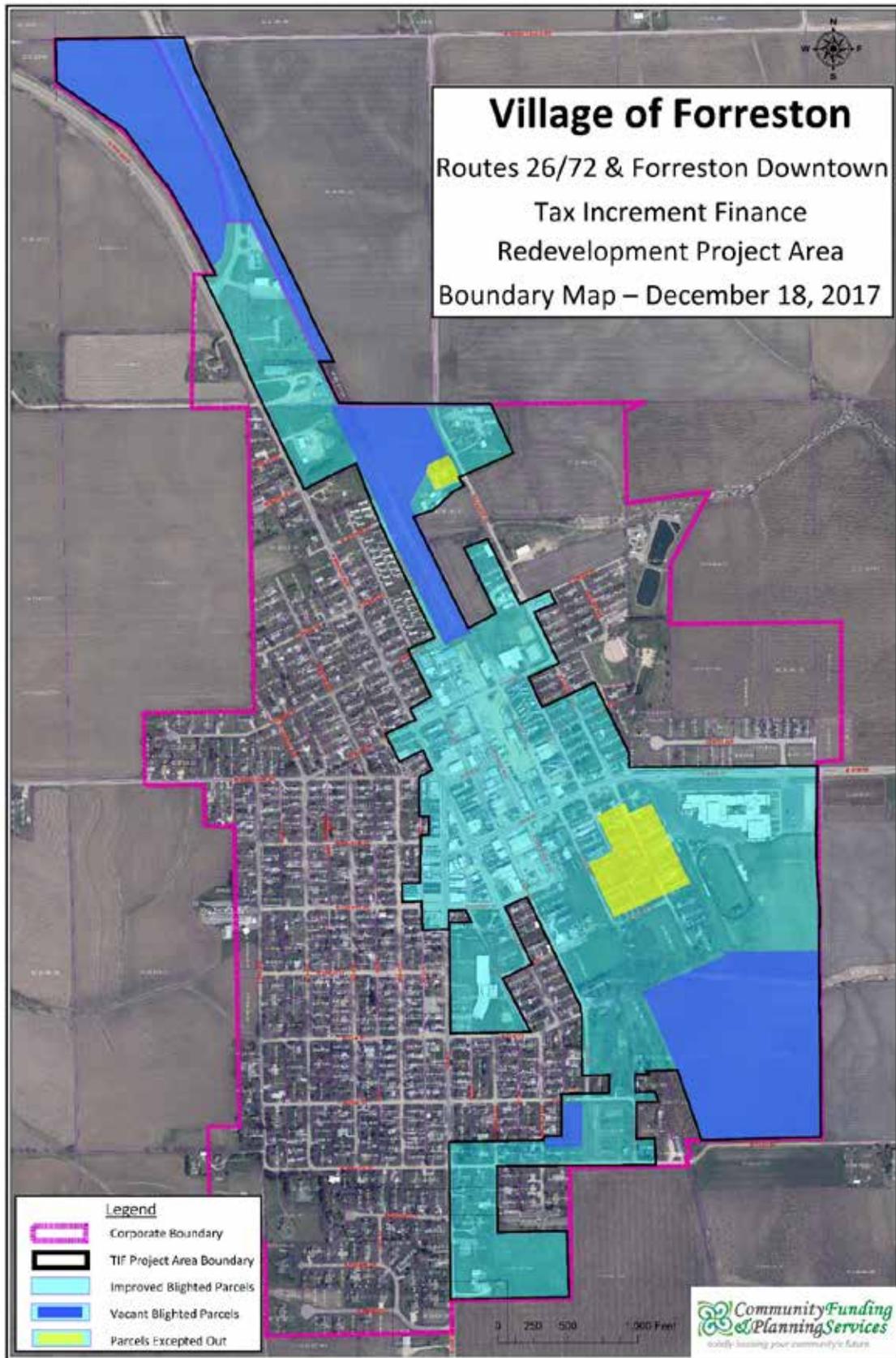
Several additional factors, are also present, but to a more limited extent but support the blighted area finding. They are: dilapidation; obsolescence; minimum code standards;

excessive vacancies; lack of ventilation, light, sanitary services; and deleterious land use or layout.

- Three of the six factors (two are required) set forth in the Act under the first group of qualifying criteria for vacant blighted areas are present in the Vacant Area, including obsolete platting of the vacant parcels, diversity of ownership, and deterioration of structures or site improvements in neighboring areas. One additional factor, that being a majority of the vacant parcels are located on or adjacent to an old railroad corridor, is present to a meaningful extent.
- The Project Area includes only real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

These findings were made on the basis that blight factors must be present to a meaningful extent and must be reasonably distributed throughout the Improved Area and Vacant Area so that non-blighted areas are arbitrarily included in the Project Area simply because of proximity to areas that qualify as a blighted area.

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



## II. BASIS FOR REDEVELOPMENT

### A. Introduction

The Illinois General Assembly made two key findings in adopting the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 – 74.4 – 1, et seq., as amended (the “Act”):

1. That there exist in many municipalities within the State *blighted, conservation areas, and industrial parks*; and
2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest.

These findings were made on the basis that blight or conditions which lead to blight are detrimental to the safety, health, welfare and morals of the public. To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that the prospective redevelopment project area qualifies either as a “blighted area”, a “conservation area” or combination thereof, or an “industrial conservation area” within the definitions set forth in the Act (65 ILCS 5/11-74.4-3).

The Act further stipulates specific procedures which must be adhered to in determining the eligibility of a project area. A “Redevelopment Project Area” is defined as:

*“...an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas” (65 ILCS 5/11-74.4-3(p)).*

In addition, Section 5/11-74.4-3(a) defines a “blighted area” as:

*“...any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where: (1) If improved, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of 5 or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value; and (2) If vacant, the area may be found to be eligible as a blighted area based on the finding that the sound growth of the redevelopment project area is impaired by a combination of two or more of the following factors: obsolete platting; diversity of ownership; tax and special assessment delinquencies; deterioration of structures or site improvements in neighboring areas; incurred environmental remediation costs; and declining total equalized assessed value.”*

Section 5/11-74.4-3(a) also defines a “conservation area” as:

*“...any improved area within the boundaries of a Redevelopment Project Area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three or more of the following factors is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of*

*individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; need for environmental remediation; or declining total equalized assessed value.”*

## **B. Eligibility of a Vacant Blighted Area**

A prospective redevelopment project area may be improved, vacant, or contain a combination of vacant and improved portions and may qualify as a blighted area based on the definitions set forth in the Act for (i) a blighted improved area and/or (ii) a blighted vacant area.

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

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

1. A combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
  - Obsolete platting of the vacant land;
  - Diversity of ownership of such land;
  - Tax and special assessment delinquencies on such land;
  - Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land;
  - The area has incurred or is in need of significant environmental remediation costs;
  - The total equalized assessed valuation has declined or lagged behind the municipality.

2. The presence of one of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area:
  - The area consists of one or more unused quarries, mines or strip mine ponds;
  - The area consists of unused rail yards, rail tracks or railroad rights-of-way;
  - The area, prior to the area's designation, is (i) subject to 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 consists of unused or illegal disposal site, containing earth, stone, building debris or similar materials, that were removed from construction, demolition, excavation or dredge sites;
  - Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area &, which area meets certain other qualifying criteria; and
  - The area immediately prior to becoming vacant qualified as a blighted improved area, unless there has been substantial private investment in the immediately surrounding area.

### **C. Eligibility of a Conservation Area**

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

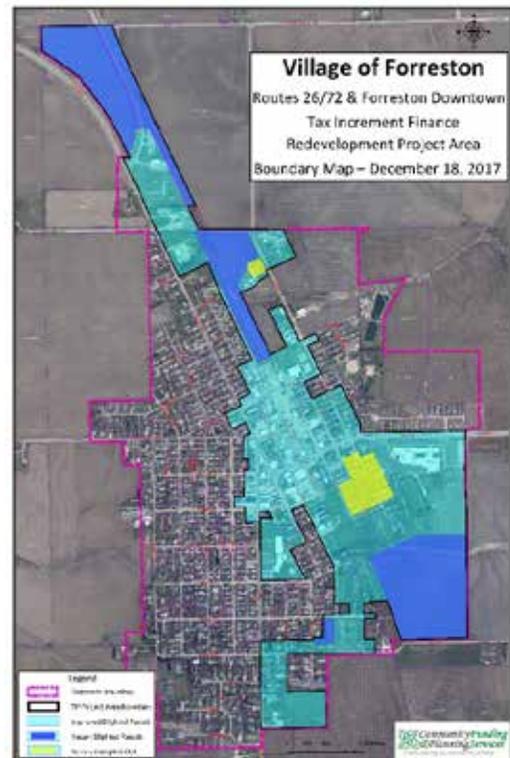
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Lack of ventilation, light or sanitary facilities
- Inadequate utilities
- Excessive land coverage and overcrowding of structures and community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

- Deleterious land-use or layout
- Lack of community planning
- Need for environmental remediation
- Declining or lagging rate of growth of total equalized assessed valuation

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

### III. REDEVELOPMENT PROJECT AREA

The Village of Forreston’s Routes 26/72 & Forreston Downtown TIF Redevelopment Project Area consists of generally, all of the properties east of North Walnut Avenue (IL Route 26/72) bounded by the corporate boundaries on the north and east, and Magnolia Street on the south; generally, the properties east of North Chestnut Avenue from Magnolia Street on the north and East Spruce Street on the south (including PIN #02-28-333-003 and 02-28-454-007), to the improved properties on the east side of N. Locust Street; all of the properties in the business and manufacturing districts south of East Green Street (including PIN #02-28-405-004, -005, and -006 along N. Locust Street) and north of East Avon Street bounded by Ash Avenue on the west (including PIN #02-28-384-005), and North Locust Avenue on the east (including PIN #02-28-455-001); generally, all business and manufacturing properties south of E. Avon Street, fronting both side of N. Walnut Avenue and 1<sup>st</sup> Avenue on the west to mostly all properties fronting both sides of N. Locust Avenue on the east, excepting out certain residential properties near the E. Avon Street and N. Locust Street intersection, to Main Street on the south; generally all parcels south of Main Street from parcels fronted on the west side of 1<sup>st</sup> Avenue (including PIN #02-33-133-005 and -006) to East Cherry Street on the south and parcels on the east side of S. Locust Avenue to the east, excepting out five residential parcels along S. Locust Street; generally all parcels bounded by E. Cherry Street on the north, 1<sup>st</sup> Avenue on the west, E. Elm and E. Birch Streets on the South, and S. Walnut Avenue on the east; parcels bounded by E. Cherry Street on the north and S. Ash Street on the west to E. Willow Street on the south and the Village corporate limits on the east



(excepting out certain residential properties as noted on the Redevelopment Project Area map); generally properties on the north side of E. Willow Street from S. Ash Street on the east (including PIN #02-33-261-004) to 1<sup>st</sup> Avenue on the west; and generally properties bound by E. Willow Street to the north, 1<sup>st</sup> Avenue to the west and S. Garden Avenue on the east to the southern corporate limits including PIN #02-33-407-009).

The Redevelopment Project Area contains a mixture of commercial/business, residential, manufacturing, municipal/institutional uses, and vacant land, including 209 parcels, with 196 being improved parcels with structures. The total area of the Redevelopment Project Area is approximately 255 acres.

The Improved Project Area contains 68 inhabited residential units located in various blocks with single-family, multi-family, mobile units or mixed-use buildings. Public and semi-public uses are scattered throughout the Project Area, including: Village Hall, Maintenance Building, Township Buildings, Park Facilities, Fire Station, Police Station, School District, Public Library, Cemetery, and the Village's Water Reservoir and Well.

The Village of Forreton's downtown district is the traditional central business district of the community and encompasses roughly 5 blocks along Walnut and 1<sup>st</sup> Avenues from Avon to Cherry Streets, and along Main Street from 1<sup>st</sup> Avenue to South Oak Street. It services as the core area for shopping, business and civic activities, with many buildings dating from the early 1900s.

Forreton has a very extensive Manufacturing District with a variety of businesses, ranging from a fur and wool company, and a refuse/recycling business to a large trucking company. The Manufacturing District encompasses roughly 6 blocks from S. Green Street on the north to Main Street at the south, and between Ash and Oak Avenues. The total area of the Improved Area is roughly 190 acres.

The vacant area of the Redevelopment Project Area includes thirteen (13) tax parcels; seven of the parcels are located along the north and northeastern end of the Village; three parcels are located at the southwest corner of the Village; and three are centrally located near the south end of town. The total area of the Vacant Area is roughly 65 acres. The boundaries of the entire Redevelopment Project Area are shown in Figure 1, *Redevelopment Project Area Boundary Map*.

While some residential development has occurred on the east side of the Village, a majority of the residential properties were built roughly 15 years ago, with the two newest units being built just two years ago. The Project Area as a whole has not benefited from new private investment to develop vacant and underutilized parcels or to revitalize the area on a systematic or significant level. The Project Area as a whole is characterized by aging and deteriorating properties, vacant buildings and spaces within buildings, sites/parcels of irregular shape and size, structures below minimum code standards, excessive land coverage, deleterious land-use or layout and deteriorating and inadequate infrastructure.

## IV. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

The Consultant Team completed an analysis of each of the blight factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses conducted by the Consultant Team included:

- Exterior survey of the condition and use of all buildings and sites;
- Photographs of existing parcels;
- Field survey of infrastructure conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and general property maintenance;
- Analysis of the existing uses within the Project Area and their relationships to the surroundings;
- Review of current land use;
- Analysis of original and current platting and building size and layout;
- Analysis of vacant portions of the sites and buildings;
- Analysis of building floor area and site coverage;
- Review of previously prepared studies and data; and
- Analysis of Ogle County Assessor records for equalized assessed valuations for tax parcels in the Project Area for assessment years 2010 to 2016.

### A. Relevant Factors in Analysis of Improved Areas

In April, May and June 2017, the Consultant Team documented physical conditions by means of an exterior survey of all buildings and properties. Field notes of the condition for each parcel was documented, and photographs taken to further support the observed condition. Noted during the surveys were structural deficiencies and occupancies of individual buildings and related environmental deficiencies in the Project Area. Summarized below is the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures.

#### 1. Building Components Evaluated

During the field survey, each component of a subject building was examined to determine whether it was in sound condition or had minor, major or critical defects. Building components examined were of two types:

- Primary Structural - These include the basic elements of any building: foundation walls, load bearing walls and columns, roof and roof structure.
- Secondary Components - These are components generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys and gutters and downspouts.

Each primary and secondary component was evaluated separately as a basis for determining the overall condition of individual buildings. This evaluation considered the relative importance of specific components within a building and the effect that deficiencies in components will have on the remainder of the building.

## 2. Building Component Classifications

The four categories used in classifying building components and systems and the criteria used in evaluating structural deficiencies are described below.

- Sound - Building components which contain no defects, are adequately maintained, and require no treatment outside of normal maintenance as required during the life of the building.
- Deficient – Requiring Minor Repair - Building components which contain minor defects (loose or missing material or holes and cracks over a limited area) which may or may not be corrected through the course of normal maintenance but could be significant depending on the size of the building or number of buildings in a large complex. Buildings with minor defects clearly indicate a lack of or a reduced level of maintenance. Minor defects have limited effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants of either average size residences or smaller commercial buildings. Minor defects are not considered in rating a building as structurally substandard.
- Deficient – Requiring Major Repair - Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components or significant upgrading of larger buildings or complexes of buildings by people skilled in the building and maintenance trades.
- Critical - Building components which contain major defects so extensive that the building is classified as substandard (dilapidated) and the cost and degree of repair would be excessive or unfeasible. Examples of such major defects are bowing, sagging, or settling of any or all exterior components causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area.

## 3. Final Building Rating

After completion of the exterior building condition survey, each individual building was placed in one of four categories based on the combination of defects found in various primary and secondary building components. Each final rating is described below.

- Sound - Sound buildings kept in a standard condition, presently requiring no maintenance. Buildings so classified have less than one minor defect.
- Deficient - Deficient buildings contain defects which collectively are either not easily correctable through normal maintenance or require contracted skills to accomplish the level of improvements as part of maintenance or correction of defects. The

classification of major or minor reflects the degree or extent of defects found during the survey of the building.

Minor – buildings classified as minor deficient require minor repairs, i.e., the buildings have at least one minor defect, beyond normal maintenance, in one of the primary components or in the combined secondary components, but contain less than one major defect.

Major – buildings classified as major deficient require major repairs, i.e., the buildings have at least one major defect in either one of the primary components or in the combined secondary components, but contain less than one critical defect.

- Substandard - Structurally substandard buildings contain defects which are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects on any of the primary or secondary components.

Minor deficient and major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Act; substandard buildings are the same as dilapidated buildings. The words “building” and “structure” are presumed to be interchangeable.

## **B. Summary of Presence of Blight Factors In Improved Area**

In order for an Improved Area to be designated as a ‘blighted area’, a combination of at least five (5) blighting factors must be present to a meaningful extent and reasonably distributed throughout the Redevelopment Project Area. In order to be designated as a ‘conservation area’, at least 50% of the structures must be 35 years or more in age, and a combination of at least three (3) of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

Summarized below are the conclusions of the surveys and analyses completed for each blight factor based on existing conditions within the Project Area. The conclusions indicate whether the factor is found to be present within the Improved Area, and the relative extent to which the factor is present. A factor noted as “present to a limited extent” indicates that the factor is present, but the distribution or impact of the factor is limited. A factor noted as “present to a meaningful extent” indicates that the factor is present throughout major portions of the Improved Area, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development. Blight factors not included in this report indicate that either no information was available or no evidence could be documented as part of the various surveys and analyses which would indicate its presence.

**Age of Buildings** – The characteristic of age presumes the existence of problems or limiting conditions resulting from the normal and continuous use of structures and exposure to the elements over an extended period of time. As a general rule, older buildings typically exhibit more problems than buildings constructed in more recent years because of longer periods of active use (wear and tear) and

the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern use due to contemporary space and development standards.

The Consultant Team has documented that there are 196 primary structures located within the Project Area. Field observations of construction methods and materials, supplemented by information provided by the Village and Library indicate that a substantial majority of the Project Area was developed prior to 1982 (older than 35 years). Confirmation of field observations is provided for 110 of the 196 principal buildings based on data collected through the Ogle County Assessor's office. These findings further confirm that the 56% of the buildings exceed 35 years in age and are widely distributed throughout the entire Project Area. This data helps to verify the conclusion that more than half of the buildings within the Project Area are 35 years of age or older.



***Conclusion*** – As determined by field observations and further verified by official property records, the Project Area meets the statutory requirement that at least 50% of the buildings within the Project Area are 35 years of age or older for designation as a “Conservation Area.” Due to this finding, the definition of Conservation Area is investigated in this Eligibility Report, requiring age of buildings plus three other blighting factors.

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

The conditions of the buildings within the Improved Area were determined based on observable components. As described in the section A above, “Relevant Factors in Analysis of Improved Areas”, the Consultant Team conducted an exterior survey of each building within the Improved Area to determine its condition. Of the 196 primary buildings, only 4 buildings were classified as structurally substandard (dilapidated).

***Conclusion*** – Although a small number of structures display severe structural defects, instances of Dilapidation (structurally substandard buildings) is not widespread or evenly distributed throughout the Project Area. As such, Dilapidation is present to a limited extent throughout the Improved Area and **does not** contribute to the designation of the Project Area as a “Conservation Area”.

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

In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property’s ability to compete in the marketplace.

Functional obsolescence occurs in historical structures which have been built for specific uses or purposes. The design, location, height and space arrangement are intended for a specific occupant at a given time. Buildings become obsolescent when they contain characteristics or deficiencies which limit their use and marketability after the original use ceases. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor design or layout, the improper orientation of the building on its site, etc., which detracts from the overall usefulness or desirability of a property.

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. If functionally obsolete properties are not periodically improved or rehabilitated, or economically obsolete properties are not converted to higher and better uses, the income and value of the property erodes over time. This value erosion leads to deferred maintenance, deterioration, and excessive vacancies. These manifestations of obsolescence then begin to have an overall blighting influence on surrounding properties and detract from the economic vitality of the overall area.

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

Obsolescence as a factor should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence. Obsolescence is present in a limited number of structures in the Improved Area. These structures are characterized by conditions that limit their efficient or economic use according to contemporary standards. These buildings include single-purpose storage buildings lacking windows, heating, ventilation and air conditioning systems, as well as small buildings of limited size and/or narrow tenant space, buildings lacking loading or servicing areas, buildings that lack accessibility features and buildings with limited long-term utility or capacity for conversion or expansion for contemporary business or retail use. Obsolescence is evidenced by buildings with underutilized upper floors and buildings that have been converted to new uses including residential buildings and are of limited size converted to, or expanded for, commercial or office space.

**Conclusion** – Although Obsolescence is present in a small number of structures, it is not widespread or evenly distributed throughout the Project Area. As such, Obsolescence is present to a limited extent throughout the Improved Area and **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Deterioration** – *As defined in the Act, “deterioration” refers to, with respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts, and fascia. With respect to surface improvements, the condition of 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.*

Based on the definition given by the Act, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited area. This deterioration can be corrected through normal maintenance.

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

Deterioration of Street Pavement, Parking and Service Areas - Deteriorated street infrastructure is present in a number of locations in the Improved Area. A majority of the streets have chip-n-seal coating, and contain deteriorated pavement with cracks and potholes. Streets lack curb and gutter on nearly all of the roadways in the Improved Area. Parking surface and storage areas throughout the Improved Area vary in condition, but several parking areas consists of (i) gravel surfaces with weed growth, cracks and/or potholes or (ii) deteriorating paved asphalt parking areas with protruding weed growth, cracks and/or potholes. Sidewalks within the Project Area and throughout the Village are very limited, and in some places where there is sidewalk there are missing gaps. The main sidewalk network runs along Walnut Avenue (Route 26) and Main Street (Route 72). There is also limited lighting throughout the Project Area, and the lighting that is available is typically found only at the intersections and in some cases, only located at one corner of the intersection.

Deterioration of Buildings – The analysis of building deterioration is based on the survey methodology and criteria described in the proceeding section, “Building Condition Survey”. Of the total 196 primary structures, 151 of the buildings within the Improved Area are classified as deteriorating. The Village Board knows the effect age can have on a building first hand; they are currently going through the process of making improvements to the Village Hall. Originally constructed in the early 1900s, the Village is looking at exterior structural improvements by re-mortaring the brick façade, rewiring the entire building for electrical improvements and repairing interior water damage on the second floor.

The extent and widespread distribution of deterioration, both of buildings and surface improvements, has a negative effect upon neighboring properties. When buildings or improvements on adjacent properties are in a declining state, a property owner has less incentive to maintain or improve his or her own property. Deterioration has the potential to spread which could lead the entire Project Area to a blighted condition. As noted in Table 1 below, building deterioration is present throughout the Improved Area.

**Table 1. Summary of Building Deterioration**

Total Buildings		
<i>Sound</i>	45	23%
<i>Minor</i>	80	41%
<i>Major</i>	67	34%
<i>Substandard</i>	4	2%
Total Deteriorated	151	77%

***Conclusion*** – Deterioration as a factor is present to a meaningful extent throughout the Improved Area, and ***is therefore a significant contributing factor*** towards the designation of the Project Area as a “conservation area”.



**Presence of Structures Below Minimum Code Standards** – *As defined in the Act, the “presence of structures below minimum code standards” refers to all structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.*

As referenced in the definition above, the principal purposes of governmental codes applicable to properties are to require buildings be constructed in such a way as to sustain safety of loads expected from the type of occupancy; to be safe for occupancy against fire and similar hazards; and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code standards are characterized by defects or deficiencies that threaten health and safety.

Determination of the presence of structures below minimum code standards was based upon visible defects and advanced deterioration of building components from the exterior surveys. Of the total 196 structures, 71 (36%) exhibited advanced deterioration and defects that are below contemporary standards for buildings, and many of these buildings, as well as other buildings throughout the Improved Area, do not meet the Americans with Disabilities Act standards for commercial properties.

**Conclusion** – Although structures below minimum code standards is present in a small number of structures, it is not widespread or evenly distributed throughout the Project Area. As such, structures below minimum code is present to a limited extent throughout the Improved Area and **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Excessive Vacancies** – *As defined in the Act, “excessive vacancies” refers to the presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.*

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings. Excessive vacancies include several storefronts, upper floors and buildings in the downtown area, as well as accessory residential uses (apartments) that exhibit high levels of vacancy.



While there are a number of buildings that are for sale and have been vacant for a long period of time, the actual percentage compared to overall structures within the Improved Area is roughly 24%. This factor is mainly present in the business district, with minimal vacancies throughout the Improved Area.



**Conclusion** – Although there are vacancies, it is not widespread or evenly distributed throughout the Project Area. As such, Excessive Vacancies is present to a limited extent throughout the Improved Area and **does not** contribute to the designation of the Project Area as a “Conservation Area”.

**Lack of Ventilation, Light or Sanitary Facilities** – *As defined in the Act, “lack of facilities” refers to 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 enclosures, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.*

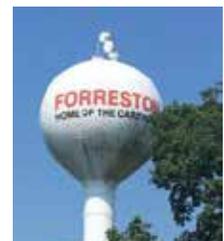
Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criteria used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code or Building Officials Code of America (BOCA). Lack of ventilation, light and/or sanitary facilities are present in a small number of structures in the Improved Area. These structures are characterized by buildings that have inadequate windows for air and light ventilation, and some structures lack adequate sanitary facilities.

**Conclusion** – Lack of ventilation, light or sanitary facilities as a factor is present to a limited extent, and therefore **does not** contribute to the designation of the Project Area as a “Conservation Area”.

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

Based upon the information obtained from the Village’s staff and it’s engineer, much of the Project Area consists of old and undersized water mains and sewer pipes, and lacks adequate storm sewer and storm drainage. A majority of the Village roadways are of gravel surfacing in need of repair, with little to no curb and gutter. Sidewalk exists along the major State highways, with limited and missing gaps, to no sidewalks throughout the rest of the project area.

Water utilities – Forresteron’s water storage system includes a 150,000-gallon elevated water reservoir which was constructed in 1995. The Village’s water source component consists of two municipal wells, and the water distribution system is made up of more than roughly 7 ½ miles of main ranging in size from ¾” 10-inches. The distribution system was installed pre-1920s and has since had numerous extensions and



replacements. The main issues with the water distribution system is its condition due to age, and the lack of loopings to help with water flow and improved quality. Future repairs should be limited to replacement of aged water main and fire hydrants, and the looping of dead-end water mains. Repairs will be addressed as funding becomes available.

Sewer utilities – The Village’s sanitary sewer collection system is just shy of 8 miles of sanitary sewer main, with a majority main size being 8-inches. The collection system was installed in the early 1970s. Sewer backups plagued Forreston in the ‘70s and ‘80s; which resulted in the installation of a trunk sewer, which helped reduce sewer backups. However, inflow and infiltration remain an issue resulting in by-pass pumping and backups, as well as increased flows to the wastewater treatment plant. This excessive flow results in incurring costs to treat non-grey water. In 2012, the Village completed a sewer lining project that focused on specific locations. As funding becomes available, more sewer lining work should be completed throughout the Village to reduce the inflow and infiltration of storm/ground water entering the sewer collection system.

Forreston has an Activated Sludge Process Wastewater Treatment Plant. This process uses dissolved oxygen to promote bacterial growth which in turn consumes the organic material that remains from primary treatment. The treatment plant was originally constructed in the early 1970s and major upgrades were made in 2014/2015. There are still a few other major issues that remain to be completed, which include replacing the aged air pumps, removing the sludge buildup in the lagoons and minor work on the secondary clarifier plant.



Storm Water - As noted through the site observations conducted by the Consulting Team, and as noted by the Village’s engineer, there is very little storm sewer throughout the Project Area. A majority of the storm water runoff makes its way via overland flow to tributaries of the Leaf River or the Elkhorn Creek. As noted by the Village’s engineer, Forreston’s general topography indicates that it sits on a ridge that water sheds away from. While major flooding may not be an issue, freezing in the winter months is a severe problem due to the fact that storm water is being carried overland. This is very evident in the Manufacturing District, where there are many blocks of concrete, with little to no drainage areas, where water sits on the roadway.

The Village of Forreston may need to undertake a storm water management analysis to assess/evaluate the impact/need and identify recommended improvements. Such work could be costly and the Village may want to consider a storm water utility to help fund any improvements.

Roadways – there is roughly 10 miles of roadway within the Village, and a majority of the roads have chip-n-seal surfaces which is common for small municipalities. Roadway projects are typically coordinated with the Village’s Public Works Director who maintains an internal priority listing. In the past, the Village has completed one motor fuel tax project a year, with a major roadway project being completed once every five years, as more funding becomes available. There’s been discussion on the need to upgrade certain roadways in town to 80,000-pound capacity to accommodate heavy truck traffic in the manufacturing district, along with the desire to extend either Cherry, Elm or Birch Streets across the old railroad right-of-way to connect the east and west sides. Such projects will be completed over time as funding becomes available; such funding could possibly include tax increment finance monies or Illinois Department of Transportation economic development grant funds.

**Conclusion** – Inadequate utilities as a factor, are present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

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

Excessive land coverage and overcrowding of structures and community facilities is present within several blocks of the Improved Area 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. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The properties affected are mostly commercial, and do not contain adequate front, rear and side yards, off-street parking space, access to public right-of-way and adequate loading and service areas. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development.

**Conclusion** – Excessive land coverage and overcrowding of structures and community facilities as a factor, is present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

**Deleterious Land Use or Layout** - *As defined in the Act, “deleterious land use or layout” refers to the existence or incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses considered to be noxious, offensive, or unsuitable for the surrounding area.*

The Project Area contains a mix of business, residential, institutional and manufacturing uses. Residential uses adjacent to business/commercial uses are common. However, when it comes to manufacturing uses, it is recommended to have multi-family and/or business/commercial uses adjacent to it. The Village of Forreston’s Manufacturing District is centrally located and is surrounded mainly by multi-family residential uses, but is also adjacent to some very nice single-family residential uses.

**Conclusion** – Deleterious land use or layout as a factor is present to a limited extent, and therefore **does not** contribute to the designation of the Project Area as a “Conservation Area”.

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

Originally laid out and platted by George W. Hewitt in the fall of 1854, Forreston was the offspring of the Illinois Central Railroad, and was incorporated in 1867. Most of the Project Area was developed in the late 1800s and early 1900s, built on a parcel-by-parcel and building-by-building basis. Development occurred prior to the benefit of a comprehensive, community plan, or guidelines that required proper land use arrangements, building setbacks and loading or service requirements. The Village of Forreston has a Comprehensive Plan that was adopted in 1976. The purpose and intent of comprehensive planning is to promote orderly and beneficial development, helping to create a community that offers residents an attractive, efficient, and ‘resident-friendly’ environment in which to live.

The Village also has a Zoning Ordinance, which was adopted in 1974, and a comprehensive amendment was adopted in 2002. The purpose of the Zoning Ordinance is as follows: 1) promote and protect the public health, safety, comforts and general welfare; 2) 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; 3) 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; 4) regulate the intensity of use of lot areas, and to determine the area of open spaces surrounding buildings necessary to provide adequate light and air, to protect the public health and provide convenience of access to property; 5) to establish building lines and the location of buildings designed for residential, business, manufacturing, or other uses within each lot; 6) to establish reasonable standards to which buildings or

structures shall conform, including but not limited to dimensional standards; 7) to prohibit uses, buildings, or structures incompatible with the character of development or intended uses within specified zoning districts; 8) prevent additions, alterations or remodeling of existing buildings or structures in such a way as to avoid the restrictions and limitations imposed; 9) limit congestion in the public streets and protect the public health, safety, convenience and general welfare by providing for off-street parking of motor vehicles and loading of commercial vehicles; 10) protect against fire, explosion, noxious fumes and other hazards in the interest of public health, safety, comfort and general welfare; 11) prevent overcrowding of land and undue concentration of structures...; 12) conserve the taxable value of land and buildings throughout the Village; 13) provide for the elimination of non-conforming uses of land, buildings and structures which are adversely affecting the character and value of desirable development in each district; 14) define and limit the powers and duties of the administrative offices; and 15) to provide for enforcement of and penalties for violating the provisions of this Ordinance. The proposed improved project area encompasses several types of zoning districts: B-1 Business District; M-1 Manufacturing District; and R-1, R-2 Single-Family Residence District and R-3 Two-Family and Multi-Family Residential District.

Evidence of lack of community planning includes: (i) incompatible mixes of residential, business and manufacturing uses not in compliance with setbacks, without appropriate buffers, screening or segregated access for parking, loading and service; (ii) inadequate alley size, access or layout in several portions of the Project Area which makes circulation and access difficult and confusing; and (iii) parcels and blocks of inadequate size and shape for existing uses, lack of accessibility for servicing buildings and businesses, lack of property building setbacks, building conversions and incompatible uses.

**Conclusion** – lack of community planning is widespread and present to a meaningful extent throughout the Improved Area, and **is therefore a significant contributing factor** towards the designation of the Project Area as a “conservation area”.

**Declining or Lagging Equalized Assessed Valuation** – *As defined in the Act, “declining or lagging equalized assessed valuation” means that the total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years for which information is available, or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.*

The annual growth rate of the total equalized assessed valuation of properties comprising of the Improved Area has actually decreased overall by -11.61% from 2010 to 2016. The Village’s total equalized assessed value of the proposed redevelopment project area has declined for each of the years from 2010 to 2015, with 2016 the only year to reflect an increase. As such, the EAV is well below the Consumer Price Index for the years 2010 to 2016.

Additionally, the Improved Area EAV is lagging behind the Village’s overall EAV for three of the six years Table 2 below identifies the EAV for the Improved Area and the total EAV for the Village of Forreston as a whole.

**Table 2: Total EAV of the Improved Area vs. the Village of Forreston**

	2010	2011	2012	2013	2014	2015	2016
<b>Total EAV</b>	\$3,845,362	\$3,762,045	\$3,600,232	\$3,533,501	\$3,472,764	\$3,431,728	3,445,371
<b>Improved Area</b>							
<i>annual change</i>		-2.21%	-4.49%	-1.89%	-1.75%	-1.20%	.40%
<b>Village Total EAV</b>	\$16,348,806	\$16,016,576	\$15,243,576	\$14,422,331	\$14,072,099	\$13,996,036	\$14,445,302
<i>annual change</i>		-2.07%	-5.01%	-5.69%	-2.49%	-.54%	3.11%
<b>Conclusion</b>			Lagging	Lagging	Lagging		

**Conclusion** – Based upon the documented decreasing value of the Project Area over the previous 6 years, the factor of “declining or lagging equalized assessed valuation” **is a contributing factor** towards the designation of the Project Area as a “Conservation Area”.

**C. Relevant Factors in Analysis of Vacant Area**

Based on the definition set forth in the Act, vacant land means “any parcel or combination of parcels or real property without industrial, commercial and residential buildings which has not been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, unless the parcel is included in an industrial park conservation area or the parcel has been subdivided...”

Summarized below are the conclusions of the surveys and analyses completed for each blight factor within the Vacant Area. The conclusions indicate whether the factor is found to be present within the Vacant Area and the relative extent to which the factor is present.

**Vacant Area “Section 11-74.4-3(a)(2)” Eligibility Criteria**

The Vacant Blighted Area or Vacant Area of the Redevelopment Project Area includes thirteen (13) tax parcels. Seven of the parcels are located along the north and northeastern end of the Village; three parcels are located at the southwest corner of the Village; and three are centrally located near the south end of town. The total area of the Vacant Area is roughly 65 acres.

The Vacant Area is impaired by a combination of 3 of 6 factors (2 are required) listed in section 11-74.4-3(a)(2) of the Act for qualification as a vacant blighted area.

1. Diversity of ownership of such land.

There are 13 parcels of vacant land that is owned by 8 different owners. Roughly 62% of the parcels are owned by different property owners contributing to diversity of ownership. The development of land is limited when adjoining parcels are owned by different property owners, especially when roadway access is lacking or limited.

***Conclusion*** - Diversity of ownership **is present to a meaningful extent** in the Vacant Area.

2. Obsolete platting of the vacant land.

A majority of the vacant parcels have several factors contributing to obsolete platting: 1) four parcels (roughly 36%) are narrow strips of land that used to be an old railroad corridor; 2) six parcels (roughly 43%) have no roadway access; and 3) 11 parcels (approximately 78%) are located on or adjacent to an old railroad corridor. All of the above are contributing factors that can prohibit the development of vacant land.

***Conclusion*** – Obsolete platting of the vacant land **is present to a meaningful extent** in the Vacant Area.

3. Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

The Vacant Land is adjacent to the Improved Area as well as other properties inside and outside the corporate boundaries of the Village that encompass deteriorated buildings and sites. Vacant, deteriorated and dilapidated buildings exist, both within and outside the Project Area, in neighboring areas adjacent to the Vacant Area. The buildings are generally residential and farm buildings, both inside and outside the Village's corporate boundaries. The extent and degree of deterioration in the Improved Area is described in Section IV B of this Eligibility Study.

***Conclusion*** – Deterioration of structures or sites in neighboring areas adjacent to the vacant land **is present to a meaningful extent** in the Vacant Area.

## V. ELIGIBILITY CONCLUSIONS

The Project Area meets the requirements of the Act for designation as a combination “conservation area” and “vacant blighted area”.

### **Conservation Area**

There is a meaningful presence and a reasonable distribution of five of the thirteen factors listed in the Act. These include:

- Deterioration
- Inadequate utilities
- Excessive land coverage and overcrowding of community facilities
- Lack of community planning
- Declining Equalized Assessed Valuation

Additionally, other factors are present to a lesser degree and further support the conservation area finding, including:

- Dilapidation
- Obsolescence
- Structures below minimum code standards
- Excessive vacancies
- Deleterious land use or layout
- Lack of ventilation, light or sanitary facilities

### **Vacant Blighted Area**

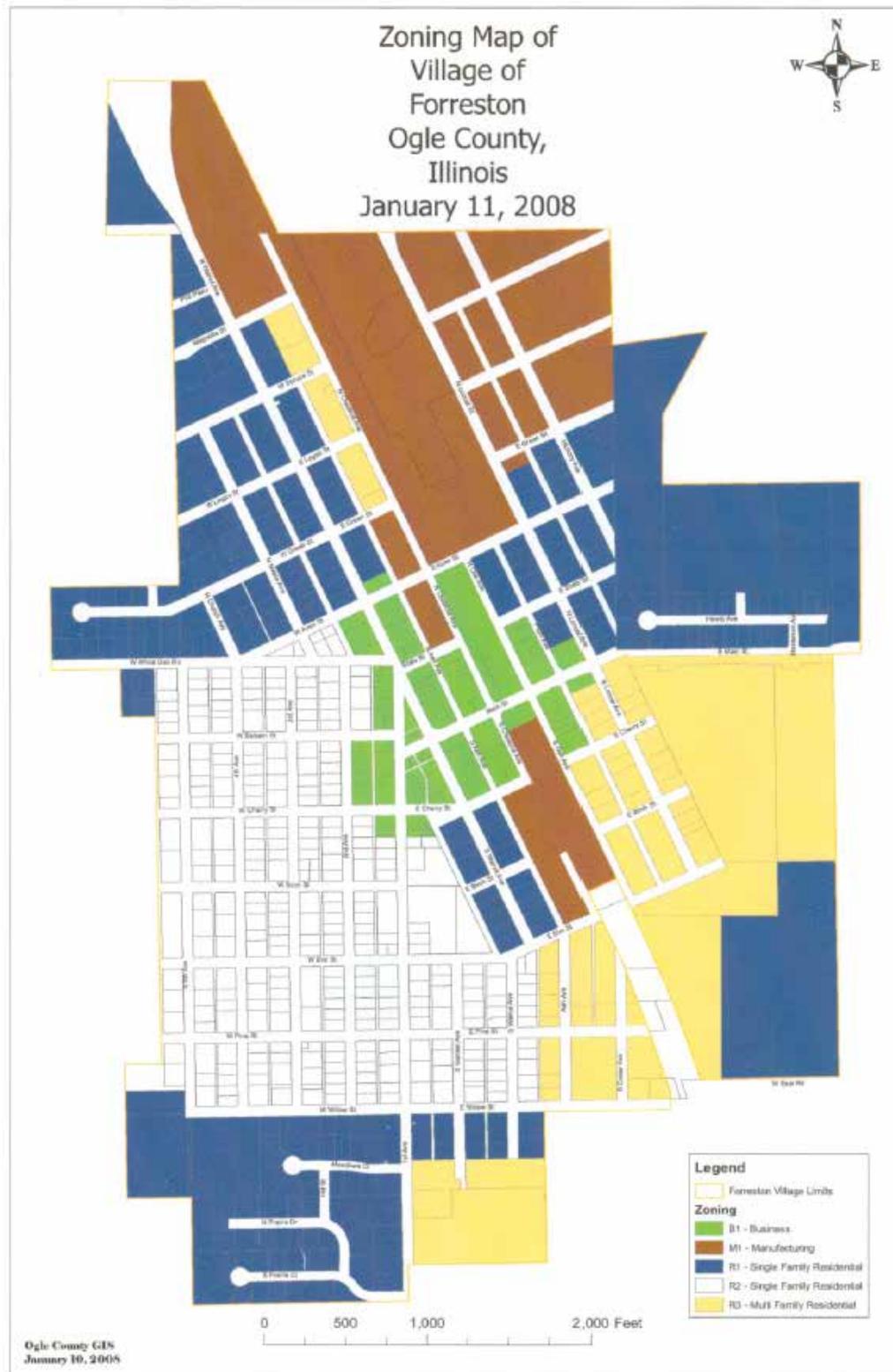
The Vacant Area meets the requirements of the Act for designation as a “vacant blighted area”. Within the Vacant Area there is a meaningful presence and a reasonable distribution of three of the six “vacant blighted area” factors (two or more are required) as set forth in the Act, including:

- Diversity of ownership
- Obsolete platting
- Deterioration of structures or site improvements in neighboring areas adjacent to the Vacant Area

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

*Exhibit D*

*Forreston Zoning Map*



*Exhibit E*

*Forreston Existing Land Use Map*

