

## 5. Financial Plan

### *Eligible Costs*

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

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

necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and project, to the extent the municipality by written agreement accepts and approves such costs;

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

redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act; and

- e. The percentage increases from thirty percent (30%) to seventy-five percent (75%) for 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.
  - f. Instead of the interest costs described above in paragraphs 12b. and 12d., a municipality may pay from tax incremental revenues up to 50% of the cost of construction, renovation, and rehabilitation of new housing units (for ownership or rental) to be occupied by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, as more fully described in the Act. If the units are part of a residential redevelopment project that includes units not affordable to low- and very low-income households, only the low- and very low-income units shall be eligible for this benefit under the Act;
13. Unless explicitly stated in the Act and as provided for in relation to low- and very low-income housing units, the cost of construction of new privately owned buildings shall not be an eligible redevelopment project cost.

### ***Estimated Redevelopment Project Costs***

The estimated eligible costs of this Redevelopment Plan are shown in Table 3. The total eligible cost provides an upper limit on expenditures that are to be funded using tax increment revenues, exclusive of capitalized interest, issuance costs, interest, and other financing costs. Within this limit, adjustments may be made in line items without amendment to this Redevelopment Plan. Additional funding in the form of State and Federal grants, private developers contributions and other outside sources may be pursued by the City as a means of financing improvements and facilities which are of benefit to the general community.

<b>Project/Improvements</b>	<b>Estimated Project Costs*</b>
Professional Services	\$250,000
Property Assembly: including site preparation and environmental remediation	\$5,500,000
Rehabilitation Costs (Commercial and Residential)	\$500,000
Eligible Construction Costs	\$100,000
Relocation	\$100,000
Public Works or Improvements (1)	\$8,000,000

Job Training	\$100,000
Interest Costs	\$100,000
<b>TOTAL REDEVELOPMENT COSTS (2)</b>	<b>\$14,650,000</b>

\* Exclusive of capitalized interest, issuance costs, and other financing costs

(1) This category also may include the reimbursement of capital costs of taxing districts including schools resulting from the redevelopment project necessarily incurred in the furtherance of the objectives of the Redevelopment Project Area Plan and Project to the extent the City by written agreement accepts and approves such costs.

(2) All costs are in 2001 dollars and may be increased by the rate of inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in Table 3 are expected and may be made by the City without amendment to the Plan. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs as a result of changed redevelopment costs and needs.

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

### ***Phasing and Scheduling of the Redevelopment***

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

Where tax increment funds are used to pay eligible redevelopment project costs, to the extent funds are available for such purposes, expenditures by the City shall be coordinated to coincide on a reasonable basis with the actual redevelopment expenditures of the developer(s). The Redevelopment Plan shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31<sup>st</sup> of the year in which the payment to the City Treasurer

as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third year calendar year following the year in which the ordinance approving this redevelopment project area is adopted (by December 31, 2026, if the ordinances establishing the RPA are adopted in 2002).

### ***Sources of Funds to Pay Costs***

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

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

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

The First Street RPA is contiguous to the Hotel Baker RPA and may, in the future, be contiguous to, or be separated only by a public right-of-way from, other redevelopment areas created under the Act. The City may utilize net incremental property tax revenues received from the First Street RPA to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas, or those separated only by a public right-of-way, and vice versa. The amount of revenue from the RPA made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA, shall not at any time exceed the total Redevelopment Project Costs described in Table 3 (Estimated TIF Eligible Costs) of this Redevelopment Plan.

The First Street RPA may become contiguous to, or separated only by a public right-of-way from, other redevelopment project areas created under the Illinois Industrial Jobs Recovery Law, (65 ILCS 5/11-74.61-1 et. seq.). If the City finds that the goals, objectives and financial success of such contiguous redevelopment project areas or those separated only by a public right-of-way are interdependent with those of the RPA, the City may determine that it is in the best interests of the City and in furtherance of the purposes of the Plan that net revenues from the RPA be made available to support any such redevelopment project areas, and vice versa. The City, therefore, proposes to

utilize net incremental revenues received from the RPA to pay eligible redevelopment projects costs (which are eligible under the Industrial Jobs Recovery Law referred to above) in any such areas, and vice versa. Such revenues may be transferred or loaned between the RPA and such areas. The amount of revenue from the RPA so made available, when added to all amounts used to pay eligible Redevelopment Project Costs within the RPA or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 3 of this Redevelopment Plan.

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

### ***Issuance of Obligations***

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

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

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

### ***Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area***

The purpose of identifying the most recent equalized assessed valuation ("EAV") of the RPA is to provide an estimate of the initial EAV which the Kane County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the RPA. The 2000

EAV of all taxable parcels in the RPA is approximately \$4,309,765. The total EAV is subject to verification by the Kane County Clerk. After verification, the final figure shall be certified by the Kane County Clerk, and shall become the Certified Initial EAV from which all incremental property taxes in the Redevelopment Project Area will be calculated by Kane County. The total EAV amounts by PIN for the RPA are summarized in Appendix 3.

*Anticipated Equalized Assessed Valuation*

By 2025, the EAV for the RPA will be approximately \$24,000,000. This estimate is based on several key assumptions, including: (1) an inflation factor of 2.5% per year on the EAV of all properties within the RPA, and (2) an equalization factor of 1.000.

## 6. Required Findings and Tests

### *Lack of Growth and Private Investment*

The City is required under the Act to evaluate whether or not the RPA has been subject to growth and private investment and must substantiate a finding of lack of such investment prior to establishing a tax increment financing district.

New investment that occurred in the study area in the past five years mostly consists of renovations to three buildings. A significant amount of the renovation that has occurred has been undertaken with public assistance through the City's facade treatment program. Taken as a whole, the study area has not been subject to widespread growth and development through investment by private enterprise.

The study area is located entirely within St. Charles Township. From 1995 through 2000 (the last year for which data is available), the growth of equalized assessed valuation ("EAV," which is the value of property from which property taxes are based) in the study area was actually negative as the total taxable value of land has decreased. The compound annual growth rate of EAV for the study area was 5.00% between 1995 and 2000. In comparison, the compound annual growth rate of EAV was 6.72% for the whole of the City of St. Charles over the same period of time.

As another method to examine the scope of new investment in the study area, *S. B. Friedman & Company* examined building permit data provided by the City of St. Charles Building Department. Specifically, we examined building permit data for the period from 1996 through 2000 which revealed that 25 permits were issued within the study area totaling approximately \$916,341, with no permits issued for new construction, and three permits issued for demolition. However, almost 70% of the total value of these permits was due to the remodeling of only two of the 36 buildings in the study area. Excluding these two buildings the total value of permits issued over the five-year period was only \$281,341. On average over our five-year study period, privately initiated permits amounted to approximately \$183,268 per year of total private investment, or less than 2% of the total St. Charles Township Assessor's estimate of market value of all property within the study area. At this rate, it would take the private market a substantial amount of time to replace the current Assessor's market value of the study area.

The impact on surrounding properties of the property investment on which building permits were issued has been isolated and minimal. These investments and existing property improvements have not stimulated widespread new private investment in the study area as a whole. Public investment through the City's facade improvement program (a 50% matching program) totaled approximately \$200,000 (or about 20% the total value of building permits issued). Several buildings in the RPA have remained vacant for over a year.

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

***But for...***

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

Without the support of public resources, the redevelopment objectives for the study area would most likely not be realized. The area-wide improvements and development assistance resources needed to redevelop and revitalize the study area as a mixed-use commercial district are extensive and costly, and the private market, on its own, has shown little ability to absorb all of these costs. Public resources to assist with site preparation, environmental remediation, and public infrastructure improvements are needed to leverage private investment and facilitate area-wide redevelopment consistent with the City's Comprehensive Plan. TIF funds can be used to fund site assembly and preparation, environmental remediation, infrastructure improvements, and building rehabilitation. Accordingly, but for the designation of a TIF district, these projects, which would contribute substantially to area-wide redevelopment, are unlikely to occur without TIF designation for the RPA.

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

***Conformance to the Plans of the City***

The RPA and Redevelopment Plan must conform to the comprehensive plan for the City, conform to the strategic economic development plans, or include land uses that have been approved by the City Council.

***Dates of Completion***

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

***Financial Impact of the Redevelopment Project***

As explained above, without the adoption of this Redevelopment Plan and tax increment financing, the RPA is not expected to be redeveloped by private enterprise. Additionally, there is a genuine threat that blighting conditions will continue to exist and spread, and that the entire area will become a less attractive place to maintain and improve existing buildings and sites. The decline of property values within the RPA also may lead to a decline of property values in surrounding areas and could lead to a reduction of real estate tax revenue to all taxing districts.

This document describes the comprehensive redevelopment program proposed to be undertaken by the City to create an environment in which private investment can reasonably occur. The redevelopment program will be staged gradually over the life of the RPA. If a redevelopment project is successful, various new projects will be undertaken that will assist in alleviating blighting

conditions, creating new jobs, and promoting rehabilitation and development in the RPA.

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

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

In 1994, the Act was amended to require an assessment of any financial impact of a redevelopment project area on, or any increased demand for service from, any taxing district affected by the redevelopment plan, and a description of any program to address such financial impacts or increased demand.

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

Given the preliminary nature of the Redevelopment Plan, specific fiscal impacts on the taxing districts and increases in demand for services provided by those districts cannot accurately be assessed within the scope of this plan. The following major taxing districts and associated pension funds, presently levy taxes on properties within the RPA:

- Kane County
- Kane County Forest Preserve
- St. Charles Township
- St. Charles Township Road District
- St. Charles Cemetery
- St. Charles Library
- City of St. Charles
- St. Charles Park District
- St. Charles School District 303
- Elgin Community College
- St. Charles Special Service Area 1A
- St. Charles Special Service Area 1B

The tax incremental revenues derived from the two Special Service Areas which overlap parts of the RPA may be used within the RPA for the purposes permitted by the Special Service Area Tax Act or Law as well as the purposes permitted under the Tax Increment Allocation Redevelopment Act.

Replacement of vacant and under-utilized buildings and sites with active and more intensive uses may result in additional demands on services and facilities provided by the districts. At this time no special programs are proposed for these taxing districts. Should demand increase, the City will work with the affected taxing districts to determine what, if any, program is necessary to provide adequate services.

## ***7. Provisions for Amending Action Plan***

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

Major changes to this redevelopment that take effect after the original public hearing can occur if the City gives notice, convenes a joint review board, and conducts a public hearing as provided by the Act. Minor changes which do not

- Add additional parcels of property to the RPA;
- Substantially affect the general land uses proposed in the redevelopment plan;
- Substantially change the nature of or extend the life of the RPA; or
- Increase the number of low or very low income buildings displaced from the RPA;

can be made provided that the City gives notice to the affected taxing bodies, to the persons listed on the interested party registry, and publishes the changes to a newspaper in general circulation as provided in the Act.

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

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

This program will ensure equal opportunity for all personnel regardless of race, color, religion, sex, age, marital status, handicapped status, nation of origin, sexual preference, creed, or ancestry. All entities involved are responsible for conformance to the policy that is put in place.

***Appendix 1:***  
***Boundary and Legal Description***

That part of the Northwest Quarter and the Southwest Quarter of Section 27, Township 40 North, Range 8 East of the Third Principal Meridian in the City of St. Charles, Kane County, Illinois, described as follows:

Beginning at the northeast corner of Block 44 in the Original Town of St. Charles, said point also being the intersection of the south right-of-way line of Main Street (Illinois Route 64) and the westerly right-of-way line of 2nd Street (Illinois Route 31); thence easterly along said southerly right-of-way line to the west bank of the Fox River; thence southerly along said west bank to the southerly right-of-way line of Indiana Street; thence westerly along said southerly right-of-way line to the easterly right-of-way line of 1st Street; thence southerly along the easterly right-of-way line of 1st Street to the northerly right-of-way line of Prairie Street; thence easterly along said northerly right-of-way line of Prairie Street to the northerly extension of the west line of Lot 5 in the Piano Factory of St. Charles Subdivision; thence southerly along the west line of said Lot 5 and the northerly extension thereof to the most southerly corner of said Lot 5; thence southwesterly along the extension of the southeasterly line of said Lot 5 to the westerly right-of-way line of 2nd Street (Illinois Route 31); thence northerly along said westerly right-of-way line of 2nd Street to the Point of Beginning.

***Appendix 2:  
Eligibility Factors By Block Table***

**Qualifying Eligibility Factors by Block**

Tax Parcel Block Number*	Age	Deterioration	Obsolescence	Deteriorous Land Use or Layout	Lack of Growth in EAV**
1 09 - 27 - 377	x			x	x
2 09 - 27 - 378	x			x	x
3 09 - 34 - 126	x	x	x	x	x
4 09 - 34 - 127	x				x
5 09 - 34 - 128	x	x	x	x	x
6 09 - 34 - 129	x	x			x
7 09 - 34 - 132	x	x	x	x	x
8 09 - 34 - 176	x	x	x	x	x
9 09 - 34 - 177	x	x	x	x	x
<b>Totals</b>	<b>9</b> 100%	<b>6</b> 67%	<b>5</b> 56%	<b>7</b> 78%	<b>9</b> 100%

\* The blocks are depicted on Map 4

\*\* Area-wide factor

Note: Percentages shown refer to the percentage of blocks in the RPA that exhibit the factor to a meaningful extent.

Not all factors were able to be evaluated in the field or researched adequately to demonstrate their presence.

This does not mean that other factors do not exist in the study area.

***Appendix 3:  
Summary of EAV by PIN***

EAV By PIN

	Study Area PINs	2000 EAV	1999 EAV	1998 EAV	1997 EAV	1996 EAV	1995 EAV
1	09 - 27 - 377 - 002	\$ 195,955	\$ 175,939	\$ 200,872	\$ 187,801	\$ 150,965	\$ 147,752
2	09 - 27 - 377 - 004	\$ 59,253	\$ 61,552	\$ 42,466	\$ 43,931	\$ 42,466	\$ 41,561
3	09 - 27 - 377 - 005	\$ 61,917	\$ 64,076	\$ 50,304	\$ 52,040	\$ 50,304	\$ 49,234
4	09 - 27 - 377 - 006	\$ 60,642	\$ 57,471	\$ 22,155	\$ 22,918	\$ 22,155	\$ 21,683
5	09 - 27 - 377 - 007	\$ 108,141	\$ 58,944	\$ 28,112	\$ 29,082	\$ 28,112	\$ 27,513
6	09 - 27 - 377 - 009	\$ 37,853	\$ 35,875	\$ 34,604	\$ 35,798	\$ 34,604	\$ 33,867
7	09 - 27 - 377 - 010			\$ -	\$ -	\$ -	\$ -
8	09 - 27 - 377 - 011			\$ 9,239	\$ 9,558	\$ 9,239	\$ 9,041
9	09 - 27 - 377 - 012	\$ 179,566	\$ 171,835	\$ 137,463	\$ 142,205	\$ 137,463	\$ 136,007
10	09 - 27 - 377 - 014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	09 - 27 - 377 - 015	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	09 - 27 - 377 - 016	\$ 48,169	\$ 45,651	\$ 44,252	\$ 45,779	\$ 44,252	\$ 30,518
13	09 - 27 - 377 - 017	\$ 174,882	\$ 165,738	\$ 87,678	\$ 90,702	\$ 87,678	\$ 85,812
14	09 - 27 - 377 - 018	\$ 30,554	\$ 48,630	\$ 49,380	\$ 51,083	\$ 49,380	\$ 48,329
15	09 - 27 - 377 - 019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	09 - 27 - 377 - 020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	09 - 27 - 377 - 021	\$ -	\$ -				
18	09 - 27 - 377 - 022	\$ 17,728	\$ 14,701				
19	09 - 27 - 378 - 001	\$ 100,143	\$ 94,907	\$ 97,274	\$ 102,350	\$ 97,274	\$ 94,184
20	09 - 27 - 378 - 002	\$ 68,685	\$ 65,094	\$ 50,495	\$ 52,236	\$ 50,495	\$ 49,420
21	09 - 27 - 378 - 003	\$ 102,114	\$ 96,785	\$ 85,144	\$ 88,081	\$ 85,144	\$ 83,332
22	09 - 34 - 126 - 002	\$ 60,324	\$ 60,488	\$ 72,544	\$ 73,109	\$ 68,112	\$ 65,980
23	09 - 34 - 126 - 005	\$ 46,773	\$ 44,328	\$ 28,921	\$ 29,918	\$ 28,921	\$ 28,306
24	09 - 34 - 126 - 006	\$ 49,414	\$ 46,831	\$ 28,921	\$ 29,918	\$ 28,921	\$ 28,306
25	09 - 34 - 126 - 007	\$ 39,504	\$ 37,439	\$ 20,091	\$ 20,784	\$ 20,091	\$ 19,663
26	09 - 34 - 126 - 011	\$ 125,507	\$ 125,360	\$ 69,548	\$ 71,947	\$ 69,548	\$ 68,068
27	09 - 34 - 126 - 012	\$ 144,830	\$ 137,258	\$ 105,058	\$ 108,681	\$ 105,058	\$ 102,822
28	09 - 34 - 126 - 013	\$ 27,262	\$ 25,839	\$ 23,641	\$ 24,457	\$ 23,641	\$ 23,138
29	09 - 34 - 126 - 014	\$ 25,966	\$ 24,611	\$ 31,786	\$ 32,882	\$ 31,786	\$ 31,110
30	09 - 34 - 126 - 015	\$ 38,947	\$ 36,915	\$ 38,224	\$ 39,543	\$ 38,224	\$ 37,410
31	09 - 34 - 126 - 016	\$ 18,176	\$ 17,228	\$ 21,598	\$ 22,343	\$ 21,598	\$ 21,138
32	09 - 34 - 126 - 017	\$ 19,355	\$ 18,344	\$ 19,944	\$ 20,632	\$ 19,944	\$ 19,519
33	09 - 34 - 127 - 001	\$ 460,873	\$ 436,778	\$ 483,072	\$ 499,735	\$ 464,331	\$ 448,918
34	09 - 34 - 128 - 001	\$ 128,047	\$ 121,352	\$ 82,880	\$ 77,390	\$ 73,552	\$ 71,216

	Study Area PINs	2000 EAV	1999 EAV	1998 EAV	1997 EAV	1996 EAV	1995 EAV
35	09 - 34 - 128 - 002	\$ 24,631	\$ 23,344	\$ 23,616	\$ 12,959	\$ 12,527	\$ 12,260
36	09 - 34 - 128 - 004	\$ 16,594	\$ 15,726	\$ 15,908	\$ 8,732	\$ 8,441	\$ 8,262
37	09 - 34 - 128 - 005	\$ 26,871	\$ 25,466	\$ 17,855	\$ 18,472	\$ 17,855	\$ 17,475
38	09 - 34 - 128 - 006	\$ 65,789	\$ 62,349	\$ 62,802	\$ 64,968	\$ 62,802	\$ 61,465
39	09 - 34 - 128 - 007	\$ 73,356	\$ 69,521	\$ 68,927	\$ 71,305	\$ 68,927	\$ 56,766
40	09 - 34 - 128 - 008	\$ 22,160	\$ 21,002	\$ 21,979	\$ 22,737	\$ 21,979	\$ 21,511
41	09 - 34 - 129 - 001	\$ 70,636	\$ 66,950	\$ 482,845	\$ 499,499	\$ 436,250	\$ 426,964
42	09 - 34 - 129 - 002	\$ 160,286	\$ 151,905	\$ 132,012	\$ 136,565	\$ 132,012	\$ 129,202
43	09 - 34 - 129 - 003	\$ 73,091	\$ 69,269	\$ 40,042	\$ 41,423	\$ 40,042	\$ 39,190
44	09 - 34 - 129 - 004	\$ 446,031	\$ 422,754				
45	09 - 34 - 132 - 001	\$ 62,845	\$ 59,565	\$ 48,260	\$ 54,344	\$ 52,532	\$ 51,414
46	09 - 34 - 132 - 002	\$ 52,864	\$ 37,033	\$ 24,528	\$ 25,374	\$ 24,528	\$ 24,005
47	09 - 34 - 132 - 003	\$ 50,207	\$ 50,899	\$ 53,109	\$ 53,501	\$ 49,884	\$ 47,431
48	09 - 34 - 132 - 004	\$ 47,151	\$ 48,004	\$ 50,184	\$ 50,648	\$ 47,320	\$ 44,585
49	09 - 34 - 132 - 005	\$ 46,151	\$ 40,832	\$ 44,923	\$ 46,014	\$ 43,333	\$ 37,191
50	09 - 34 - 132 - 006	\$ 46,287	\$ 34,053	\$ 40,526	\$ 41,504	\$ 39,129	\$ 38,296
51	09 - 34 - 132 - 007	\$ 38,628	\$ 39,925	\$ 42,305	\$ 43,294	\$ 40,712	\$ 39,845
52	09 - 34 - 132 - 009	\$ 45,094	\$ 45,152	\$ 56,490	\$ 57,456	\$ 56,490	\$ 55,886
53	09 - 34 - 132 - 010	\$ 23,742	\$ 22,501	\$ 27,042	\$ 27,504	\$ 27,042	\$ 26,753
54	09 - 34 - 132 - 011	\$ 59,734	\$ 56,610	\$ 63,445	\$ 64,530	\$ 63,445	\$ 62,766
55	09 - 34 - 132 - 012	\$ 95,260	\$ 81,793	\$ 95,260	\$ 96,889	\$ 95,260	\$ 94,241
56	09 - 34 - 132 - 013	\$ 191,770	\$ 164,770	\$ 128,887	\$ 133,333	\$ 127,508	\$ 126,144
57	09 - 34 - 176 - 001	\$ 25,789	\$ 24,441	\$ 21,898	\$ 22,653	\$ 21,898	\$ 21,432
58	09 - 34 - 177 - 001	\$ 47,916	\$ 45,410	\$ 49,250	\$ 50,949	\$ 49,250	\$ 48,202
59	09 - 34 - 177 - 002	\$ 64,126	\$ 60,773	\$ 56,454	\$ 67,912	\$ 49,911	\$ 48,849
60	09 - 34 - 177 - 007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	09 - 34 - 177 - 010	\$ 2,176	\$ 2,062	\$ 13,538	\$ 14,004	\$ 13,538	\$ 13,250
62	09 - 34 - 177 - 014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTALS:</b>		\$ 4,309,765	\$ 4,032,078	\$ 3,647,751	\$ 3,731,467	\$ 3,485,873	\$ 3,377,231
Annual Change		6.89%	10.54%	-2.24%	7.05%	3.22%	N/A
City Total EAV		\$ 883,471,157	\$ 798,697,597	\$ 763,629,907	\$ 728,262,531	\$ 678,828,787	\$ 638,590,256
Balance of:		\$ 879,161,392	\$ 794,665,519	\$ 759,982,156	\$ 724,531,064	\$ 675,342,914	\$ 635,213,025
Annual Change		10.63%	4.56%	4.89%	7.28%	6.32%	N/A

State of Illinois )  
 )  
Counties of Kane and DuPage ) ss.

## Certificate

I, KRISTIE A. NEPHEW, certify that I am the duly elected and acting municipal clerk of the City of St. Charles, Kane and DuPage Counties, Illinois.

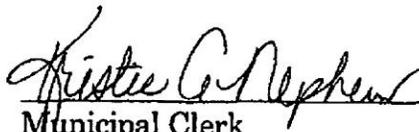
I further certify that on March 18, 2002, the Corporate Authorities of such municipality passed and approved Ordinance No. 2002-M-13, entitled

"An Ordinance of the City of St. Charles,  
Kane and DuPage Counties, Illinois,  
Approving a Tax Increment Redevelopment Plan  
and Redevelopment Project for the  
First Street Redevelopment Project Area,"

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 2002-M-13, including the Ordinance and a cover sheet thereof was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on March 22, 2002, and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the municipal clerk.

DATED at St. Charles, Illinois, this 18<sup>th</sup> day of March 2002.

  
Municipal Clerk



**EXHIBIT "E"**  
Amendment

**First Street Redevelopment Project Area**  
**Tax Increment Financing District**  
**Eligibility Study, Redevelopment Plan and Project**

Amendment No. 1

City of St. Charles

January 17, 2006

## ***Introduction***

To induce redevelopment pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, as amended from time to time (the "Act"), the City Council of the City of St. Charles (the "City") adopted three ordinances on March 18, 2002, approving the First Street Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project (the "Original Plan"), designating the First Street Redevelopment Project Area (the "RPA") as a redevelopment project area under the Act, and adopting tax increment allocation financing for the RPA.

The Original Plan is being amended to revise the Financial Plan including the Estimated Redevelopment Project Costs, and to add certain language in light of recent amendments to the Act.

The First Street Redevelopment Project Area Tax Increment Financing District Eligibility Study, Redevelopment Plan and Project adopted by the City of St. Charles on March 18, 2002, will herein be referred to as the "Original Plan." The Original Redevelopment Plan, as amended shall be referred to herein as the "Redevelopment Plan."

## ***Modifications to Original Plan***

Each of the changes to the Original Plan is detailed below following the format of the Original Plan.

### **1. Executive Summary**

There are no changes to the introductory language in the Executive Summary.

#### **Determination of Eligibility**

There are no changes to this section.

#### **Redevelopment Plan Goal, Objectives, and Strategies**

There are no changes to this section.

#### **Required Findings**

There are no changes to this section.

### **2. Introduction**

#### **The Study Area**

There are no changes to this section.

**Existing Land Use**

There are no changes to this section.

**3. Eligibility Analysis**

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

There are no changes to this section.

**Factors for Improved Property**

There are no changes to this section.

**Factors for Vacant Land**

There are no changes to this section.

**Methodology Overview and Determination of Eligibility**

There are no changes to this section.

**Conservation Area Findings**

There are no changes to this section.

**4. Redevelopment Project and Plan**

**Redevelopment Needs of the RPA**

There are no changes to this section.

**Goals Objectives, and Strategies**

There are no changes to this section.

**Proposed Future Land Use**

There are no changes to this section.

**Housing Impact and Related Matters**

There are no changes to this section.

## 5. Financial Plan

### Eligible Costs

On page 27, insert the new item below to the list of eligible costs. This item will be number 12. Items 12 and 13 will be renumbered 13 and 14.

12. The costs of day care services for children of employees from low-income families working for businesses located in the RPA and all or a portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the RPA. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80 percent of the City, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

### Estimated Redevelopment Project Costs

There are no changes to the introductory paragraph to this section.

Table 2 on page 28 with the Amended Table 2 below:

<b>Amended Table 2: Estimated TIF Eligible Costs</b>	<b>Estimated Project Costs</b>
<b>Professional Services:</b> Analysis, Administration, Studies, Surveys, Legal, Marketing, etc.	\$3,000,000
<b>Property Assembly:</b> Including acquisition, site preparation, demolition and environmental remediation	\$11,000,000
<b>Rehabilitation of Existing Buildings:</b> Fixtures and Leasehold Improvements, Affordable Housing Construction and Rehabilitation Costs	\$500,000
<b>Eligible Construction Costs</b>	\$500,000
<b>Relocation</b>	\$5,000,000
<b>Public Works or Improvements:</b> Including streets and utilities, parks and open space, public facilities (schools & other facilities) <sup>(1)</sup>	\$9,000,000
<b>Job Training, Retraining, Welfare-to-work</b>	\$100,000
<b>Day Care Services</b>	\$100,000
<b>Interest Subsidy</b>	\$800,000
<b>TOTAL REDEVELOPMENT COSTS</b> <sup>(2)(3)</sup>	<b>\$30,000,000</b> <sup>(4)</sup>

<sup>(1)</sup> This category may also include paying for or reimbursing (i) an elementary, secondary or unit school district's increased

costs attributed to assisted housing units, and (ii) capital costs of taxing districts impacted by the redevelopment of the Project Area. As permitted by the Act, to the extent the city by written agreement accepts and approves the same, the city may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the Redevelopment Plan.

<sup>(2)</sup> Total Redevelopment Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Project Costs.

<sup>(3)</sup> The amount of the Total Redevelopment Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.

<sup>(4)</sup> All costs are in 2005 dollars and may be increased by five percent (5%) after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers for All Items for the Chicago-Gary-Kenosha, IL-IN-WI CMSA, published by the U. S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

The following paragraph is added at the end of this section:

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

#### **Phasing and Scheduling of the Redevelopment Plan**

There are no changes to this section.

#### **Source of Funds to Pay Costs**

There are no changes to this section.

#### **Issuance of Obligations**

There are no changes to this section.

#### **Most Recent Equalized Assessed Valuation of Properties in the Redevelopment Project Area**

There are no changes to this section.

#### **Anticipated Equalized Assessed Valuation**

Replace this section with the following:

By 2025 the EAV for the RPA will be approximately \$46,000,000. This estimate is based on several key assumptions including: (1) an inflation factor of 2.5% per year on the EAV of all properties within the RPA, and (2) an equalization factor of 0.948.

**6. Required Findings and Tests**

**Lack of Growth and Private Investment**

There are no changes to this section.

**But For.....**

There are no changes to this section.

**Conformance to the Plans of the City**

There are no changes to this section.

**Dates of Completion**

There are no changes to this section.

**Financial Impact of the Redevelopment Project**

There are no changes to this section.

**Demand on Taxing District Services and Programs to Address Financial and Service Impact**

There are no changes to this section.

**7. Provisions for Amending Action Plan**

There are no changes to this section.

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

There are no changes to this section.

**Appendix 1: Boundary and Legal Description**

There are no changes to this section.

**Appendix 2: Eligibility Factors By Block Table**

There are no changes to this section.

**Appendix 3: Summary of EAV by PIN**

There are no changes to this section.

State of Illinois )  
 ) ss.  
Counties of Kane and DuPage )

## Certificate

I, NANCY GARRISON, certify that I am the duly elected and acting Municipal Clerk of the City of St. Charles, Kane and DuPage Counties, Illinois.

I further certify that on January 17, 2006, the Corporate Authorities of such municipality passed and approved Ordinance No. 2006-M-6, entitled

"An Ordinance of the City of St. Charles, Kane and DuPage Counties, Illinois, Approving an Amendment to the Redevelopment Plan and Project for the First Street Redevelopment Project Area,"

which provided by its terms that it should be published in pamphlet form.

The pamphlet form of Ordinance No. 2006-M-6, including the Ordinance and a cover sheet thereof was prepared, and a copy of such Ordinance was posted in the municipal building, commencing on January 20, 2006, and continuing for at least ten days thereafter. Copies of such Ordinance were also available for public inspection upon request in the office of the municipal clerk.

DATED at St. Charles, Illinois, this 17 day of January, 2006.

  
Municipal Clerk



Exhibit C  
TIF District Maps as Amended



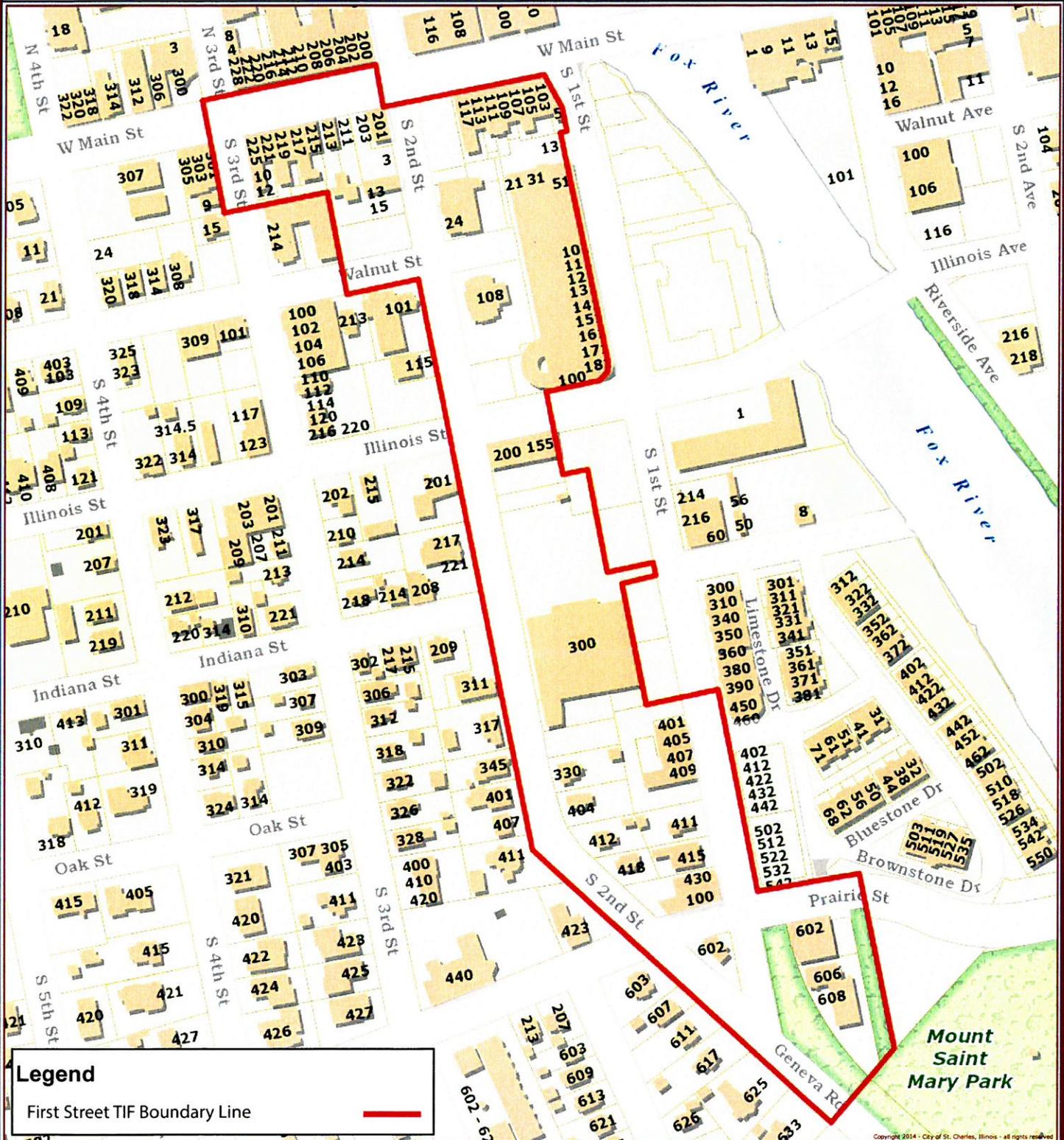
# City of St. Charles, Illinois

Two East Main Street St. Charles, IL 60174-1984  
Phone: 630-377-4400 Fax: 630-377-4440 www.stcharlesil.gov

## Precision GIS

RAYMOND ROGINA  
MARK KOENEN

Mayor  
City Administrator



### Legend

First Street TIF Boundary Line



Data Source:  
City of St. Charles, Illinois  
Kane County, Illinois  
DuPage County, Illinois  
Coordinate System: Illinois State Plane East  
Projection: Transverse Mercator  
North American Datum 1983  
Printed on: September 26, 2014 10:59 AM

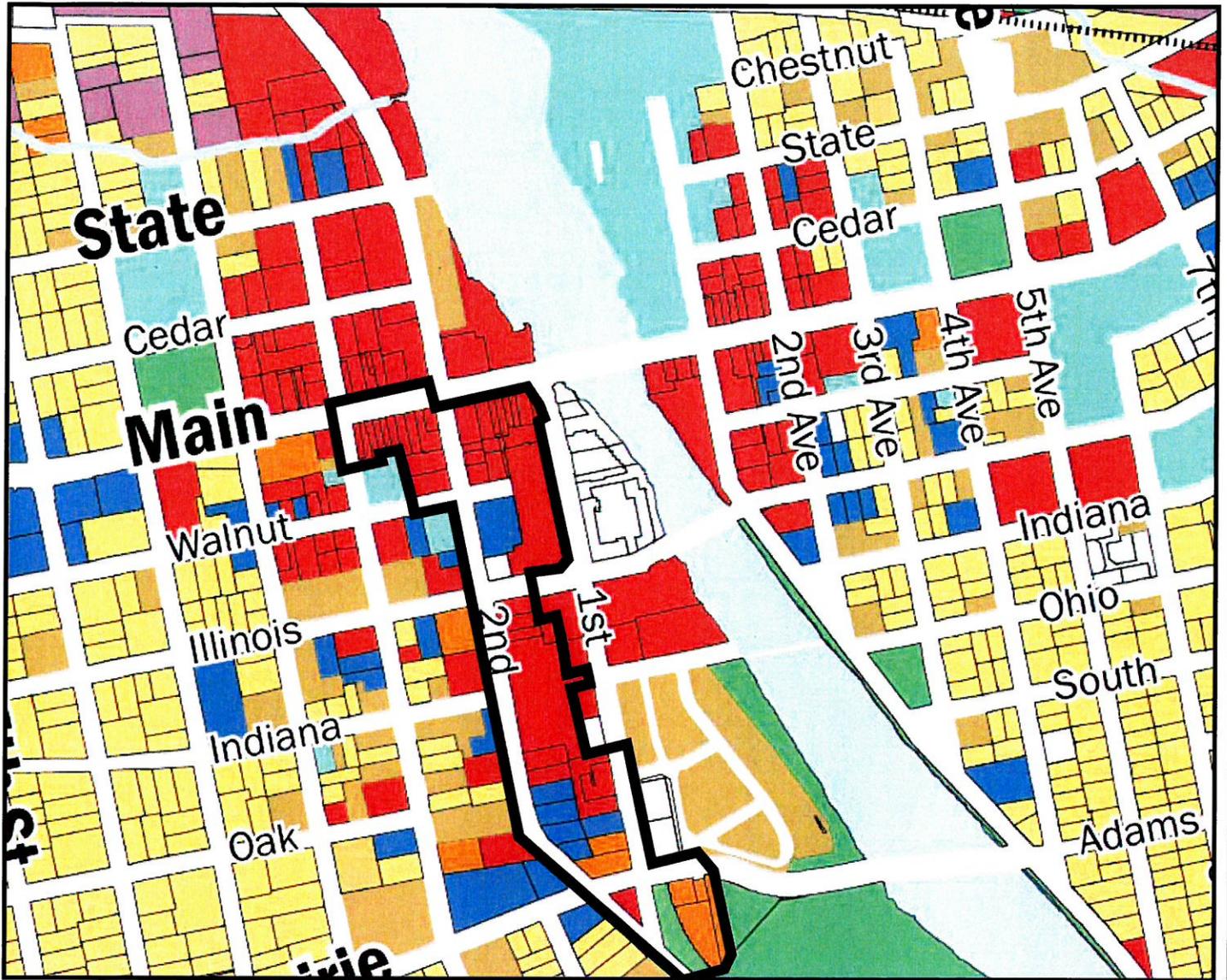


0 124 247 Feet

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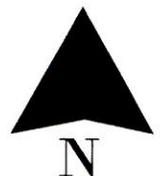
# First Street TIF Existing Land Use Map



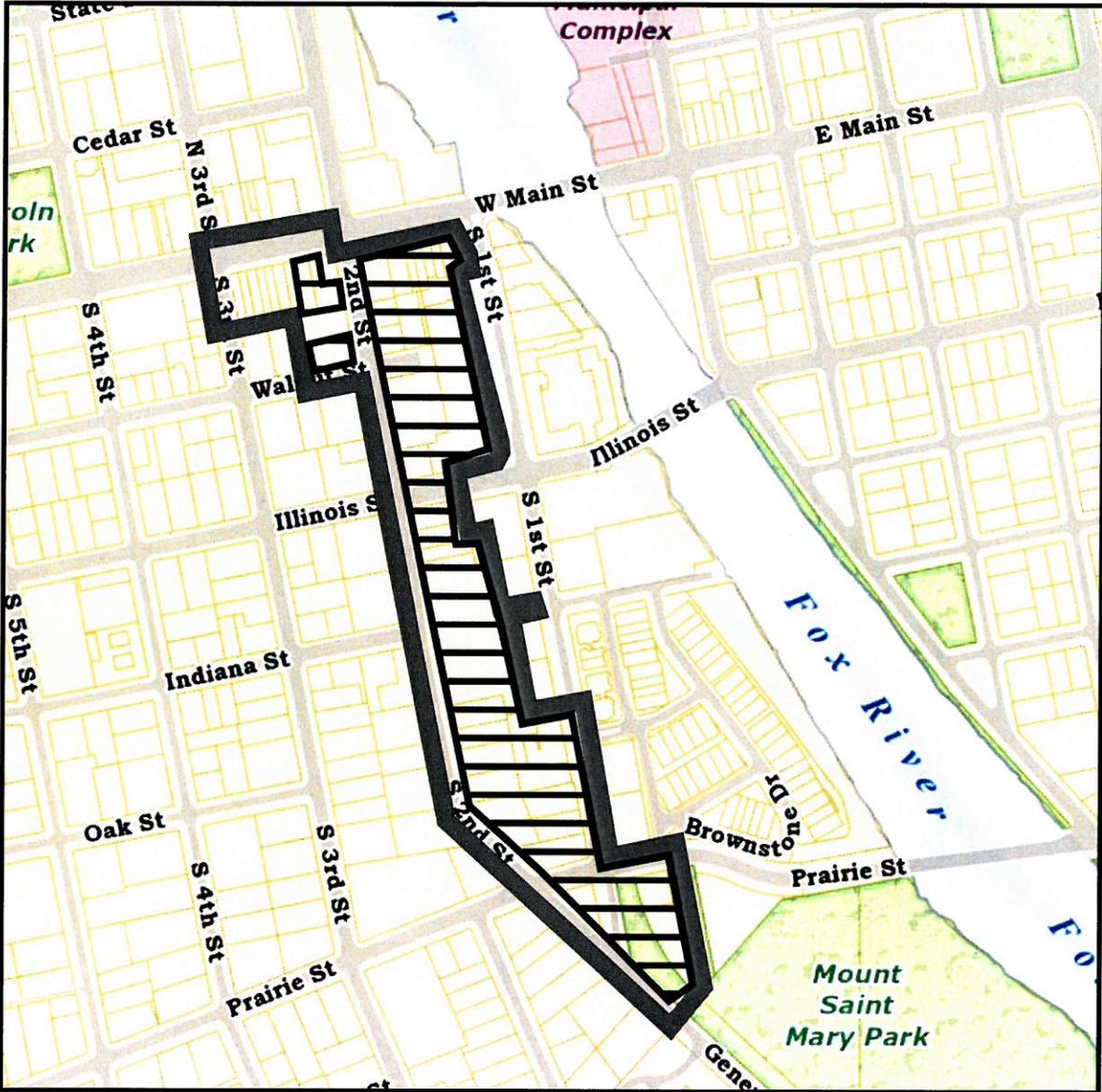
## City of St. Charles First Street TIF RPA

### Existing and Predomenant Land Use Map

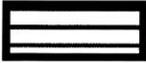
- |                        |                           |
|------------------------|---------------------------|
| Detached Single-Family | Heavy Industrial          |
| Attached Single-Family | Public & Quasi-Public     |
| Multi-Family           | Parks and Open Space      |
| Commercial             | Vacant                    |
| Commercial Service     | Agricultural/Undeveloped  |
| Office                 | Utility                   |
| Light Industrial       | First Street TIF Boundary |



# First Street TIF RPA Development Map



City of St. Charles  
First Street TIF RPA

	<p><b>Mixed Use</b> Commercial Office Residential Public/Parks/Openspace</p>
	<p><b>First Street TIF Boundary</b></p>

\*\*All other properties shall retain the land use designation shown on the First Street Existing Land Use Map



Exhibit D  
Legal Description for TIF District as Amended

## **Second Amendment to First Street TIF**

That part of the South Half of Section 27 and the North Half of Section 34 in Township 40 North, Range 8 East of the Third Principal Meridian in the City of St. Charles, Kane County, Illinois, described as follows:

Beginning at the southeast corner of Block 48 in the Original Town of St. Charles, recorded May 8, 1837, in Book 19, page 2; thence northeasterly, 324 feet along the northerly line of Illinois Route 64 (Main Street) to the southeast corner of Block 45 in said subdivision; thence southeasterly, 80 feet to the northeast corner of Block 44 in said subdivision; thence northeasterly, along the southerly line of Illinois Route 64 (Main Street) to the westerly line of 1st Street, according to the plat recorded January 25, 1844, in Book 4, page 342; thence southeasterly, 59.15 feet along said right-of-way to an angle point in said line; thence southeasterly, 37.52 feet along said right-of-way to the easterly extension of the north line of Lot 13 in the Amended Phase II First Street Redevelopment Subdivision, recorded July 8, 2008, as Document No. 2008K056095; thence South 78 degrees 29 minutes 30 seconds West, 12.31 feet along said extension to the northeast corner of said Lot 13; thence South 11 degrees 54 minutes 23 seconds East, 441.52 feet along the east line of Lots 13 and 3 in said subdivision to a curve in said line; thence southwesterly, 44.24 feet along said curve having a radius of 28.00 feet, the chord of said curve bears South 33 degrees 21 minutes 37 seconds West, 39.78 feet to the southerly line of said Lot 3; thence South 78 degrees 37 minutes 37 seconds West along said southerly line to the northerly extension of the westerly line of Lot 6 in Phase I of First Street Redevelopment Subdivision, recorded March 29, 2007, as Document No. 2007K035551; thence South 11 degrees 13 minutes 55 seconds East, along said extension and said westerly line to a jog in said westerly line; thence North 78 degrees 20 minutes 40 seconds East, 41.90 feet along said jog; thence South 11 degrees 39 minutes 20 seconds East, 197.00 feet along said westerly line to the southwest corner of said Lot 6; thence North 78 degrees 35 minutes 36 seconds East, 84.96 feet along the south line of said Lot 6 to the southeast corner thereof; thence South 11 degrees 30 minutes 41 seconds East, 25.00 feet along an east line of Lot 5 in said subdivision to the northeast corner of Lot 14 thereof; thence South 78 degrees 35 minutes 36 seconds West, 66.48 feet along the north line of said Lot 14 to the northwest corner thereof; thence South 11 degrees 17 minutes 02 seconds East, 231.95 feet along the west line of Lots 14 and 7 in said subdivision to the southwest corner of said Lot 7; thence North 78 degrees 42 minutes 53 seconds East along the south line of said Lot 7 and the easterly extension thereof to the westerly line of Brownstone, recorded January 2, 2001, as Document No. 2001K000149; thence southeasterly, along said westerly line to the southwest corner thereof; thence northeasterly, 128.91 feet along the northerly line of Prairie Street; thence continuing northeasterly along the northerly line of Prairie Street, being a curve to the right having a radius of 340.0 feet, to the intersection with the northwesterly extension of the westerly line of Parcel 10 in said Brownstone; thence southeasterly, along said extension and said westerly line, to the south corner of said Parcel 10; thence southwesterly, along the southwesterly extension of the easterly line of said Parcel 10, to the southwesterly line of Illinois Route 31 (Geneva Road); thence northwesterly, along said right-of-way line to an angle point in said line as described in Warranty Deed recorded as Document No. 97K057468; thence northwesterly along said right-of-way line to the northeast corner of Block 43 in the Original Town of St. Charles; thence southwesterly, 132 feet along the southerly line of Walnut Street, to the northeast corner of Lot 2 in said Block 43; thence northwesterly, 192 feet along the southeasterly extension of the easterly line of Lot 6 and the easterly line of Lot 6 in Block 44 of said subdivision, to the northeast corner of said Lot 6; thence southwesterly, 192 feet along the north line of Lots 6 and 5 and the westerly extension thereof, to the southeast corner of Lot 4 in Block 49 in said subdivision; thence northwesterly, 212 feet along the easterly line of said Lot 4 and the northerly extension thereof, to the Point of Beginning.

Preliminary Draft  
12/16/14

Exhibit E  
TIF Qualification Report, Second Amendment to  
The First Street Redevelopment Project Area

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**CITY OF ST. CHARLES, ILLINOIS  
TIF QUALIFICATION REPORT  
SECOND AMENDMENT TO THE FIRST STREET  
REDEVELOPMENT PROJECT AREA**

---

A preliminary analysis to assess the likelihood that all or a portion of an area located in the City of St. Charles would qualify as a conservation area as defined in the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended.

**Prepared for: City of St. Charles, Illinois**

**Prepared by: Kane, McKenna and Associates, Inc.**

---

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November 2014

**SECOND AMENDMENT TO THE FIRST STREET  
REDEVELOPMENT PROJECT AREA  
TIF QUALIFICATION REPORT**

**TABLE OF CONTENTS**

<b><u>SECTION</u></b>	<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
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II.	Qualification Criteria	3
III.	Evaluation Methodology	6
IV.	Qualification Findings for Proposed Study Area	7
V.	Summary of Findings; Overall Assessment of Qualification	12
Exhibit A	Boundary Map	
Exhibit B	Tax Parcel List	

## **EXECUTIVE SUMMARY**

Kane, McKenna and Associates, Inc. (KMA) has been retained by the City of St. Charles, Illinois (the "City") to conduct an analysis of the potential qualification and designation of certain property located in the City, to be addressed herein as the proposed Second Amendment to the First Street Redevelopment Project Area (the "Study Area") and included in the map attached as Exhibit A. Essentially the Study Area is located west of the current First Street Redevelopment Project Area and is bounded by West Main Street on the north, Walnut Street on the south, South 3<sup>rd</sup> Street on the west and South 2<sup>nd</sup> Street on the east. The qualification review is being carried out pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-3, et seq., as amended (the "TIF Act").

The City is pursuing the TIF District amendment as part of its ongoing review of its First Street redevelopment plans. By undertaking the designation, the City will help strengthen the existing TIF District and position the Downtown area for further development.

Based upon the analysis completed to date, KMA has reached the following conclusions regarding the qualification of the Study Area as an amendment to the First Street TIF District:

- 1) *The proposed TIF District could meet the criteria for a "conservation area," as the term is defined under the TIF Act* - Because 50% or more of the structures are over 35 years of age, the Study Area meets the threshold finding for such designation.
- 2) *Current conditions impede redevelopment* – Without the use of City planning and economic development resources to address certain issues, potential redevelopment activities are not likely to be economically feasible. This observation is also noted in the City's "Downtown Subarea Plan" as part of the City's Comprehensive Plan adopted in 2013 and the First Street Redevelopment Plan adopted in 2002.
- 3) *Viable redevelopment sites could produce incremental revenue* – Within the proposed Study Area, there are parcels which potentially could be redeveloped and thereby produce incremental property tax revenue or other additional revenues to the City. As part of the City's planning efforts, several potential development sites are included in the Study Area. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the Study Area.
- 4) *Review of TIF designation* – To mitigate the existing conditions and to leverage the City's investment and redevelopment efforts, the City is also amending the First Street TIF District boundaries to remove certain properties east of First Street in order to reposition the properties due to the delays associated with the economic downturn and to add the properties west of South 2<sup>nd</sup> Street.

## **I. BACKGROUND**

---

**Current Land Use.** The Study Area is generally bounded bordered by South 3<sup>rd</sup> Street on the west, South 2<sup>nd</sup> Street on the east, Walnut Street on the south and Main Street on the north. Most of the uses within this area are retail/commercial, parking, and some residential (upper floor). The institutional use (Methodist Church and offices) located at the northeast corner of South 3<sup>rd</sup> Street and Walnut Street is excluded.

Downtown St. Charles continues to be an important area for the community – both symbolically and from a community and economic development standpoint. The location of City Hall, the Fox River, and other retail/commercial uses are important assets of the Downtown.

Several goals and objectives are included in the City’s Downtown Subarea Plan:

### Subarea Goals

The vision for Downtown St. Charles includes the following important components:

- Full utilization of the Fox River as a recreational and environmental asset;
- Preservation and enhancement of the Downtown’s historic architectural character;
- Accessibility for all modes of transportation, including vehicles and pedestrians; and
- Enhanced cultural activities that serve as both local and regional attractions.

### Subarea Objectives

The following goals can help achieve the vision for Downtown\*:

- Encourage development practices that minimize environmental impacts on the Fox River and consider its presence and benefits;
- Provide continuous open space and bike/pedestrian access along the Fox River corridor as envisioned in the 2002 River Corridor Master Plan;
- Provide a high level of physical and visual access to the Fox River from all portions of Downtown;
- Recognize Downtown’s important architectural resources, and establish programs to preserve and enhance them;
- Require new development to meet high standards of site and building design that are compatible with the historic character;
- Enhance the public realm through streetscaping and gateways;
- Move people using all modes of transportation safely and efficiently throughout Downtown;
- Mitigate the impacts of truck traffic on Main Street;
- Maintain and strengthen a comprehensive pedestrian network;
- Better manage parking capacity and access throughout Downtown, especially as new development comes on-line;

- Strategically coordinate civic and cultural events to attract residents and visitors to various portions of Downtown and different times of the year; and
- Enhance mobility between Downtown and surrounding neighborhoods, communities, and other assets, such as other commercial centers, major bikeways and trails for all modes of travel.

\*Source: City of St. Charles Comprehensive Plan, 2013

Overall, the First Street TIF District has experienced improvement as part of City initiatives prior to the economic downturn, but certain areas still remain to be redeveloped. Additionally, while the area has certain beneficial locational assets, the current state of the local and national economy, characteristics of parcel sizes, existing uses, and redevelopment challenges associated with older buildings contribute to constraints related to redevelopment.

The City has determined that the redevelopment of the proposed Study Area could be beneficial to the community. With a redevelopment strategy in place, the economic base of the Study Area would be stabilized and increased – thereby benefiting the community as a whole.

**General Scope and Methodology.** KMA performed its analysis by conducting a series of discussions with City staff, starting in August, 2014 and continuing periodically up to the date of this report. The purpose of the review was to gather data related to the preliminary qualification criteria for properties included in the Study Area. These discussions were complemented by a series of field surveys for the entire area to evaluate the condition of the Study Area. The field surveys and data collected have been utilized to determine that the Study Area could qualify for TIF designation.

The qualification factors discussed in this report would assist in the qualification of the Study Area as a conservation area, as the term is defined pursuant to the TIF Act.

For additional information about KMA’s data collection and evaluation methods, refer to Section III of this report.

## II. QUALIFICATION CRITERIA

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With the assistance of City staff, Kane, McKenna and Associates, Inc. assessed the proposed Study Area to determine the likelihood that qualifying factors listed in the Act would be present. The relevant provisions of the Act are cited below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area (Study Area). By definition, a “redevelopment project area” is:

“An area designated by the municipality, which is not less in the aggregate than 1½ 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 or a conservation area, or a combination of both blighted areas and conservation areas.”

Under the Act, “conservation area” means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where certain conditions are met, as identified below.

**TIF Qualification Factors for a Conservation Area.** In accordance with the TIF Act, KMA performed a two-step assessment to determine if the proposed Study Area qualified as a conservation area. First, KMA analyzed the threshold factor of age to determine if 50% or more of the structures were 35 years of age or older.

Secondly, the area was examined to determine if a combination of three (3) or more of the following factors were present, 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 improved part of the redevelopment project area. Per the TIF Act, such an area is not yet a blighted area but because of a combination of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

(A) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building 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.

(B) Obsolescence. The condition or process of falling into disuse. Structures become ill-suited for the original use.

(C) Deterioration. With respect to buildings, defects include but are not limited to, major defects in the secondary building components such as doors, windows, porches, gutters, downspouts, and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.

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

(E) Illegal Use of Individual Structures. The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.

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

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

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

(I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air

within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.

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

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

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

(M) "Stagnant" or "Declining" EAV. The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last 5 years for which information is available.

### **III. EVALUATION METHODOLOGY**

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In evaluating the proposed Study Area's potential qualification as a TIF District, the following methodology was utilized:

- 1) Site surveys of the Study Area were undertaken by representatives from Kane, McKenna and Associates, Inc., supplemented with photographic analysis of the sites. Preliminary surveys were completed of properties located within the Study Area.
- 2) KMA conducted evaluations of exterior structures and associated site improvements, noting such conditions as overcrowding and obsolescence. Additionally, KMA reviewed the following data: 2008-2013 tax information from Kane County, St. Charles Township Assessor, tax maps, aerial photos, site data, local history (including discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., obsolescence, deleterious land-use and layout, etc.).
- 3) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, TIF Act factors applicable to specific structures and site conditions of the parcels.
- 4) The Study Area was examined to assess the applicability of the different factors required for qualification as a TIF district. Examination was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The Study Area was evaluated to determine the applicability of the thirteen (13) different factors, as defined under the Act, which would qualify the area as a TIF District.

#### **IV. QUALIFICATION FINDINGS FOR PROPOSED STUDY AREA**

Based upon KMA’s preliminary evaluation of parcels in the proposed Study Area and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support preliminary qualification of the proposed Study Area as a conservation area under the TIF Act – to be supplemented by additional data, if the City decides to proceed with the designation. These factors are summarized in the table below.

Exhibit 1  
Summary of TIF-Qualifying Factors

<b>Maximum Possible Factors per Statute</b>	<b>Minimum Factors Needed to Qualify per Statute</b>	<b>Qualifying Factors Present in Proposed Study Area</b>
13	3	5 <ul style="list-style-type: none"> <li>• Declining EAV</li> <li>• Excessive Coverage</li> <li>• Obsolescence</li> <li>• Deleterious Layout</li> <li>• Deterioration</li> </ul>

**Findings for Study Area.** The proposed Study Area meets the qualifications for a conservation area under the statutory criteria set forth in the TIF Act. As a first step, KMA determined that 9 of 9 structures (100%) were 35 years in age or older based upon Township Assessor data. Secondly, KMA reviewed the 13 aforementioned criteria needed to qualify the area as a conservation area, determining that 5 factors were present:

1. Lagging or Declining EAV. The Act states that this qualification is met if the total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years. The finding is based on the last 5 tax years for which information is available. The EAV of the Study Area has declined for five (5) of the last five (5) years and has lagged behind the CPI for five (5) of the last five (5) (refer to chart below). Therefore, a finding of declining or lagging EAV is made pursuant to the TIF Act.

Exhibit 2  
EAV Trends for Proposed Study Area

	2013	2012	2011	2010	2009	2008
Total EAV for TIF District	960,236	966,047	1,027,742	1,097,318	1,117,791	1,127,751
EAV Change (%)	-3.60%	-3.08%	-6.34%	-1.83%	-0.88%	-
City-wide EAV (Excluding TIF)	1,301,291,910	1,372,918,768	1,458,370,684	1,547,418,867	1,641,000,373	1,647,654,583
City EAV Change (%)	-5.22%	-5.86%	-5.75%	-5.70%	-0.40%	-
CPI	1.5	2.10	3.20	1.60	-0.40	-

Source: Kane County Clerk, St. Charles Township Assessor, and U.S. Bureau of Labor Statistics

2. Excessive Coverage. Excessive land coverage can be defined as an over-intensive use of property and the crowding of buildings and accessory facilities onto a site. 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 or spread of fire due to the close proximity of buildings; lack of adequate or proper access to a public right-of-way; lack of reasonably required off-street parking; or inadequate provision for loading services.

Certain buildings located along the south side of Main Street are located close together and exhibit lack of off-street parking as well as limited setbacks. The age of the buildings and their construction materials are also of concern in the event of fire. Limited loading access in the rear of the buildings along the west portion of Main Street is also present.

The majority of structures have greater land coverage than would be suitable or acceptable for today's development standards. For example, there exists a very high proportion of "zero lot line" parcels more common in the decades prior to construction of modern shopping areas. This condition is manifested most significantly in the lack of on-site parking facilities for many of the commercial structures. Lack of on-site parking acts as a detriment to healthy private sector redevelopment efforts.

Similar to properties in the adjacent proposed Central Downtown TIF District, merchants and service providers operating in many of the structures are reliant on restricted on-street parking, or off-street municipal facilities to serve the needs of patrons. This puts them at a competitive disadvantage with their counterparts located in non-downtown locations.

Any redevelopment efforts for the expansion to create on-site parking for more efficient business operation could be discouraged due to the costs of acquisition and/or demolition that make redevelopment economically infeasible for the private sector alone. This factor compounds the problem of deleterious layout/land use and obsolescence found throughout the area. The general lack of land area reduces the viability of economic re-use of those sites with virtually no room for additional on-site facilities or parking.

3. Obsolescence. The Act states that obsolescence is the condition or process of falling into disuse or structures that have become ill-suited for their original use. Due to age of the structures and changes in both City regulations and market conditions, obsolescence is present. As stated above, 100% of the buildings are over 35 years old. All of the structures were constructed in the early part of the 20<sup>th</sup> Century – 1900 to 1930 – and exhibit characteristics associated with older market uses – including multiple stories, limited provisions for loading and unloading, in some cases deferred maintenance, outmoded HVAC/utility systems, and building layouts that were designed prior to modern requirements for automobile usage. These antiquated characteristics are quantified in the declining EAV in the area. Consumer shopping alternatives also pose a challenge to smaller, deeper building layouts (e.g., retailers with on-site parking and visibility).

Challenges related to the age and characteristics of existing building inventory, parking, and traffic circulation all impact existing or proposed uses within the Study Area. These challenges are quantified in the data for property values. The property values have declined for five (5) of the last five (5) years indicating the effect of the age and conditions of the structures are creating obsolescence.

4. Deleterious Layout. As noted in Section II, a municipality can make a finding of deleterious layout or land use when there exists either (a) incompatible land-use relationships, (b) buildings occupied by inappropriate mixed-uses or uses considered to be noxious, or (c) uses offensive or unsuitable for the surrounding area.

The City has created special parking regulations for the Downtown area as a whole, but much of the existing parking is concentrated in municipal parking facilities. Off-street parking opportunities are not distributed evenly throughout the area. Many businesses lack their own off-street parking and rely on public parking facilities to help attract customers or clients. In some cases, that parking may not be adjacent or nearby the businesses.

Many stores or commercial uses have not been or cannot be re-oriented to where the customers enter within a few feet of where their vehicles may be parked. Parking in a shopping district must be (or perceived as) simple, convenient, and safe. In short, people want to park directly in front of where they want to shop or secure a service. Traditional downtown shopping areas typically cannot offer this as readily as today's modern retail and service malls and this tends to contribute to the problem of deleterious layout and land use.

The manner which the City has been forced to create and transform open land for parking creates excessive coverage of parcels, as well as difficult access to and from what parking that is available.

Another determinant in the deleterious land use and layout relates to traffic patterns and conditions, including:

- Ability to manage traffic flow and volumes along Main Street and ancillary streets.
- Improvements to parking related signage and circulation, as well as area connectivity.
- Buffering to adjacent residential uses.

Another issue contributing to deleterious land use and layout relates to inconsistent building setbacks and land uses.

5. Deterioration. As noted in Section II, “deterioration” under the TIF Act is defined to include deteriorated surface improvements or structures (specifically evidenced by surface cracking, crumbling, potholes, depressions, loose paving material and weeds). Various degrees of deterioration were observed throughout the Study Area. Much of the observed deterioration centered around the condition of surface improvements such as the alleys and parking lots. These surface improvements had multiple potholes, uneven pavement and cracks.

Building site improvement conditions were mixed: the rear portions of certain commercial buildings along Main Street and South 2<sup>nd</sup> Street exhibited elements of deterioration. Overall, most instances of deterioration related to site improvements, including parking lots and driveways throughout the area.

## **V. SUMMARY OF FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION**

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The following is a summary of relevant qualification findings as it relates to the City's potential designation of the proposed TIF District.

1. The area is contiguous and is greater than 1½ acres in size;
2. The proposed TIF District will qualify as a conservation area. Further, the Conservation Area factors found in the RPA are present to a meaningful extent and are reasonably distributed throughout the area. A more detailed analysis of the qualification findings is outlined in Section IV. of this report;
3. All property in the area would substantially benefit by the proposed redevelopment project improvements;
4. The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; and
5. The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of KMA, these findings provide the City with sufficient justification to consider designation of the property as a TIF District.

**Exhibit A**  
**Boundary Map**



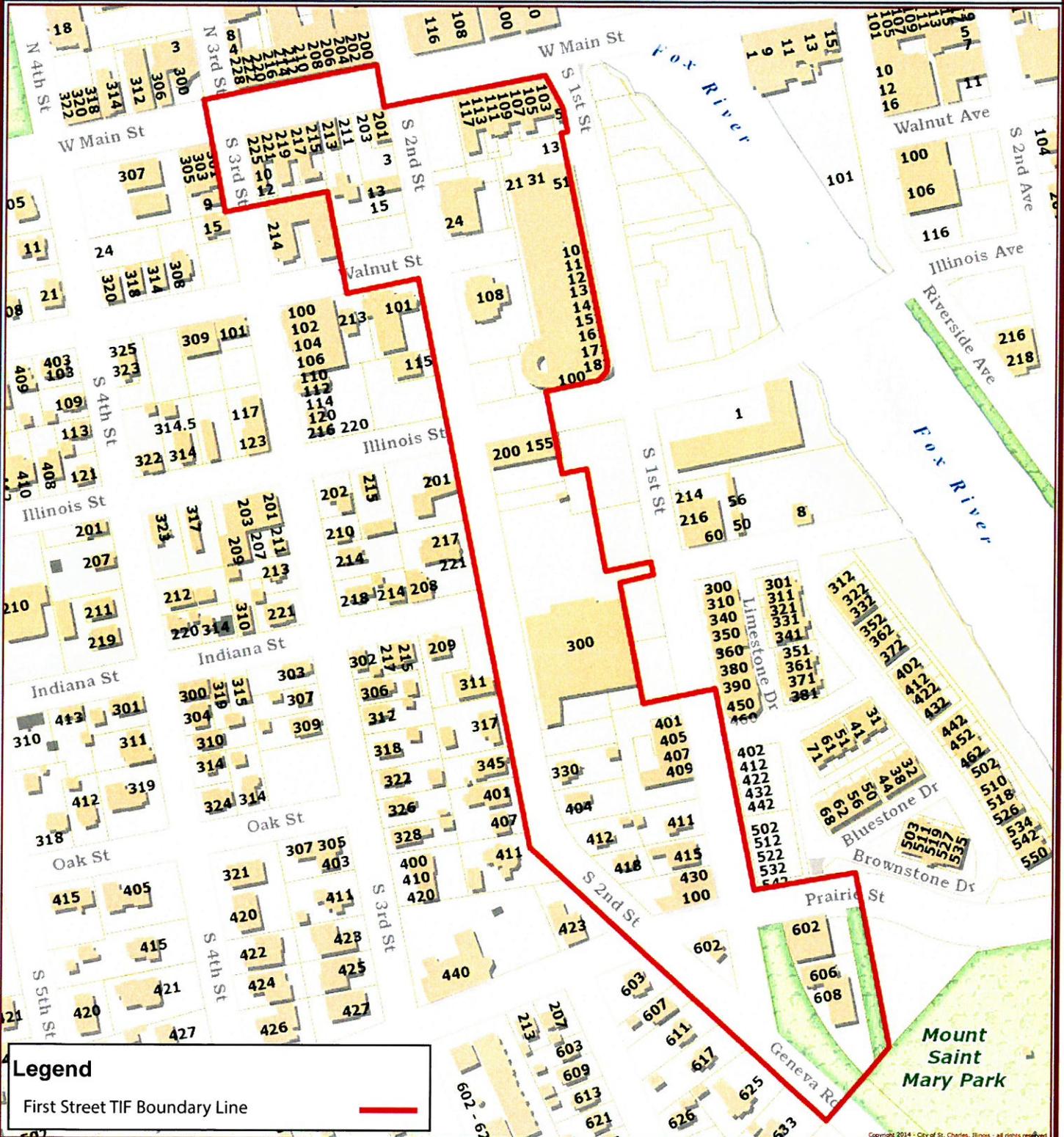
City of St. Charles, Illinois

Two East Main Street St. Charles, IL 60174-1984  
Phone: 630-377-4400 Fax: 630-377-4440 - www.stcharlesil.gov

Precision GIS

RAYMOND ROGINA  
MARK KOENEN

Mayor  
City Administrator



**Legend**

First Street TIF Boundary Line



Data Source:  
City of St. Charles, Illinois  
Kane County, Illinois  
DuPage County, Illinois  
Coordinate System: Illinois State Plane East  
Projection: Transverse Mercator  
North American Datum 1983  
Printed on: September 26, 2014 10:59 AM



0 124 247 Feet

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Exhibit B

Tax Parcel List

First Street TIF, Second Amendment  
St. Charles, Illinois  
Parcel Identification Number (PIN) List

09-27-364-001
09-27-364-002
09-27-364-003
09-27-364-004
09-27-364-006
09-27-364-007
09-27-364-008
09-27-364-009
09-27-364-010
09-27-364-013
09-27-364-014
09-27-364-016
09-27-364-017

**RESOLUTION AND RECOMMENDATION OF JOINT REVIEW BOARD  
CREATED AND CONVENED PURSUANT TO ILLINOIS TAX INCREMENT  
ALLOCATION REDEVELOPMENT ACT 65 ILCS 5/11-74.4-1 et. seq. (THE "ACT")**

To: Mayor and City Council  
City of St. Charles  
1001 E. Main Street, Suite G  
St. Charles, Illinois 60174

WHEREAS, the Joint Review Board convened pursuant to the Act did meet on December 16, 2014 at 4:30 p.m. at the City Council Chambers, 2nd Floor, St. Charles, City Hall, 2 E. Main Street, St. Charles, Illinois, and was attended by and comprised of representatives of affected taxing jurisdictions within the proposed redevelopment project area, a representative of the City of St. Charles and a public member pursuant to the Act; and

WHEREAS, a public member of the Joint Review Board was willing to serve and was duly selected by a majority vote of all Joint Review Board members, and a chairperson was duly selected by the Joint Review Board by majority vote of all other Joint Review Board members; and

WHEREAS, the Joint Review Board did carefully review and consider the public record, planning documents and proposed ordinances amending the First Street Redevelopment Project Area, and the Amended Redevelopment Plan and Redevelopment Project, and the Ordinance confirming taxing from financing to be adopted by the City. The Joint Review Board also reviewed the Second Amendment to the First Street TIF Redevelopment Plan and Project Sections, prepared by Kane, McKenna and Associates, and after considering all of said matters did agree by a vote of the members of the Joint Review Board that that the Second Amendment to the First Street Redevelopment Project Area satisfies the eligibility standards defined in the Act and the Second Amendment to the First Street Redevelopment Project Area qualifies as a "conservation area" as defined in the Act. Further, the Redevelopment Project and Plan as presented are conformant with the requirements of the Act.

As such, the majority of the Joint Review Board did direct the chairperson of the Joint Review Board to prepare and submit to the Mayor and City Council of the City of St. Charles, Illinois, its recommendation so finding.

NOW THEREFORE, BE IT RESOLVED the Joint Review Board does hereby submit its advisory, non-binding recommendation to the City of St. Charles, Illinois, that the Second Amendment to the First Street TIF Redevelopment Plan and Redevelopment Project, be approved and that the Second Amendment to the First Street Redevelopment Project Area satisfies the requirements of the Plan and fulfills the objectives of the Act.

DATED this 16 day of December, 2014.

Brett Harley  
Representative of Kane County

Paul P. [Signature]  
Representative of City of St. Charles

Cathy A. Madena  
Representative of St. Charles Park District

Patricia [Signature]  
Representative of St. Charles Public Library  
District

[Signature]  
Representative of St. Charles Township

[Signature]  
Representative of St. Charles School District  
#303

Heather Scholl  
Representative of Community College  
District #509

[Signature]  
Representative of Public Member

VOTE:

Ayes: unanimous

Nays: 0

Absent: -

**City of St. Charles**  
**Joint Review Board Meeting Minutes**  
**Proposed Second Amendment First Street TIF**  
**Council Chambers**  
**December 16, 2014**

**I. The meeting was called to order by Mayor Rogina at 4:33 p.m.**

**II. Introduction of Joint Review Board Members:**

Raymond P. Rogina	Mayor, City of St. Charles
Charlie Brown	St. Charles Resident - Public Member
Pam Leffler	St. Charles Public Library
Cathy Medema	St. Charles Park District
John Arthur Anderson	St. Charles Township
Seth Chapman	St. Charles Community School District #303
Brett Hanlon	Kane County
Heather Scholl	Elgin Community College District #509

**City Staff Present:**

Mark Koenen	City Administrator
Christopher Minick	Director of Finance
Rita Tungare	Director of Community & Economic Development
Matthew O'Rourke	Economic Development Division Manager
Karla McCleary	Recording Secretary

**Others Present:**

Robert Rychlicki	Kane, McKenna and Associates, Inc.
William Coblentz	Kane, McKenna and Associates, Inc.
John McGuirk	Law Offices of Hoscheit, McGuirk, McCracken & Cuscaden P.C.
Nick Peppers	Law Offices of Storino, Ramello & Durkin

**III. Selection of Public Member**

A motion was made by Hanlon and seconded by Leffler, that Brown be elected the "Public Member" for this joint review board.

**Voice Vote:** Unanimous; Nays: None

Motion Carried.

**IV. Selection of Chairperson**

A motion was made by Anderson and seconded by Medema, for Raymond P. Rogina to be named Chairperson.

**Voice Vote:** Unanimous; Nays: None

Motion Carried.

**V. Review of Joint Review Board Procedures and Duties**

Mayor Rogina introduced Rita Tungare to provide an overview of the meetings being conducted this evening. Tungare said there are two Joint Review Board Meetings being convened at 4:30 and 5:00pm to consider two proposed items regarding an amendment to the First Street TIF District, which is the first item being considered

as well as a new Central Downtown TIF District designation. Tungare explained that a few months ago, the City engaged the firm of Kane, McKenna and Associates, a recognized firm in the Chicagoland area that deals with TIF to assist the City with this very important process. Representatives from Kane, McKenna and Associates are here with us tonight to present information to the Joint Review Board. The City has complied with all statutory requirements, the City Council has approved two ordinances for both items being considered tonight as well as TIF plans have been filed with the City Clerk's office on November 7, 2014.

Tungare introduced City staff members also in attendance at the meeting as well as Rychlicki and Coblentz from Kane, McKenna and Associates.

## **VI. Amended TIF Plan – Review**

Rychlicki said to start things off, he would like to go over what the role of the Joint Review Board is as it relates to the designation or amendment of this TIF. Rychlicki stated that they are an advisory board and at the end of the process, the City Council does have the right to vote either up or down regarding the actual TIF District amendment or designation. The input of this board is important and is set out by State Statute. Upon this meeting being convened, under state statute, you have up to 30 days to make a decision so you do not have to make a decision tonight said Rychlicki. What is requested from each board member is to review the materials mailed out prior to the start of this meeting. Those items include the Eligibility Report and the TIF Amendments as well as the original plan.

Rychlicki said there are three possible outcomes to this meeting and they include:

- They can concur and provide a recommendation to the City of St. Charles
- Disagree and not make a recommendation to the City Council. Rychlicki said the TIF Act is very specific and if they do not agree, they have to be specific as it relates to the basis for their disagreement and it does have to be in writing. At that point, Rychlicki said, the City has 30 days to respond to your basis for disagreement.
- There is no action generated by this Joint Review Board in 30 days. The TIF statute at that point says if that happens, that constitutes as a "Yes".

Rychlicki added, if there is a no vote, the City still has the ability to make the decision up or down but it does change the voting rules in terms of the 3/5's vote rather than a simple majority to approve the TIF District.

Rychlicki asked if there were any questions and there were none.

## **VII. Review of Draft TIF Amendment Ordinances**

Rychlicki said his colleague Coblentz will talk about the following four points:

- Redevelopment Plan and Project
- TIF Mechanism
- Factors Qualifying Area as a TIF District
- Key Elements of TIF Plan

Coblentz stated that he will briefly go over the Redevelopment Plan and Project and how they got to where they are today.

Coblentz began with displaying a map of the proposed First Street Second Amendment TIF District. It is approximately 11.24 acres and will expire in 2025 if no action is taken tonight. The First Street TIF was created in 2002 to spur economic development in the downtown area of the City of St. Charles. Coblentz said this TIF was amended in 2006 with an updated budget and revised TIF District EAV projection for 2025. The Second Amendment being proposed today, would be to remove properties along First Street and possibly include those in the new Central Downtown TIF that will be discussed later this evening and possibly add 3 to 4 properties along Main Street between Second and Third Streets.

Coblentz said the recession set back the City's plans for economic development in the downtown area and the City sees an opportunity to make an adjustment and move forward with their plans. The goals have not changed since 2002 and the City is still interested in using tax increment financing to spur economic development and encourage public and private partnerships.

Coblentz said they find this area meets all statutory requirements for the designation as a TIF District. It meets the size requirements, the “But-for” requirement is there and it qualifies as a conservation area. Coblentz said Rychlicki will go over the conservation area requirements later in the presentation.

The TIF Mechanism is a tool the City can use to achieve its economic development goals, said Coblentz. It freezes the base EAV for taxing districts at current level and any increment that would come after the formation of a TIF District would be moved into specific funds for development in the area. Coblentz displayed representation of what that may look like. There are risks and possible setbacks that might happen with incremental value – there are no guarantees.

Rychlicki said he wanted to remind everyone that this amendment does change the boundaries and does increase a portion of the budget. It does not change the term on the TIF. The expiration year of the TIF remains at 2025. Rychlicki explained basically what they are doing is changing some of the boundaries that were displayed earlier on the map. The area to the east is basically being removed from First Street east of the Fox River and a small section north of Walnut is being added to the TIF District for redevelopment purposes. Under State Statute, that new 1 block area that we are qualifying as it relates to going forward with the amendment. The other area in the remainder was previously qualified in 2002 and would continue to stay within the TIF and does not have to be re-qualified.

Rychlicki said the conservation area starts off with 50% or more of the buildings are 35 years old or greater. That is the case here with all 9 buildings within this area are over 35 years old with some of them being from the turn of the century. Therefore, this area does meet the threshold level as it relates to conservation area. Rychlicki went on to say that there are 13 other factors set-forth in the TIF Act of which a minimum of 3 factors need to be identified, however, 5 have been identified in this area. The 5 factors are:

- Declining EAV
- Excessive Coverage
- Obsolescence
- Deleterious Layout
- Deterioration

Rychlicki said these factors are common in most conservation areas, particularly, in older downtown sectors. The original legislative history behind a designation of a conservation area really related to the ability for municipalities to designate downtowns, whether they were less competitive as to relating to outlying areas near interstates or on the outside where land was cheaper. Rychlicki said the idea of the conservation area was to allow for a softer standard with the need of only 3 factors rather than 5 but the key hurdle was the age of the buildings.

Rychlicki said the Equalized Assessed Value (EAV) in this area has declined for 5 of the last 5 years. In addition, it also increased at an annual rate that was less than the Consumer Price Index (CPI). The 2013 EAV is a little over \$960,000.

Rychlicki reiterated that the buildings that were designed during this period, with many of them filling the lot, there is restrictive opportunities for parking, loading and unloading of goods is also hampered in terms of the alley ways or in front of the buildings.

Rychlicki said the Obsolescence was also present based on their review. In terms of the age and characteristics of the buildings as relating to HVAC systems and the like.

The Deleterious Layout and lack of community planning can often be found in older areas when designed prior to reliance on the automobile and nearby parking, said Rychlicki.

Deterioration was also identified while surveying each property in the area. Areas of deterioration include surface elements such as parking driveways and in some of the alley-ways. Also, the rear portion of some of the buildings along Main displayed signs of deterioration, specifically, tuck pointing, and rotted frames.

The base EAV is going to be modified to a little over \$4,130,000. This is a combination of some of the numbers from 2013. Rychlicki said the county is going to keep the initial base EAV for the properties that stay. They will add the \$960,000 to those properties for a combined base EAV. It will be very close to what the base EAV was initially, said Rychlicki, which is a little over \$4,130,000, so it will roughly be a wash. The projected EAV upon completion

is projected at \$46,000,000 and the TIF budget as proposed is \$33,750,000. Chapman asked Rychlicki to clarify the base EAV again. Rychlicki said it will be a combination of two calculations that the clerk is going to make. The first order of business is they are going to remove those properties that are east of First and will be a little over a million dollars. That will leave the current base EAV, based on 2001 values, at almost \$4,200,000. Rychlicki stated that once those properties are removed, and then the \$960,000, the current 2013 EAV will be combined. In addition, we will take the \$960,000, plus the remaining EAV for the First Street properties that are staying, and it is pretty close and almost a wash to what the original EAV is for the base. Rychlicki reminded everyone that the TIF budget appears as a larger number but we must remember that this is over a 23 year period. It is set in stone as it relates to how a municipality can fund development. Rychlicki said it is not an annual budget but a 23 year budget and can include elements for both redevelopment for private incentives as well as for public infrastructure. A large portion of the budget, a little over a third, really relates to public improvements. Rychlicki stated these are amounts that are possibilities and the City may or may not spend these dollars. The expenditures would be dependent upon the type of redevelopment as well as the projected increment.

In terms of the steps going forward, Rychlicki said they are about halfway through the process as it relates to the notices informing taxing districts and the state of Illinois. The next order of business will be to send notices to the taxpayers on record and any interested parties as well as 2 newspaper notices published for the general public. Then there will be the convening of the Public Hearing on January 20, 2015 in Council Chambers. Rychlicki said the City is conforming with the requirements of the TIF Act which include a series of notices to the stakeholders in the process as well as to the general public. Mayor, this concludes our report said Rychlicki.

### **VIII. Questions/Comments (Chairperson)**

Mayor Rogina asked the members of the Joint Review Board if they had any questions for Rychlicki about any portion of his presentation. John Anderson asked Rychlicki to confirm the date for the Public Hearing to be January 20 of 2015 to which Rychlicki replied yes.

Rychlicki said he had one other item to add. He said there are 3 draft ordinances for amendment, which are for consideration by the City Council, but the TIF Act requires that these are shared with the members of the Joint Review Board. Rychlicki said these 3 ordinances are basically tied to the amendment of the TIF plan. The amendment of the TIF area, which is the second ordinance and the third ordinance confirms the fact that the City has set up a special tax allocation fund. Rychlicki stated that this concludes their presentation. (Copies of the draft ordinances were handed to each Joint Review Board member).

Mayor Rogina reiterated that the draft ordinances are intended as information only for the Joint Review Board members and this is for action by the City Council at a future date. Mayor Rogina asked if anyone in the audience had any questions. There were none.

### **IX. Consideration of Resolution Recommending Approval of the Second Amendment to the Redevelopment Plan and Project for the St. Charles First Street TIF District**

Mayor Rogina requested a motion be made to approve a resolution recommending approval of the Second Amendment to the Redevelopment Plan and Project for the St. Charles First Street TIF District.

A motion was made by Leffler and seconded by Anderson to approve the resolution recommending approval of the Second Amendment to the Redevelopment Plan and Project for the St. Charles First Street TIF District.

**Roll Call Vote:** Unanimous; Nays: None

Motion Carried.

### **X. Review of Timetable and Next Steps**

Mayor Rogina asked Rychlicki to step forward and review the timetable and next steps.

Rychlicki said the next order of business will be for the City to hold a Public Hearing on January 20, 2015 in the same room. As indicated earlier, we are about half way through this process as it relates to this meeting of the Joint Review Board. Once the City does hold a Public Hearing, no action will be taken by City Council on that night, Rychlicki said. Pursuant to the state statute, the City must wait a minimum of 14 days after the hearing is

closed but no more than 90 days after the hearing is closed, to adopt that ordinance. There is a cooling off period after the Public Hearing that allows the City time to take into account any public input or to make any changes or recommendations to the plan before they proceed with adoption.

**XI. Adjournment**

Mayor Rogina requested a motion to adjourn this meeting.

A motion was made by Anderson and seconded by Leffler to adjourn the meeting.

**Voice Vote:** Unanimous; Nays: None

Motion Carried.

The meeting was adjourned at 4:55p.m.

Raymond P. Rogina, Chairman

Respectfully submitted,  
Karla McCleary