Memorandum

To: Ellen Divita, Economic Development Director, City of Geneva

From: Maureen Barry, Financial Advisor

Date: September 6, 2013

Subject: Proposed Downtown Business District – Review of Eligibility

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Municipalities are authorized to create Business Districts by the Illinois Municipal Code, specifically in 65 ILCS 5/11-74.3 *et seq.* (the "Business District Act" or the "Act"). The Business District Act sets forth the requirements and procedures for establishing a Business District and a Business District Plan. At the request of the City of Geneva (the "City"), Ehlers & Associates, Inc. ("Ehlers") completed an eligibility analysis to assist the City in determining if Geneva's downtown area meets the eligibility criteria outlined in the Act.

The Study Area is illustrated on the maps in **Appendix A**. The Study Area is generally located along State Street from about East Side Drive on the east to 9th Street on the west and along 3rd Street from Peyton Street on the north to the railroad tracks on the south. There are 459 parcels in the Study Area, including several park parcels (about 20 acres) along the Fox River. The entire area encompasses approximately 260 acres, including right-of-ways and the portion of the river within the Business District boundaries. The acreage of the land parcels within the Study Area is approximately 152 acres.

Ehlers' analysis produced the following conclusions, further described in this memo:

1. The Study Area is eligible for designation as a Business District under the Act.
2. As the Study Area may be considered a "blighted area", a term defined by the Act, the City may impose a retailers' occupation and service occupation taxes ("Business District sales tax") and/or a hotel operator's occupation tax ("hotel/motel tax"), in the Business District.
3. An outline of potential next steps for the City of Geneva is provided.

In developing this memo, various methods of research were utilized including:

- Field examination of conditions in the Study Area.
- Discussion with individuals having knowledge as to the conditions of the Study Area, including City Economic Development, Police, and Public Works staff.
- Review of City, Township, and County documents and data related to the Study Area.

The criteria and factors that were utilized in conducting the evaluation of the conditions in the Study Area are outlined in this memo.

As a result of our research, Ehlers concludes that the Study Area would be eligible for designation as a redevelopment project area under the Business District Act and meets the "blighted area" criteria that is necessary for the City to make a formal finding in order to impose the retailers' occupation tax and service occupation tax and/or a hotel/motel tax, if it so chooses.

Business District Act

The Business District Act is intended to be used by municipalities to invigorate economically sluggish areas by addressing problems that cause the area to qualify as a Business District and a "blighted area" under the Business District Act. Municipalities are authorized to carry out development and redevelopment projects within the Business District to achieve these goals.

Municipal Powers under the Business District Act include the following:

- To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan.
- Within a business district, to acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property.
- To clear any area within a business district by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.
- To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan.
- To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district.
- To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.
- To pay or cause to be paid business district project costs.
- If the municipality has by ordinance found and determined that the business district is a "blighted area" under this Law, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.
- If the municipality has by ordinance found and determined that the business district is a "blighted area" under this Law, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.

The Act specifies that a municipality may impose new Business District sales tax and hotel/motel tax applying revenues toward development and redevelopment within the Business District.

The Business District sales tax may be imposed at a rate not to exceed one percent (1%) of the gross receipts from sales of tangible personal property within the business district, and must be imposed in quarter percent (0.25%) increments.

The sales taxes may not be imposed on "tangible personal property titled or registered with an agency of this State's government or food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption), prescription and nonprescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purposes of rendering it usable by a disabled person, and insulin, urine testing materials, syringes, and needles used by diabetics, for human use," and may not be imposed for more than twenty-three (23) years. These taxes, if imposed, shall be collected by the Illinois Department of Revenue and then disbursed to the City.

Regarding the food and beverage provisions, in other words, the Business District sales tax would not apply to groceries. It would apply to food and beverages served at a restaurant, or prepared for take-out. It would apply to food prepared for immediate consumption at a grocery store deli or convenience store, whether carried out or consumed on the premises. The tax would also apply to alcoholic beverage and soft drink sales.

The hotel/motel tax may be imposed at a rate of not to exceed one percent (l%) of the gross rental receipts from the rental leasing or letting of hotel rooms within the business district (excluding, however, gross rental receipts from the rental leasing or letting of a hotel to permanent residents, as defined in the Hotel Operators' Occupation Tax Act), must be imposed in quarter percent (0.25%) increments, may not be imposed for more than twenty-three (23) years and, if imposed, must be collected by the City. (The Business District hotel/motel tax of up to 1% would be on top of the 5% hotel/motel tax already collected by the City.)

As examples, the revenue generated from these taxes could be used for eligible expenses within the Business District to do the following:

- Encourage new retail shopping centers, stores, and hotels.
- Create entertainment and restaurant areas.
- Modernize outdated retail, office, and hotel developments to entice business travelers and local residents and encourage spending.
- Create and maintain a revolving loan fund related to the uses above.
- Design community gathering areas, such as parks where pedestrian traffic can gather for events such as concerts, festivals, and summer farmer markets.
- Upgrade and construct public improvements, including parking areas, utilities, and modern streetscapes.

Business District Eligibility Analysis

Pursuant to 65 ILCS 5/11-74.3-5, a business district is defined as "a contiguous area which includes only parcels of real property directly and substantially benefited by the proposed business district plan." The Act further states that a business district may, but need not be, a "blighted area", but no municipality shall be authorized to impose Business District sales taxes and/or hotel/motel taxes unless it is determined by ordinance to be a blighted area under the Act.

A "blighted area" is defined by the Business District Act as "an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare."

Study Methodology

In determining whether or not the proposed Study Area meets the eligibility requirements of the Act, at the City's direction, Ehlers conducted research and field surveys.

Every parcel was visually examined during the survey. The survey and analysis of existing conditions within the Study Area were completed in May and June 2013 by Ehlers to document the extent to which each "blighted area" factor is present within the Study Area. Various types of research and field surveys were undertaken including:

1. Exterior survey of the condition and use of properties and buildings.
2. Field survey of environmental conditions covering streets, sidewalks, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance.
3. Analysis of tax maps to ascertain platting.
4. Review of previously prepared plats, plans, and studies.
5. Review of County and Township Records.
6. Contacts with City officials as appropriate and private parties knowledgeable as to area conditions, history, age of buildings and site improvements, real estate matters and related items, as well as examination of existing information related to the Study Area.

Study Area Findings

The Study Area is a "blighted area" as defined in the Business District Act due to the following factors (1 factor required to be met):

- Unsanitary or unsafe conditions.
- Improper subdivision or obsolete platting.
- The existence of conditions which endanger life or property by fire or other causes.
- Retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.

These factors constitute an economic liability and an economic underutilization of the area within the Study Area in its present condition and use. Based on the presence of these factors described in more detail on the following pages, the Study Area is a "blighted area" as defined by the Business District Act.

Unsanitary or unsafe conditions

During our research and field surveys, Ehlers did not find or witness conditions that were unsanitary in the Study Area.

Over one-third (1/3) of the properties in the Study Area suffer from unsafe conditions. This is due mainly to the lack of automatic fire suppression systems in existing buildings where they are required. Fire can spread through very small opening and concealed spaces to reach other parts of a building and neighboring buildings, deprive occupants of a life-supporting environment, and cause partial to total destruction of property. Damage from fire can be permanent and irreparable. Historic buildings, such as many of those within the Study Area, are particularly vulnerable.

The City of Geneva's building and fire codes require installation of sprinklers because of their proven life safety capabilities and to minimize fire damage to buildings and their contents. A building addition, or change of use, could require the installation of sprinklers on additional properties. Geneva Fire Code requires the installation of automatic fire sprinkler systems in buildings which either exceed 3,000 square feet in total floor area or contain a combination of commercial and residential occupancies. The fire sprinkler requirement could be required in the case of future building additions which increase the total floor area over 3,000 square feet, or if a portion of an existing structure is converted to residential.

On a small percentage of properties in the Study Area (less than 10%), unsafe conditions were also evidenced by the number of traffic accidents. A review of automobile accidents in 2012 indicates that there are traffic issues in two intersections within the Study Area. The intersections of State Street and Illinois Route 25 and State Street and Illinois Route 31 had 11 and 14 traffic accidents, respectively. While these numbers seems relatively small as compared to the total number of crashes within the City limits in 2012, these locations are within the top 10 accident areas in the City. Dedication of additional rights-of-way for appropriate turn and deceleration lanes may also be required with future development, as well as the construction and rehabilitation of streets, curb cuts, and sidewalks. This will result in sizeable additional costs.

Improper subdivision or obsolete platting

Over 85% of the parcels in the Study Area suffer from improper subdivision or obsolete platting. This consists of both improved and vacant parcels.

Typical of historic downtowns, most of the development of the Study Area occurred on a piecemeal basis. Many parcels have never been platted. Others are lots of record, but most lots of record are such in name only. As development has occurred over time, entire parcels or portions of lots of record have been transferred as and/or consolidated with tax parcels. This, along with topographic and other physical conditions, such as railroad right-of-way, has resulted in buildings and parking lots on multiple lots of record, small parcels, parcels with configurations of irregular shape and size, and limited access between parcels.

Many single-family properties have been converted to commercial uses. This contributes to Geneva's character, but these properties are obsolete. They generally do not have enough lot area to accommodate contemporary design and zoning standards.

Without any development plan for the assembly of properties that have been improperly subdivided or suffer from obsolete platting, parcels are likely to remain undeveloped or in their current state due to their undesirable shape or size. The assembly of parcels for development and redevelopment will be difficult because of the involvement of multiple property owners. City participation will be necessary to facilitate property assembly.

Existence of conditions which endanger life or property by fire or other causes

As previously outlined in the "Unsanitary or Unsafe Conditions" factor section above, a lack of adequate fire suppression systems in one third of the Study Area's buildings endangers life and all property within the Study Area. Further, a fire within any of the large buildings in the Study Area could damage the rest of the block, if not a more sizable area within the downtown. The City of Geneva's building and fire codes now require installation of sprinklers because of their proven life safety capabilities and to minimize fire damage to buildings and their contents.

Unsafe conditions were also evidenced by traffic accidents that occur at two intersections within the Study Area. Access could be improved through the use of well-defined internal drives and ingress and egress access between properties, as well as improvements in rights-of-way. Certain physical improvements and the dedication of additional right-of-way may be necessary to help improve these intersections to reduce accidents.

Retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare

All of the factors noted above together constitute an economic liability in their present condition and use. To summarize, properties in the Study Area suffer from unsafe conditions and conditions that endanger life or property by fire or other causes. This is due mainly to the

number of buildings without adequate fire suppression systems. Properties also suffer from improper subdivision or obsolete platting. Buildings and parking lots occupy multiple lots of record, and in some cases multiple tax parcels. Some parcels are of irregular shape and size and some do not have enough lot area to accommodate modern standards.

In addition, Equalized Assessed Value ("EAV") is an indicator of the economic viability of an area. Although not specifically outlined in the Business District Act, the TIF Act outlines three standards to measure EAV:

- If an area has decreased for three of the last five calendar years prior to the year in which the area is designated;
- If an area is increasing at an annual rate that is less than the balance of the municipality for three of the last five calendar years for which information is available; or
- If an area 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 (CPI) for three of the last five calendar years prior to the year in which the area is designated.

The EAV of the Study Area meets two of these measurement standards, as shown in Table 1 below. The total EAV of the Study Area has decreased for four of the last five calendar years. Also, the EAV of the Study Area has increased at an annual rate that is less than the CPI for four of the past five years. This data indicates that the Study Area is an economic liability.

Table 1: EAV History of Study Area

GROWTH RATES OF EQUALIZED ASSESSED VALUATION

Tax Year	Study Area EAV	City EAV	Balance of City EAV	Study Area %	Balance of City %	CPI %
2007	$68,668,947	$1,043,872,368	$975,203,421			
2008	$73,855,748	$1,097,885,747	$1,024,029,999	7.55%	5.01%	3.8%
2009	$72,882,725	$1,087,842,798	$1,014,960,073	-1.32%	-0.89%	-0.4%
2010	$70,141,015	$1,041,399,720	$971,258,705	-3.76%	-4.31%	1.6%
2011	$58,470,331	$975,012,757	$916,542,426	-16.64%	-5.63%	3.2%
2012	$57,962,375	$940,337,136	$882,374,761	-0.87%	-3.73%	2.1%

Sources: Kane County and Geneva Township

It should also be noted that the following factors are present to a minor extent:

Predominance of defective, non-existent, or inadequate street layout

Less than 10% of the parcels in the Study Area suffer from the predominance of defective, non-existent, or inadequate street layout. As documented above, there are two intersections in the Study Area that are within the top 10 accident areas in the City. There are areas on both public rights-of-way adjacent to property in the Study Area and private property where this factor is further demonstrated.

The former railroad right-of-way between 6th and Richards Streets, north of State Street, is being used for cut-through traffic to access adjacent businesses, though it is not a public street and in poor condition. Some streets in the Study Area do not meet City street standards. The City's Subdivision Regulations require a minimum right-of-way width of sixty-six feet (66') for these secondary streets. The narrow right-of-way width on these streets has resulted in narrow streets and no public sidewalks or sidewalks on only one side of the street.

On a few private properties where parking is provided on-site, internal movement can be difficult. There are a lack of defined travel lanes, and present are conflict points between customer vehicles, delivery vehicles, and pedestrians. Some parking lots do not allow for turnaround if the parking lot is full. One would have to back all the way out of the lot.

While this factor is present only to a minor extent, street and vehicle areas are essential to growth of commercial areas. The costs of building and rehabilitating streets, sidewalks, delivery areas, and cross access are an extraordinary expense for which public assistance may be necessary to address.

Deterioration of site improvements

Field surveys were conducted to identify the physical condition of buildings, parking lots, service and loading areas, curbing, and sidewalks. The majority of the buildings and structures are in good condition. Only a few buildings exhibit significant deterioration, as evidenced by damage to exterior stucco and bricks, loose or missing siding and roofing materials, rusted metal and HVAC systems, dented or missing fascias, and broken and missing windows. Parking areas, curbing, and sidewalks throughout the Study Area were also generally found to be in good condition. Where deterioration was found, building age and vacancies contributed to the deteriorated conditions, as has recent flooding along the river.

In vacant buildings (some long-term), Ehlers observed broken and missing windows, damaged overhead doors, and damaged signs and exterior walls. There are at least four properties and three empty lots that have been vacant for over five years. Substantial investment will be necessary to repair or demolish and reconstruct these buildings and paved areas.

Conclusion and Next Steps

The Study Area qualifies for eligibility as a Business District under the provisions in the Business District Act as a ”blighted area” -- pending the finding by the City that “but for” the adoption of the Business District development or redevelopment plan, this area would not reasonably be anticipated to be developed or redeveloped. The costs associated with the development and redevelopment of the properties in the Study Area, including land preparation, utilities and infrastructure, constitute an impediment to private investment. Due to the extensive initial investment in development incentive payments, rehabilitation, and public infrastructure that is required in order to allow development and redevelopment to occur, development and redevelopment of the area will not occur solely as a result of private investment.

Should the City adopt a Business District, Business District related sales and hotel/motel taxes may be collected and deposited in a special Business District Tax Allocation Fund for the purposes of paying business district project costs and obligations. Some preliminary Business District related sales tax revenue projections are provided in **Appendix B**. The projections use the City’s 2012 sales tax revenue as a base to project the impact of adding a Business District sales tax in quarter percent increments (i.e. at 0.25%, 0.50%, .075% and 1.00%, in keeping with the Act requirements.) Because the Business District tax does not apply to certain items, such as groceries (food), prescription medicines, and titled items, and it cannot be determined exactly what portion of the City’s current sales tax revenues are comprised of those items, alternate scenarios are also provided that reflect the exclusion of those items at rates of 70%, 80%, and 90% of the City’s sales tax receipts. The projections do not include any changes within the Downtown that would impact the base sale tax revenues, including inflation. These projections are provided merely to offer a “ballpark estimate” of what a Business District sales tax may generate to help pay for Business District eligible expenses.

Ehlers recommends the City evaluate whether to proceed with the drafting of the Business District Plan document that would incorporate the eligibility findings of this memo, as well as document that the business district conforms to the City’s comprehensive plan for the development of the municipality as a whole. The Business District Plan would serve as the evidentiary and planning documents to be reviewed and presented to the City Council and the public at a formal public hearing. The following action steps are required by the Business District Act to enact the Business District:

- **Prepare Business District Plan document according to the Illinois Business District Act.** The Business District Plan will include the following:
  - Documentation that the Business District meets the “blighted area” criteria;
  - A specific description of the Business District and map;
  - A general description of each project proposed to be undertaken within the Business District including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or improved within the proposed business district;

- The name of the proposed Business District;
- The estimated Business District project costs;
- Anticipated sources of funds to pay Business District project costs;
- Anticipated type and terms of any obligation to be issued; and
- The rate of any Business District taxes to be imposed, if any, and the period of time for which the tax(es) shall be imposed.

- **Prepare a Legal Description describing the proposed boundaries of the Business District** (to meet the requirement for a specific description of the Business District outlined above).
- **Hold a Public Hearing.** This includes providing appropriate notice of the public hearing in accordance with the Act.
- **Within 90 days of the final adjournment of the public hearing, adopt by ordinance(s) the business district plan and designation of the business district.** In particular, any ordinance adopted which approves a business district plan shall contain findings that the business district on the whole has not been subject to growth and development through investment by private enterprises and would not reasonably be anticipated to be developed or redeveloped without the adoption of the business district plan.
- **Assuming the City makes a finding that the Business District is a "blighted area," consider adopting ordinance(s) to enact a Business District sales tax and/or a hotel/motel tax.** Business District sales and hotel/motel taxes collected are deposited in a special Business District Tax Allocation Fund for the purposes of paying business district project costs and obligations.

Although not required by the Business District Act, the City may wish to hold a meeting with the City's Economic Development Commission and local business owners to summarize the proposed Business District, to identify programming priorities with potential Business District funding, and to gain consensus. Feedback from the meeting will be incorporated into the Business District Plan as agreed to by the City. The current contract with Ehlers offers this as an option to the City, and Business District Inc.'s (BDI) downtown-specific expertise would be utilized to conduct this meeting.

An important consideration in the adoption of any Business District sales tax will be the impact it has on businesses that compete with similar types of businesses, either within or outside of the City, that are not within the Business District boundaries. This meeting(s) may be useful in determining the level of tolerance of business owners for any additional Business District sales tax.

Ehlers estimates the above action steps, including the optional meeting, will require approximately 2 to 3 months to complete. The deadline for filing the ordinance enacting a Business District sales tax and all additional required information is as follows:

- October 1 for administration and enforcement of the tax beginning the following January; or
- April 1 for administration and enforcement of the tax beginning the following July 1.

Beyond the adoption of a Business District, there will be other actions required of the City. The City has an obligation to be prudent with the use of public resources in development and redevelopment activities. If the City chooses to pursue the adoption of a Business District and the Business District taxes, Ehlers recommends any proposed development and redevelopment projects be thoroughly reviewed prior to the dedication of any Business District funds towards eligible expenses of the project to ensure the "but for" finding is established.

There are two objectives in this project review process:

1. To ensure that the City is providing only the amount of assistance needed to make the project financially feasible to the developer.
2. To ensure that the City is aware of any financial risks it may be taking on as a result of its participation in the project.

To accomplish this, Ehlers recommends that a financial analysis of the developer's request for assistance take place. This is an analysis that reviews the developers financial pro forma, including costs, revenues, and returns, and compares the proposal to similar developments to determine if the amount of assistance requested is valid. The process should also review the method the developer is requesting the City use to finance the assistance to determine what risks, if any, there are to the City. This would provide the City with information regarding the expected market absorption of the project, the developer's financing gap, and potential Business District eligible costs that must be addressed to make proposed project feasible.

Business District funds can be used for a range of development and redevelopment activities in order to implement the Business District Plan, including:

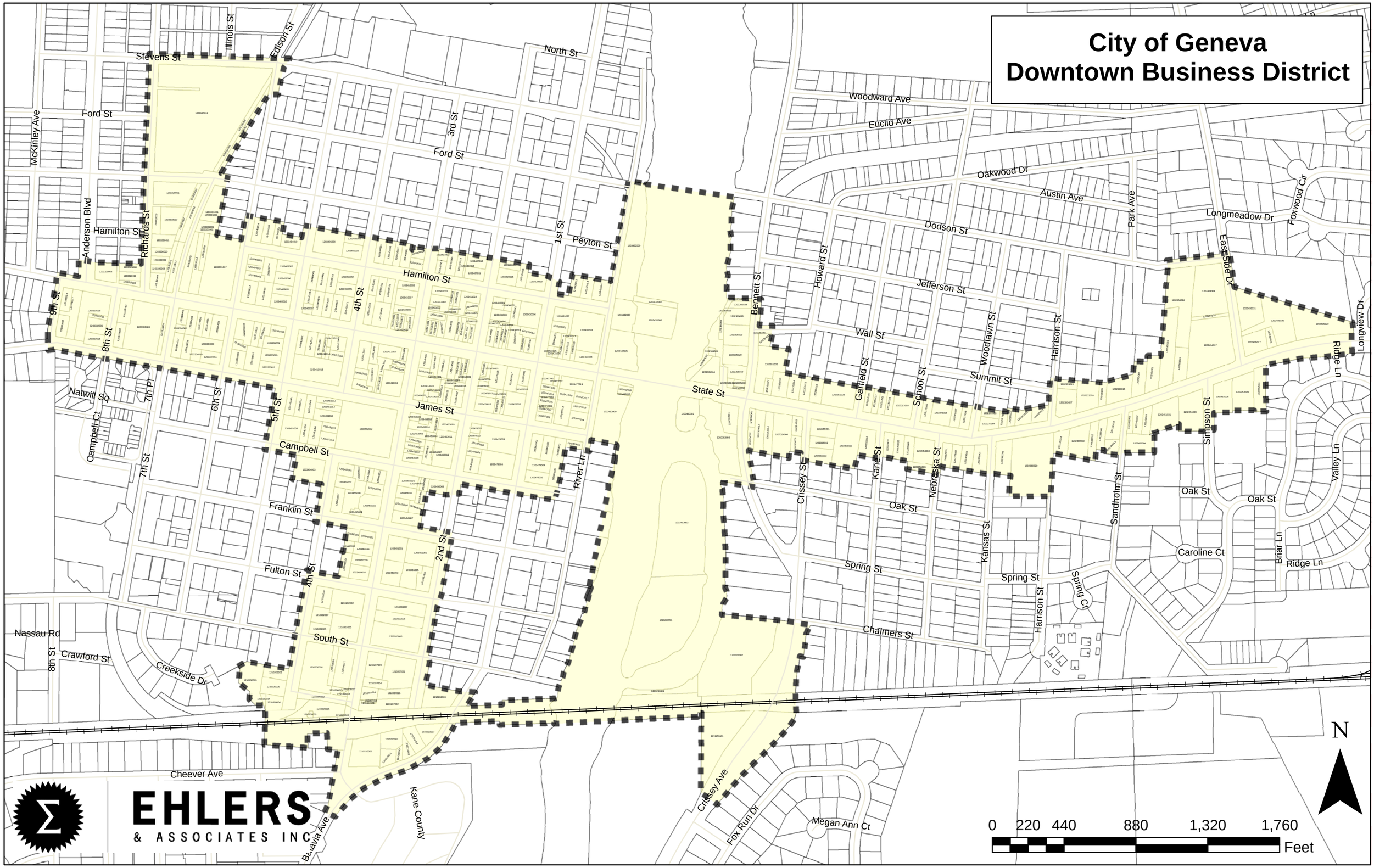
- Costs of surveys, plans, implementation, and administration (including legal fees) of the Business District.
- Property assembly costs.
- Site preparation, grading, and demolition costs.
- Installation, repair, and construction of public works.
- Building rehab, relocation, and renovation.
- New construction of buildings, structures, and improvements. (This permitted activity differs from the TIF Act, which restricts the use of TIF funds for new construction.)
- Financing costs.
- Relocation costs.

It should also be noted that a Business District can be combined with other economic development tools, including Tax Increment Financing (TIF) districts and Special Service Areas. Used together, these tools may offer an even stronger package of revenue-producing and economic development generating options for Geneva's downtown area.

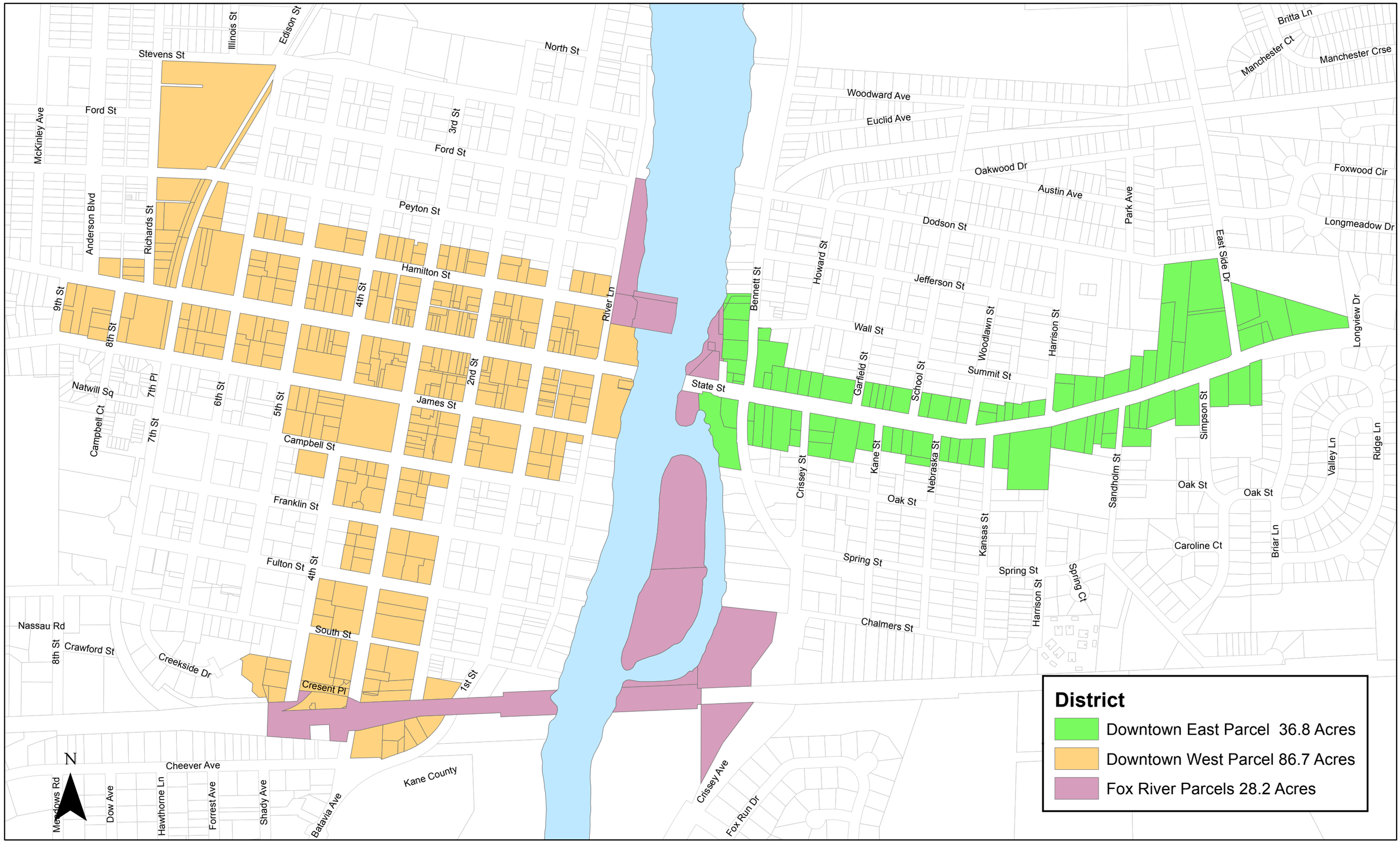
Appendices

Appendix A: Maps of Study Area

City of Geneva
Downtown Business District



Geneva Business District Study Area



Appendix B: Preliminary Business District Sales Tax Revenue Projections

City of Geneva, Illinois
Downtown Business District

Downtown Business District - Sales Tax Projections

Scenario: ***90% of Annual Downtown Sales Tax Revenue***

Est. "Downtown" Annual Taxable Sales [1] **$93,619,199**

Present Value Rate 6.00%

"Downtown" Municipal Sales Tax Rate [2] **1.00%**

"Downtown" Sales Tax Revenue [3] **$936,191.99** *(Year 2012)*

						Increases (Business District Sales Tax Revenues)			
BD Year	Tax Year	Collection Year	INFLATION % Incr (Decr) in Sales Tax	1.00% Estimated Annual Sales Tax Revenue [3]	90.00% Estimated Annual Sales Tax "Qualifying" for Business District Sales Tax [4]	0.25% Business District Sales Tax Generated	0.50% Business District Sales Tax Generated	0.75% Business District Sales Tax Generated	1.00% Business District Sales Tax Generated
1	2014	2015	0%	$ 936,192	$ 842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
2	2015	2016	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
3	2016	2017	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
4	2017	2018	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
5	2018	2019	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
6	2019	2020	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
7	2020	2021	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
8	2021	2022	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
9	2022	2023	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
10	2023	2024	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
11	2024	2025	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
12	2025	2026	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
13	2026	2027	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
14	2027	2028	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
15	2028	2029	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
16	2029	2030	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
17	2030	2031	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
18	2031	2032	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
19	2032	2033	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
20	2033	2034	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
21	2034	2035	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
22	2035	2036	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
23	2036	2037	0%	936,192	842,573	$ 210,643	$ 421,286	$ 631,930	$ 842,573
TOTAL				**$ 21,532,416**	**$ 19,379,174**	**$ 4,844,794**	**$ 9,689,587**	**$ 14,534,381**	**$ 19,379,174**
			NPV:	***$ 11,518,325***	***$ 10,366,492***	***$ 2,591,623***	***$ 5,183,246***	***$ 7,774,869***	***$ 10,366,492***

Assumptions

[1] Annual Estimated Taxable Sales was calculated based upon the Value of Sales Tax Revenue of "Downtown' area provided by the City.

[2] Local Portion of the Retailers' Occupation Tax & Service Occupation Tax categories (1.0%); Does not include the Non-Home Rule Sales Tax.

[3] Sales Tax Revenue of "Downtown" area provided by City of Geneva (includes all businesses east to East Side Drive, not just to Route 25)

[4] Business District Sales Tax applies to General Merchandise Sales only, and does not apply to sales of grocery, food, drugs, or medical appliances.

City of Geneva, Illinois
Downtown Business District

Downtown Business District - Sales Tax Projections

Scenario: ***80% of Annual Downtown Sales Tax Revenue***

Est. "Downtown" Annual Taxable Sales [1] **$93,619,199**

Present Value Rate 6.00%

"Downtown" Municipal Sales Tax Rate [2] **1.00%**

"Downtown" Sales Tax Revenue [3] **$936,191.99** *(Year 2012)*

						Increases (Business District Sales Tax Revenues)			
BD Year	Tax Year	Collection Year	INFLATION % Incr (Decr) in Sales Tax	1.00% Estimated Annual Sales Tax Revenue [3]	80.00% Estimated Annual Sales Tax "Qualifying" for Business District Sales Tax [4]	0.25% Business District Sales Tax Generated	0.50% Business District Sales Tax Generated	0.75% Business District Sales Tax Generated	1.00% Business District Sales Tax Generated
1	2014	2015	0%	$ 936,192	$ 748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
2	2015	2016	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
3	2016	2017	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
4	2017	2018	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
5	2018	2019	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
6	2019	2020	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
7	2020	2021	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
8	2021	2022	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
9	2022	2023	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
10	2023	2024	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
11	2024	2025	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
12	2025	2026	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
13	2026	2027	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
14	2027	2028	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
15	2028	2029	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
16	2029	2030	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
17	2030	2031	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
18	2031	2032	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
19	2032	2033	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
20	2033	2034	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
21	2034	2035	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
22	2035	2036	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
23	2036	2037	0%	936,192	748,954	$ 187,238	$ 374,477	$ 561,715	$ 748,954
TOTAL				**$ 21,532,416**	**$ 17,225,933**	**$ 4,306,483**	**$ 8,612,966**	**$ 12,919,449**	**$ 17,225,933**
			NPV:	***$ 11,518,325***	***$ 9,214,660***	***$ 2,303,665***	***$ 4,607,330***	***$ 6,910,995***	***$ 9,214,660***

Assumptions

[1] Annual Estimated Taxable Sales was calculated based upon the Value of Sales Tax Revenue of "Downtown' area provided by the City.

[2] Local Portion of the Retailers' Occupation Tax & Service Occupation Tax categories (1.0%); Does not include the Non-Home Rule Sales Tax.

[3] Sales Tax Revenue of "Downtown" area provided by City of Geneva (includes all businesses east to East Side Drive, not just to Route 25)

[4] Business District Sales Tax applies to General Merchandise Sales only, and does not apply to sales of grocery, food, drugs, or medical appliances.

City of Geneva, Illinois
Downtown Business District

Downtown Business District - Sales Tax Projections

Scenario: ***70% of Annual Downtown Sales Tax Revenue***

Est. "Downtown" Annual Taxable Sales [1] **$93,619,199**

Present Value Rate 6.00%

"Downtown" Municipal Sales Tax Rate [2] **1.00%**

"Downtown" Sales Tax Revenue [3] **$936,191.99** *(Year 2012)*

						Increases (Business District Sales Tax Revenues)			
BD Year	Tax Year	Collection Year	INFLATION % Incr (Decr) in Sales Tax	1.00% Estimated Annual Sales Tax Revenue [3]	70.00% Estimated Annual Sales Tax "Qualifying" for Business District Sales Tax [4]	0.25% Business District Sales Tax Generated	0.50% Business District Sales Tax Generated	0.75% Business District Sales Tax Generated	1.00% Business District Sales Tax Generated
1	2014	2015	0%	$ 936,192	$ 655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
2	2015	2016	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
3	2016	2017	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
4	2017	2018	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
5	2018	2019	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
6	2019	2020	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
7	2020	2021	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
8	2021	2022	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
9	2022	2023	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
10	2023	2024	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
11	2024	2025	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
12	2025	2026	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
13	2026	2027	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
14	2027	2028	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
15	2028	2029	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
16	2029	2030	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
17	2030	2031	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
18	2031	2032	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
19	2032	2033	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
20	2033	2034	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
21	2034	2035	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
22	2035	2036	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
23	2036	2037	0%	936,192	655,334	$ 163,834	$ 327,667	$ 491,501	$ 655,334
TOTAL				**$ 21,532,416**	**$ 15,072,691**	**$ 3,768,173**	**$ 7,536,346**	**$ 11,304,518**	**$ 15,072,691**
			NPV:	***$ 11,518,325***	***$ 8,062,827***	***$ 2,015,707***	***$ 4,031,414***	***$ 6,047,121***	***$ 8,062,827***

Assumptions

[1] Annual Estimated Taxable Sales was calculated based upon the Value of Sales Tax Revenue of "Downtown' area provided by the City.

[2] Local Portion of the Retailers' Occupation Tax & Service Occupation Tax categories (1.0%); Does not include the Non-Home Rule Sales Tax.

[3] Sales Tax Revenue of "Downtown" area provided by City of Geneva (includes all businesses east to East Side Drive, not just to Route 25)

[4] Business District Sales Tax applies to General Merchandise Sales only, and does not apply to sales of grocery, food, drugs, or medical appliances.