

**EAST STATE STREET  
TAX INCREMENT FINANCING  
REDEVELOPMENT PROJECT AND PLAN**

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City of Geneva, Illinois

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This Redevelopment Plan is subject to review  
and comment and may be revised  
after comment and hearing.

Prepared by:  
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## I. INTRODUCTION

This document presents the Tax Increment Financing Redevelopment Project and Plan (the "Redevelopment Plan") for a portion of the East State Street (Route 38) commercial corridor located in Geneva, Illinois, subsequently referred to in this document as the East State Street Tax Increment Financing Redevelopment Project Area ("the Project Area").

As part of a strategy to encourage managed growth, deter future deterioration, encourage preservation and stimulate private investment in the Project Area, the City of Geneva engaged Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to investigate whether an approximately 34-acre area qualifies as a "conservation area," a "blighted area," or a combination thereof, under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11/74.4-3). The Project Area encompasses nine partial blocks of the commercial State Street corridor, east of the Fox River, that include the properties on the northern side of State Street from School Street on the west to Longview Drive on the east and the properties on the southern side of State Street between Nebraska Street on the west and a line approximately 340' east of Simpson Street on the east. The northern and southern boundaries of the Project Area are staggered to generally follow the rear property lines of State Street properties, but also extend by one or more parcels to the north at Harrison Street and at East Side Drive and to the south at Sandholm Street. The Project Area is situated approximately one-half mile east of the Geneva central business district.

### **The City of Geneva**

The City of Geneva (the "City") is located along the Fox River in Kane County, approximately 38 miles west of Downtown Chicago. The City is partnered with Batavia on the south and St. Charles to the north in forming a region referred to as the "tri-city area" of the Fox River Valley. Geneva was originally settled in 1835 as a small trading center and mercantile community that offered scenic, country charm for settlers and visitors from the Chicago area. Since its incorporation in 1865 and throughout most of its development history, the City has aimed to maintain its small-town character by emphasizing residential uses and the specialty retail and civic functions of its historic central business district, with only modest additions of industry and commercial to support its community. This historic heritage is deeply rooted in the Geneva of today, which covers nearly 5.4 square miles and is home to a growing population of approximately 18,300.

The City is strategically located within the Fox River Valley region and is locally accessible by state highways 31, 25 (north/south) and 38 (east/west) and regionally accessible by the interstate highway system (I-88 and I-90), the Union Pacific/West Line of the Metra commuter railroad system, and the DuPage County Airport (located directly northeast of Geneva). In addition to access and location, Geneva enjoys a picturesque Fox River setting with ample parks and open space, a historic, diverse and well-maintained housing stock, an attractive, active, traditional downtown shopping district, and quality municipal services and community facilities. These exceptional community assets have contributed to Geneva's established identity and growing appeal as a desirable place to live, work and visit. This "quality of life" appeal has translated into relatively rapid population growth and concomitant residential and commercial development over

the past decade as the overall suburban development of the Chicago metropolitan area has expanded westward. Indeed, Geneva's current population is nearly twice that of 1980. As a result, guiding development and growth in order to maintain small town character, respond to contemporary needs of the community, and plan for the future are ongoing priorities for the City.

Since the adoption of its first master plan in 1957, the City of Geneva has undertaken strategic planning initiatives to guide growth, development and changes in a comprehensive and coordinated manner. The City's master plan and subsequent updates [the most current version is the 1989 *Development Policies and Future Land Use* ("Comprehensive Plan")]--have established an overall framework for land use and development, including goals and policies for commercial development and revitalization in the central business district, corridors and neighborhoods. In general, Geneva has identified the goal of maintaining a vibrant mix of commercial areas by strengthening specialty retail and professional office areas and expanding neighborhood and convenience shopping for residents and visitors alike.

The City has also undertaken more targeted planning efforts for its commercial areas, including the commercial corridor within which the Project Area is situated. Recent planning efforts affecting the Project Area include the *East State Street Beautification Plan* (1983), the *East State Street Revitalization Strategy* (1989), *Report of the Geneva Plan Commission subcommittee and Ad Hoc Citizens Committee on East State Street Revitalization Strategy* (1989), and the *East State Street Corridor Comprehensive Plan* (1993). These plans set forth recommendations for development and redevelopment of the Project Area and form the basis for many of the recommendations presented in this Redevelopment Plan.

### **East State Street Corridor**

Over the past 15 years, the City has recognized the need to address development challenges and opportunities for the East State Street commercial corridor--the City's primary east-west artery. This corridor serves as a gateway to the City, bringing residents and visitors to Geneva's central business district, riverfront, and neighborhoods east of the Fox River. Given the growth in the City and the overall Fox Valley region over this same fifteen-year period, the corridor has been confronted with growing competition from regional and neighboring communities' commercial areas as well as the challenge of providing for the changing and growing needs of Geneva residents. Unfortunately, portions of the corridor have been sluggish in responding to these market changes and generally have not kept pace with the levels of improvement and private investment that are apparent in other parts of the community.

In 1993, the City undertook a comprehensive planning initiative for the corridor culminating in the *East State Street Corridor Comprehensive Plan* (the "Corridor Plan"). The Corridor Plan identified strategies for addressing land use, zoning, development, traffic and parking, physical improvements, and site specific issues across six corridor planning districts. The Project Area is situated in the central portion of the corridor and encompasses the Corridor Plan's "Commercial Redevelopment District," and a portion of the "Preservation District." The Corridor Plan emphasizes several critical issues for these districts including the need for physical and aesthetic improvements and updated land use and development strategies to provide for a more vibrant business mix. Despite some implementation efforts of the Corridor Plan, the Project Area remains

characterized by obsolete platting, vacant or deteriorated buildings, incompatible land use and site layouts, vacant and underutilized sites, and an overall disconnected, patchwork identity--suggesting that conditions have not improved over the past several years and that lack of private investment persists.

Improvement of the East State Street commercial area will be a complex undertaking, requiring a well-organized development and revitalization strategy to bring about interest and investment on a coordinated basis. Realization of the corridor redevelopment will require commitment by the City, property owners, residents and developers, as well as a reliable, long-term financial commitment. Only a long-term commitment by the community will deliver effective and enduring results.

Recognizing the need to find and secure long-term financing for the revitalization of the central portion of the East State Street commercial corridor, the City engaged TPAP to investigate whether the Project Area qualifies under State Statute for designation as a Tax Increment Financing ("TIF") District. Such designation could secure funding for the next 23 years for public and private improvements within the Project Area providing the desired long-term financing and commitment needed to preserve the sustainability of the Project Area and to encourage additional public and private investment throughout the broader corridor.

#### **A. TAX INCREMENT FINANCING**

In January 1977, TIF was authorized by the Illinois General Assembly through passage of the *Tax Increment Allocation Redevelopment Act*, 65 ILCS 5/11-74.4-1 et seq., as amended (the "Act"). The Act provides a means for municipalities, after the approval of a redevelopment plan and project, to redevelop blighted, conservation, or industrial park conservation areas and to finance eligible redevelopment project costs ("Project Costs") with incremental property tax revenues. "Incremental Property Tax" or "Incremental Property Taxes" is/are derived from the increase in the current equalized assessed valuation ("EAV") of real property within the redevelopment project area over and above the "Certified Initial EAV" of such real property. Any increase in EAV is then multiplied by the current tax rate which results in Incremental Property Taxes. A decline in current EAV does not result in a negative Incremental Property Tax.

To finance Project Costs, a municipality may issue obligations secured by estimated Incremental Property Taxes generated within the redevelopment project area. In addition, a municipality may pledge towards payment of such obligations any part or any combination of the following: (a) net revenues of all or part of any redevelopment project; (b) taxes levied and collected on any or all property in the municipality; (c) the full faith and credit of the municipality; (d) a mortgage on part or all of the redevelopment project; or (e) any other taxes or anticipated receipts that the municipality may lawfully pledge, including sales taxes.

Tax increment financing does not generate tax revenues by increasing tax rates, but rather through the temporary capture of new tax revenues generated by the enhanced valuation of properties resulting from the municipality's redevelopment program, improvements and activities, various redevelopment projects, and the reassessment of properties. Under TIF, all taxing districts continue to receive property taxes levied on the initial valuation of properties within the

redevelopment project area. Additionally, taxing districts can receive distributions of excess Incremental Property Taxes when annual Incremental Property Taxes received exceed principal and interest obligations for that year and expected redevelopment project costs necessary to implement the redevelopment plan have been paid. Taxing districts also benefit from the increased property tax base after Project Costs and obligations are paid.

## **B. THE EAST STATE STREET TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AREA**

At the request of the City, TPAP surveyed the area identified by the City and referred to as the Project Area to document any conservation or blighting factors which may exist within the Project Area. TPAP documented these factors in a study entitled "East State Street Redevelopment Project Area Tax Increment Financing Eligibility Study" (the "Eligibility Study"). The Project Area and its existing conditions are briefly described below. For greater detail on the conservation factors, please refer to Section III, *Conservation Area Conditions*.

The Project Area studied by TPAP consists of 38 buildings situated on approximately 34 acres. The Project Area generally includes commercial and residential uses along the State Street corridor, including northern frontage between School Street and Longview Drive and southern frontage between Nebraska Street and a line approximately 340' east of Simpson Street.

The Project Area is located along the City's primary east-west artery that provides principal access to Downtown Geneva and the neighborhoods east of the Fox River. The Project Area contains a variety of uses, including retail, commercial services, offices, a public works facility, scattered residential properties, and several vacant and underutilized parcels. Many of the commercial properties along State Street were developed on frontage parcels originally intended for low-density residential uses as is indicated by the conversion of single-family homes for commercial uses. Consequently, a number of these buildings have been developed on parcels inappropriately sized and configured for modern commercial use. The Project Area also contains an inconsistent pattern of lots, including small parcels, land-locked parcels, and large parcels of excessive depth. As a whole, the Project Area is becoming older and more obsolete in today's commercial marketplace, resulting in limited property reinvestment, diminished business activity, and lost market share as neighboring residents increasingly shop elsewhere for day-to-day household needs.

The Comprehensive Plan and the Corridor Plan indicate that the function of the Project Area as a community commercial center needs to be enhanced in order to provide a healthy mix of retail goods and services that serve the domestic, daily needs of neighborhood and community residents. The Corridor Plan also recommends commercial corridor improvements including facade improvements, redevelopment of vacant or underutilized parcels, high-quality development at key sites, improved access to off-street parking, streetscape and landscaping improvements, and careful urban design links between new and historic buildings and different districts along the corridor.

Typical of many mature commercial corridors, development in the Project Area occurred on a one-parcel, one-building at-a time basis, without the benefit or guidance of comprehensive or coordinated planning. Numerous manifestations of unplanned growth still exist within the Project Area, including small irregularly shaped blocks and mis-aligned streets, obsolete platting of parcels, difficult and inefficient access to parking, vacant buildings, deteriorated buildings and site conditions, and buildings characterized by obsolescence.

Without a substantial, visible and comprehensive effort by the City to promote investment throughout the Project Area, the Project Area will not likely be subject to additional growth through private investment. Additionally, the Project Area would likely continue to be characterized by conservation factors. The Project Area, while not yet a blighted area, may continue to decline and deteriorate and, without the intervention of the City, may become a blighted area. Finally, the Project Area would not reasonably be anticipated to develop without the intervention of the City and the adoption of this redevelopment project and plan for the Project Area.

### ***C. THE EAST STATE STREET TAX INCREMENT FINANCING REDEVELOPMENT PROJECT AND PLAN***

As evidenced in Section VI, the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped on a comprehensive and coordinated basis without the use of TIF.

This Redevelopment Plan has been prepared in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the City, through the implementation of this Redevelopment Plan, is that the entire Project Area be revitalized on a comprehensive and planned basis to ensure that private investment in rehabilitation and new development occurs:

1. On a coordinated rather than piecemeal basis to ensure that land use, access and circulation, parking, public services and urban design systems are functionally integrated and meet present-day principles and standards;
2. On a reasonable, comprehensive and integrated basis to ensure that conservation area factors and the presence of blight are prevented or eliminated; and
3. Within a reasonable and defined time period so that the area may contribute productively to the economic vitality of the City.

The success of this redevelopment effort will depend to a large extent on the cooperation between the private sector and the agencies of local government. Adoption of this Redevelopment Plan enables the implementation of a comprehensive program for redevelopment of the Project Area. By means of public investment, the Project Area will become a stable environment that will again attract private investment. Public investment will set the stage for area-wide redevelopment by the private sector. Through this Redevelopment Plan, the City will serve as the central force for

directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall "Redevelopment Program" to be undertaken to accomplish the above-stated goals. During implementation of the Redevelopment Program, the City may, from time to time, (i) undertake or cause to be undertaken public improvements and activities and (ii) enter into redevelopment agreements and intergovernmental agreements with private or public entities to construct, rehabilitate, renovate, or restore private or public improvements on one or several parcels (items (i) and (ii) are collectively referred to as "Redevelopment Projects").

This Redevelopment Plan specifically describes the Project Area and summarizes the conservation area factors which qualify the Project Area for designation as a conservation area as defined in the Act. Section II of the Redevelopment Plan contains the legal description and map depicting the boundaries of the Project Area.

Successful implementation of this Redevelopment Plan requires that the City utilize Incremental Property Taxes in accordance with the Act and work cooperatively with the private sector and local governmental agencies. Incremental Property Taxes will be exclusively utilized to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the conservation area conditions which have limited development of the Project Area by the private sector.

The use of Incremental Property Taxes will permit the City to direct and coordinate public improvements and activities to stimulate private investment within the Project Area on a comprehensive basis. These improvements, activities and investments will benefit the City, its residents, and all taxing districts having jurisdiction over the Project Area. The anticipated benefits include:

- A strengthened tax base for affected taxing agencies;
- An improved property tax liability balance between residential and non-residential properties;
- Improved appearance of and vitality along the State Street corridor.
- Elimination of problem conditions in the Project Area as well as general physical improvement and upgrading of properties; and
- A revitalized commercial corridor which more effectively serves the needs of residents and visitors to the area.

## II. LEGAL DESCRIPTION

The boundaries of the Project Area have been carefully drawn to include only those contiguous parcels of real property and improvements substantially benefited by the proposed Redevelopment Program to be undertaken by the City as part of this Redevelopment Plan. The Project Area boundary is shown in Figure 1, *Project Area Boundary*, and is legally described as follows:

That part of the South Half of Section 2, Township 39 North, Range 8 East of the Third Principal Meridian described as follows: Commencing at the center of said Section 2; thence North along the west line of the Northeast Quarter of said Section 2, 249.40 feet; thence South  $85^{\circ}00'$  East 407.0 feet to the center line of East Side Drive; thence South  $10^{\circ}12'$  East along said center line 353.80 feet; thence South  $8^{\circ}01'$  East along said center line 659.22 feet to the center line of Dodson Street; thence South  $83^{\circ}15'$  West along the center line of said Dodson Street 354.11 feet; thence South  $4^{\circ}49'$  West 442.03 feet; thence North  $85^{\circ}11'$  West 160.0 feet; thence South  $4^{\circ}49'$  West 252.55 feet to a line drawn parallel with and 167.0 feet northwesterly of the center line of State Street (measured at right angles thereto) for a point of beginning; thence North  $4^{\circ}49'$  East along the last described course 252.55 feet to the last described point; thence South  $85^{\circ}11'$  East 160.0 feet; thence North  $4^{\circ}49'$  East to the north line of said Dodson Street; thence North  $83^{\circ}15'$  East along said north line and said north line extended to the easterly line of said East Side Drive; thence southerly along said easterly line to the northerly line extended westerly of a tract of land described in Document 1095400; thence easterly along said northerly line extended and said northerly line 766.77 feet to the most easterly corner of said tract; thence southerly radial to the present center line of said State Street to the northerly line of Unit No. 1, Ridgewood, Geneva, Kane County, Illinois; thence westerly along the northerly line of said Ridgewood to the northwest corner thereof; thence southerly along the west line of said Ridgewood 274.27 feet to a point that is 57.53 feet northerly of the southwest corner of Lot 6 in said Ridgewood; thence westerly along the southerly line of a tract of land described in Document 1441154 75.0 feet to the southwest corner thereof; thence northerly along the westerly line of said tract described in Document 1441154 to the northeast corner of a tract of land described in Parcel Three of Document 91K33210; thence westerly along the northerly line of said Parcel Three to the westerly line of a tract of land described in Document 1773386; thence southerly along the westerly line of said tract described in Document 1773386 8.70 feet to a line drawn at right angles to the center line of Simpson Street from a point on said center line that is 327.30 feet northerly of the north line of Fieldbrook, Geneva, Kane County, Illinois; thence westerly at right angles to the center line of said Simpson Street 113.77 feet to the easterly line of said Simpson Street; thence southerly along the easterly line of said Simpson Street to the northerly line extended easterly of a tract of land described in Parcel Two of said Document 91K33210; thence westerly along the northerly line extended and northerly line of said Parcel Two 215.85 feet to an angle in said northerly line; thence northerly along an easterly line of said Parcel Two 46.86 feet to an angle in said easterly line; thence southwesterly along a northwesterly line of said Parcel Two 187.75 feet to an angle in said northwesterly line; thence southerly along a westerly line of said Parcel Two 3.33 feet to the northerly line of a tract of land conveyed to Lyle J. Bainbridge and Janice L. Bainbridge by Deed recorded as Document 1082431; thence westerly along the northerly line

of said Bainbridge tract 137.45 feet to the easterly line of Sandholm Street; thence southerly along the easterly line of said Sandholm Street to the northerly line extended easterly of a tract of land conveyed to Ronald J. Stachowitz and Sally S. Stachowitz by Deed recorded as Document 1234121; thence westerly along the northerly line extended and northerly line of said Stachowitz tract 130.33 feet to the northwest corner thereof; thence southerly along the westerly line of said Stachowitz tract 65.59 feet to a northeasterly corner of a tract of land described in Document 10850356; thence westerly along a northerly line of said tract described in Document 10850356 49.74 feet to the northwest corner thereof; thence southerly along the westerly line of said tract described in Document 10850356 66.71 feet to the northerly line of a tract of land conveyed to Frank Sandholm by Deed recorded as Document 11642; thence westerly along the northerly line of said Sandholm tract to the westerly line extended northerly of a tract of land conveyed to Charles Rydland by Deed recorded as Document 11877; thence southerly along the westerly line extended and westerly line of said Rydland tract 261.44 feet to the southeast corner of a tract of land described in Document 1670404; thence westerly along the southerly line and southerly line extended of said tract described in Document 1670404 402.18 feet to the westerly line of Kansas Street; thence northerly along the westerly line of said Kansas Street to the southeast corner of Owners Plat of Lots 1,2,3,4 and 5 in Block 2 of L. Dearborn's Addition to Geneva, Illinois; thence westerly along the southerly line and southerly line extended of said Owners Plat 345.25 feet to the westerly line of Nebraska Street; thence northerly along the westerly line of said Nebraska Street to the southerly line of said State Street; thence westerly along the southerly line of said State Street to the westerly line extended southerly of School Street; thence northerly along the westerly line extended and westerly line of said School Street to the northerly line extended westerly of Lot 1 in Block 4 of Howard and Baird's Addition to Geneva, Kane County, Illinois, as amended by Ira Minard; thence easterly along the northerly line extended, northerly line and northerly line extended easterly of said Lot 1 to the northeast corner of Lot 5 in said Block; thence easterly to the southwest corner of Lot 3 in Homelots Addition to Geneva, Kane County, Illinois; thence easterly along the southerly line of said Lot 3 150.0 feet to the southeast corner of said Lot 3; thence northerly along the easterly line of said Lot 3 35.0 feet to the southwest corner of Lot 4 in said Homelots Addition; thence easterly along a southerly line of said Homelots Addition 102.20 feet to the southeast corner of Lot 5 in said Homelots Addition; thence northerly along the easterly line of said Lot 5 111.16 feet to the southwest corner of Lot 6 in said Homelots Addition; thence northeasterly along a southeasterly line of said Homelots Addition 150.0 feet to the westerly line of Harrison Street; thence northerly along the westerly line of said Harrison Street to the southerly line extended westerly of Paul Steinbrecher's Subdivision, Geneva, Kane County, Illinois; thence easterly along the southerly line extended and southerly line of said Paul Steinbrecher's Subdivision 301.75 feet to the southeast corner thereof; thence northerly along the easterly line of said Paul Steinbrecher's Subdivision to a line drawn parallel with the center line of said State Street from the point of beginning; thence northeasterly parallel with the center line of said State Street 142.03 feet to the point of beginning, in the City of Geneva, Kane County, Illinois.

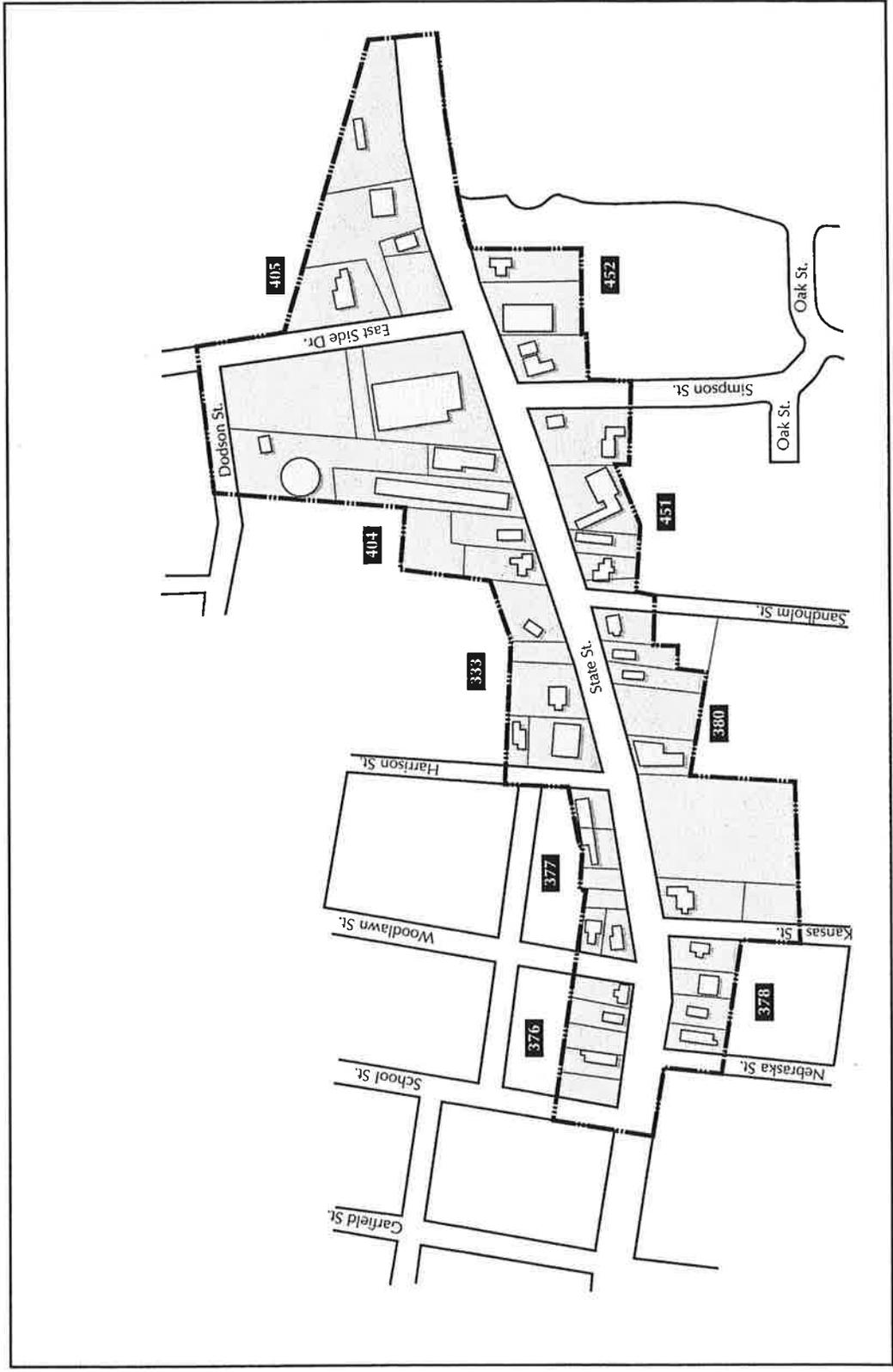


Figure 1  
**PROJECT AREA BOUNDARY**

**STATE STREET**

Tax Increment Financing Redevelopment Project

### **III. ELIGIBILITY CONDITIONS**

The results summarized in this section are more fully described in a separate report which presents the definition, application and extent of the conservation area factors in the Project Area. The report, prepared by TPAP, is entitled "East State Street Redevelopment Project Area Tax Increment Financing Eligibility Study" (the "Eligibility Study") and is attached as Exhibit I to this Redevelopment Plan. The Project Area conditions documented in this section are based on surveys and analyses conducted for the City by TPAP. As set forth in the Act, the Project Area qualifies as a "conservation area."

#### **Conservation Area Conditions**

Based upon surveys, inspections and analyses of the Project area, the Project Area qualifies as a conservation area within the requirements of the Act. To meet the requirements under State Statute for designation as a "conservation area," fifty percent or more of the buildings in the Project Area need to have an age of 35 years or more and the area needs to be characterized by the presence of a combination of three or more of the other factors listed in the Act, rendering the Project Area detrimental to the public safety, health and welfare of the citizens of the City. The Project Area is not yet a blighted area but it may become a blighted area. What follows is a summary of the TIF eligibility factors:

- Of the 38 buildings in the Project Area, 32 (84 percent) are 35 years of age or older.
- Of the fourteen factors set forth in the Act, in addition to age, nine are found to be present in the Project Area.
- These nine conservation factors are reasonably distributed throughout the Project Area.
- All blocks within the Project Area show the presence of conservation factors.
- The Project Area includes only real property and improvements substantially benefited by the Redevelopment Project.

#### **Surveys and Analyses Conducted**

The conditions summarized above are based upon surveys and analyses conducted by TPAP. The surveys and analyses conducted for the Project Area include:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;

4. Comparison of current land use to the current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings;
8. Analysis of building floor area and site coverage; and
9. Review of previously prepared plans, studies and data.

## **IV. REDEVELOPMENT GOALS AND OBJECTIVES**

Comprehensive and coordinated area-wide investment in new public and private improvements and facilities is essential for the successful revitalization of the Project Area and the elimination of conservation factors. Redevelopment of the Project Area will benefit the overall City through improvements in the physical environment, an increased tax base, and additional employment opportunities.

The Act encourages public and private sectors to work together to address and solve the problems associated with a lack of growth and development. Cooperation between the City and the private sector to redevelop all or portions of the Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the general goals and objectives adopted by the City for redevelopment of the Project Area. Section V of this Redevelopment Plan identifies more specific objectives and activities the City plans to undertake to achieve the goals and objectives presented in this section.

### **A. GENERAL GOALS**

Listed below are the general goals of this Redevelopment Plan. These goals provide the overall framework for guiding decisions during the implementation of this Redevelopment Plan.

1. To improve the quality of life in the Project Area and the City by eliminating the influences and manifestations of physical and economic deterioration and obsolescence within the Project Area.
2. To create an environment within the Project Area which will contribute more positively to the health, safety and general welfare of the City, and preserve or enhance the value of properties adjacent to the Project Area.
3. To increase real estate and sales tax bases for the City and other taxing districts having jurisdiction over the Project Area.
4. To strengthen the economic base of the City and the larger community area by revitalizing the Project Area as an active commercial center with a range of retail, service, and office uses.
5. To encourage sound economic development in the Project Area, thereby creating employment opportunities commensurate with the capacity of the area.
6. To improve the visual image of the Project Area through streetscape and building improvements.
7. To maintain the City's small town traditional character, while accommodating modern shopping and business needs.

## **B. REDEVELOPMENT OBJECTIVES**

Listed below are objectives of this Redevelopment Plan which will guide planning decisions regarding redevelopment within the Project Area.

1. Reduce or eliminate those conditions which qualify the Project Area as a conservation area. Section III, *Eligibility Conditions*, describes these conditions.
2. Encourage a high-quality appearance of buildings, rights-of-way, parking areas, and open spaces and encourage high standards of design.
3. Ensure that the design of new buildings and the rehabilitation of existing buildings are compatible with the overall character of the Geneva community.
4. Where feasible, encourage historic preservation and adaptive re-use of desirable existing buildings.
5. Strengthen the economic well-being of the Project Area and the City by increasing business activity, taxable values, and job opportunities.
6. Assemble land into parcels of sufficient shape and size for disposition and redevelopment in accordance with the Redevelopment Plan, the Comprehensive Plan, the Corridor Plan and contemporary development needs and standards.
7. Stimulate private investment in appropriate new construction and rehabilitation.
8. Achieve development which is integrated both functionally and aesthetically, and which contains a complementary mix of uses within the Project Area.
9. Provide needed public improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with present-day design standards for such facilities.
10. Provide needed incentives to encourage a broad range of improvements.

## V. REDEVELOPMENT PROGRAM

This section presents the Redevelopment Program to be undertaken by the City and by private entities on behalf of the City as part of the Redevelopment Plan. The 1989 Comprehensive Plan and 1993 Corridor Plan have been reviewed and form the basis for many of the recommendations presented in this Redevelopment Plan.

The Redevelopment Program contained in this Redevelopment Plan and pursuant to the Act includes: a) a land use plan; b) development and design objectives; c) a description of redevelopment improvements and activities; d) estimated redevelopment project costs; e) a description of sources of funds to pay estimated project costs; f) a description of obligations that may be issued; and g) identification of the most recent EAV and estimate of future EAV for properties in the Project Area.

### A. GENERALIZED LAND USE PLAN

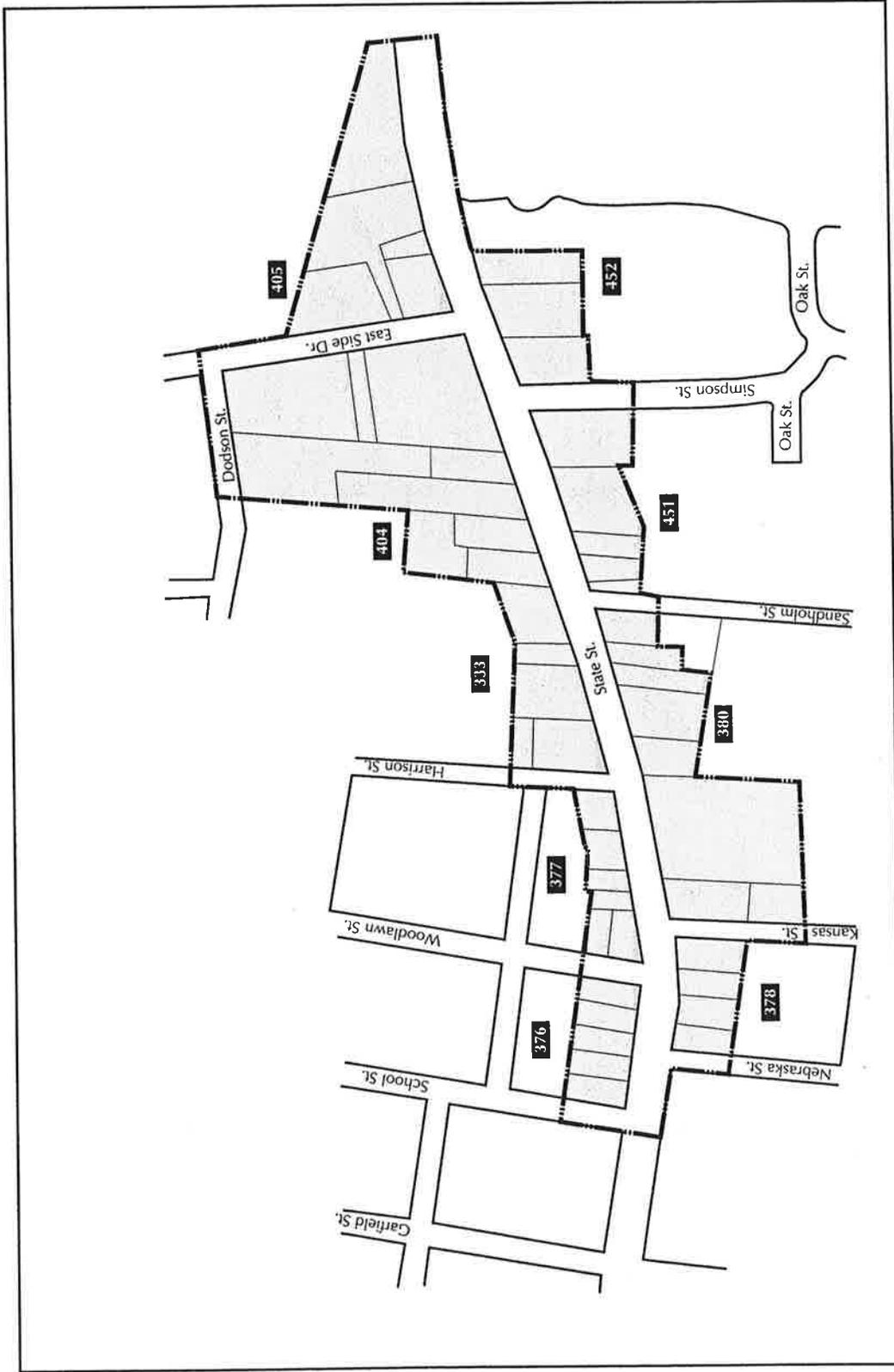
Figure 2, *Land Use Plan*, identifies the land uses to be in effect upon adoption of this Redevelopment Plan. The Land Use Plan conforms to the land-use development policies and standards for the City as set forth in the 1989 *Development Policies and Future Land Use*, the 1993 *East State Street Comprehensive Corridor Plan*, the 1996 *Land Use Map* and the 1997 *Zoning Map and Ordinance*.

The Land Use Plan designates the entire Project Area as a *Commercial/Retail* area providing sites for a diverse range of retail, service and office uses that cater to the needs of local residents, employees and visitors. The land use is intended to accommodate a range of commercial development including that which is of a scale and layout suitable for a major arterial and might not be appropriate for more traditional commercial areas of the City. Adaptive reuse of structures is also encouraged particularly in the western portion of the Project Area. Permitted uses generally include those uses permitted in the City's business zoning districts, as well as any other retail or commercial use not in conflict with existing or future ordinances of the City.

In general, the Land Use Plan is focused on maintaining and enhancing sound and viable existing businesses of State Street and promoting high-quality redevelopment of key sites. The Land Use Plan also intends that existing underutilized or incompatible land uses be redeveloped over time to help to realize the Commercial/Retail land use goals for the corridor. This includes redevelopment of single-family homes currently used for residential purposes as well as possible redevelopment of any or all other existing commercial and mixed-use buildings within the Project Area.

The Plan promotes the creation of a viable and attractive commercial environment which will provide renewed activity and investment in the Project Area. Retail, service, office, entertainment, and restaurants are encouraged. Improvements will be undertaken to create a

vibrant, safe and attractive shopping, working, and leisure time environment for the Project Area. Attractive streetscape treatments, infrastructure improvements, building rehabilitation, new construction, signage, pedestrian amenities, and vehicular access and parking improvements, are encouraged to redevelop the Project Area in a coordinated and comprehensive manner.



- Commercial/Retail
- Project Area boundary
- Block Number

Figure 2  
**LAND USE PLAN**

**STATE STREET**

Tax Increment Financing Redevelopment Project

## **B. DEVELOPMENT AND DESIGN OBJECTIVES**

Listed below are specific development and design objectives which will assist the City in directing and coordinating public improvements and activities with private investment in order to achieve the general goals and objectives stated in Section IV of this Redevelopment Plan.

The Development and Design Objectives are intended to help attract a variety of desirable uses such as new business, commercial, and retail; foster a consistent and coordinated development pattern; and create an attractive identity for the Project Area.

### **a) Land Use**

- Enhance the City's commercial and retail base and maintain the City's diversified economy for the general welfare of its citizens.
- Promote business retention and new development throughout the Project Area.
- Encourage investment, modernization, and expansion by providing for stable and predictable commercial and retail environments.
- Establish a pattern of land uses arranged in compatible groupings to increase efficiency of operation and economic relationships.
- Encourage land use arrangements which buffer adjacent residential neighborhoods from commercial area traffic and other impacts.
- Encourage the clustering of similar and supporting commercial uses to promote cumulative attraction and multi-stop shopping.
- Promote convenience retail and service uses that can provide for the day-to-day needs of nearby residents, employees and business patrons.

### **b) Building and Site Development**

- Where feasible, repair and rehabilitate existing buildings in poor condition.
- Where rehabilitation is not feasible, demolish deteriorated existing buildings to allow for new development.
- Reuse vacant buildings in serviceable condition for new businesses.
- Preserve and restore buildings with historic and architectural interest where appropriate.
- Encourage the redevelopment or intensification of marginal and underutilized properties.
- Encourage parcel consolidation in order to achieve sufficient land mass to permit efficient building design and unified off-street parking and service facilities.
- Locate building service and loading areas away from front entrances and major streets.

- Encourage parking, service, loading and support facilities which can be shared by multiple businesses.
- Encourage the placement of overhead utilities underground.

**c) Transportation, Parking and Infrastructure**

- Provide safe and efficient vehicular and pedestrian circulation systems which enable adequate access to, and movement within the Project Area.
- Ensure that all commercial/retail businesses are served by an adequate supply of conveniently located parking.
- Encourage parking behind buildings if space is available.
- Ensure that new parking lots are attractively designed and adequately maintained.
- Provide adequate screening and buffering around all new parking areas.
- Upgrade public utilities, parking and infrastructure as required.
- Improve, if necessary, the street surface conditions and alignment, street lighting, and traffic signalization.

**d) Urban Design**

- Encourage high-quality site and building design and construction.
- Ensure that the design of new buildings is compatible with the surrounding building context.
- Establish design guidelines for the State Street Corridor.
- Improve the design and appearance of commercial storefronts, including facade treatment, color, materials, awnings and canopies, lighting, and commercial signage.
- Improve the design of buildings' rear entrances within the Project Area.
- Provide new pedestrian-scale lighting in areas with increased pedestrian activity.
- Enhance the appearance of the Project Area by cohesively linking distinctive design features such as signage and landscaping improvements throughout the overall corridor.
- Provide an overall system of signage which will establish visual continuity and promote a positive overall image for the corridor and for Geneva.

**e) Landscaping and Open Space**

- Promote the use of landscaping to screen dumpsters, waste collection areas, and the perimeter of parking lots and other vehicular use areas.

- Use landscaping and attractive fencing to screen loading and service areas from public view.
- Ensure that all open spaces are designed, landscaped and lighted to achieve a high level of security.
- Promote the development of shared open spaces within the Project Area, including courtyards, plazas, eating areas, etc.

### **C. REDEVELOPMENT IMPROVEMENTS AND ACTIVITIES**

The City proposes to achieve its redevelopment goals and objectives for the Project Area through the use of public financing techniques including, but not limited to, tax increment financing, to undertake some or all of the activities and improvements authorized under the Act, including the activities and improvements described below. The City also maintains the flexibility to undertake additional activities and improvements authorized under the Act, if the need for activities or improvements change as redevelopment occurs in the Project Area.

The City may enter into redevelopment agreements with public or private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for the assemblage of land; the construction, rehabilitation, renovation or restoration of improvements or facilities; the provision of services; or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the general principles set forth in this Redevelopment Plan.

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

The City may undertake or engage professional consultants, engineers, architects, attorneys, etc. to conduct various analyses, studies, surveys, administration or legal services to establish, implement and manage the Redevelopment Plan.

#### **2. Property Assembly**

The City, or an agent for the City, may acquire and assemble land for the purpose of redevelopment. Vacant or underutilized property may be acquired by purchase, exchange or long-term lease by private developers or the City for the purpose of new development.

#### **3. Relocation**

In the event that active businesses or other occupants are displaced by the public acquisition of property, they may be relocated and may be provided with financial assistance and advisory services. Relocation services in conjunction with property acquisition will be provided in accordance with City policy.

#### **4. Redevelopment Agreements**

The City may enter into redevelopment agreements with private entities for the furtherance of this Redevelopment Plan. Such redevelopment agreements may be for

the assemblage of land, rehabilitation of buildings, construction of improvements or facilities, the provision of services or any other lawful purpose. Redevelopment agreements may contain terms and provisions which are more specific than the controls which guide this Redevelopment Plan.

**5. Provision of Public Works or Improvements**

The City may provide public improvements and facilities that are necessary to service the Project Area in accordance with the Redevelopment Plan and the Comprehensive Plan. Public improvements and facilities may include, but are not limited to, the following:

*a) Streets, Sidewalks, Utilities and Parking*

It is anticipated that public infrastructure improvements will be necessary to adequately serve the Project Area and potential new development.

*b) Landscaping*

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

**6. Building Rehabilitation and Facade Improvements**

The City will encourage the rehabilitation of buildings, both public and private, which includes upgrading commercial facades that are basically sound and/or historically significant, and are located so as not to impede the Redevelopment Project.

**7. Interest Subsidies**

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

- (a) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
- (b) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the developer or redeveloper with respect to the redevelopment project during that year;
- (c) if there are not sufficient funds available in the special tax allocation fund to make the payment, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
- (d) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total (i) costs paid or incurred by a developer or redeveloper for a redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the City pursuant to the Act.

## **D. REDEVELOPMENT PROJECT COSTS**

The various redevelopment expenditures which are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs which are deemed to be necessary to implement this Redevelopment Plan (the "Redevelopment Project Costs").

### **1. Eligible Redevelopment Project Costs**

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Redevelopment Plan pursuant to the Act. Such costs may include, without limitation, the following:

- (1) Costs of studies, surveys, development of plans and specifications, implementation and administration of the redevelopment plan including but not limited to, staff and professional service costs for architectural, engineering, legal, financial, planning or other services, provided that no charges for professional services are based on a percentage of the tax increment collected;
- (2) The cost of marketing sites within the area to prospective businesses, developers and investors.
- (3) Property assembly costs, including but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- (4) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- (5) Costs of the construction of public works or improvements; except that on and after November 1, 1999, redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (g) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to November 1, 1999 or (ii) the municipality makes a reasonable determination in the redevelopment plan supported by information that provides the basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;

- (6) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (7) Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- (8) To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- (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;
- (10) Payment in lieu of taxes as defined in the Act;
- (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 a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code;
- (12) Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
  - (A) such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
  - (B) such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;

- (C) if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amount so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund; and
  - (D) the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total: (i) costs paid or incurred by the redeveloper for such redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
- (13) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

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.

## 2. Estimated Redevelopment Project Costs

A range of redevelopment activities and improvements will be required to implement this Redevelopment Plan. The activities and improvements and their estimated costs (1999 dollars) are shown in *Table 1: Estimated Project Costs* of this Redevelopment Plan. Funds may be moved from one line item to another or to an eligible cost category described in this Plan. To the extent that municipal obligations have been issued to pay for such Project Costs prior to, and in anticipation of, the adoption of TIF, the City shall be reimbursed from Incremental Property Taxes for such Project Costs. The total Project Cost is intended to provide an upper estimate of expenditures. Within this upper estimate, adjustments may be made in line items without amending this Redevelopment Plan. The estimate of Project Costs listed below excludes financing costs, including any interest expense or subsidy, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to the Project Costs listed below. Although all costs listed are eligible Redevelopment Project Costs, this listing does not obligate the City to pay or reimburse such costs.

a) *Planning, Legal, Administrative and Other Fees* \$ 250,000

This includes expenditures for survey and study costs, legal services, administrative services, and other professional and service fees associated with implementing the Redevelopment Plan and providing a secure environment for private investment in accordance to the Act.

b) *Property Assembly, Site Preparation, and Relocation* \$ 1,800,000

This expenditure provides for property acquisition, demolition and site preparation for Redevelopment Projects and the provision of public improvements.

c) *Public Works and Improvements* \$ 1,300,000

This expenditure provides for the construction or extension of water mains, sewers and stormwater detention improvements; street and sidewalk improvements; alley improvements; the construction or improvement of landscaping and buffers, streetscapes, street lighting and general beautification improvements; and the construction or improvement of public parks and open space.

d) *Building Rehabilitation* \$ 200,000

This expenditure provides for the rehabilitation, reconstruction, repair or remodeling of existing public or private buildings and fixtures.

e) *Developer's Interest Subsidy* \$ 250,000

Under the Act, up to 30 percent of total Project Costs (excluding property assembly and relocation costs incurred by a municipality) may be provided to any or all developers as interest subsidy. Such payments may not, in any one year, exceed 30 percent of redevelopers' interest costs.

f) *Contingencies* \$ 300,000

This expenditure is to fund possible unexpected cost over-runs which may delay or impede the successful implementation of the Redevelopment Plan.

**TABLE 1: ESTIMATED PROJECT COSTS**  
**Geneva, Illinois**

<b>Eligible Expense</b>	<b>Estimated Cost</b>
Planning, Legal, Administration and Other Fees	\$250,000
Property Assembly, Site Preparation, and Relocation	\$1,800,000
Public Works and Improvements	\$1,300,000
Building Rehabilitation	\$200,000
Developer/Interest Subsidies	\$250,000
Contingencies	\$300,000
<b>Total Project Costs</b>	<b>\$4,100,000<sup>[1]</sup></b>

<sup>[1]</sup> Total Estimated Project Costs excludes financing costs, including any interest expense or subsidy, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Estimated Project Costs. The issuance of municipal obligations to fund any or all estimated Project Costs is predicated upon a feasibility report indicating sufficient incremental property taxes are estimated to be available at times and in amounts sufficient to secure the proposed debt service.

**E. SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS**

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, state and federal grants, investment income, private financing, and other legally permissible funds the City may deem appropriate. Also, the City may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers. Additionally, the City may utilize revenues, other than State sales tax increment revenues, received under the Act from one redevelopment project area for eligible costs in another redevelopment project area that is either contiguous to, or is separated only by a public right-of-way from, the redevelopment project area from which the revenues are received. The City may incur Redevelopment Project Costs which are paid from funds of the City other than incremental taxes, and the City may then be reimbursed for such costs from incremental taxes.

The Project Area may, in the future, be contiguous or separated by only a public right-of-way to other redevelopment project areas created under the Act. The City may utilize net incremental property taxes received from the Project Area to pay eligible redevelopment project costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area 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 Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan unless amended pursuant to the State Statute at a later date.

## **F. ISSUANCE OF OBLIGATIONS**

The City may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation the City may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the City may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the City treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area is adopted (by December 31, 2023). Also, the final maturity date of any such obligations which are issued may not be later than twenty (20) years from their respective dates of issue. One or more series of obligations may be sold at one or more times in order to implement this Redevelopment Plan. Obligations may be issued on a parity or subordinated basis.

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

## **G. VALUATION OF THE PROJECT AREA**

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

The most recent EAV of all taxable parcels in the Project Area is estimated to total \$3,323,166. This EAV is based on 1998 assessed valuations and is subject to verification by the County Clerk. After verification, the final figure shall be certified by the Clerk of Kane County, Illinois. This certified amount shall become the Certified Initial EAV from which all Incremental Property Taxes will be calculated by the County. The 1998 EAV of the Project Area is summarized in Table 2, *1998 EAV By Tax Block*.

**Table 2. 1998 Equalized Assessed Valuation by Tax Block**

<b>BLOCK</b>	<b>1998 EAV</b>
12-02-333	\$311,968
12-02-376	\$156,743
12-02-377	\$248,284
12-02-378	\$201,650
12-02-380	\$469,990
12-02-404	\$944,111
12-02-405	\$371,612
12-02-451	\$381,393
12-02-452	\$237,415
<b>TOTAL</b>	<b>\$3,323,166</b>

**2. Anticipated Equalized Assessed Valuation**

By the year 2022 (collection year 2023) and following the completion of all potential Redevelopment Projects, the EAV of the Project Area is estimated to total between \$6.9 and \$7.4 million. This estimate is based on several key assumptions, including: 1) redevelopment of the Project Area will occur in a timely manner; 2) approximately 131,000 - 160,000 square feet of commercial space will be constructed in the Project Area by 2004; 3) an estimated two percent inflation of EAV; and 4) the five year average Kane County equalization factor for Geneva Township of 1.0028 (tax years 1994 through 1998) is used in all years to calculate estimated EAV.

## **VI. LACK OF GROWTH AND DEVELOPMENT THROUGH INVESTMENT BY PRIVATE ENTERPRISE**

As described in Section III of this Redevelopment Plan and in the Eligibility Study appended to this document, the Project Area as a whole is adversely impacted by the presence of numerous conservation factors, and these factors are reasonably distributed throughout the area.

The Project Area on the whole has not been subject to growth and development through investment by private enterprise. Conservation factors within the Project Area are widespread and represent major impediments to sound growth and development. The lack of private investment is evidenced by the following:

- Improved areas characterized by age, dilapidation, obsolescence, deterioration, structures below minimum code, excessive vacancies, excessive land coverage, deleterious land-use and layout, depreciation of physical maintenance and an overall lack of community planning.
- Between 1994 and 1998, the EAV of the Project Area increased from \$3,299,482 to 3,323,166, an increase of \$23,684 or .7%. This equals to an average annual increase of .2%. Over the same period, the EAV of the City of Geneva as a whole increased by 38.2% with an average annual increase of 8.4%. This is evidence that the Project Area has not been able to keep pace with the average growth in property values as compared to the City of Geneva as a whole.

It is clear that private investment and redevelopment has not occurred on a comprehensive and coordinated manner to eliminate the conservation factors that currently exist. The Project Area is not reasonably expected to be developed without the efforts and leadership of the City, including the adoption of this Redevelopment Plan, and the adoption of TIF.

## VII. FINANCIAL IMPACT

Without the adoption of this Redevelopment Plan, and TIF, the Project Area is not reasonably expected to be redeveloped by private enterprise. In the absence of City-sponsored redevelopment initiatives there is the potential that conservation and blighting conditions will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. In the absence of City-sponsored redevelopment initiatives, erosion of the assessed valuation of property in and outside of the Project Area could lead to a reduction of real estate tax revenue to all taxing districts.

Section V of this Redevelopment Plan describes the comprehensive Redevelopment Program proposed to be undertaken by the City to create an environment in which private investment can occur. The Redevelopment Program will be staged over a period of years consistent with local market conditions and available financial resources required to complete the various redevelopment improvements and activities as well as Redevelopment Projects set forth in this Redevelopment Plan. Successful implementation of this Redevelopment Plan is expected to result in new private investment in rehabilitation of buildings and new construction on a scale sufficient to eliminate problem conditions and to return the area to a long-term sound condition.

The Redevelopment Program is expected to have both short- and long-term positive financial impacts on the taxing districts affected by the Redevelopment Plan. In the short-term, the City's strategic use of TIF can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long-term, after the completion of all redevelopment improvements and activities, redevelopment projects and the payment of all Project Costs and municipal obligations, the taxing districts will benefit from the enhanced tax base which results from the increase in EAV caused by the Redevelopment Projects.

## VIII. DEMAND ON TAXING DISTRICT SERVICES

The Redevelopment Plan provides for commercial retail, service, and office development activity within the Project Area. The number and type of new commercial development is not known at this time. It is anticipated that redevelopment projects implemented as part of the Redevelopment Project and Plan will not cause increased demand for services or capital improvements on most of the taxing districts.

Non-residential development (i.e., commercial service/retail, office, institutional, public) should not cause increased demand for services or capital improvements on any of the taxing districts with overlapping jurisdictions.

Since the main thrust of this plan is on retail-, service-, and office-type redevelopment, increased demand for services or capital improvements to be provided by Unit School District 304 and Waubensee Community College District 516 are not expected or will be minimal.

Replacement of vacant and underutilized buildings and sites with active and more intensive uses will result in additional demands on services and facilities provided by the City of Geneva. It is expected that any increase in demand for treatment of sanitary and storm sewage associated with the Redevelopment Project Area can be adequately handled by existing treatment facilities maintained and operated by the City of Geneva.

It is possible that redevelopment may have an impact on any of the following taxing districts: Kane County; Kane County Forest Preserve, Geneva Township, Geneva Township Road District, Geneva School District 304, Waubensee Community College 516, City of Geneva, Geneva Park District, and Geneva Library. However, there does not appear to be any reasonable prospect of adverse financial impact or increased demand on the services of the affected tax districts at this time. Consequently, no programs are currently proposed.

## **IX. PHASING AND SCHEDULING**

A phased implementation strategy will be utilized to achieve comprehensive and coordinated redevelopment of the Project Area.

It is anticipated that City expenditures for Redevelopment Project Costs will be carefully staged on a reasonable and proportional basis to coincide with Redevelopment Project expenditures by private developers and the receipt of Incremental Property Taxes by the City.

**X. CONFORMITY OF THE REDEVELOPMENT PLAN AND PROJECT TO THE COMPREHENSIVE PLAN FOR THE DEVELOPMENT OF THE CITY AS A WHOLE**

This Redevelopment Plan and the Redevelopment Program described herein conform to the Comprehensive Plan for the development of the City as a whole.

## **XI. PROVISIONS FOR AMENDING THE REDEVELOPMENT PLAN**

This Redevelopment Plan may be amended pursuant to the Act.

## **XII. AFFIRMATIVE ACTION**

The City is committed to and will affirmatively implement the assurance of equal opportunity in all personnel and employment actions with respect to the Redevelopment Plan, including, but not limited to: hiring, training, transfer, promotion, discipline, fringe benefits, salary, employment working conditions, termination, etc., without regard to race, color, religion, sex, age, handicapped status, national origin, creed or ancestry.

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

**EXHIBIT I:**

EAST STATE STREET REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING ELIGIBILITY STUDY

EAST STATE STREET  
REDEVELOPMENT PROJECT AREA  
TAX INCREMENT FINANCING  
ELIGIBILITY STUDY

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CITY OF GENEVA, ILLINOIS

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Prepared by  
Trkla, Pettigrew, Allen & Payne, Inc.  
December 1, 1999

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## EXECUTIVE SUMMARY

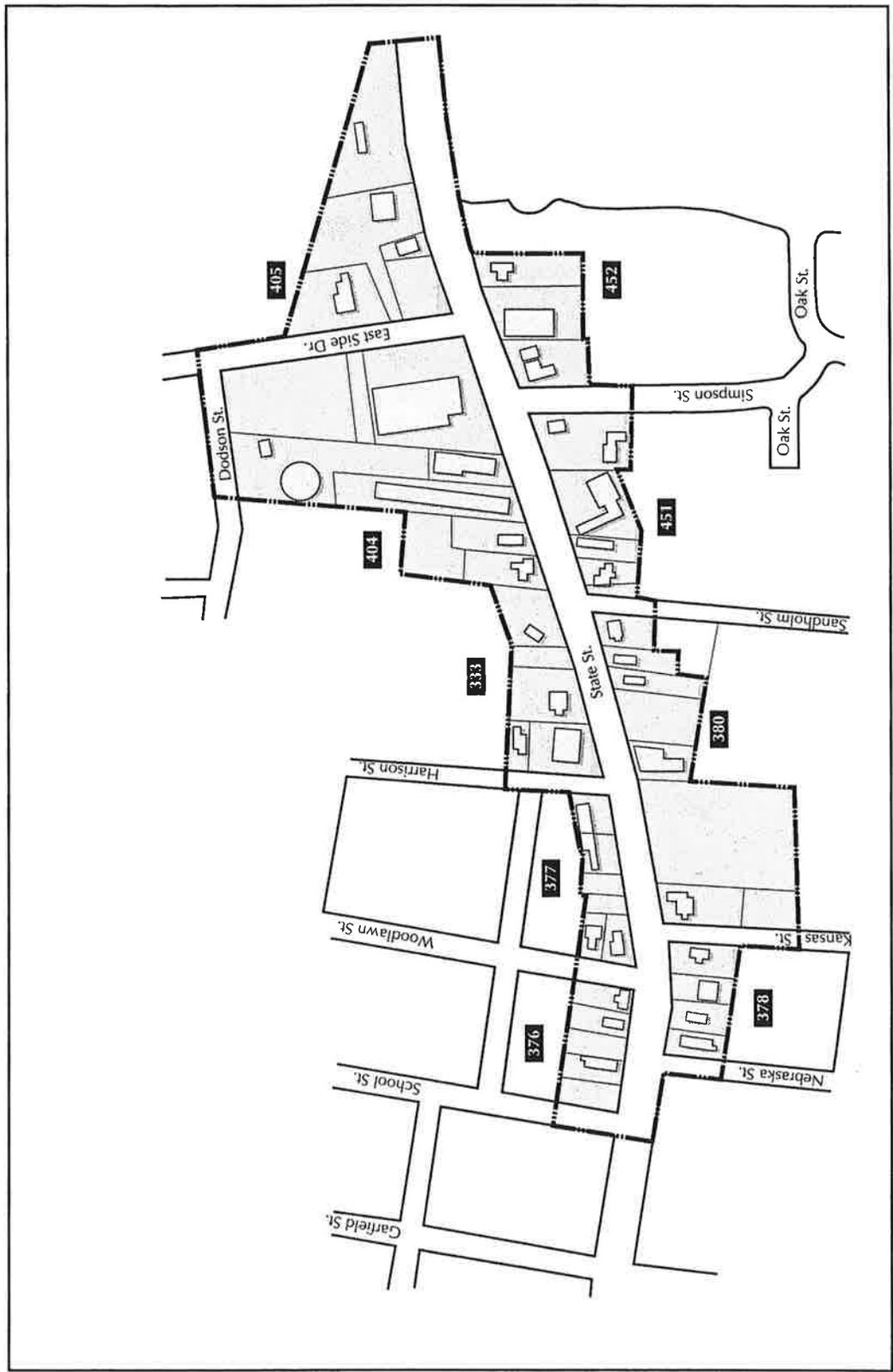
The purpose of this study entitled the *East State Street Redevelopment Project Area Tax Increment Financing Eligibility Study* (the "Eligibility Study") is to document the conservation factors that are present within the East State Street Redevelopment Project Area (the "Project Area"), and to determine whether all or any part the Project Area qualifies for designation as a "conservation area" within the definitions set forth in the Tax Increment Allocation Redevelopment Act (the "Act"). The Act is found in Illinois Compiled Statutes, Chapter 65, Act 5, Section 11-74.4-1 *et. seq.*, as amended.

The findings presented in this study are based on surveys and analyses conducted for an area of approximately 34 acres (including street rights-of-way) along East State Street that includes the properties on the northern side of State Street from School Street on the west to Longview Drive on the east and the properties on the southern side of State Street between Nebraska Street on the west and and a line approximately 340 feet east of Simpson Street on the east. The northern and southern boundaries are staggered to generally follow the rear property lines of State Street properties, but also extend by one or more parcels to the north at Harrison Street and at East Side Drive and to the south at Sandholm Street. Figure 1, *Project Boundary* illustrates the boundary for the Project Area.

The Project Area consists of nine partial blocks and includes a variety of buildings and parcels of both limited width and excessive depth. A number of vacant buildings, deterioration of buildings and sites, obsolete building types, improper layout of buildings and parcels, and the overall need for streetscape improvements and redevelopment, prompted the City to engage Trkla, Pettigrew, Allen & Payne, Inc. ("TPAP") to analyze conditions in the Project Area and to determine whether the area qualifies for designation as a "conservation area" pursuant to the definitions contained in the Act.

As set forth in the Act, a "redevelopment project area" means an area designated by the municipality which is not less in the aggregate than 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 an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted and conservation areas. The Project Area exceeds the minimum acreage requirements of the Act.

As set forth in the "Act," "conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50 percent or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment;



Project Area boundary  
 Block Number

Figure 1  
**PROJECT AREA BOUNDARY**

**STATE STREET**

Tax Increment Financing Redevelopment Project



excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; or lack of community planning, is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area.

While it may be concluded that the mere presence of three or more of the stated factors may be sufficient to make a finding as a conservation area, this evaluation was made on the basis that the conservation or blighting factors must be present to an extent which would lead reasonable persons to conclude that public intervention is appropriate or necessary.

On the basis of this approach, all or any part of the Project Area is found to be eligible within the definition set forth in the legislation.

Of the total 38 buildings in the area, 32 (84 percent) are 35 years or older. In addition, of the 14 factors set forth in the law, nine are found to be present in the area. Specifically:

- Of the 14 factors set forth in the law for improved areas, nine are present in the Project Area.
- The conservation factors which are present are reasonably distributed throughout the Project Area.
- All blocks within the Project Area show the presence of conservation factors.
- The area includes only those contiguous parcels of real property and improvements thereon substantially benefited by the proposed redevelopment project improvements.

The following factors are present in the Project Area:

### **1. Dilapidation**

Dilapidation is present in one block. One of four buildings in one block is in substandard (dilapidated) condition. *This factor is present to a major extent in one of the nine blocks within the Project Area.*

### **2. Obsolescence**

Obsolescence includes narrow and small buildings of limited utility; single-purpose buildings (including many single-family residential structures) converted to accommodate commercial occupancies; and buildings with small additions and obsolete platting, including small, land-locked or irregular parcels within the area. *This factor is present to a major extent in all nine blocks.*

### **3. Deterioration**

Deterioration includes the deterioration on visible components of buildings, curbs, sidewalks, parking, service and loading areas. Deterioration is present in 24 of the 38

buildings (or 63 percent) and includes several parking areas and gravel site surface areas. *Deterioration is present to a major extent in four blocks and to a limited extent in five blocks.*

#### **4. Structures below minimum code standards**

Structures below minimum code standards includes all structures with visible advanced defects which are below the local city building and property maintenance codes and were noted during exterior surveys. Seven buildings of the total 38 (or 18 percent) were found to be below minimum codes standards. *This factor is present to a major extent in three blocks and to a limited extent in one block.*

#### **5. Excessive vacancies**

Excessive vacancies includes all buildings which are either totally or partially vacant (including vacant upper floor space), vacant storefronts or vacant dwelling units. Blocks where 20% or more of the buildings are vacant or contain vacant space are considered excessively vacant. *This factor is present to a major extent in four blocks and to a limited extent in two blocks.*

#### **6. Excessive land coverage**

Excessive land coverage includes parcels with a building(s) covering all, or close to, the entire parcel on which the building is located. This results in a lack of or limited amount of off-street parking, service and loading provisions. Excessive land coverage also includes parcels with multiple buildings. *This factor is present in four of the nine blocks and is present to a major extent in three blocks and to a limited extent in one block.*

#### **7. Deleterious land-use or layout**

Deleterious land-use or layout includes uses which are incompatible with the commercial character of the area and therefore exert a negative influence on adjacent development. It also includes obsolete parcels, interior land-locked parcels and parcels of irregular shape and size--including parcels with multiple buildings and additions to buildings which result in poor layout and accessibility. Many of the incompatible uses identified in the Project Area include the single-family properties which still remain along the commercial corridor. *Seven of the nine blocks are impacted by this factor, including five blocks to a major extent and two blocks to a limited extent.*

#### **8. Depreciation of physical maintenance**

Depreciation of physical maintenance includes all properties with evidence of a general lack of upkeep of the premises, including storage yards, parking lots and deferred maintenance of buildings and premises. *This factor is present in all blocks, affecting four blocks to a major extent and five blocks to a limited extent.*

#### **9. Lack of community planning**

A lack of community planning in the Project Area is evidenced in a variety of ways, including the disconnected mix of residential uses, commercial uses and office uses (within converted residential structures) and the variety of buildings in age, design, size and

layout. Further, the platting of blocks and placement of buildings occurred on a parcel-by-parcel basis, and was developed before the City of Geneva prepared and adopted a comprehensive plan for the State Street corridor. *This factor is present to a major extent in all blocks of the Project Area.*

The conclusion of the consultant team (TPAP) engaged by the City of Geneva is that the number, degree and distribution of conservation factors, as documented in this report, warrant designation of the Project Area as a "redevelopment project area" as set forth in the "Act".

The conclusions presented in this Eligibility Study are those of the consultant team (TPAP) engaged by the City of Geneva to examine whether conditions indicating the presence of conservation factors exist. The City Council should review this Eligibility Study and related supporting data and, if satisfied with the findings contained herein, may adopt the necessary ordinances approving the Redevelopment Plan, designating the Redevelopment Project Area and approving the use of tax increment financing. As part of the adoption of these ordinances, the City should make this Eligibility Study a part of the public record.

## I. BASIS FOR REDEVELOPMENT

The Illinois General Assembly made two key findings in adopting the Tax Increment Allocation Redevelopment Act:

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

These findings were made on the basis that the presence of blight or conditions which lead to blight is detrimental to the safety, health, welfare and morals of the public.

To ensure that the exercise of these powers is proper and in the public interest, the Act also specifies certain requirements which must be met before a municipality can proceed with implementing a redevelopment project. One of these requirements is that the municipality must demonstrate that each prospective redevelopment project qualifies either as a "blighted area" or as a "conservation area" within the definitions for each set forth in the Act (ILCS, Section 11-74.4-3). These definitions are paraphrased below:

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

Conservation areas are those areas which are rapidly deteriorating and declining and may soon become blighted areas if their decline is not checked. Such areas are not yet blighted areas.

To qualify as a conservation area, it must be shown that 50 percent or more of the structures in the area have an age of 35 years or more and that there is a presence of a combination of three or more of the following fourteen factors:

- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Abandonment
- Excessive vacancies
- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance

- Lack of community planning

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

A blighted area may be either improved or vacant. If the area is improved (e.g., with industrial, commercial and residential buildings or improvements), a finding may be made that the area is blighted because of the presence of a combination of five or more of the following fourteen factors:

- Age
- Dilapidation
- Obsolescence
- Deterioration
- Illegal use of individual structures
- Presence of structures below minimum code standards
- Excessive vacancies
- Overcrowding of structures and community facilities
- Lack of ventilation, light, or sanitary facilities
- Inadequate utilities
- Excessive land coverage
- Deleterious land-use or lay-out
- Depreciation of physical maintenance
- Lack of community planning

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

- A combination of 2 or more of the following factors: obsolete platting of the vacant land; diversity of ownership of such land; tax and special assessment delinquencies on such land; flooding on all or part of such vacant land; and deterioration of structures or site improvements in neighboring areas adjacent to the vacant land; or
- The area immediately prior to becoming vacant qualified as a blighted improved area; or
- The area consists of an unused quarry or unused quarries; or
- The area consists of unused railyards, rail tracks or railroad rights-of-way; or
- The area, prior to the area's designation, is subject to chronic flooding which adversely impacts on real property which is included in or (is) in proximity to any improvement on real property which has been in existence for at least 5 years and which substantially contributes to such flooding; or
- The area consists of an unused disposal site, containing earth, stone, building debris or similar material, which were removed from construction, demolition, excavation or dredge sites; or

- The area is not less than 50 nor more than 100 acres and 75% of which is vacant, notwithstanding the fact that such area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area, and which area meets at least one of the factors itemized in provision (1) of the subsection (a), and the area has been designated as a town or village center by ordinance or comprehensive plan adopted prior to January 1, 1982, and the area has not been developed for that designated purpose.

While the Act defines a blighted area and a conservation area, respectively, it does not define the various factors for each, nor does it describe what constitutes the presence or the extent of presence necessary to make a finding that a factor exists. Therefore, reasonable and defensible criteria should be developed to support each local finding that an area qualifies as either a blighted area or as a conservation area. The following basic rules have been followed:

1. The minimum number of factors must be present and the presence of each must be documented;
2. Each factor to be claimed should be present to a meaningful extent so that a local governing body may reasonably find that the factor is clearly present within the intent of the Act; and
3. The effect of the factors should be reasonably distributed throughout the redevelopment project area.

It is also important to note that the test of eligibility is based on the conditions of the area as a whole; it is not required that eligibility must be established for each and every property in the project area.

## II. THE STATE STREET PROJECT AREA

The Project Area consists of approximately 34 acres, encompassing 9 partial blocks and perimeter streets fronting both the north and south side of State Street, between School Street and Longview Drive. The Project Area is located slightly over one-half mile east of the Geneva central business district. The area contains a variety of uses, including retail, commercial services, offices, a public works facility, scattered residential properties, residential buildings converted to commercial use and several vacant and underutilized parcels. The existing land use for the Project Area is illustrated in Figure 2: *Existing Land-Use*.

Problem conditions which characterize and impact the area include a number of vacant and partially vacant buildings, an incompatible mix of residential and commercial uses within blocks; inappropriate commercial uses; several large vacant parcels; and properties with deteriorating structures and site improvements. The Project Area also contains an inconsistent pattern of lots, as indicated by a mixture of small parcels, land-locked parcels, and large parcels (including parcels with excessive depth). One large vacant building and related property of the site (which was formerly occupied by a medium-sized food store) is a major impact on adjacent uses and the area as a whole.

Principal access to and from the Project Area is provided by State Street (Route 38)--an east-west artery that becomes Roosevelt Road outside of the City and extends east to Chicago and its western suburbs. State Street also crosses Routes 25 and 31 in the center of the City, which run in a north-south direction through the City of Geneva on the east and west sides, respectively, of the Fox River. Routes 25 and 31 access interstate I-90 to the north and Route 31 accesses interstate I-88 to the south.

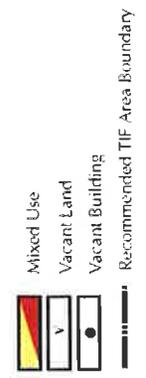
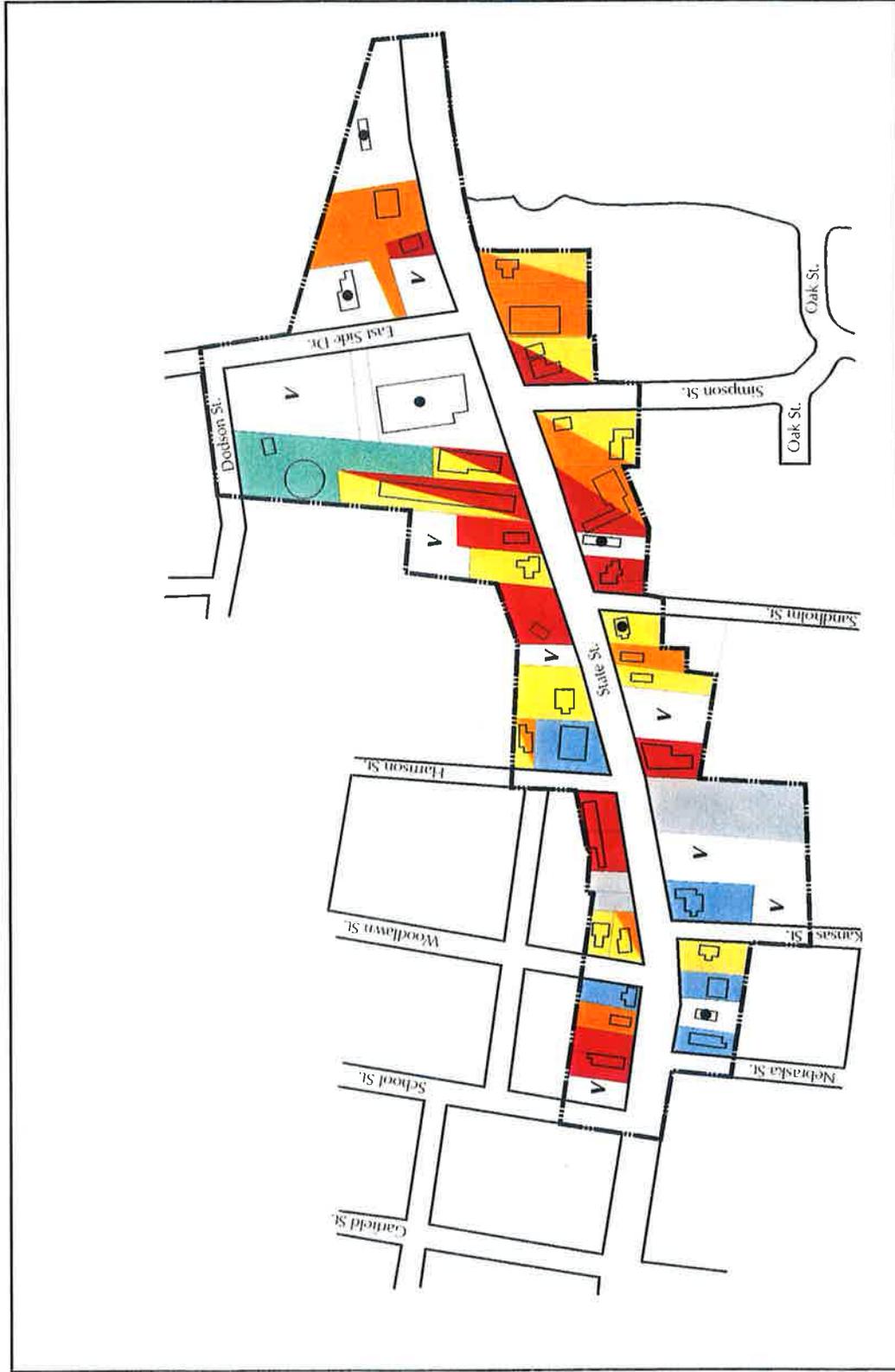


Figure 2  
**EXISTING LAND USE**

**STATE STREET**

Tax Increment Financing Redevelopment Project

**GENEVA, IL**

Prepared by: Trkla, Pettigrew, Allen, & Payne, Inc.



### III. ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the conservation factors listed in the Act to determine whether each or any are present in the Project Area, and if so, to what extent and in what locations. Surveys and analyses included:

1. Exterior survey of the condition and use of each building;
2. Field survey of environmental conditions covering streets, sidewalks, curbs and gutters, lighting, traffic, parking facilities, landscaping, fences and walls, and general property maintenance;
3. Analysis of existing uses and their relationships;
4. Comparison of current land use to the current zoning ordinance and the current zoning map;
5. Comparison of surveyed buildings to property maintenance and other codes of the City;
6. Analysis of original and current platting and building size and layout;
7. Analysis of vacant sites and vacant buildings;
8. Analysis of building floor area and site coverage; and
9. Review of previously prepared plans, studies and data.

A factor noted as "not present" indicates either that no information was available or that no evidence could be documented as part of the various surveys and analyses. A factor noted as "present to a limited extent" indicates that conditions exist which document that the factor is present, but the distribution or impact of the blighting condition is limited. Finally, a factor noted as "present to a major extent" indicates that conditions exist which document that the factor is present throughout major portions of the block, and that the presence of such conditions has a major adverse impact or influence on adjacent and nearby development.

The following statement of findings is presented for each conservation factor listed in the Act and the conditions that exist and the relative extent to which each factor is present in the Project Area are described. What follows is the summary evaluation of the nine factors found in the Project Area. The factors are presented in the order of their listing in the Act.

5

## A. AGE

Age is a primary and prerequisite factor in determining an area's qualification for designation as a "conservation area." Age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures over a period of years. Since building deterioration and related structural problems are a function of time, temperature and moisture, structures which are 35 years or older typically exhibit more problems than more recently constructed buildings.

Buildings meeting the age factor are reasonably distributed throughout all of the blocks comprising the Project Area. Of the 38 buildings, 32 (84 percent) are 35 years in age or older.

### Conclusion

*Age as a factor is present to a major extent within the Project Area.*

## B. DILAPIDATION

Dilapidation refers to an advanced state of disrepair of buildings and improvements. This is reflected in *Webster's New Collegiate Dictionary*, which defines "dilapidate," and "dilapidation" as follows:

- Dilapidate - "...to become or cause to become partially ruined and in need for repairs, as through neglect."
- Dilapidated - "...falling to pieces or into disrepair; broken down; shabby and neglected."
- Dilapidation - "...dilapidating or becoming dilapidated; a dilapidated condition."

This section summarizes the process used for assessing building conditions in the Project Area, the standards and criteria used for evaluation, and the findings as to the existence of dilapidation or deterioration of structures.

The building condition analysis is based on exterior inspections of all buildings in the Project Area during June and September, 1999. Noted during the inspections were structural deficiencies in individual buildings and related environmental deficiencies in the Project Area. The Building Condition Survey Form is shown in Figure 3. The process, standards and criteria were applied in accordance with TPAP's Building Condition Survey Manual, provided under separate cover to the City.



## 1. Building Components Evaluated

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

### Primary Structural

These include the basic elements of any building: foundation walls, load bearing walls and columns, roof and roof structure.

### Secondary Components

These are components generally added to the primary structural components and are necessary parts of the building, including porches and steps, windows and window units, doors and door units, chimneys, and gutters and downspouts.

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

## 2. Building Component Classification

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

### Sound

Building components which contain no defects, are adequately maintained, and require no treatment outside of normal ongoing maintenance.

### Deficient - Requiring Minor Repair

Building components which contain defects (loose or missing material or holes and cracks over a limited area) which may or may not be corrected through the course of normal maintenance but could be significant depending on the size of the building or number of buildings in a large complex. Buildings with minor defects clearly indicate a lack, or reduced level, of maintenance. Minor defects have limited effect on either primary or secondary components and the correction of such defects may be accomplished by the owner or occupants of either average size residences or smaller commercial buildings, such as patching or caulking over a limited area or replacement of less complicated components. Minor defects are not considered in rating a building as structurally substandard.

### Deficient - Requiring Major Repair

Building components which contain major defects over a widespread area and would be difficult to correct through normal maintenance. Buildings in the major deficient category would require replacement or rebuilding of components or sig-

nificant upgrading of larger buildings or complexes of buildings by people skilled in the building and maintenance trades.

#### Critical

Building components which contain major defects (bowing, sagging, or settling to any or all exterior component causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive that the building is classified as substandard (dilapidated) and the cost of and degree of repair would be excessive or infeasible.

### **3. Final Building Rating**

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

#### Sound

Sound buildings kept in a standard condition, requiring no maintenance at present. Buildings so classified have less than one minor defect.

#### Minor Deficient

Buildings classified as "deficient - requiring minor repairs" have at least one minor defect, beyond normal maintenance, in one of the primary components or in the combined secondary components, but less than one major defect.

#### Major Deficient

Buildings classified as "deficient - requiring major repairs" have at least one major defect in one of the primary components or in the combined secondary components, but less than one critical defect.

#### Substandard

Structurally substandard buildings contain defects which are so serious and so extensive that the building must be removed. Buildings classified as structurally substandard have two or more major defects.

Deficient buildings, including "minor", "major" and "substandard," contain defects which collectively are either not easily correctable through normal maintenance or require contracted skills to accomplish the level of improvements as part of maintenance or correction of defects. The classification of "major" or "minor" reflects the degree or extent of defects found during the survey of the building.

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

#### 4. Exterior Survey

TPAP conducted an exterior survey of each building within the Project Area to determine its condition. Of the total of 38 buildings:

- 14 buildings were classified as structurally sound;
- 17 buildings were classified as minor deficient (deteriorating);
- 6 buildings were classified as major deficient (deteriorating); and
- 1 buildings were classified as structurally substandard (dilapidated).

#### Conclusion

One of four structures in one block is dilapidated. Blocks in which 10% or more of the buildings are dilapidated (substandard) are indicated as characterized by the presence of dilapidation to a major extent. Blocks in which less than 10% of the buildings are dilapidated are indicated as characterized by the presence of dilapidation to a limited extent.

*Dilapidation is present to a major extent in one block.*

#### C. OBSOLESCENCE

*Webster's New Collegiate Dictionary* defines "obsolescence" as "being out of use; obsolete." "Obsolete" is further defined as "no longer in use; disused" or "of a type or fashion no longer current." These definitions are helpful in describing the general obsolescence of buildings or site improvements in a proposed redevelopment project area. In making findings with respect to buildings, it is important to distinguish between functional obsolescence, which relates to the physical utility of a structure, and economic obsolescence, which relates to a property's ability to compete in the market place.

##### Functional Obsolescence

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

##### Economic Obsolescence

Economic obsolescence is normally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typi-

cally, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

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

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and site improvements evidencing such obsolescence.

### **1. Obsolete Building Types**

Obsolete buildings contain characteristics or deficiencies which limit their long-term sound use or reuse. Obsolescence in such buildings is typically difficult and expensive to correct. Obsolete building types have an adverse affect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

Obsolescence is present in a significant number of the structures in the Project Area. These structures are characterized by conditions indicating the structures are incapable of efficient or economic use according to contemporary standards.

Obsolete buildings include 19 of the 38 buildings in the Project Area. These include 11 residential buildings converted to accommodate commercial uses and 8 single-purpose buildings of limited size or design not easily capable of conversion or expansion to meet contemporary space requirements for commercial development.

### **2. Obsolete Platting**

Within the Project Area, four blocks contain parcels of inadequate and narrow widths or parcels with irregular configuration, excessive depth or are land-locked parcels accessible only through adjacent property--all of which impedes sound development.

### **3. Obsolete Streets**

Most of the local north-south streets cross East State Street at off-set intersections and contain right-of-way widths ranging from 40 to 60 feet--all less than the contemporary standard 66 feet right-of-way typical of local street design. These streets include School Street, Nebraska Street, Woodlawn Street, Harrison Street and Sandholm Street.

## Conclusion

Blocks in which 20% or more of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a major extent. Blocks in which less than 20% of the buildings or sites are obsolete are indicated as characterized by the presence of obsolescence to a limited extent.

*The analysis indicates that obsolescence is present to a major extent throughout all nine blocks comprising the Project Area.*

## D. DETERIORATION

Deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair.

- Deterioration may be evident in basically sound buildings containing minor defects, such as lack of painting, loose or missing materials, or holes and cracks over limited areas. This deterioration can be corrected through normal maintenance.
- Deterioration which is not easily correctable and cannot be accomplished in the course of normal maintenance may also be evident in buildings. Such buildings may be classified as minor deficient or major deficient buildings, depending upon the degree or extent of defects. This would include buildings with defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

### 1. Deterioration of Buildings

The analysis of building deterioration is based on the survey methodology and criteria described in the preceding section on "Dilapidation." A total of 24 buildings, or 63 percent of the buildings within the Project Area, are classified as deteriorating. As noted in Table 1 below, building deterioration exists in all portions of the Project Area.

**Table 1: Summary of Building Deterioration**

Block Number	Total Buildings	Number Sound	Minor Deficient	Major Deficient	Substandard Dilapidated
333	3	2	1	0	0
376	3	1	2	0	0
377	3	1	2	0	0
378	4	1	1	1	1
380	6	3	2	1	0
404	7	3	1	3	0
405	4	1	2	1	0
451	5	1	4	0	0
452	3	1	2	0	0
<b>Total</b>	<b>38</b>	<b>14</b>	<b>17</b>	<b>6</b>	<b>1</b>
<b>Percent</b>	<b>100.0</b>	<b>36.8</b>	<b>44.7</b>	<b>15.8</b>	<b>2.7</b>

## **2. Deterioration of Parking and Surface Areas**

Field surveys were conducted to identify the condition of parking and surface storage areas. Deteriorating surface parking areas and service areas include nine sites in eight blocks along both sides of East State Street. These sites either contain deteriorated and loose asphalt surface and/or gravel fill with depressions, pot holes and weed growth.

### **Conclusion**

Blocks in which 20% or more of the buildings or site improvements are indicated as characterized by deterioration and, provided that at least 10% of all buildings are deteriorating to a major deficient level, indicate the presence of deterioration to a major extent. Blocks in which less than 20% of the buildings or sites show the presence of deterioration and less than 10% of all buildings are deteriorating to a major deficient level, indicate that deterioration is present to a limited extent.

*Deterioration is present to a major extent in four blocks and to a limited extent in five blocks within the Project Area.*

## **E. ILLEGAL USE OF INDIVIDUAL STRUCTURES**

Illegal use of individual structures refers to the presence of uses or activities which are not permitted by law.

The Project Area was developed prior to the existence of sound development controls. While many of the parcels and building set backs do not comply with current regulations

of the local municipal codes, and several activities do not coincide with the zoning designation of the area, no illegal uses of individual buildings are present.

### **Conclusion**

*The factor of illegal use of individual buildings is not present within the Project Area.*

## **F. STRUCTURES BELOW MINIMUM CODE STANDARDS**

Structures below minimum code standards include all structures which do not meet the standards of zoning, subdivision, building, housing, property maintenance, fire, or other governmental codes applicable to the property. The principal purposes of such codes are to require buildings to be constructed in such a way as to sustain safety of loads expected from the type of occupancy, to be safe for occupancy against fire and similar hazards, and/or to establish minimum standards essential for safe and sanitary habitation. Structures below minimum code are characterized by defects or deficiencies which threaten health and safety.

### **Conclusion**

Seven of the 38 buildings were noted to contain advanced deterioration and defects which are below the local property and maintenance codes. Blocks in which 20% or more of the buildings contain advanced defects are indicated as characterized by the presence of structures below minimum code standards to a major extent. Blocks in which less than 20% of the buildings are below minimum code standards are considered present to a limited extent

*The factor of buildings below minimum code standards is present to a major extent in three blocks and to a limited extent in one block.*

## **G. ABANDONMENT**

*Webster's New Collegiate Dictionary* defines "abandon" as "to give up with the intent of never again claiming one's rights or interest", or "to give over or surrender completely; to desert."

### **Conclusion**

*The presence of abandonment as a factor is not found within the Project Area.*

## **H. EXCESSIVE VACANCIES**

Excessive vacancies refers to the presence of buildings or sites which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency or the duration of vacancies. Excessive vacancies include properties which evidence no apparent effort directed toward their occupancy or utilization.

Within the Project Area excessive vacancies includes 5 vacant buildings and 4 buildings that contain vacant/underutilized space in either ground or second level floors. In combination, 9 buildings of 38 (24 percent) are either vacant or contain vacancies.

### **Conclusion**

Blocks in which 20% or more of the buildings are partially or totally vacant are indicated as characterized by the presence of excessive vacancies to a major extent. Blocks with less than 20% of the buildings partially or totally vacant are characterized by the presence of excessive vacancies to a limited extent.

*Excessive vacancies exist to a major extent in four blocks and to a limited extent in two blocks within the Project Area.*

## **I. OVERCROWDING OF STRUCTURES AND COMMUNITY FACILITIES**

Overcrowding of structures and community facilities refers to utilization of public or private buildings, facilities, or properties beyond their reasonable or legally permitted capacity. Overcrowding is frequently found in buildings originally designed for a specific use and later converted to accommodate a more intensive use of activities without adequate provision for minimum floor area requirements, privacy, ingress and egress, loading and services, capacity of building systems, etc.

### **Conclusion**

*No conditions of overcrowding were documented by the exterior surveys undertaken within the Project Area.*

## **J. LACK OF VENTILATION, LIGHT, OR SANITARY FACILITIES**

Lack of ventilation, light, or sanitary facilities refers to substandard conditions which adversely affect the health and welfare of building occupants, e.g., residents, employees, or visitors.

Typical requirements for ventilation, light, and sanitary facilities include:

- Adequate mechanical ventilation for air circulation in spaces/rooms without windows (i.e., bathrooms), and dust, odor or smoke producing activity areas;
- Adequate natural light and ventilation by means of skylights or windows or interior rooms/spaces, and proper window sizes and amounts by room area to window area ratios; and
- Adequate sanitary facilities, i.e., garbage storage/enclosure, bathroom facilities, hot water, and kitchens.

### **Conclusion**

*No condition pertaining to a lack of ventilation, light, or sanitary facilities has been documented as part of the exterior surveys and analyses undertaken within the Project Area.*

### **K. INADEQUATE UTILITIES**

Inadequate utilities refers to deficiencies in the capacity or condition of infrastructure which services a property or area, including, but not limited to, storm drainage, water supply, electrical power, streets, sanitary sewers, gas and electricity.

### **Conclusion**

*No condition of inadequate utilities has been documented as part of the exterior surveys and analyses.*

### **L. EXCESSIVE LAND COVERAGE**

Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions have an adverse or blighting effect on nearby development.

The project area contains three commercial buildings which occupy most of the entire lot on which they are located, with limited provisions for off-street parking loading and service; two of these properties contain multiple buildings, including a residence and commercial-use building, and one property has two residential buildings.

Building configuration, setback and lot coverage of these sites are impacted by excessive land coverage, with insufficient parking spaces, or inadequate provision for loading and service according to current zoning requirements.

## **Conclusion**

Blocks in which 20% or more of the sites or land area is impacted by excessive land coverage are indicated as characterized by the presence of excessive land coverage to a major extent. Blocks in which less than 20% of the sites or land area indicates excessive land coverage are indicated as characterized by the presence of excessive land coverage to a limited extent.

*Excessive land coverage is present to a major extent in three blocks and to a limited extent in one block.*

## **M. DELETERIOUS LAND-USE OR LAYOUT**

Deleterious land-uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed uses, or uses which may be considered noxious, offensive or environmentally unsuitable.

Deleterious layout also includes evidence of improper or obsolete platting of the land, inadequate street layout, and parcels of inadequate size or shape to meet contemporary development standards. It also includes evidence of improper layout of buildings on parcels and in relation to other buildings.

### **1. Incompatible Uses**

The dominant activity along this portion of the East State Street corridor consists of retail, service or office uses. Six residential properties continue to remain between commercial uses and are incompatible with adjacent activity. Several auto-related uses, including auto sales and a service shop are not appropriate to adjacent uses or are located on parcels of limited size for the type of activity.

### **2. Improper Platting**

Four blocks contain irregular parcels, or narrow parcels with excessive depth, and one interior land-locked parcel, resulting in limited or lack of proper access, sufficient parking, loading and service.

## Conclusion

Blocks in which 20% or more of all properties indicate deleterious land use or layout are indicated as characterized by the presence of deleterious land use or layout to a major extent. Blocks in which less than 20% of the properties indicate deleterious land use or layout are indicated as characterized by the presence of deleterious land use or layout to a limited extent

*Deleterious land-use or layout exists to a major extent in five blocks and to a limited extent in two blocks.*

## N. DEPRECIATION OF PHYSICAL MAINTENANCE

Depreciation of physical maintenance refers to the effects of deferred maintenance and the lack of maintenance of the buildings, parking areas and public improvements, including streets.

The presence of this factor within the Project Area includes:

- Buildings  
Twenty-four buildings in the area evidence deterioration and related deferred maintenance of windows, doors, exterior walls, roofs, fascias, rear porches and related premises and storage areas.
- Parking areas/ storage and loading areas  
Nine properties contain parking surface areas which contain deteriorated surfaces, including gravel surfaces, weeds and debris.

## Conclusion

Blocks in which 40% or more of the buildings, premises or sites exhibit depreciation of physical maintenance are indicated as characterized by the presence of depreciation of physical maintenance to a major extent. Blocks in which less than 40% of the buildings, premises or sites exhibit depreciation of physical maintenance are characterized by the presence of depreciation of physical maintenance to a limited extent.

*The results of the surveys and analyses of depreciation of physical maintenance within the Project Area indicate that this factor exists to a major extent in four blocks and to a limited extent in five blocks.*

## **O. LACK OF COMMUNITY PLANNING**

The Project Area as a whole was developed without the benefit or guidance of overall community planning. Most of the properties within the Project Area were originally platted and developed on a parcel-by-parcel and building-by-building basis with little evidence of planning and coordination among buildings and activities. Buildings are built on limited sites. Small buildings and sites are too limited in size to properly accommodate potential modern commercial uses. Residential buildings are converted to and continue to be considered for alteration to accommodate commercial uses. Inconsistent parcel size and building orientation were in place prior to any development guidelines.

The lack of community planning at the time of the original development has contributed to the problem conditions previously cited and characterizes the entire Project Area.

### **Conclusion**

*The lack of community planning is present to a major extent throughout the Project Area.*

#### IV. PROJECT AREA ELIGIBILITY CONCLUSIONS

The Project Area meets the requirements of the Act for designation as a "conservation area." Fifty percent or more of the structures in the Project Area have an age of 35 years or older. Specifically, 32 of the 38 buildings, or 84 percent, are 35 years or older. There is a reasonable presence and distribution of nine of the other fourteen factors listed in the Act, including:

1. Obsolescence
2. Dilapidation
3. Deterioration
4. Structures Below Minimum Code Standards
5. Excessive vacancies
6. Excessive land coverage
7. Deleterious land-use or layout
8. Depreciation of physical maintenance
9. Lack of community planning

The distribution of conservation factors is shown in Table 2 and indicated in Figure 4. All blocks in the area evidence the presence of three or more conservation factors.

The eligibility findings indicate that the Project Area qualifies as a "conservation" area. The entire Project Area is in need of revitalization and guided growth to ensure that it will contribute to the long-term physical, economic, and social well-being of the City. All factors indicate that the Project Area has not been subject to sound growth and development through investment by private enterprise, and is not likely to be developed without public action.

**Table 2: DISTRIBUTION OF CONSERVATION FACTORS**

	BLOCK NUMBERS								
	333	376	377	378	380	404	405	451	452
Age	■	■	■	■	■	■	■	■	■
<b>Other factors</b>									
Dilapidation				■					
Obsolescence	■	■	■	■	■	■	■	■	■
Deterioration	□	□	□	■	■	■	■	□	□
Illegal use of individual structures									
Structures below minimum code				■	□	■	■		
Abandonment									
Excessive vacancies	□			■	□	■	■	■	
Overcrowding of structures and community facilities									
Lack of ventilation, light and sanitary facilities									
Inadequate utilities									
Excessive land coverage	■				■	□	■		
Deleterious land-use or layout	□			■	■	■	■	□	■
Depreciation of physical maintenance	□	□	□	■	■	■	■	□	□
Lack of community planning	■	■	■	■	■	■	■	■	■

□ Present to a limited extent  
 ■ Present to a major extent

**Conservation Factors**

1. Age
2. Dilapidation
3. Obsolescence
4. Deterioration
5. Structures Below Minimum Code Standards
6. Excessive Vacancies
7. Excessive Land Coverage
8. Deteriorative Land Use or Layout
9. Depreciation of Physical Maintenance
10. Lack of Community Planning

— Project Area boundary  
**452** Block Number

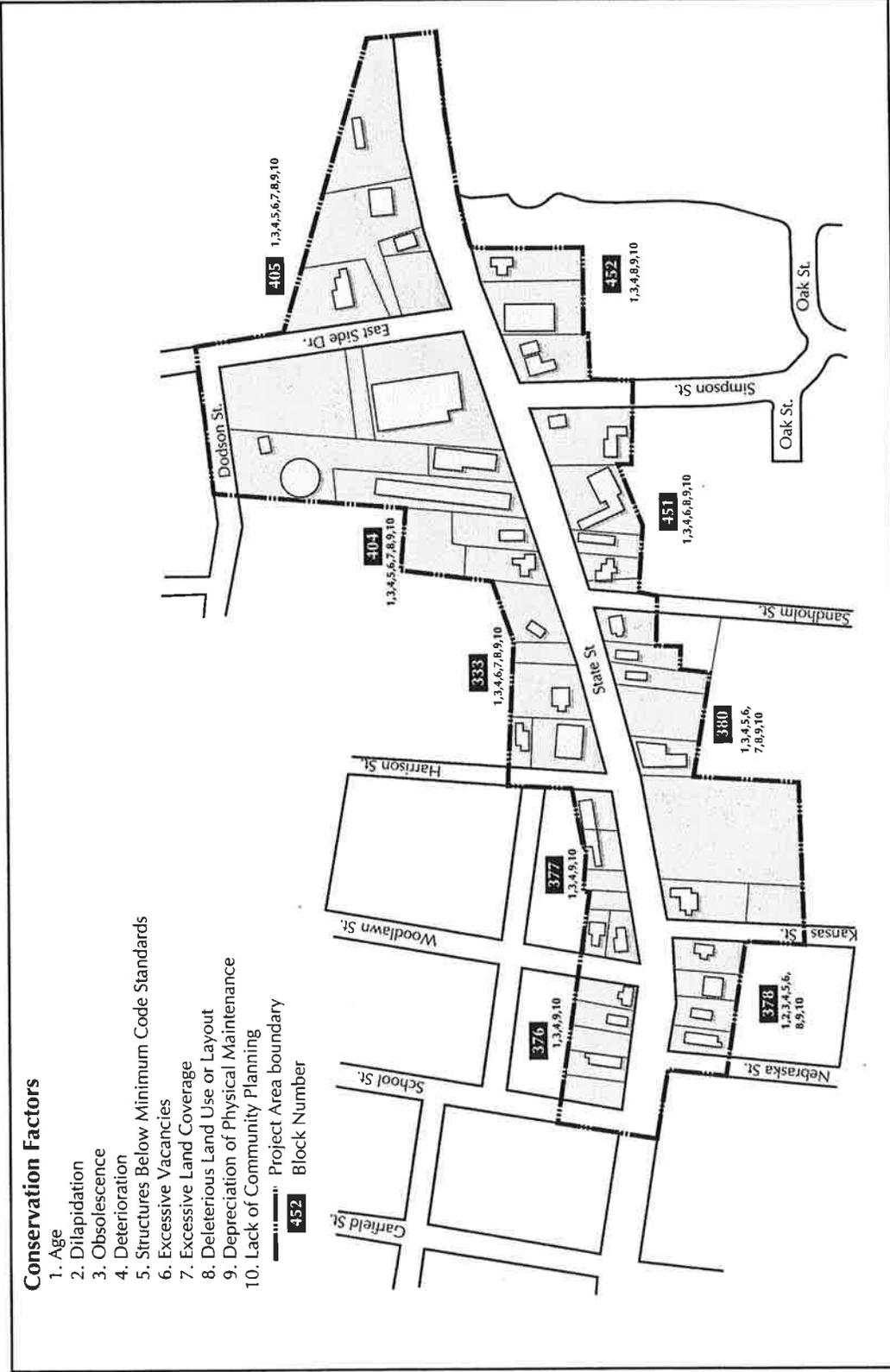


Figure 4  
**DISTRIBUTION OF CONSERVATION FACTORS**

**STATE STREET**

Tax Increment Financing Redevelopment Project