

ORDINANCE NO. 2026-_____-O

AN ORDINANCE OF THE CITY OF ROCKFORD, WINNEBAGO AND OGLE COUNTIES, ILLINOIS, APPROVING THE CITY OF ROCKFORD SOUTH ROCKFORD INDUSTRIAL TAX INCREMENT FINANCING DISTRICT REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN AND PROJECT

WHEREAS, the City of Rockford, Winnebago and Ogle Counties, Illinois (the “City”), is a duly organized and existing municipal corporation created under the provisions of the laws of the State of Illinois and under the provisions of the Illinois Municipal Code, as from time to time supplemented and amended; and

WHEREAS, it is desirable and in the best interest of the citizens of the City of Rockford, Winnebago and Ogle Counties, Illinois for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11- 74.4 *et seq.*, as amended (the “Act”), for the proposed South Rockford Industrial Tax Increment Financing District (hereinafter referred to as “South Rockford Industrial TIF District”) redevelopment plan and project (the “*Plan and Project*”) within the municipal boundaries of the City and further within a proposed redevelopment project area (the “Area”) described in Section 2(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, the City authorized a study in regard to the designation of the Area for the South Rockford Industrial TIF District and the preparation of the Plan in relation thereto; and

WHEREAS, THE City made available for public inspection the Plan and Project, with said Plan containing an eligibility study (or qualifications report) for the South Rockford Industrial TIF District, addressing the tax increment financing eligibility of the Redevelopment Project Area (the “*Eligibility Study*”); and

WHEREAS, the Mayor and City Council of the City (the “*Corporate Authorities*”) desire to implement tax increment financing pursuant to the Act for the Plan and Project within the municipal boundaries of the City and within the Area described and depicted in EXHIBIT A, EXHIBIT B, and EXHIBIT C, each being attached hereto and made part hereof; and

WHEREAS, pursuant to the Act, it is the intent of the City to encourage only projects that meet the economic development goals and objectives of the City, and that also show a demonstrated need for economic development incentives to proceed in a manner required to fulfill such economic development goals and objectives of the City; and

WHEREAS, The City has complied with the specific notice, Joint Review Board meeting and public hearing requirements provided for in the TIF Act as a prerequisite to approving the TIF Plan in relation to the South Rockford Industrial TIF District, in that the City has taken the following actions:

	<u>ACTION</u>	<u>DATE TAKEN</u>
1.	Provided for the availability of the Eligibility Study and TIF Plan at offices of the City’s Legal Department	February 23, 2026
2.	Published the TIF Interested Parties Registry Notice in the local paper	February 1, 2026
3.	Approved Resolution No. 2026-49-R calling for a Joint Review Board meeting and a public hearing relative to the proposed approval of the Redevelopment Project Area and the TIF Plan in relation thereto	March 2, 2026
4.	Mailed a copy of TIF Plan (including the Eligibility Study), along with a notice of the Joint Review Board meeting and the public hearing <ul style="list-style-type: none"> • To all taxing districts and the Illinois Department of Commerce and Economic Opportunity (by Certified Mail, return receipt requested) 	March 9, 2026

5.	Mailed notices relative to the availability of the Eligibility Study and TIF Plan: <ul style="list-style-type: none"> To all residential addresses within 750 feet of the boundaries of the Redevelopment Project Area (by First Class U.S. Mail) 	March 16, 2026
6.	Held the Joint Review Board meeting	March 31, 2026
7.	Mailed notices of the public hearing: <ul style="list-style-type: none"> To each taxpayer of record within the Redevelopment Project Area (by Certified Mail, return receipt requested) 	March 31, 2026
8.	Published notice of the public hearing in the local newspaper twice	April 14, 2026 April 15, 2026
9.	Held a public hearing	May 11, 2026 and May 21, 2026

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Corporate Authorities called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for May 11, 2026 and May 21, 2026; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Economic Opportunity of the State of Illinois by certified mail on March 9, 2026, by publication on April 14, 2026, and April 15, 2026, and by certified mail to taxpayers within the Area on March 31, 2026, and to residential addresses within 750 feet of the boundaries of the Area on March 16, 2026; and

WHEREAS, the City has heretofore convened a joint review board as required by and in all respects in compliance with the provisions of the Act; and

WHEREAS, the joint review board met on March 31, 2026, to review the public record, planning documents and proposed ordinances approving the Plan and Area and consider whether the Plan and Area satisfy the requirements of the Act; and

WHEREAS, On March 31, 2026, the joint review board considered and approved a resolution recommending approval of the Area, Plan, and the designation of the Area; and

WHEREAS, pursuant to the Act, the Corporate Authorities have waited at least fourteen (14) days, but not more than ninety (90) days, from the public hearing to introduce this Ordinance to the City Council of the City.

WHEREAS, the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area that could cause the Area to be a "conservation area" as defined in the Act; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, the Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, the City Council has determined that "Data Centers" (as defined herein) place a significant, disproportionate demand on local energy grids, water resources, and sewer infrastructure while generating comparatively minimal long-term employment relative to the public investment and infrastructure costs justified and required; and

WHEREAS, based upon comments received during said public hearings, the City Council desires to explicitly state that the South Rockford Industrial TIF Redevelopment Plan is not intended to deploy the use of TIF funds, public subsidies, and tax increment revenues to support,

subsidize, or incentivize the development of Data Centers, and therefore the use of TIF funds for such purpose is hereby prohibited; and

WHEREAS, it is the intent of the Corporate Authorities to utilize the tax increment from all sources authorized by law; with such revenues to be exclusively utilized for the development of the Plan within the Area (except as provided in 65 ILCS 5/11-74.4-4(q)); and

WHEREAS, the Area would not reasonably be redeveloped without the use of such incremental revenues; and

WHEREAS, the Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the City as a whole to determine whether the proposed Plan and Project conform to the comprehensive plan of the City.

NOW, THEREFORE, BE IT ORDAINED by Corporate Authorities of the City of Rockford, Winnebago and Ogle Counties, Illinois, as follows:

SECTION 1. *Recitals.* That the above recitals and findings are found to be true and correct and are hereby incorporated herein and made a part hereof, as if fully set forth in their entirety.

SECTION 2. *Definitions.* For the purposes of this Ordinance, a "Data Center" shall mean any facility, campus, or portion thereof used primarily for housing, managing, and operating centralized computer servers, data storage devices, network switching equipment, and associated cooling and power infrastructure, including but not limited to server farms, cloud computing facilities, and artificial intelligence (AI) training centers. This definition shall not include traditional telecommunications switching facilities or local corporate/institutional network rooms.

SECTION 3. *Ineligible Uses and Projects.* No TIF increment revenues, TIF notes, property tax rebates, sales tax exemptions, or any other financial assistance or public subsidies authorized under the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1

et seq.) shall be approved, granted, or allocated to any developer, property owner, or operator of a Data Center within the South Rockford Industrial TIF District.

SECTION 4. Findings. That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety. The general street location for the Area is described in Exhibit B, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety. The map of the Area is depicted on EXHIBIT C, a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety.

b. There exist conditions that cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a “conservation area” as defined in the Act.

c. The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

d. The proposed Area would not reasonably be redeveloped without the tax increment derived from real property tax incremental revenues, and the increment from such revenues will be exclusively utilized for the redevelopment as outlined in the Plan within the Area (except as provided in 65 ILCS 5/11-74.4-4(q)).

e. The Plan and Project conform to the comprehensive plan for the development of the City as a whole.

f. As set forth in the Plan it is anticipated that all obligations incurred to finance redevelopment project costs, if any, as defined in the Plan shall be retired within twenty-three (23) years after the Area is designated.

g. The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the proposed Project improvements are included in the proposed Area.

SECTION 5. *Plan and Project Approved.* That the Plan and Project, which were the subject matter of the public hearings held on May 11, 2026, and on May 21, 2026, are hereby adopted and approved. A copy of the Plan and Project is set forth in EXHIBIT D a copy of which is attached hereto and made a part hereof, as if fully set forth in its entirety.

SECTION 6. *Severability.* This Ordinance, and its parts, is declared to be severable and if any section, clause, or portion thereof of this Ordinance is declared invalid, the invalidity thereof shall not affect the validity of any other provisions of this Ordinance which shall remain in full force and effect.

SECTION 7. *Superseder.* All ordinances, resolutions, motions, or orders in conflict with any provision of this Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 8. *Effective Date.* This Ordinance shall be in full force and effect upon its passage, approval and publication as provided by law.

PASSED BY THE MAYOR AND THE CITY COUNCIL of the City of Rockford, Illinois, at a regular meeting thereof on the ___ day of _____, 2026, and approved by me as Mayor on the same day.

VOTING AYE: _____

VOTING NAY: _____

ABSENT: _____

ABSTAIN:

APPROVED: _____

By: _____ Date: _____
Mayor

ATTEST:

By: _____
Legal Director

Presented and reading having been waived, at a duly convened meeting of the Corporate Authorities on _____, 2026.

I hereby certify that the above Ordinance was published in pamphlet form on _____, 2026, as provided by law.

Legal Director

EXHIBIT A

LEGAL DESCRIPTION

EXHIBIT B

GENERAL STREET LOCATION

EXHIBIT C

MAP OF REDEVELOPMENT PROJECT AREA

EXHIBIT D

REDEVELOPMENT PLAN AND PROJECT