
**CITY OF ROCKFORD, ILLINOIS
SOUTH ROCKFORD INDUSTRIAL
TAX INCREMENT FINANCING
REDEVELOPMENT PLAN AND PROJECT**

Jointly Prepared By:

City of Rockford, Illinois

And

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I. INTRODUCTION

The City of Rockford (the “City”) is a mature community located in Winnebago County and Ogle County, Illinois, approximately ninety (90) miles northwest of the City of Chicago. The City lies adjacent to the municipalities of Belvidere and Cherry Valley on the east, Loves Park and Machesney Park on the north, Winnebago and Pecatonica on the west, and New Milford to the south. It is only 50 miles from major employment centers located in the northwestern Chicago suburbs.

Increasingly, the City’s economy and real estate market is intertwined with the metropolitan Chicago economy, as the path of regional growth moves northwest of Chicago. This changing dynamic is perhaps best demonstrated by the rapid growth in recent years of the former Greater Rockford Airport, which has been re-designated as the Chicago Rockford International Airport. The Chicago Rockford International Airport is located just over 1 mile north of the proposed South Rockford Industrial TIF District.

The City has an array of community assets that enhance its competitiveness. In particular, it has excellent transportation infrastructure, with connections to Interstate 90, and Interstate 39/U.S. 51, as well as U.S. 20. Interstate 90 is the primary linkage to the Chicago area, and Interstate 39 takes travelers south to Rochelle and other communities. According to the City’s 2040 Comprehensive Plan (the “Comprehensive Plan”, 2023), the Chicago Rockford International Airport is the 19th busiest airport in the country for freight traffic. The proposed development of the Study Area would be a substantial economic boost for south Rockford and the area surrounding the airport.

The City proposes the designation of the South Rockford Industrial Area (the “RPA” or the “TIF District”) through the adoption of this Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan” or “Plan”) to promote the revitalization of strategic properties located within the Study Area. The successful revitalization of the proposed RPA would significantly assist the City in achieving its policy goal of promoting economic development in general and the continued development of the airport area in particular.

Ryan LLC (“Ryan”) has been retained by the City of Rockford to conduct an analysis of the potential qualification and designation of the area as a new Tax Increment Financing (“TIF”) District, and to assist the City in drafting this TIF Redevelopment Plan.

The City has two fundamental goals in pursuing the potential TIF District. The first is to promote redevelopment of an area that has been targeted for activity since partial annexation in 2012, and in doing so, promote new industrial uses throughout the Study Area to support the airport’s growing industrial complex. The second goal is to further the City’s overall economic development program and thereby diversify its tax and employment bases.

TIF Plan Requirements. The City is preparing this Plan as required by the Tax Increment Allocation Redevelopment Act, (the “Act”) 65 ILCS 5/11-74.4-3, et. seq., as amended. To establish a TIF district (also known as a Redevelopment Project Area (“RPA”)), Illinois municipalities must adopt several documents, including a TIF Redevelopment Plan and Eligibility Report. Additionally, in the case of the proposed establishment of this TIF District the City must also take formal action to FIRST remove various parcels in the proposed RPA from the existing Global Trade Park South TIF.

The Act enables Illinois municipalities to establish TIF districts, either to eliminate the presence of blight or to prevent its onset. The Act finds that municipal TIF authority serves a public interest in order to: “promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas” (65 ILCS 5/11-74.4-2(b)).

By definition, a TIF “Redevelopment Plan” means the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualify the redevelopment project area as a “blighted area,” “conservation area” (or combination thereof), or “industrial park conservation area,” and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area as set forth in the Tax Increment Allocation Redevelopment Act.

Community Background. The City of Rockford is one of the oldest communities in the State of Illinois, incorporated in 1839 prior to the Civil War (incorporated as a village, and then chartered as a city in 1852). After a long period of growth during the late 19th and early 20th century, population stabilized around its current level in the post-war era. As of the 2020 Census, the City population is 148,655, making it one of the largest communities in the state. However, the City has lagged in growth compared to other Illinois communities and is estimated to have fallen from the second largest City in Illinois to the fifth largest as of 2023.

The City has a number of important assets that make it a desirable location for residents and that fosters a competitive environment for businesses. First, the City has an educated workforce, with over 84% of the adult population (over age 25) having obtained a high school degree and about 22% either a bachelor’s degree or an advanced degree (master’s degree or other advanced degree). Rockford University is located near the proposed TIF District, and both Northern Illinois University (which also maintains a Rockford campus) and Beloit College are located within close driving distance. Additionally, a number of other higher educational institutions maintain services within the Rockford community. Due in

part to these strengths, Rockford has evolved over many decades from one of the leading centers for furniture and machine tool making centers in the country into a nation leader in the aerospace industry.

Secondly, the City possesses a variety of transportation assets, including proximity to multiple Interstate highways, state highways, and an airport. Interstate 90 is the primary linkage to the Chicago area, and Interstate 39 takes travelers south to Rochelle, DeKalb, and other communities. Thirdly, the area is increasingly intertwined with the growing suburban areas northwest of Chicago primarily via the link along Interstate 90, and the growth in prominence of the Chicago Rockford International Airport.

Finally, the City has made a concerted effort under the current leadership to foster economic development. The City has put in place multiple economic development programs and incentives to expedite redevelopment as the Rockford region continues to transition from a historically industrial-based economy to a diversified, 21st century economy. The City has also worked to shift to a more strategic use of tax increment financing in favor of initiatives that are driven by specific private sector investment opportunities for economic growth and elimination of blighted conditions, as opposed to previous efforts that tended to be driven by area-wide factors without the presence of more precise private investment opportunities.

The Proposed TIF District. The proposed RPA is located within the far southern portion of the City of Rockford and consists primarily of commercial farmland uses. The RPA is a contiguous area of approximately sixteen hundred and seventy-nine (1,679) acres and generally bounded by South Bend Road and Condon Road on the north; the City’s municipal boundary and Edson Road on the south; the City’ municipal boundary on the west’ and I-39 ALT/State Route 251 on the east. Adjacent rights of way are also included.

The City’s general economic development objectives are to enhance industrial opportunities within the proposed RPA. To achieve this overarching objective, the City has proposed the following guidelines in its 2040 Plan (“Comprehensive Plan”, 2023) as discussed within Section III below.

Section IV of this report describes a number of redevelopment impediments facing the City. These impediments are split between the “blighted vacant area” and the “conservation area.” “Blighted vacant area” impediments include chronic flooding, lag in equalized assessed valuation, and adjacent deterioration. “Conservation area” impediments include deterioration, lag in equalized assessed valuation, inadequate utilities, and a lack of adequate planning. All of these factors reduce the competitiveness of the area.

On balance, the TIF area has the potential for redevelopment of certain underutilized properties. As such, the City has identified a number of objectives for redevelopment, with tax increment financing acting as a tool to achieve them.

Please refer to Section III of this report for additional information about the goals, objectives and activities to support redevelopment.

The RPA would be suitable for new development if there is coordination of uses and redevelopment activity by the City. Through this TIF Redevelopment Plan and as part of its comprehensive economic development planning, the City intends to attract and encourage industrial uses for the underutilized sites located within the RPA. Through the establishment of the RPA, the City would implement a program to redevelop key areas within the new TIF District and in so doing, it would revitalize the area and extend benefits to the entire community.

Rationale for Redevelopment Plan. The City recognizes the need for a strategy to revitalize properties and promote development within the boundaries of the RPA. The needed private investment would only be possible if a new TIF district is adopted pursuant to the terms of the Act. Incremental property tax revenue generated by the revitalized projects will play a decisive role in encouraging private development in an area of the City that is lacking such major development opportunities. Adverse site conditions and economic barriers that have discouraged intensive private investment in the past will continue to be eliminated. Ultimately, the implementation of the Plan will benefit both the City and other affected taxing districts, by virtue of the expected stabilization and expansion of the tax base.

The City has determined that the area as a whole would not be developed in a coordinated manner unless the adoption of the TIF Redevelopment Plan occurs. The City, with the assistance of Ryan, has therefore prepared this Plan to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Plan makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment and land assembly, the RPA will become a more viable area that will attract private investment. The public investment and land assembly will lay the foundation for the redevelopment of the area with private capital. This in turn will set the stage for future retail, commercial and mixed-use opportunities surrounding the area.

The designation of the area as an RPA will allow the City to pursue the following beneficial strategies:

- Providing infrastructure that supports subsequent redevelopment plans for the RPA;
- Improvements to targeted sites in preparation for redevelopment (“site prep”);

- Remediation of adverse environmental conditions for both site and building elements located within the RPA;
- Entering into redevelopment agreements in order to redevelop property and/or to induce new development to locate within the RPA;
- Establishing a pattern of land-use activities that will increase efficiency and economic inter-relationships, especially as such uses complement adjacent current and/or future commercial and industrial opportunities and City redevelopment projects within the RPA and/or surrounding area; and
- Enhancing area appearance through improvements to landscape, streetscape and signage.

Through this Plan, the City will direct the coordination and assembly of the assets and investments of the private sector and establish a unified, cooperative public-private redevelopment effort. Several benefits are expected to accrue to the area: increase in high quality residential units, entry of new and/or renovated businesses; new employment opportunities; and physical and aesthetic improvements. Ultimately, the implementation of the Plan will benefit (a) the City, (b) the taxing districts serving the RPA, (c) residents and property owners within and/or adjacent to the RPA, and (d) existing and new businesses within the RPA.

City Findings. The City, through legislative actions as required by the Act, finds:

- That the RPA as a whole has not been subject to growth and development through investment by private enterprise;
- That in order to promote and protect the health, safety, and welfare of the public, certain conditions that have adversely affected redevelopment within the new RPA need to be addressed, and that redevelopment of such areas must be undertaken;
- To alleviate the adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas;
- That public/private partnerships are determined to be necessary in order to achieve development goals;
- That without the development focus and extended resources provided for under the Act and as set forth in this Plan, growth and redevelopment would not reasonably be expected to be achieved;
- That the use of incremental tax revenues derived from the tax rates of various taxing districts in the RPA for the payment of redevelopment project costs is of

benefit to the taxing districts, because the taxing districts would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment; and

- That the TIF Redevelopment Plan conforms to the Rockford 2040 Comprehensive Plan (2023), as detailed in Section III of this report.

It is further found, and certified by the City, in connection to the statutory process required for the adoption of this Plan, that (a) the RPA does not contain over seventy-five (75) inhabited residential units and (b) projected redevelopment of the RPA **will not result** in the displacement of ten (10) inhabited residential units or more. Therefore, *this Plan does not include a Housing Impact Study*.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA. Redevelopment of the RPA area is tenable only if a portion of the improvements and other costs are funded by TIF.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area in the aggregate is more than 1½ acres. A boundary map of the RPA is included in Appendix 2 of this Plan.

II. RPA LEGAL DESCRIPTION

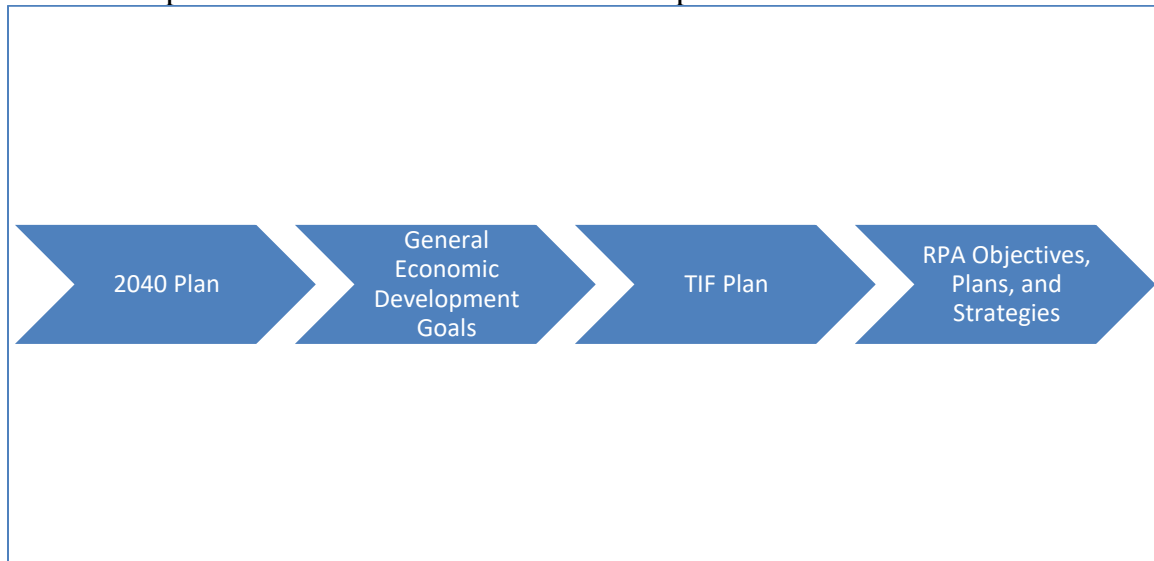
The Redevelopment Project Area legal description is attached in Appendix 1.

III. RPA GOALS AND OBJECTIVES

The City has established a number of economic development goals, objectives, and strategies which would determine the types of activities to be undertaken within the proposed South Rockford Industrial TIF District. These efforts would conform to and promote the achievement of land use objectives in the City's 2040 *Comprehensive Plan* (2023).

Exhibit 1

Relationship of Land Use and Economic Development Plans



As indicated in the exhibit above, the City's primary planning document is the *Comprehensive Plan* (also referred to as the *2040 Plan*) which describes the overall vision for the City and is the foundation for City initiatives such as the proposed South Rockford Industrial TIF District. This overarching planning document determines future land uses and influences all other City planning efforts such as the TIF planning process.

General Economic Development Goals of the City. Establishment of the proposed South Rockford Industrial TIF supports the following City-wide objectives.

- Restoring and strengthening the property tax base of the City and overlapping tax districts;
- Creating new jobs and retaining existing jobs for City and area residents;
- Providing for implementation of economic development and redevelopment strategies that benefits the City and its residents;

- Providing public infrastructure improvements (and environmental remediation) within the City to promote growth;
- Encouraging positive and feasible redevelopment of vacant properties and/or underutilized facilities;
- Coordinating all redevelopment within the City in a comprehensive manner, avoiding land use conflicts and negative community impacts with attracted users; and
- Creating a cooperative partnership between the City and other Rockford stakeholders.

Specific Objectives for the RPA. The general goals for economic development cited above would be supported by specific objectives, strategies and performance measures that would “drive” the redevelopment activities undertaken within the proposed RPA. RPA designation would allow the City to pursue the following objectives:

- Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal to private investors;
- Reduce, eliminate or prevent the onset of blight or other negative factors present within the area;
- Accomplish redevelopment over a reasonable time period;
- Provide for high quality development industrial land uses within the RPA;
- Create an attractive overall appearance for the area; and
- Further the goals and objectives of the *2040 Plan*.

This Plan clearly establishes the importance of the RPA. It also describes characteristics of the area which deter investment and prohibit the RPA from being fully utilized. Such characteristics include the presence of conditions that are hazardous to the public, presence of deteriorating improvements, and a lack of adequate planning have and continue to exist within the Study Area.

Exhibit 2 identifies certain *2040 Plan* goals that pertain to the proposed South Rockford Industrial TIF District.

Exhibit 2
 Comprehensive Plan Goals and Objectives for City's 2040 Plan

Goal	Action
Ensure adequate supply of development ready land zoned for industrial and commercial uses	<ul style="list-style-type: none"> • Develop qualified site program to assist property owners in advancing their land for site development readiness • Create tangible offerings to attract private developers • Future development sites need water, sewer, and electric in order to be shovel-ready. Need to align utilities with locations where development of future sites is desirable. Developers need these utilities and annexation before any financial commitments are made generally
Identify, develop, and expand emerging economic clusters	<ul style="list-style-type: none"> • Foster new training programs and opportunities to support job growth demands in emerging industries • Continue investments in roadway construction and access improvements, along transportation corridors to the airport where new development and economic growth is concentrated
Encourage the growth and development of existing and new primary employment centers	<ul style="list-style-type: none"> • Continue to encourage airport related development and supportive services to aid the growth of the Chicago Rockford International Airport as a major air cargo transfer center (especially 1st and last mile) • Improve branding, wayfinding, and signage within industrial and commercial business parks for better marketing
Maintain and enhance infrastructure that delivers water to city residents and businesses	<ul style="list-style-type: none"> • Continue conducting system performance tests and maintenance as needed • Continue to budget for repair of water main infrastructure as needed
Identify and upgrade ageing water main infrastructure	<ul style="list-style-type: none"> • Develop and implement water main replacement funding • Coordinate transportation projects with water upgrades/maintenance with Four Rivers Sanitation Authority will save money and reduce duplicity
Improve energy efficiency through the modernization of energy delivery	<ul style="list-style-type: none"> • Continue to collaborate and work with ComEd (Exelon) to implement the smart grid for Rockford • Continue to integrate energy utility improvements with capital improvement projects • Encourage best practices such as burying electric lines with new construction
Upgrade and modernize streets, bridges, and traffic control infrastructure to ensure a high level of service and safety	<ul style="list-style-type: none"> • Continue using City streetscape lighting standards and invest in more street furniture (i.e., benches, bus shelters, street wayfinding signs) within business

	districts and along major commercial corridors
Improve road, rail, and air network to enhance the airports movement of people and goods	<ul style="list-style-type: none"> • Continue to work on attracting new businesses to the Global Trade Park
Incentivize development in regions of the city where investment is stagnant or declining over the years	<ul style="list-style-type: none"> • Leverage public sector infrastructure development for private investment in stable and declining planning areas • Evaluate and advance strategies with existing TIF District redevelopment plans

Ultimately, the implementation of the Redevelopment Plan would contribute to the economic development of the area and provide new employment opportunities for City residents.

The RPA-specific objectives would be fulfilled by the execution of certain strategies, including but not limited to the following:

- Facilitating the preparation of improved and vacant sites, by assisting any private developer(s) to assemble suitable sites for modern development needs;
- Coordinating site preparation to provide additional land for new development, as appropriate;
- Fostering the replacement, repair, and/or improvement of infrastructure, including (as needed) sidewalks, streets, curbs, gutters and underground water and sanitary systems to facilitate the construction of new development within the RPA;
- Facilitating the provision of adequate on- and off-street parking within the RPA; and/or
- Coordinating development in tandem with any transportation system upgrades to make the area more accessible.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH; FISCAL IMPACT ON TAXING DISTRICTS

Evidence of the Lack of Development and Growth within the RPA. As documented in Appendix 4 of this Plan, the RPA has suffered from the lack of development and would qualify, in part, as a “conservation area,” and in part, as a “blighted vacant area.” In past years, the area overall has not benefited from sustained private investment and/or development, instead suffering economic decline. Absent intervention by the City, properties within the RPA would not be likely to gain in value.

The proposed RPA exhibits various conditions which, if not addressed by the City, would eventually result in blight. Those conditions include structures and public improvements reflecting deterioration and obsolescence, as well as other deficiencies. These various conditions work to discourage private sector investment in business enterprises.

Assessment of Fiscal Impact on Affected Taxing Districts. It is anticipated that the implementation of this Plan will not have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Plan will have a *positive impact* on the affected taxing districts by arresting the potential decline or lag in property values, as measured by assessed valuations (AV), through the future elimination of vacant and blighted properties. In short, the establishment of a TIF district would protect other taxing districts from the potential downside risk of falling equalized assessed valuation in the southern Rockford area surrounding the airport.

Should the City achieve success in attracting private investment which results in the need for documented increased services from any taxing districts, the City will consider the declaration of “surplus funds,” as defined under the Act and pursuant to any executed intergovernmental agreement. Such funds which are neither expended nor obligated for TIF-related purposes can be used to assist affected taxing districts in paying the costs for increased services.

Any surplus Special Tax Allocation Funds (to the extent any surplus exists) will be shared in proportion to the various tax rates imposed by the taxing districts, including the City. Any such sharing would be undertaken after all TIF-eligible costs – either expended or incurred as an obligation by the City – have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act.

An exception to the tax-sharing provision relates to the City’s utilization of TIF funding to mitigate the impact of residential redevelopment upon school districts. In such cases, the City will provide funds to offset the costs incurred by the eligible school districts in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. It should be noted that new residential uses that generate new students

are not expected as part of future redevelopment activities. (Refer to Section VI of this Report, which describes allowable TIF project costs.)

V. TIF QUALIFICATION FACTORS PRESENT IN THE RPA

Findings. The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under the Act. Refer to the *TIF Eligibility Report*, attached as Appendix 4 in this Plan.

Eligibility Survey. Representatives of Ryan and City staff evaluated the RPA from August 2025 to the date of the publication of this Plan. Analysis was aided by certain reports obtained from the City, reports from City engineering/planning staff, on-site due diligence, and other sources. In Ryan's evaluation, only information was recorded which would help assess the eligibility of the proposed area as a TIF District.

VI. REDEVELOPMENT PROJECT

Redevelopment Plan and Project Objectives. As indicated in Section III of this Report, the City has established a planning process which guides economic development and land use activities throughout the City. Consistent with the established planning process, the City proposes to achieve economic development goals and objectives through the redevelopment of the South Rockford Industrial TIF, pursuit of projects within the RPA, and the promotion of private investment via public financing techniques (including but not limited to tax increment financing).

The project-specific objectives envisioned for the South Rockford Industrial TIF are as follows:

- 1) Implementing a plan that provides for the attraction of users and tenants to redevelop underutilized land and buildings that are available within the RPA.
- 2) Constructing public improvements which may include (if necessary):
 - Street and sidewalk improvements (including new street construction and widening of current streets; any street widening would conform with City standards for context-sensitive design);
 - Utility improvements (including, but not limited to, water, stormwater management, and sanitary sewer projects consisting of construction and rehabilitation);
 - Signalization, traffic control and lighting;
 - Off-street parking and public parking facilities; and
 - Landscaping, streetscaping, and beautification.
- 3) Entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of an interest rate subsidy as allowed under the Act.
- 4) Providing for site preparation, clearance, environmental remediation, and demolition, including grading and excavation (any demolition activities would conform to City criteria for allowing demolition) as needed.
- 5) Providing for the rehabilitation of structures in order to improve the occupancy and appearance of the property within the RPA.
- 6) Exploration and review of job training programs in coordination with any City, federal, state, and county programs.
- 7) Entering into agreements for the development and/or construction of public facilities and infrastructure.

Redevelopment Activities. Pursuant to the project objectives cited above, the City will implement a coordinated program of actions. These include, but are not limited to, land acquisition, land disposition, site preparation, clearance, demolition, provision of public infrastructure and related public improvements, construction of new public facilities, and rehabilitation of structures, if necessary. Such activities conform to the provision of the TIF Act that define the scope of permissible redevelopment activities.

Site Preparation, Clearance, Relocation and Demolition

Property within the RPA may be improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment. Relocation may also be required under the TIF Act; the City would conform to the provisions of the Act.

Land Assembly and Disposition

Certain properties or interests in properties in the RPA may be acquired by purchase or the exercise of eminent domain. Properties owned by or acquired by the City may be assembled and reconfigured into appropriate redevelopment sites. If necessary, the City would facilitate private acquisition through reimbursement of acquisition and related costs as well as through the write-down of its acquisition costs. Such land may be held or disposed of by the City on terms appropriate for public or private development, including the acquisition of land needed for construction of public improvements.

Public Improvements

The City may, but is not required to, provide public improvements in the RPA to enhance the immediate area and support the Plan. Appropriate public improvements may include, but are not limited to:

- Improvements and/or construction of public utilities including extension of water mains as well as sanitary and storm sewer systems, roadways, and traffic-related improvements;
- Parking facilities; and
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways.

Rehabilitation/Taxing District Capital Costs

The City may provide for the rehabilitation of certain structures within the RPA in order to provide for the redevelopment of the area and conform to City code provisions. Improvements may include exterior and facade-related work as well as interior-related work.

The City may construct or provide for the construction and reimbursement for new facilities to be owned or used by units of local government. The City does not expect that locally designated landmarks or properties listed on or eligible for listing on the National Register of Historic Places (or properties significantly contributing to districts listed on the National Register of Historic Places) will be demolished or modified in connection with the Plan.

Interest Rate Write-Down

The City may enter into agreements with for-profit or non-profit owners/developers whereby a portion of the interest cost for construction, renovation or rehabilitation projects are paid out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

Job Training

The City may assist facilities and enterprises located within the RPA in obtaining job training assistance. Job training and retraining programs currently available from or through other governments include, but are not limited to:

- Federal programs;
- State of Illinois programs;
- Applicable local vocational educational programs, including community college sponsored programs; and
- Other federal, state, county or non-profit programs that are currently available or will be developed and initiated over time.

School District Costs

The City may provide for payment of school district costs as provided for in the Act relating to residential components assisted through TIF funding.

General Land Use Plan. As noted in Section I of this report, the proposed RPA currently contains primarily retail uses.

Both existing and future land uses are shown in Appendix 3 attached hereto and made a part of this Plan. Appendix 3 shows existing and future land uses in the Redevelopment Project Area and includes CD – Commercial/Mixed-Use and PE – Existing (Quasi-) Public Facility. Future land uses will conform to the Zoning Ordinance and the *Comprehensive Plan (2023)* as either may be amended from time to time.

Additional Design and Control Standards. The appropriate design standards (including any Planned Unit Developments) as set forth in the City’s Zoning Ordinance and/or *Comprehensive Plan* (2023) shall apply to the RPA.

Eligible Redevelopment Project Costs. Under the TIF statute, redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred as well as any such costs incidental to the Plan. (Private investments, which supplement “Redevelopment Project Costs,” are expected to substantially exceed such redevelopment project costs.) Eligible costs permitted by the Act and pertaining to this Plan include:

- (1) *Professional Service Costs* – 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 however that no charges for professional services may be based on a percentage of the tax increment collected; except that on and after November 1, 1999 (the effective date of Public Act 91-478), no contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of 3 years. After consultation with the municipality, each tax increment consultant or advisor to a municipality that plans to designate or has designated a redevelopment project area shall inform the municipality in writing of any contracts that the consultant or advisor has entered into with entities or individuals that have received, or are receiving, payments financed by tax increment revenues produced by the redevelopment project area with respect to which the consultant or advisor has performed, or will be performing, service for the municipality. This requirement shall be satisfied by the consultant or advisor before the commencement of services for the municipality and thereafter whenever any other contracts with those individuals or entities are executed by the consultant or advisor;
 - The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;
 - Annual administrative costs shall *not* include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the municipality had not designated a redevelopment project area or approved a redevelopment plan;
 - In addition, redevelopment project costs shall *not* include lobbying expenses;
- (2) *Property Assembly Costs* – 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;

- (3) *Improvements to Public or Private Buildings* – Costs of rehabilitation, reconstruction, 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;
- (4) *Public Works* – 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 (q) 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;
- (5) *Job Training* – Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;
- (6) *Financing Costs* – 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 (a) 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 thereafter and (b) reasonable reserves related thereto;
- (7) *Capital Costs* – 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 the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
- (8) *School-Related Costs* – For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-

increment-financing assisted housing units) on or after November 1, 1999, an elementary, secondary, or unit school district's increased costs attributable to assisted housing units located within the redevelopment project area for which the developer or redeveloper receives financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, and which costs shall be paid by the municipality from the Special Tax Allocation Fund when the tax increment revenue is received as a result of the assisted housing units and shall be calculated annually;¹

- (9) *Relocation Costs* – To the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or State law or in order to satisfy subparagraph (7) of subsection (n) of the Act;
- (10) *Payment in lieu of taxes*;
- (11) *Other Job Training* – 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

¹ The calculation is as follows: (A) for foundation districts, excluding any school district in a municipality with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general State aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 25% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 17% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts with a district average 1995-96 Per Capita Tuition Charge of less than \$5,900, no more than 8% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (B) For alternate method districts, flat grant districts, and foundation districts with a district average 1995-96 Per Capita Tuition Charge equal to or more than \$5,900, excluding any school district with a population in excess of 1,000,000, by multiplying the district's increase in attendance resulting from the net increase in new students enrolled in that school district who reside in housing units within the redevelopment project area that have received financial assistance through an agreement with the municipality or because the municipality incurs the cost of necessary infrastructure improvements within the boundaries of the housing sites necessary for the completion of that housing as authorized by the Act since the designation of the redevelopment project area by the most recently available per capita tuition cost as defined in Section 10-20.12a of the School Code less any increase in general state aid as defined in Section 18-8.05 of the School Code attributable to these added new students subject to the following annual limitations: (i) for unit school districts, no more than 40% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; (ii) for elementary school districts, no more than 27% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act; and (iii) for secondary school districts, no more than 13% of the total amount of property tax increment revenue produced by those housing units that have received tax increment finance assistance under the Act. (C) For any school district in a municipality with a population in excess of 1,000,000, additional provisions apply.

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) *Developer Interest Cost* – Interest cost 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% 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 then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;

(D) The total of such interest payments paid pursuant to the Act may not exceed 30% of the total (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act;

(E) The cost limits set forth in subparagraphs (B) and (D) of paragraph shall be modified for the financing of rehabilitated or new housing units for low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act. The percentage of 75% shall be substituted for 30% in subparagraphs (B) and (D);

(F) Instead of the eligible costs provided by subparagraphs (B) and (D), as modified by this subparagraph, and notwithstanding any other provisions of the Act to the contrary, the municipality may pay from tax increment revenues up to 50% of the cost of construction of new housing units to be occupied by low-income households and very low-income households as defined in Section 3 of the Illinois Affordable Housing Act. The cost of construction of those units may be derived from the proceeds of bonds issued by the municipality under the Act or other constitutional or statutory authority or from other sources of municipal revenue that may be reimbursed from tax increment revenues or the proceeds of bonds issued to finance the construction of that housing. The eligible costs provided under this subparagraph (F) shall be an eligible cost for

the construction, renovation, and rehabilitation of all low and very low-income housing units, as defined in Section 3 of the Illinois Affordable Housing Act, within the redevelopment project area. If the low and very low-income units are part of a residential redevelopment project that includes units not affordable to low and very low-income households, only the low and very low-income units shall be eligible for benefits under subparagraph (F).²

The TIF Act prohibits certain costs. Unless explicitly stated herein the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost. In addition, the statute prohibits costs related to retail development that results in the closing of nearby facilities of the same retailers. Specifically, none of the redevelopment project costs enumerated in the Act shall be eligible redevelopment project costs if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality.³

Projected Redevelopment Project Costs. Estimated project costs are shown in Exhibit 4 below. Adjustments to estimated line-item costs below are expected and may be made without amendment to the Redevelopment Plan. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act.

Further, the projected cost of an individual line-item as set forth below is not intended to place a limit on the described line-item expenditure. Adjustments may be made in line-items, either increasing or decreasing line-item costs for redevelopment. The specific items listed below are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the RPA, provided the *total amount* of payment for eligible redevelopment project costs (the “Total Estimated TIF Budget” in Exhibit 4) shall not exceed the amount set forth below, as adjusted pursuant to the Act.

² The standards for maintaining the occupancy by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, of those units constructed with eligible costs made available under the provisions of this subparagraph (F) of paragraph (11) shall be established by guidelines adopted by the municipality. The responsibility for annually documenting the initial occupancy of the units by low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act, shall be that of the then current owner of the property. For ownership units, the guidelines will provide, at a minimum, for a reasonable recapture of funds, or other appropriate methods designed to preserve the original affordability of the ownership units. For rental units, the guidelines will provide, at a minimum, for the affordability of rent to low and very low-income households. As units become available, they shall be rented to income-eligible tenants. The municipality may modify these guidelines from time to time; the guidelines, however, shall be in effect for as long as tax increment revenue is being used to pay for costs associated with the units or for the retirement of bonds issued to finance the units or for the life of the redevelopment project area, whichever is later.

³ Termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, had become economically obsolete, or was no longer a viable location for the retailer or serviceman.

Exhibit 4
RPA Project Cost Estimates

Program Actions/Improvements	Estimated Costs
Land Acquisition, Assembly, and Relocation	\$ 9,750,000
Site Preparation, Including Environmental Remediation, Demolition, and Site Grading	\$ 9,750,000
Utility Improvements (Including Water, Storm, Sanitary Sewer, Service of Public Facilities, and Road Improvements)	\$ 11,250,000
Rehabilitation of Existing Structures; Taxing District Capital Improvements	\$ 3,000,000
Public Facilities (including Parking Facilities and Streetscaping)	\$ 8,250,000
Interest Costs Pursuant to the Act	\$ 2,250,000
Professional Service Costs (Including Planning, Legal, Engineering, Administrative, Annual Reporting, and Marketing)	\$ 2,250,000
Job Training	\$ 4,500,000
TOTAL ESTIMATED TIF BUDGET	\$51,000,000

Notes:

- (1) All project cost estimates are in 2026 dollars. Costs may be adjusted for inflation per the TIF Act.
- (2) In addition to the costs identified in the exhibit above, any bonds issued to finance a phase of the Project may include an amount sufficient to pay (a) customary and reasonable charges associated with the issuance of such obligations, (b) interest on such bonds, and (c) capitalized interest and reasonably required reserves.
- (3) Adjustments to the estimated line-item costs above are expected. Adjustments may be made in line-items within the total, either increasing or decreasing line-items costs for redevelopment. Each individual project cost will be reevaluated in light of the projected private development and resulting tax revenues as it is considered for public financing under the provisions of the Act. The individual line-items set forth above are not intended to place an individual limit on the described expenditures – provided that the total amount of payments for eligible redevelopment project costs shall not exceed the “total estimated TIF budget” listed above.

As explained in the following sub-section, incremental property tax revenues from any contiguous RPA may be used to pay eligible costs for the South Rockford Industrial TIF.

Sources of Funds to Pay Redevelopment Project Costs. Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from incremental property tax revenues, proceeds from municipal obligations to be retired primarily with such revenues, and interest earned on resources available but not immediately needed for the Plan. In addition, pursuant to the TIF Act and this Plan, the City may utilize net incremental property tax revenues received from other contiguous RPAs to pay eligible redevelopment project costs or obligations issued to pay such costs in contiguous project areas. This would include contiguous TIFs that the City may establish in the future. (Conversely, incremental revenues from the South Rockford Industrial TIF may be allocated to any contiguous TIF Districts.)

Redevelopment project costs as identified in Exhibit 4 specifically authorize those eligible costs set forth in the Act and do not address the preponderance of the costs to redevelop the area. The majority of development costs will be privately financed. TIF or other public sources are to be used, subject to approval by the City Council, only to leverage and commit private redevelopment activity.

The incremental tax revenues which will be used to pay debt service on the municipal obligations (if any) and to directly pay redevelopment project costs shall be the incremental increase in property taxes. The property tax increment would be attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA – over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2024 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate.

Nature and Term of Obligations to Be Issued. The City may issue obligations secured by the Special Tax Allocation Fund established for the Redevelopment Project Area pursuant to the Act or such other funds as are available to the City by virtue of its power pursuant to the Illinois State Constitution.

Any and all obligations issued by the City pursuant to this Plan and the Act shall be retired not more than twenty-three (23) years after the date of adoption of the ordinance approving the RPA, or as such a later time permitted pursuant to the Act and to the extent such obligations are reliant upon the collection of incremental property tax revenues from the completion of the twenty-3rd year of the TIF, with taxes collected in the twenty-fourth year. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance.

One or more series of obligations may be issued from time to time in order to implement this Plan. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year. The total principal and interest may be payable from tax increment revenues (including tax increment revenues from current or future contiguous TIF Districts) and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance.

Certain revenues may be declared as surplus funds if not required for: principal and interest payments, required reserves, bond sinking funds, redevelopment project costs, early retirement of outstanding securities, or facilitating the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan. Such surplus funds shall then become available for

distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds. Further, the securities may be offered on such terms as the City may determine, with or without the following features: capitalized interest; deferred principal retirement; interest rate limits (except as limited by law); and redemption provisions. Additionally, such securities may be issued with either fixed rate or floating interest rates.

Most Recent Equalized Assessed Valuation for the RPA. The most recent equalized assessed valuation for the RPA is based on the 2024 EAV and is estimated to be approximately \$1,111,316. It is anticipated the estimated base EAV for establishment of the RPA will be the 2025 EAV once available.

Anticipated Equalized Assessed Valuation for the RPA. Upon completion of the anticipated private development of the RPA over a twenty-three (23) year period, it is estimated that the EAV of the property within the RPA would increase to approximately \$45 million to \$55 million depending upon market conditions and the scope of the redevelopment projects.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

Redevelopment Project. The City will implement a strategy with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses conform to City zoning and planning requirements, or if the City undertakes redevelopment activities pursuant to this Plan. Depending upon the scope of the development as well as the actual uses, the following activities may be undertaken by the City:

- Land Assembly and Relocation: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site, with relocation costs undertaken as provided by the Act. If necessary, the City would facilitate private acquisition through reimbursement or write-down of related costs, including without limitation the acquisition of land needed for construction of public improvements.
- Demolition and Site Preparation: The existing improvements located within the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition of certain parcels may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements including environmental remediation necessary to prepare the site for desired redevelopment projects.
- Rehabilitation: The City may assist in the rehabilitation of buildings or site improvements located within the RPA.
- Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses.
- Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The City may also undertake the provision of necessary detention or retention ponds.
- Roadway/Street/Parking Improvements: The City may widen and/or vacate existing roads. Certain secondary streets/roads may be extended or constructed. Related curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the public. Utility services may also be provided or relocated in order to accommodate redevelopment activities.

- Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.
- Public Safety-Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.
- School District Costs: The payment of such costs may be provided pursuant to the requirements of the TIF Act.
- Interest Costs Coverage: The City may fund certain interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.
- Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself from annual tax increment revenue if available.

Commitment to Fair Employment Practices and Affirmative Action. As part of any Redevelopment Agreement entered into by the City and any private developers, both parties will agree to establish and implement an honorable, progressive, and goal-oriented affirmative action program that serves appropriate sectors of the City. The program will conform to the most recent City policies and plans.

With respect to the public/private development's internal operations, both entities will pursue employment practices which provide equal opportunity to all people regardless of sex, color, race, creed, or sexual orientation. Neither party will discriminate against any employee or applicant because of sex, marital status, national origin, age, sexual orientation, or the presence of physical handicaps. These nondiscriminatory practices will apply to all areas of employment, including: hiring, upgrading and promotions, terminations, compensation, benefit programs, and education opportunities.

All those involved with employment activities will be responsible for conformance to this policy and compliance with applicable state and federal regulations.

The City and private developers will adopt a policy of equal employment opportunity and will include or require the inclusion of this statement in all contracts and subcontracts at any level. Additionally, any public/private entities will seek to ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which all employees are assigned to work. It shall be specifically ensured that all on-site supervisory

personnel are aware of and carry out the obligation to maintain such a working environment, with specific attention to minority and/or female individuals.

Finally, the entities will utilize affirmative action to ensure that business opportunities are provided and that job applicants are employed and treated in a nondiscriminatory manner. Underlying this policy is the recognition by the entities that successful affirmative action programs are important to the continued growth and vitality of the community.

Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs. This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the ordinance approving the RPA is adopted.

VIII. PROVISIONS FOR AMENDING THE TIF PLAN AND PROJECT

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

APPENDIX 1

Legal Description of Project Area

SOUTH ROCKFORD INDUSTRIAL TIF

AREA 1

Part of Section 27, 28, 33, 34 and 35 in Township 43 North, Range 1 East along with Section 3 and 4 in Township 42 North, Range 1 East all of the Third Principal Meridian, State of Illinois, described as follows: Beginning at the intersection of the East right of way line of Junction Road and the South right of way line of Edison Road; thence South 02 Degrees 52 Minutes 27 Seconds East on said East right of way line of Junction Road for 2,656.66 feet; thence South 89 Degrees 12 Minutes 16 Seconds West for 6,487.45 feet; thence North 01 Degrees 33 Minutes 24 Seconds West for 2,582.48 feet; thence South 89 Degrees 58 Minutes 11 Seconds West for 2,656.83 feet; thence North 00 Degrees 15 Minutes 14 Seconds West for 2,657.80 feet; thence North 86 Degrees 14 Minutes 15 Seconds East for 607.92 feet; thence North 00 Degrees 59 Minutes 16 Seconds West for 2,622.18 feet; thence South 87 Degrees 56 Minutes 28 Seconds East for 713.75 feet; thence North 55 Degrees 48 Minutes 00 Seconds East for 1,536.71 feet; thence South 73 Degrees 59 Minutes 17 Seconds East for 2,119.32 feet; thence South 10 Degrees 08 Minutes 19 Seconds West for 408.66 feet; thence South 79 Degrees 49 Minutes 05 Seconds East for 977.38 feet; thence North 15 Degrees 13 Minutes 41 Seconds East for 291.04 feet; thence South 74 Degrees 01 Minutes 20 Seconds East for 1,899.71 feet; thence South 21 Degrees 03 Minutes 02 Seconds East for 642.40 feet; thence South 86 Degrees 52 Minutes 08 Seconds West for 989.80 feet; thence South 01 Degrees 44 Minutes 23 Seconds West for 1,287.73 feet; thence South 88 Degrees 18 Minutes 42 Seconds East for 1,305.06 feet; thence South 05 Degrees 03 Minutes 41 Seconds East for 678.02 feet; thence North 85 Degrees 40 Minutes 18 Seconds East for 451.75 feet; thence North 02

Degrees 07 Minutes 33 Seconds West for 694.49 feet; thence North 85 Degrees 03 Minutes 31 Seconds East for 1,060.38 feet; thence North 01 Degrees 30 Minutes 59 Seconds West for 1,632.15 feet; thence South 72 Degrees 25 Minutes 05 Seconds East for 1,235.66 feet; thence North 87 Degrees 52 Minutes 27 Seconds East for 486.15 feet to the Westerly right of way line of Illinois Railway; thence South 09 Degrees 51 Minutes 54 Seconds West on and along last named line for 4,011.42 feet to said South right of way line of Edison Road; thence South 86 Degrees 18 Minutes 19 Seconds West on and along last named line for 1,267.92 feet; to the Point of Beginning, EXCEPT THE FOLLOWING PARCEL Commencing at the intersection of the East right of way line of Junction Road and the South right of way line of Edison Road; thence South 89 degrees 31 minutes 26 seconds West on and along said South right of way line of Edison Road for 1,035.10 feet to the Point of Beginning; thence South 01 Degrees 40 Minutes 53 Seconds East for 273.30 feet; thence South 89 Degrees 52 Minutes 51 Seconds West for 332.82 feet; thence North 01 Degrees 39 Minutes 48 Seconds West for 262.71 feet to said South right of way line of Edison Road; thence North 88 Degrees 03 Minutes 24 Seconds East on and along last named line for 332.61 feet to the Point of Beginning, All containing 1,481.89 Acres, more or less

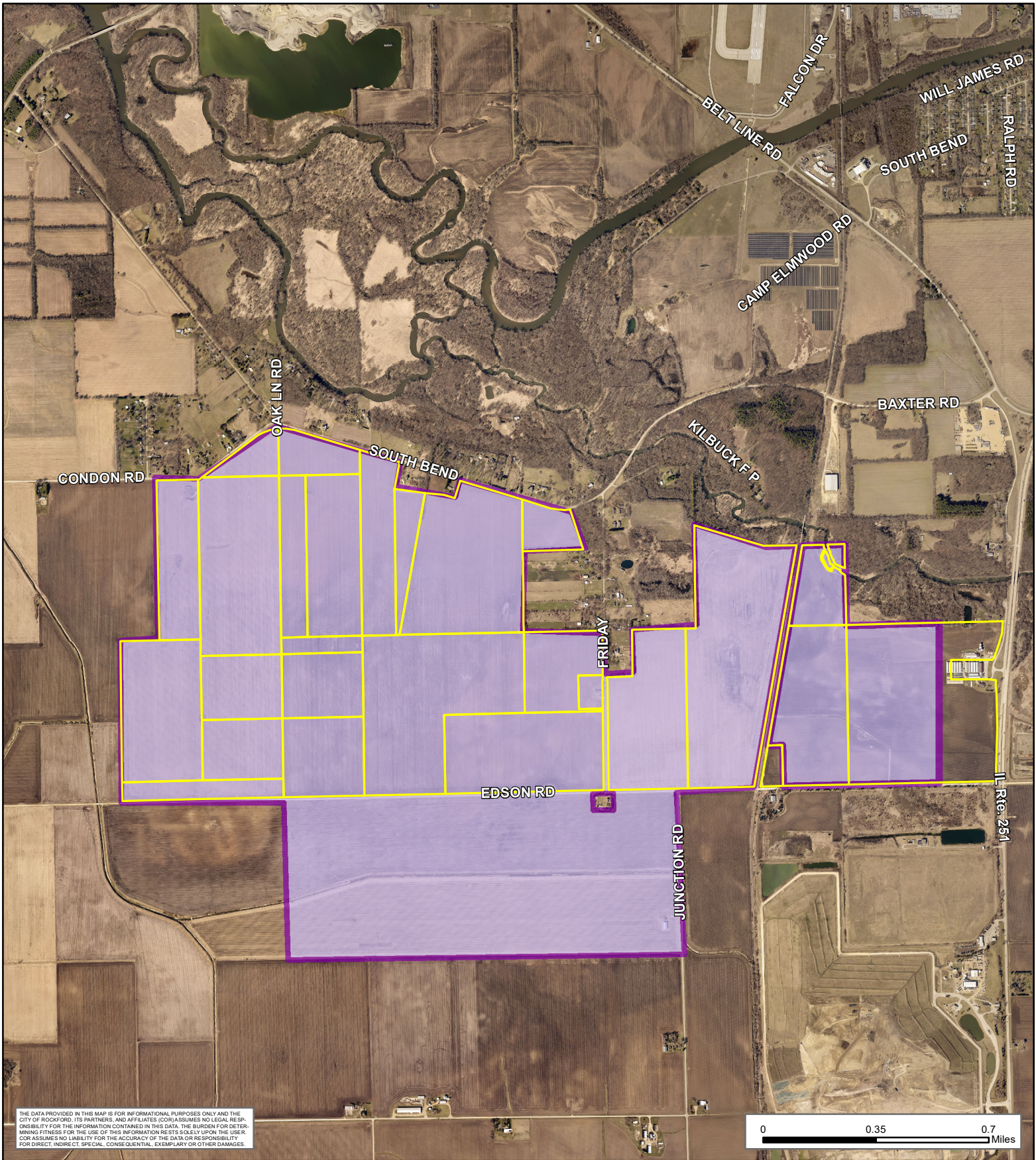
AREA 2

Part of Section 35 in Township 43 North, Range 1 East, along with Section 2 in Township 42 North, Range 1 East all of the Third Principal Meridian, State of Illinois, described as follows: Beginning at the intersection of the South right of way line of Edison Road and the Southerly extension of the East line of the Southwest Quarter of said Section 35; thence South 88 degrees 41 minutes 46 seconds West on said South right of way line of Edison Road for 1077.87 feet to the Southerly extension of the East line of PIN 15-35-300-004; thence North

00 degrees 58 minutes 53 seconds West on said East line for 735.54 feet to the Northeast corner of said PIN 15-35-300-004; thence South 88 degrees 41 minutes 46 seconds West on the North line of said PIN 15-35-300-004 for 242.20 feet to the Easterly right of way line of the Illinois Railway; thence North 09 degrees 55 minutes 32 seconds East on said right of way line for 3,322.76 feet to the South line of Lot 3 of Plat No. 1 of Reload Center. the Plat of which is recorded in Book 48 of Plats on Page 19/A in the Winnebago County Recorder's Office; thence North 88 degrees 20 minutes 01 seconds East on said South line for 691.22 feet to the East line of the Northwest of said Section 35; thence South 00 degrees 59 minutes 18 seconds East on said East line for 1,323.23 feet to the North line of the Southeast Quarter of said Section 35; thence North 88 degrees 38 minutes 10 seconds East on said North line for 1,203.55 feet; thence South 00 degrees 58 minutes 53 seconds East for 2,677.43 feet to said South right of way line of Edison Road; thence South 88 degrees 42 minutes 31 seconds West on and along last named line for 1,203.54 feet to the Point of Beginning. containing 166.83 Acres, more or less.


APPENDIX 2

Boundary Map of RPA



South Rockford Industrial TIF

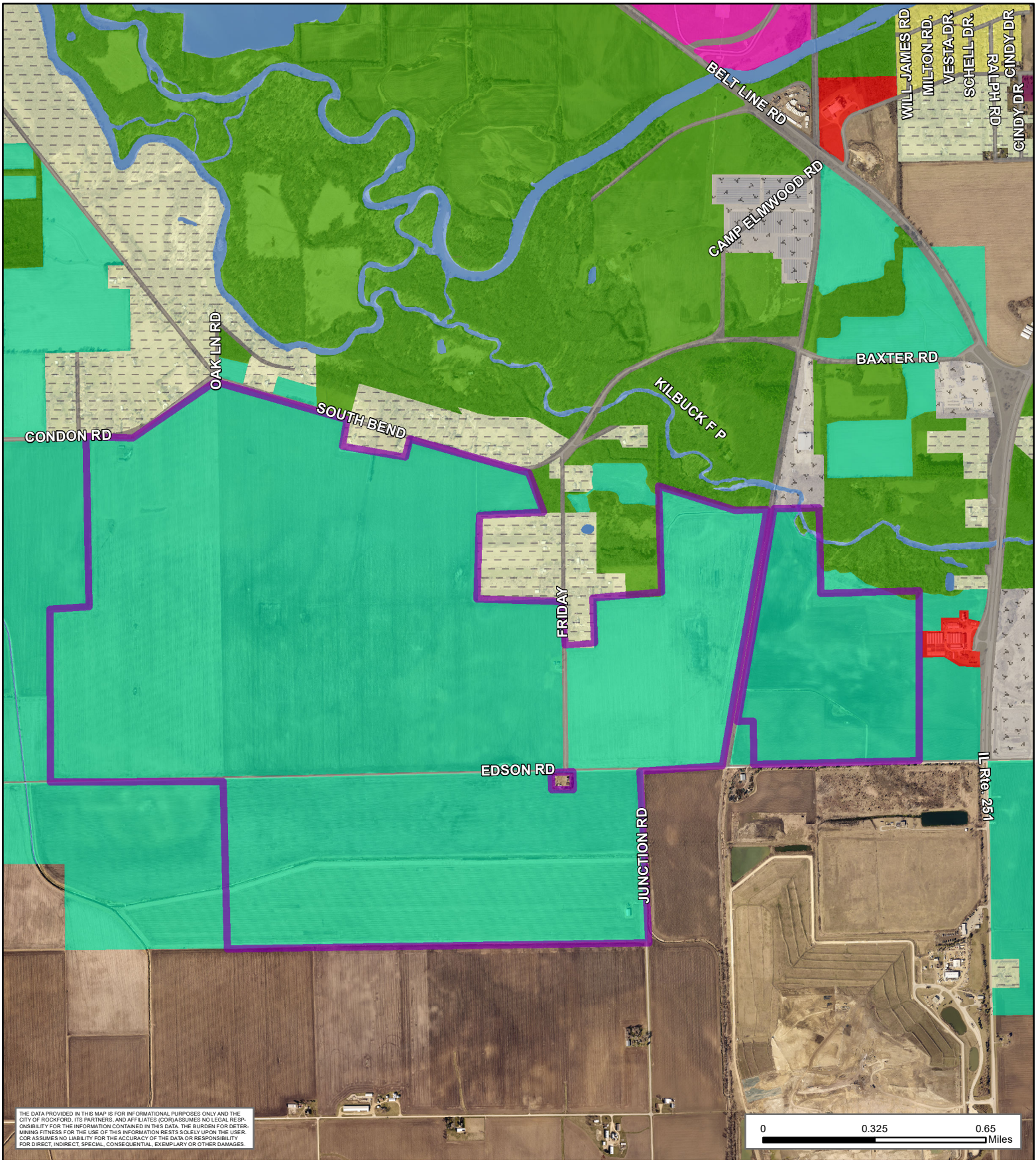


 South Rockford Industrial TIF



APPENDIX 3

Existing and Future Land Use Map of RPA



THE DATA PROVIDED IN THIS MAP IS FOR INFORMATIONAL PURPOSES ONLY AND THE CITY OF ROCKFORD, ITS PARTNERS, AND AFFILIATES (CDR) ASSUMES NO LEGAL RESPONSIBILITY FOR THE INFORMATION CONTAINED IN THIS DATA. THE BURDEN FOR DETERMINING FITNESS FOR THE USE OF THIS INFORMATION RESTS SOLELY UPON THE USER. CDR ASSUMES NO LIABILITY FOR THE ACCURACY OF THE DATA OR RESPONSIBILITY FOR DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR OTHER DAMAGES.

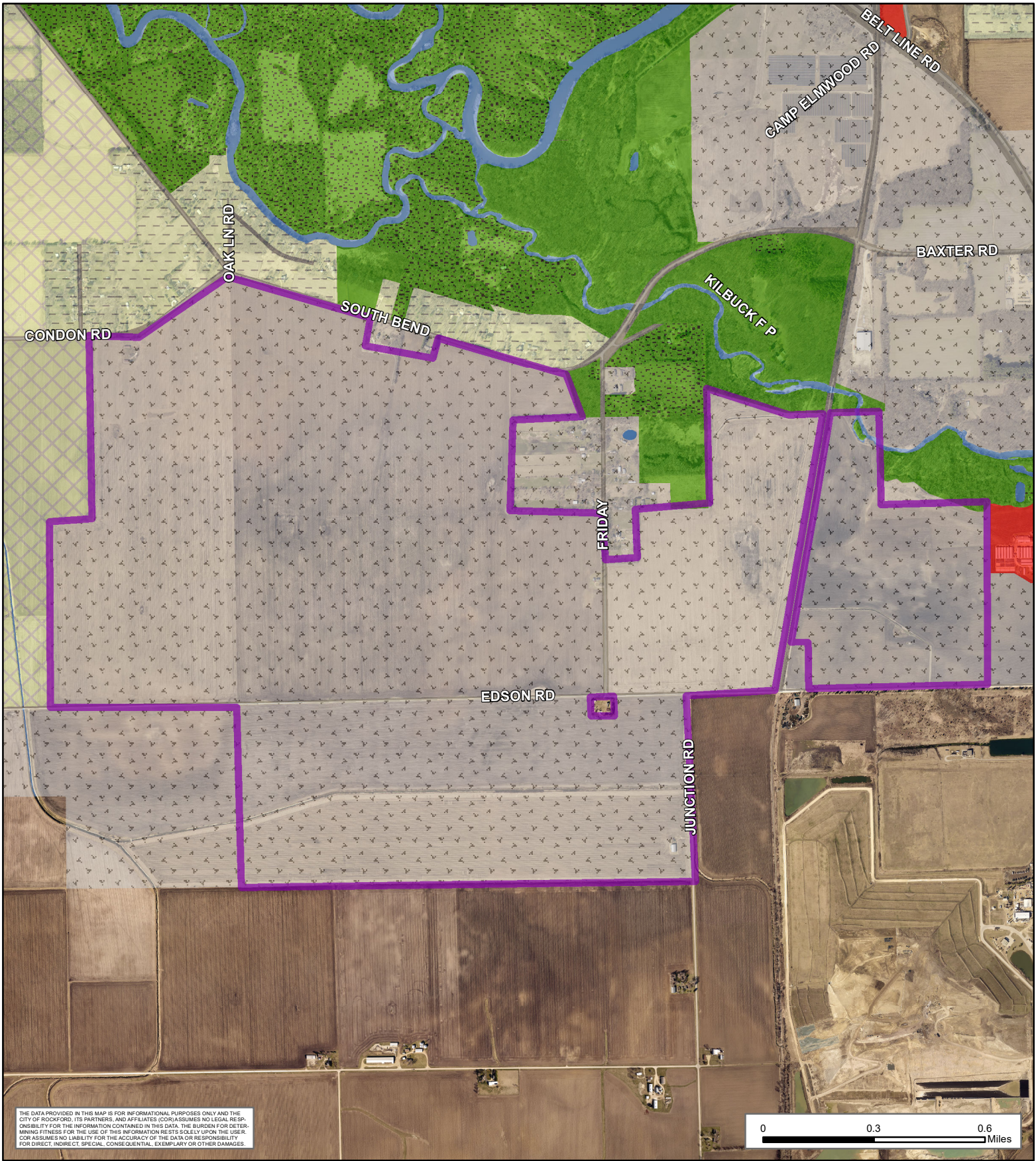
South Rockford Industrial TIF - Current Land Use



- | | | | |
|-------------------------------|------------------------|------------------------------|---------------------------|
| South Rockford Industrial TIF | Commercial & Retail | Parks & Open Space | Transportation Facilities |
| Agriculture | Industrial & Utilities | Residential - Low Density | Water Resources |
| Airport | Institutional | Residential - Medium Density | |



Map Developed: March, 2026



South Rockford Industrial TIF - Future Land Use



- South Rockford Industrial TIF
- Airport
- Water Resources

- Commercial & Retail
- Future Urban Development - FUD
- Industrial & Utilities
- Institutional
- PA - Parks & Open Space
- Parks & Open Space

- Residential - Low Density
- Residential - Medium Density
- Transportation Facilities



APPENDIX 4

TIF Eligibility Report

Prepared by Ryan, LLC

CITY OF ROCKFORD, ILLINOIS
TIF QUALIFICATION REPORT
SOUTH ROCKFORD INDUSTRIAL
REDEVELOPMENT PROJECT AREA

A study to determine whether a portion of an area within the City of Rockford qualifies, in part, as a “*conservation area*” and, in part, as a “*blighted-vacant area*” as defined in the Tax Increment Allocation Redevelopment Act of Chapter 65, 5/11-74.4-1, et. seq., as amended of the Illinois Compiled Statutes.

Prepared for: City of Rockford, Illinois

**Prepared Jointly by: Ryan LLC
and
The City of Rockford**

March 2026

**CITY OF ROCKFORD
SOUTH ROCKFORD INDUSTRIAL
REDEVELOPMENT PROJECT AREA
TIF QUALIFICATION REPORT**

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EXECUTIVE SUMMARY

Ryan, LLC (Ryan) has been retained by the City of Rockford, Illinois (the “City”) to conduct an analysis of the potential qualification and designation of certain property located in or adjacent to the City, to be referred herein as the proposed South Rockford Industrial Redevelopment Project Area (the “RPA” or “TIF District”).

For the purposes of this Report, Ryan has subdivided the proposed South Rockford Industrial TIF District into two major classifications:

- Improved land – This classification is for all land within the proposed TIF District that is occupied in part by structures and/or other improvements (Improved Parcels); and
- Vacant land – This classification is for all land within the proposed TIF District that is primarily vacant (Vacant Parcels)

The City is considering the RPA designation as part of its strategy to promote the revitalization of the property and thereby assist the City in achieving its public policy goal of promoting economic redevelopment. Through undertaking the designation, the City will help strengthen the RPA as a significant contributor to the City’s overall economic base.

The RPA is approximately bounded by South Bend Road and Condon Road on the north; the City’s municipal boundary and Edson Road on the south; the City’s municipal boundary on the west; and I-39 ALT/State Route 251 on the east. The RPA includes approximately twenty-nine (29) tax parcels and is approximately one thousand six hundred and seventy-nine (1,679) acres in size. The RPA is located in both Winnebago and Ogle Counties.

Based upon the analysis completed to date, Ryan has reached the following conclusions regarding the potential TIF qualification for the land within the area:

- 1) *Conservation Area* – The Study Area qualifies, in part, as a “conservation area” pursuant to the TIF Act. Under the Act, at least fifty percent (50%) of the structures in the area have an age of thirty-five (35) years or more.
- 2) *Blighted–Vacant Area* – The Study Area qualifies, in part, as a “blighted-vacant area” pursuant to the TIF Act, provided that a) the City annexes all of the property; and b) the City approves a plat of subdivision prior to designation of the Study Area as a TIF Redevelopment Project Area. Currently, the vacant land lacks economic viability for development due to certain adverse conditions identified in Section V of this report. As a result, it prevents or threatens to prevent the beneficial economic and physical development of properties the community deems essential

to its overall economic health. In the opinion of Ryan, the subject vacant land meets the requirements for designation as a blighted-vacant area under the TIF Act.

- 2) *Viable redevelopment sites could produce incremental revenue* – Within the proposed TIF District, there are parcels which potentially could be redeveloped or rehabilitated and thereby produce incremental property tax revenue. Such revenue, used in combination with other City resources for redevelopment incentives or public improvements, would likely stimulate private investment and reinvestment in these sites and ultimately throughout the TIF District.
- 3) *Pursuit of TIF designation is recommended* – To mitigate the existing conditions (thereby promoting the improved physical condition of the proposed RPA) and to leverage the City’s investment and redevelopment efforts, Ryan recommends that the City pursue the formal TIF designation process for the RPA.

Because the City will not consider the redevelopment of residential parcels that would dislocate 10 or more residential units within the proposed TIF district, the City would not conduct a housing impact study pursuant to the TIF Act.

This Report assumes that all properties in the Study Area will be annexed into the City prior to adoption of all relevant TIF Ordinances.

I. BACKGROUND

In the context of planning for the proposed South Rockford Industrial Redevelopment Project Area (the “RPA”, or “Study Area”) under the provisions of the Illinois “Tax Increment Allocation Redevelopment Act”, Ch. 65 ILCS Section 5/11-74.4-1 et seq. of the Illinois Compiled Statutes, as amended (hereinafter referred to as the “Act”), the City of Rockford (the “City”) has authorized the study of the RPA in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing District (the “TIF” or “TIF District”). Ryan, LLC (the “Consultant”) has agreed to undertake the study of the RPA.

The RPA is located within the far southern portion of the City of Rockford and consists primarily of commercial farmland uses. The RPA is a contiguous area and generally bounded by South Bend Road and Condon Road on the north; the City’s municipal boundary and Edson Road on the south; the City’s municipal boundary on the west; and I-39 ALT/State Route 251 on the east.

The RPA is located near to the Chicago Rockford International Airport, which traditionally acted a commercial and industrial hub for the region. While the area has seen increased commercial activity, this drops off rapidly into surrounding farmland. As the RPA is located just outside the commercial activity area from the airport, the area has lacked investment and growth.

Current Land Use. The RPA currently contains both improved and vacant land, some of which has been annexed into the City and zoned for industrial uses. The remainder of the RPA contains vacant land that will need to be annexed into the City prior to TIF adoption. The City’s 2023 Comprehensive Plan (“the Plan”) calls for a mix of uses included in the general industrial category. The area contains one (1) improved tax parcel and twenty-eight (28) vacant tax parcels (as of the 2024 tax year) comprising approximately one thousand six hundred and seventy-nine (1,679) acres.

Overall, as defined and discussed in detail herein in Section II and Section V, the RPA has conditions present that would permit the City to designate it, in part, as a conservation area and, in part, as a blighted-vacant area, as such terms are defined pursuant to the TIF Act.

Ryan recommends that the City pursue this overall designation in order to declare the RPA as eligible for adoption as a TIF District.

Given the need for certain public improvements in the area, the City is favorably disposed toward supporting development efforts; however, the City is determined that development takes place through the benefit and guidance of comprehensive economic planning by the City. Through such a deliberate and coordinated effort, the area is expected to improve. Development barriers, inherent with current market conditions, which impede economic growth are expected to be eliminated in the proposed TIF District.

The City has determined that development currently planned for the TIF District may only be feasible with public finance assistance. The City's creation and utilization of a redevelopment plan pursuant to the Act is intended to help provide the assistance required to eliminate conditions detrimental to successful development of the area ("TIF).

The use of TIF relies upon induced private development in the RPA creating higher real estate value that would otherwise decline or stagnate without such investment, leading to increased property taxes compared to the previous land-use (or lack of use). In this way the existing tax base for all tax districts is protected and a portion of future increased taxes are pledged to attract the needed private investment.

Objectives. Specific economic and community development objectives as stated in the Rockford 2040 Comprehensive Plan – Goals Objectives and Implementation Strategies (2023, pp 62-66) include, but are not limited to:

- Reposition former industrial properties and abandoned sites for adaptive reuse or new construction
- Ensure adequate supply of development ready land zoned for industrial and commercial uses
- Identify, develop, and expand emerging economic clusters
- Encourage the growth and development of existing and new primary employment centers
- Align local startup and expansion capital to encourage and accelerate entrepreneurial growth
- Collaborate with local businesses to minimize the barriers to employment opportunities for formerly incarcerated individuals currently residing in the city
- Support regional efforts facilitating retention and attraction of young professionals

General Scope and Methodology- Ryan formally began its analysis by conducting a series of meetings and discussions with City staff starting in June, 2025 and continuing up to the date of this report's issuance. The purpose of the meetings was to establish boundaries for initial analysis and to gather data related to the qualification criteria for parcels included in the RPA. These meetings were complemented by a series of field surveys for the entire area to evaluate the condition of the proposed TIF. Ryan made numerous site visits to the area to examine the parcels and the conditions. Ryan also utilized the City's most recent comprehensive plan and other City reports as previously referenced.

For the purpose of this study, properties within the RPA were examined in the context of the TIF Act governing improved areas as well as non-improved or vacant areas. The qualification factors discussed in this report qualify the area, in part, as a "conservation area" and, in part, as a "blighted vacant area" as the terms are defined pursuant to the TIF Act.

As work progressed, Ryan reported to key City staff its findings regarding TIF qualification and feasibility prospects for the area under study. Based on these findings the City (a) made refinements to the RPA boundaries and (b) directed Ryan to complete this report and to move forward with the preparation of a Redevelopment Plan and Project for the RPA.

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

It has been determined that the **City is not required to prepare a Housing Impact Study**, pursuant to the Act. This is because the final boundaries selected by the City will not include more than ten (10) inhabited residential units that may be subject to removal or relocation during the life of the proposed TIF District.

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II. QUALIFICATION CRITERIA

With the assistance of City staff, Ryan, LLC examined the proposed TIF District and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors as listed in the Illinois Tax Increment Allocation Act (ILCS 5/11-74.4-1 *et. seq.*, as amended; hereinafter referred to as the “Act”). The relevant sections of the Act are found below.

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

“an area designated by the municipality, which is not less in the aggregate than 1½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, or a combination of both blighted areas and conservation areas.”

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

Under the Act, “conservation area” is defined as “any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which fifty percent (50%) or more of the structures in the area have an age of thirty-five (35) years or more. Such an area is not yet a blighted area, but because of a combination of three (3) or more of the following factors is detrimental to the public safety, health, morals or welfare and such an area may become a blighted area:

(A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of building or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.

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

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

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

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

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

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

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

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

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

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

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

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

Also under the Act, if “blighted vacant,” the sound growth of the redevelopment project area is impaired by one of the following factors that (i) is present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) is reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) The area consists of one or more unused quarries, mines, or strip mine ponds.

(B) The area consists of unused railyards, rail tracks, or railroad rights-of-way.

(C) The area, prior to its designation, is subject to (i) chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency or (ii) surface water that discharges from all or a part of the area and contributes to flooding within the same watershed, but only if the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding.

(D) The area consists of an unused or illegal disposal site containing earth, stone, building debris, or similar materials that were removed from construction, demolition, excavation, or dredge sites.

(E) Prior to November 1, 1999, the area is not less than 50 nor more than 100 acres and 75% of which is vacant (notwithstanding that the area has been used for commercial agricultural purposes within 5 years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (1) of this subsection, 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.

(F) The area qualified as a “blighted area” immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

Also under the act, if “blighted vacant,” the sound growth of the redevelopment project area is impaired by a combination of 2 or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act and (ii) reasonably distributed throughout the vacant part of the redevelopment project area to which it pertains:

(A) Obsolete platting of vacant land that results in parcels of limited or narrow size or configurations of parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements, or platting that failed to create rights-of-ways for streets or alleys or that created inadequate right-of-way widths for streets, alleys, or other public rights-of-way or that omitted easements for public utilities.

(B) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.

(C) Tax and special assessment delinquencies exist or the property has been the subject of tax sales under the Property Tax Code within the last 5 years.

(D) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.

(E) The area has incurred Illinois Environmental Protection Agency (EPA) or United States EPA remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for, the clean-up of hazardous waste, hazardous substances, or underground storage tanks required by State or federal law, provided that the

remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.

(F) The total equalized assessed value of the proposed redevelopment project area has declined for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years prior to the year in which the redevelopment project area is designated.

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III. EVALUATION METHODOLOGY

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

- 1) Preliminary site surveys of the RPA were undertaken by representatives from Ryan LLC, supplemented with photographic analysis of the sites and adjacent properties, which included photo records. Subject to City approval of proceeding with the designation of the RPA, more detailed site surveys will be completed for each parcel of land within the proposed RPA.
- 2) Ryan conducted preliminary evaluations of site improvements, noting such general conditions of deterioration, both within the RPA as well as the surrounding area. Additionally, Ryan reviewed the following data: 2019-2024 tax information from Winnebago County and Ogle County, parcel tax maps, historical aerial photos, site data, local history (including discussions with City staff), and an evaluation of area-wide factors that have affected the area's development (e.g., obsolete platting, environmental factors, etc.).
- 3) The proposed TIF District was examined to assess the applicability of the different factors, required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. The parcels within the proposed TIF District were examined to determine the applicability of the thirteen (13) different improved land factors for qualification, the six (6) different stand-alone vacant land factors for qualification, as well as the six (6) different blighted-vacant factors for TIF designation under the Act listed herein.

IV. PRECONDITIONS TO FINDINGS

At the time of this study, some of the parcels within the Study Area are not annexed into the City. All procedures necessary to complete annexation of said parcels would need to be completed prior to adoption of ordinances forming a TIF district for the Study Area. Additionally, said parcels would need to be zoned in accordance with the comprehensive plan. Parcels within the Study Area have been and are being commercially farmed. As a result, subdivision and re-platting of the parcels will be required prior to designation as a TIF district (or the City will find that the subject parcels are deemed by the City to be subdivided in the manner determined pursuant to the TIF Act). Ryan assumes that the forementioned preconditions will be completed prior to any formal adoption of the TIF district for the Study Area.

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V. QUALIFICATION FINDINGS FOR PROPOSED RPA

Based upon Ryan’s preliminary evaluation of parcels in the proposed RPA and analysis of each of the eligibility factors summarized in Section II, the following factors are found to be present within the proposed RPA in support for the area’s qualification as “vacant.” These factors are summarized in the table below.

Summary of TIF-Qualifying Factors

Designation	Maximum Possible Factors per Statute	Minimum Factors Needed to Qualify per Statute	Qualifying Factors Present in the Proposed Study Area
Conservation Area Factors	13	3	4 <ul style="list-style-type: none"> • Deterioration of structures or site improvements • Lack of Community Planning • Lag in EAV • Inadequate Utilities
Blighted-Vacant Factors	6	2	2 <ul style="list-style-type: none"> • Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land • Lag in EAV
Stand-Alone Vacant Factors	6	1	1 <ul style="list-style-type: none"> • Chronic Flooding

*Subject to change. All findings will require additional due diligence for final qualification report

Findings for the Proposed RPA: Blighted-Vacant Area Factors:

Pursuant to the TIF Act, the vacant land, if commercially farmed, must be sub-divided prior to TIF Designation. Such procedures will need to be coordinated with the City and property owners.

IMPROVED AREA FACTORS – CONSERVATION AREA

A. Threshold Qualification

Age. Based upon site surveys and Winnebago County, Ogle County, and City data, all of the structures in the improved portion of the RPA were found to be thirty-five (35) years of age or older.

B. Other Conservation Factors (must include three or more factors under the Act)

1) Deterioration

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

The RPA shows signs of deterioration in both site improvements and building structures. Various degrees of deterioration were identified throughout the area, ranging from minor to extremely severe. These indicators of deterioration were found distributed throughout the RPA.

Surface Improvements:

Site improvements within the RPA were observed to possess the following signs of deterioration:

- Extensively cracked and crumbling asphalt pavement, along with potholes and other settlement in parking lot areas and driveways, requiring re-surfacing.
- Weed and vegetation growth in cracked pavement and/or loose pavement material in parking lot areas and driveways.
- Faded and cracked parking space striping and curb caution paint, requiring re-painting.
- Crumbling curb and gutter throughout parking areas and approaches, requiring removal and replacement.
- Cracked public and private service walks with weed growth.

Building Improvements:

Building deterioration was found to consist of cracked or damaged exterior building surfaces including masonry facades in need of tuckpointing, faded and peeling trim paint, deteriorated windows or doors or window/door frames, rusted metal service doors, rusted metal fencing, and damaged gutters or downspouts, for example.

2) Lag in Equalized Assessed Valuation (EAV)

The Act states, “The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than

the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated”.

The total Equalized Assessed Value (“EAV”) of the improved portion of the RPA increased at an annual rate that lagged behind the balance of the City’s EAV for three (3) of the last five (5) years.

PIN	2024	2023	2022	2021	2020
Improved Area RPA EAV	\$161,436	\$148,301	\$136,922	\$127,375	\$119,499
Percentage of Change	8.86%	8.31%	7.50%	6.59%	40.71%
City EAV	\$2,499,330,496	\$2,195,634,574	\$1,962,696,563	\$1,798,140,447	\$1,699,060,755
Less TIF RPA	\$2,499,169,060	\$2,195,486,273	\$1,962,559,641	\$1,796,013,072	\$1,698,941,256
Percentage of Change	13.83%	11.87%	9.15%	5.83%	5.11%
CPI	2.90%	4.10%	8.0%	4.7%	1.2%

Lagging/Declining years are indicated.
 Source: Winnebago County and U.S. Bureau of Labor Statistics

3) Lack of Community Planning

The Act states that if the proposed Redevelopment Project Area was developed prior to or without the benefit or guidance of a community plan the factor is present. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning. The City published its first Comprehensive Plan in 1972. However, half (50%) of the structures in the RPA were already developed by the time the planning process started. Furthermore, the entirety of the RPA was only annexed into the Village in early 2012 and thus was developed without the guidance of the City’s comprehensive planning.

In addition to the age of the structures, the current residential structures constitute an existing non-conforming land use. According to the City’s Comprehensive Plan (2023), all of the land in the RPA is currently zoned I-2: General Industrial Zoning District. As such, these structures currently are or will become incompatible with the surrounding land uses as the RPA continues to develop. All of these factors constitute a lack of community planning.

4) Inadequate Utilities

The Act states that those overhead or underground utilities that are lacking, insufficient, deteriorated, antiquated, obsolete or in disrepair and considered inadequate. Also, those utilities that lack the capacity to meet future development demands are considered inadequate.

According to City staff, the study area exhibits a number of infrastructure deficiencies requiring remedy to meet future development demand. In order to accommodate planned redevelopment, the City reports that the study area will require the following areas of improvements:

Electric:

ComEd has a large substation approximately 3 miles north of the site, and distribution facilities to the east. Distribution lines run north from the distribution facility parallel to North Junction Road and connect to power lines running east and west along Edson Road, functionally bisecting the Study Area. Any future development would need to extend power lines to service the required capacity demand.

Water:

Similarly to the electrical transmission, the City of Rockford's 16" water main runs north to south just east of North Junction Road. According to City staff, an extension of this water main east would be required to adequately service development in the Study Area.

Sanitary Sewer:

In addition to the water main, the utilities corridor to the east of North Junction Road also serves to provide the area with sanitary sewer. According to City staff, current City ordinance would require a trunk sewer to be extended to the upstream property line to the west of the proposed Study Area. This extension is needed to provide adequate capacity service.

The report from the City demonstrates a clear finding of inadequate utilities for the South Rockford Industrial TIF.

BLIGHTED VACANT AREA

The RPA qualifies as a “blighted-vacant area” pursuant to the TIF Act. Currently, the vacant land area lacks economic viability for development due to certain adverse conditions. As a result, it prevents or threatens to prevent the beneficial economic and physical development of properties the community deems essential to its overall economic health. In the opinion of Ryan, the subject vacant land meets the requirements for designation as a blighted-vacant area under the TIF Act.

VACANT BLIGHTED AREA - STAND ALONE FACTOR

Based upon evaluation of certain parcels in the proposed RPA, as well as assistance and analysis by Place Foundry, Ryan has determined that the RPA qualifies as “blighted vacant” pursuant to the TIF Act, due to the presence of the following factors being present.

- 1) *Chronic Flooding.*** The RPA qualifies under the TIF Act using a single stand-alone factor of Chronic Flooding. The TIF Act provides that if an area, prior to its designation, is subject to “chronic flooding that adversely impacts on real property in the area as certified by a registered professional engineer or appropriate regulatory agency” and “the redevelopment project provides for facilities or improvements to contribute to the alleviation of all or part of the flooding,” then a finding of chronic flooding can be made.

According to the professional engineering team at Place Foundry, the entire approximately one thousand six hundred and seventy-nine (1,679) acre Study Area is adversely impacted by the existence of chronic flooding that is due to the influence of an undesignated tributary related to various waterways, which flow through all or portions of the property, which is also located within RPA. Place Foundry reports property influences adverse impacts such as (but not limited to) reduction of developable property, and the imposition of limitations related to the placement of stormwater drainage and storage facilities on the property.

VACANT AREA FACTORS – BLIGHTED AREA

The RPA is found to also qualify as a “blighted vacant” area under the Act, since certain qualification factors were found to apply to the tax parcels.

- 1) Deterioration of Structures or Site Improvements in Area Adjacent to the Vacant Land**

This finding is defined as the presence of deterioration of structures or site improvements in neighboring areas adjacent to vacant land. Various degrees of deterioration were identified throughout the surrounding area ranging from minor

to severe. These indicators of deterioration were found distributed throughout the Proposed RPA.

Ryan determined that the site improvements and the structures in the surrounding area contained the following signs of deterioration:

- Extensively cracked and crumbling asphalt pavement, along with potholes and other settlement in roadway, parking lot areas and driveways, requiring re-surfacing
- Weed and vegetation growth in cracked pavement and/or loose pavement material
- Faded and cracked parking space striping and curb caution paint, requiring re-painting
- Crumbling curb and gutter throughout parking areas and approaches, requiring removal and replacement
- Cracked public walks with weed growth

Building deterioration was found to consist of cracked or damaged exterior building surfaces including masonry facades in need of tuckpointing, faded and peeling trim paint, deteriorated windows or doors or window/door frames, rusted metal service doors, rusted metal fencing, and damaged gutters or downspouts, for example.

2) Lag in Equalized Assessed Valuation (EAV)

The Act states, “The total equalized assessed value of the proposed redevelopment project area has declined for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated, or is increasing at an annual rate that is less than the balance of the municipality for three (3) of the last five (5) calendar years, for which information is available or increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated”.

The total Equalized Assessed Value (“EAV”) of the vacant portion of the RPA increased at an annual rate that lagged behind the balance of the City’s EAV for three (3) of the last five (5) years.

PIN	2024	2023	2022	2021	2020
Vacant Area RPA EAV	\$949,880	\$865,641	\$790,192	\$724,980	\$668,532
Percentage of Change	9.73%	9.55%	9.00%	8.44%	14.03%
City EAV	\$2,499,330,496	\$2,195,634,574	\$1,962,696,563	\$1,798,140,447	\$1,699,060,755
Less TIF RPA	\$2,498,380,616	\$2,194,768,933	\$1,961,906,371	\$1,797,415,467	\$1,698,392,223
Percentage of Change	13.83%	11.87%	9.15%	5.83%	5.11%
CPI	2.90%	4.10%	8.0%	4.7%	1.2%

Lagging/Declining years are **indicated**.

Source: Winnebago County and U.S. Bureau of Labor Statistics

DRAFT

VI. OVERALL SUMMARY OF ADDITIONAL FINDINGS; GENERAL ASSESSMENT OF QUALIFICATION; NEXT STEPS

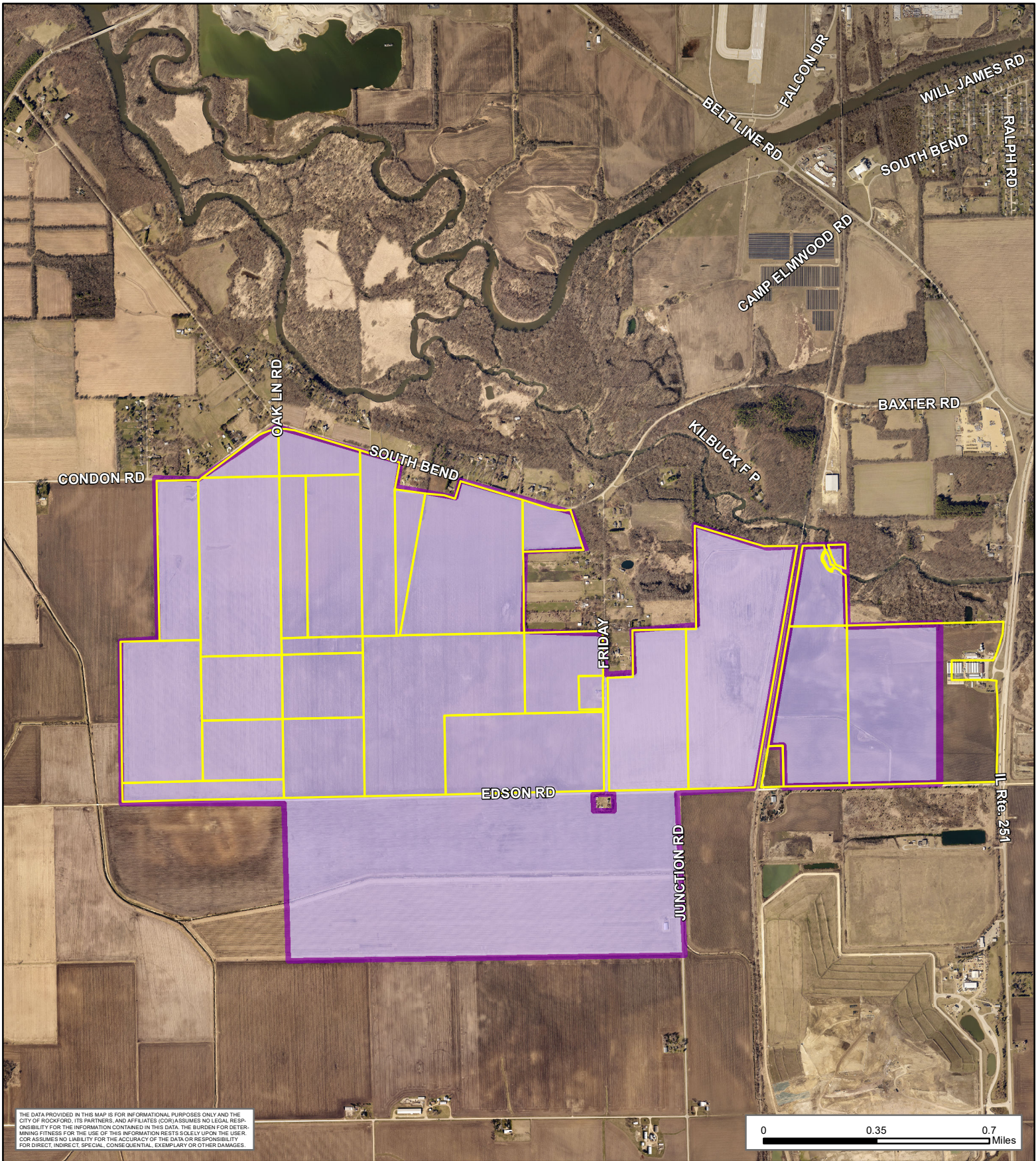
The following is a summary of relevant qualification findings as it relates to the City potentially designating the Study Area as a TIF District.

- The area is contiguous and is greater than 1½ acres in size.
- The proposed RPA will qualify as a blighted-vacant area. The vacant factors present throughout the RPA as documented herein, are present to a meaningful extent and are evenly distributed throughout the RPA. A more detailed analysis of the qualification findings is outlined in Section V of this report.
- All property in the area would substantially benefit by the proposed redevelopment project improvements.
- The sound growth of taxing districts applicable to the area, including the City, has been impaired by the factors found present in the area; and
- The area would not be subject to redevelopment without the investment of public funds, including property tax increments.

In the judgment of Ryan, these preliminary findings support the case for the City to initiate a formal process to consider the area as a TIF District.

APPENDIX 1

Proposed TIF District Boundary Map



South Rockford Industrial TIF



 South Rockford Industrial TIF



Map Developed: November, 2025

APPENDIX 2

List of Parcels in Proposed TIF District

South Rockford Industrial TIF Parcel List

1533100006

1528477002

1533200007

1533200008

1533200005

1534101001

1534101003

1534126004

1534200005

1533400006

1533300002

1533400005

1533400002

1534300001

1534400004

1534400005

1533400003

1533300004

1533400004

1534300002

1104200003

1104200001

1103100004

1534400003

1535300001

1535300004

1535100004

1535300005

1535400003