

Tax Increment Financing Redevelopment Plan & Project

.....
COLUMBIA PARK
REDEVELOPMENT PROJECT AREA
.....

Prepared for
City of Rock Island, Illinois

Prepared by
PGAVURBANCONSULTING

May 7, 2007

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APPENDIX

- Attachment A – Resolution No. 11-2007
- Attachment B – Boundary Description
- Attachment C – Photographs
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SECTION I

INTRODUCTION

On January 22, 2007 the Rock Island City Council passed Resolution 11-2007 initiating a feasibility study to determine the eligibility of establishing a tax increment finance (TIF) redevelopment project area for a portion of the City and to induce development interest within such area (see Attachment A in the Appendix). The area being considered for designation as a TIF area generally includes the former International Harvester manufacturing complex between Fifth Avenue and Sylvan Slough, the rail yard west of this complex, and adjacent blocks south of the former manufacturing plant. The Area is bounded on the south by Sixth Avenue and on the east by the city limits of Rock Island. The Area is primarily industrial in nature with a mixture of commercial and residential properties in the area between Fifth and Sixth Avenues. The area is referred to herein as the Columbia Park Redevelopment Project Area (the "Area"). The boundaries of the Area are as shown on **Exhibit A - Redevelopment Project Area Boundary Map**. Refer also to the **Boundary Description** contained in the **Appendix as Attachment B**.

The Area contains approximately 161 acres, inclusive of public rights-of-way. There are a total of 60 parcels of real property, of which 47% have improvements thereon (e.g., buildings, parking areas, etc). Much of the built environment in this Area, including improvements in public rights-of-way, suffers from advanced age and physical deterioration. Not all properties have conditions that would cause them to qualify individually under the definitions contained in the Act. However, the area "as a whole" clearly meets the eligibility requirements of the Act.

The City may consider the use of tax increment financing, as well as other economic development resources, as available, to facilitate private redevelopment of the Area. It is the intent of the City to induce the investment of significant private capital in the Area, which will also induce spillover investment in neighboring areas. Furthermore, in accordance with Section 11-74.4-3(n)(5) of the Act, a housing impact study need not be performed since the City has expressly stated in this Plan that it is not reasonably expected that the proposed redevelopment plan will result in the displacement of ten (10) or more inhabited housing units.

The Act sets forth the requirements and procedures for establishing a Redevelopment Project Area and a Redevelopment Plan. The following sections of this report present the findings of eligibility and the Redevelopment Plan and Project for the Area, as well as other findings, evidence and documentation required by the Act.



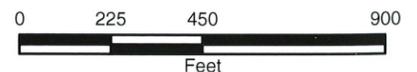
Legend

- Proposed Redevelopment Project Area Boundary
- Downtown TIF District

Exhibit A Proposed Redevelopment Project Area Boundary Map

Columbia Park Redevelopment Project Area
City of Rock Island, Illinois

MAY 2007



SECTION II

STATUTORY BASIS FOR TAX INCREMENT FINANCING AND SUMMARY OF FINDINGS

A. Introduction

Tax increment financing (TIF) is a local funding mechanism created by the "Tax Increment Allocation Redevelopment Act." The Act is found at 65 ILCS 5/11-74.4-1 et. seq.

As used, herein, the term **redevelopment project** means any public and private development project in furtherance of the objectives of a redevelopment plan. The term **redevelopment project area** means an area designated by the municipality, which is not less in the aggregate than 1-1/2 acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas. **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 qualified the redevelopment project area as a "blighted area" or "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.

The concept behind the tax increment law is straightforward and allows a municipality to carry out redevelopment activities on a local basis. Redevelopment that occurs in a designated redevelopment project area results in an increase in the equalized assessed valuation (EAV) of the property and, thus, generates increased real property tax revenues. This increase or "increment" can be used to finance "redevelopment project costs" such as land acquisition, site clearance, building rehabilitation, interest subsidy, construction of public infrastructure, and other redevelopment project costs as permitted by the Act.

The Illinois General Assembly made various findings in adopting the Tax Increment Allocation Redevelopment Act, among them were:

1. That there exists in many municipalities within the State blighted and conservation areas; and

2. That the eradication of blighted areas and the treatment and improvement of conservation areas by redevelopment projects are essential to the public interest and welfare.

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

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment plan. One of these requirements is that the municipality must demonstrate that a redevelopment project area qualifies under the provisions of the Act. With the definitions set forth in the Act, a redevelopment project area may qualify either as a blighted area, a conservation area, or a combination of both blighted area and conservation area, or an industrial park conservation area.

B. Summary of Findings

The following findings and evidentiary documentation is made with respect to the proposed Redevelopment Project Area:

1. The Area as a whole meets the statutory requirements as a combination **conservation area** and **blighted area**. Furthermore, the factors necessary to make this finding are present to a meaningful extent and are reasonably distributed throughout the Area.
2. The Redevelopment Project Area exceeds the statutory minimum size of 1-1/2 acres.
3. The Redevelopment Project Area contains contiguous parcels of real property.
4. If a Redevelopment Plan and Redevelopment Project are adopted and implemented by the City, it is reasonable to say that all properties included in the Redevelopment Project Area would substantially benefit from being included in the Area.

SECTION III

BASIS FOR ELIGIBILITY OF THE AREA AND FINDINGS

A. Introduction

According to the Act, a redevelopment project area is that area designated by a municipality in which the finding is made that there exist conditions that cause the area to be classified as a blighted area, conservation area, or combination thereof, or an industrial park conservation area. The criteria and the individual factors defining each of these categories of eligibility are defined in the Act.

This Section documents the relevant statutory requirements and how the subject area meets the eligibility criteria.

B. Statutory Qualifications

The Act defines the factors that must be present in order for an area to qualify for TIF. The following provides the statutory definitions of the qualifying factors relating to a blighted area and a conservation area:

1. **Eligibility of a Blighted Area**

“Blighted area” means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

- a. **If improved**, industrial, commercial, and residential buildings or improvements are detrimental to the public safety, health, or welfare because of a combination of five (5) 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 improved part of the redevelopment project area:

- (1) Dilapidation. An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings, 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.

- (2) Obsolescence. The condition or process of falling into disuse. Structures have become ill-suited for the original use.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Lack of ventilation, light, or sanitary facilities. The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke, or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refers to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens, and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.

- (8) 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, obsolete, or in disrepair, or (iii) lacking within the redevelopment project area.

- (9) Excessive land coverage and overcrowding of structures and community facilities. The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as 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 and service.

- (10) 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.

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

C. Investigation and Analysis of Blighting Factors

In determining whether or not the proposed Redevelopment Project Area meets the eligibility requirements of the Act, research and field surveys were conducted. These included:

- Contacts with City officials knowledgeable as to area conditions and history, age of buildings and site improvements, conditions of related items, as well as examination of existing information related to the area.
- On-site field examination of conditions within the proposed Redevelopment Project Area by experienced staff of PGAV. These personnel are trained in techniques and procedures of determining conditions of real property, streets, etc. and determination of eligibility of designated areas for tax increment financing.
- Use of definitions contained in the Act.
- Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977.
- Examination of Rock Island County real property tax assessment records.
- Information from the City's Building Official and City Engineer documenting gross code violations and inadequate utilities located within the Project Area.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these is that the municipality must demonstrate that the Redevelopment Project Area qualifies. An analysis of the physical conditions and presence of blighting factors was commissioned by the City. The result and documentation of this effort is summarized below.

D. Analysis of Conditions in the Area

In March 2007, PGAV staff conducted field investigations to document existing conditions in the Area. This field work was supplemented with property assessment research by City officials. One of the outcomes of this survey was an inventory of existing land uses, which are illustrated on **Exhibit B - Existing Land Use Map**.

- (12) Lack of community planning. The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan, or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards, or other evidence demonstrating an absence of effective community planning.
- (13) 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 is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.
- b. **If vacant**, the sound growth of the redevelopment project area is impaired by a combination of two (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:
- (1) 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.

- (2) Diversity of ownership of parcels of vacant land sufficient in number to retard or impede the ability to assemble the land for development.
 - (3) Tax and special assessment delinquencies exist, or the property has been the subject of tax sales under the Property Tax Code within the last five (5) years.
 - (4) Deterioration of structures or site improvements in neighboring areas adjacent to the vacant land.
 - (5) The 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.
 - (6) 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 is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for three (3) of the last five (5) calendar years prior to the year in which the redevelopment project area is designated.
- c. **If 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:
- (1) The area consists of one or more unused quarries, mines, or strip mine ponds.

- (2) The area consists of unused rail yards, rail tracks, or railroad rights-of-way.
- (3) 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 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.
- (4) 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.
- (5) Prior to the effective date of this amendatory Act of the 91st General Assembly, 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 five (5) years prior to the designation of the redevelopment project area), and the area meets at least one of the factors itemized in paragraph (a) 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.
- (6) The area qualified as a blighted improved area immediately prior to becoming vacant, unless there has been substantial private investment in the immediately surrounding area.

2. Eligibility of a Conservation Area

“**Conservation area**” means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of three (3) or more of the 13 factors applicable to the improved area is detrimental to the public safety, health, morals or welfare, and such an area may become a blighted area.

C. Investigation and Analysis of Blighting Factors

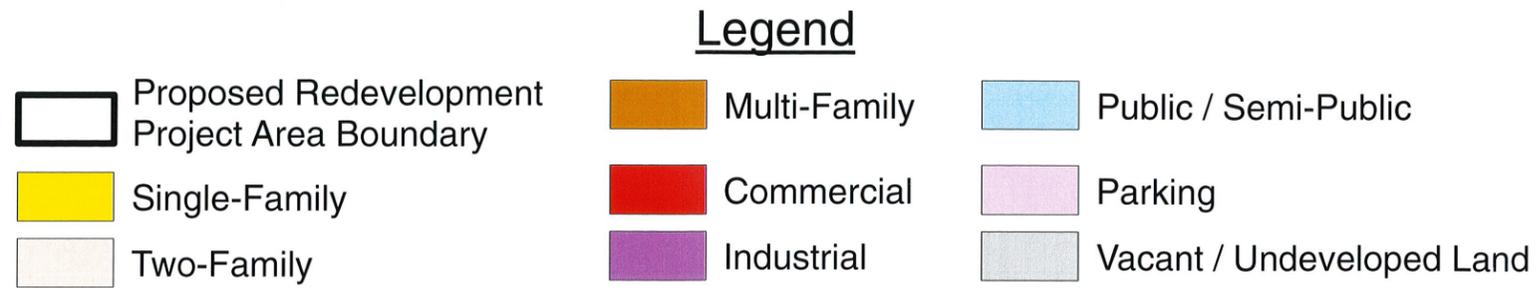
In determining whether or not the proposed Redevelopment Project Area meets the eligibility requirements of the Act, research and field surveys were conducted. These included:

- Contacts with City officials knowledgeable as to area conditions and history, age of buildings and site improvements, conditions of related items, as well as examination of existing information related to the area.
- On-site field examination of conditions within the proposed Redevelopment Project Area by experienced staff of PGAV. These personnel are trained in techniques and procedures of determining conditions of real property, streets, etc. and determination of eligibility of designated areas for tax increment financing.
- Use of definitions contained in the Act.
- Adherence to basic findings of need as established by the Illinois General Assembly in establishing tax increment financing which became effective on January 10, 1977.
- Examination of Rock Island County real property tax assessment records.
- Information from the City's Building Official and City Engineer documenting gross code violations and inadequate utilities located within the Project Area.

To ensure that the exercise of these powers is proper and in the public interest, the Act specifies certain requirements that must be met before a municipality can proceed with implementing a redevelopment project. One of these is that the municipality must demonstrate that the Redevelopment Project Area qualifies. An analysis of the physical conditions and presence of blighting factors was commissioned by the City. The result and documentation of this effort is summarized below.

D. Analysis of Conditions in the Area

In March 2007, PGAV staff conducted field investigations to document existing conditions in the Area. This field work was supplemented with property assessment research by City officials. One of the outcomes of this survey was an inventory of existing land uses, which are illustrated on **Exhibit B - Existing Land Use Map**.



MAY 2007

Exhibit B Existing Land Use Map

Columbia Park Redevelopment Project Area
City of Rock Island, Illinois



Exhibit C - Summary of Eligibility Factors, provides a quantitative summary of the conditions that were documented in the proposed Columbia Park Redevelopment Project Area. In making the determination of eligibility, it is not required that each and every property or building in the Redevelopment Project Area be blighted or otherwise qualify. Rather, it is the area “as a whole” that must be determined to be eligible.

1. Findings on Improved Area

- a. Summary of Findings on Age Of Structures: Age is a prerequisite factor in determining an Area's qualification as a “conservation area”. As is clearly set forth in the Act, 50% or more of the structures must have an age of 35 years or greater in order to meet this criteria. The Redevelopment Project Area contains 110 buildings, of which 83 (75%) are 35 years of age or older as determined by field surveys. Thus, more than 50% of the buildings exceed 35 years of age and, therefore, the age threshold is met for qualifying the Area as a conservation area.
- b. Summary of Findings on Deterioration: Deteriorating conditions were recorded on 77 (70%) of the 110 buildings. The field survey of exterior building conditions in the Redevelopment Project Area found structures with major defects in the secondary structural components, including windows, doors, gutters, downspouts, masonry and other fascia materials, etc. These deteriorated buildings are scattered throughout the Area.

Deteriorated site improvements are also found on 33 (70%) of the 47 improved parcels in the Area. Significant amounts of street pavement, sidewalk or curb and gutter within the street right-of-way is found in all 8 of the blocks within the Area. Potholes and cracking were documented in street and alley pavement, and in numerous areas curbs are cracked and crumbling. In addition to the street and alley rights-of-way, the railroad right-of-way also contains areas of deterioration.

- c. Summary of Findings on Dilapidation: Of the 110 buildings in the Area, 36 (33%) were found to be dilapidated. Major repairs to the primary structural components (roof structure, load-bearing walls, columns or foundation) were found to be needed to these buildings, which include 30 of the 55 buildings on the main Quad Cities Industrial Complex (QCIC) block.

Exhibit C
SUMMARY OF ELIGIBILITY FACTORS
Columbia Park Redevelopment Project Area
City of Rock Island, Illinois

	Total	%
No. of improved parcels	47	78%
No. of vacant parcels	13	22%
Total parcels	60	100%
No. of buildings	110	100%
No. of buildings 35 years or older	83	75%
Housing Units	31	100%
Occupied Housing Units	27	87%
Block Count	8	100%
IMPROVED LAND FACTORS:		
No. of deteriorated buildings	77	70%
No. of parcels with site improvements that are deteriorated	33	70%
Deteriorated street and/or sidewalk pavement (by block)	8	100%
No. of dilapidated buildings	36	33%
No. of parcels with site improvements that are dilapidated	8	17%
Dilapidated street and/or sidewalk pavement (by block)	2	25%
No. of obsolete buildings	42	38%
No. of structures below minimum code	33	30%
No. of buildings lacking ventilation, light or sanitation facilities	nd ¹	
No. of building with illegal uses	nd ¹	
No. of buildings with excessive vacancies	40	36%
No. of parcels with excessive land coverage or overcrowding of structures	4	9%
Inadequate utilities (by block)	2	25%
Deleterious land use or layout (by block)	6	75%
Environmental Clean-up	2	4%
Lack of community planning (by block)	0	0%
Declining or Sub-par EAV Growth	Yes	
VACANT LAND FACTORS (2 or More):		
Obsolete Platting	6	46%
Diversity of Ownership	nd ¹	
Tax Delinquencies	nd ¹	
Deterioration of Struct. Or Site Improvements in Neighboring Areas	13	100%
Environmental Clean-up	5	38%
Declining or Sub-par EAV Growth	Yes	
VACANT LAND FACTORS (1 or More):		
Unused Quarry, Mines, Rail, etc.	0	0%
Blighted Before Vacant	3	23%
Chronic Flooding	0	0%
Unused or Illegal Disposal Site	0	0%

¹ Not determined

The degree of dilapidation on the QCIC parcel (parcel 55 as identified in the parcel key map, **Attachment D** of this report) is extensive. As of the date of field inspection, much of the dilapidation is concealed from public view due to cosmetic repair and maintenance of the front exterior of the buildings comprising this complex. However, investigation of interior conditions revealed the presence of widespread defects to primary structural components. These defects include rotting wood roof framing timbers, crumbling brick walls, rust and deterioration of steel column and roof structure components, foundation cracking, and extensive damage resulting from the structures being partially open to the weather.

Dilapidated conditions were also noted on rights-of-way in the Area, including the railroad right-of-way. A stone retaining wall near the railroad bridge over an unused pedestrian underpass is in poor condition and in need of major repair. These highly visible dilapidated conditions present an impediment to investment in the area.

- d. Summary of Findings Regarding Obsolescence: Of the 110 buildings in the Area, 42 (38%) are considered obsolete, including 32 of the 55 buildings located on the main QCIC parcel. Many of these buildings were designed and built for manufacturing and distribution processes that are no longer in use (several of the structures were built before 1920). As manufacturing and distribution methods have evolved, so too has the type of facilities needed to accommodate manufacturing processes. The vacancy and planned demolition of these buildings, as well as the minimal demand for and poor conditions of these buildings render them obsolete. Several other buildings in the Area besides those on the QCIC parcel are also considered ill-suited for their original use due to their poor condition, incompatible surroundings or outmoded architectural features.

- e. Summary of Findings Regarding Presence of Structures below Minimum Codes: City of Rock Island officials report that a number of buildings on the main QCIC parcel are slated to be demolished. As a whole, this group of buildings, according to City officials, is considered grossly substandard by the City's current building codes. Numerous violations of the 2003 International Building Code, the 2003 International Electrical Code Administrative Provisions, the 2005 NFPA 70 (NEC), the 2003 International Mechanical and Fuel Gas codes, the 2004 Illinois Plumbing Code, and the 2003 International Fire Code exist according to the City's Building Official.

A total of 33 buildings below minimum code (30% of the 110 buildings in the Area) are documented as part of this report. However, complete code inspections of all buildings in the Area were not carried out as part of this study. Based on the appearance and age of structures in the Area, it is likely that comprehensive inspections by licensed code inspectors would determine that additional structures are below minimum codes. In general, the extent of substandard conditions in the Area presents an impediment to reinvestment.

- f. Summary of Findings Regarding Excessive Vacancies: Excessive vacancies were documented in 40 (36%) of the Area's 110 buildings. This is considered a high rate of vacancy. It is indicative of the lack of market demand fueled, in part, by the deteriorated conditions of the area. Vacancies were noted in both commercial/industrial and residential buildings. It should also be noted that due to the high rate of vacancy in the Area, much of the parking provided in the Area is unused. In addition to being an underutilization of the property from a tax base perspective, the empty parking lots (most of which are deteriorated to some degree) contribute to the Area's appearance as a vacant, unproductive commercial district.
- g. Summary of Finding Regarding Inadequate Utilities: The City Engineer reports that two sections of water lines in the Area are of an inadequate size and in need of replacement. One section of storm sewer is damaged and in need of replacement. The locations of these inadequate utilities are shown in **Exhibit E– Existing Conditions Map**.
- h. Summary of Findings Regarding Deleterious Land Use or Layout: The presence of industrial or heavy commercial uses adjacent to single-family residential structures was documented in 6 of the 8 blocks that comprise the study Area. These land use patterns indicated that non-residential uses developed in a piecemeal fashion around the residential homes, leaving small pockets of residential lots. There is no buffer between residential and industrial uses. This undesirable land use pattern detracts from the desirability of the residential lots and limits opportunity for expansion of commercial or industrial uses.
- i. Summary of Findings Regarding Environmental Clean-up: The City of Rock Island has documentation of extensive environmental contamination in two locations in the Area. One of the areas is now entirely vacant and described below under "Finding on Vacant Area". The second area in-

cludes the railyard and a parcel of land at the west edge of the former manufacturing complex. This area is a Superfund site (US EPA ID #IL 0000926220) due to petroleum contamination of soil and groundwater that is believed to be the result of a major diesel fuel spill at the railyard. Remediation has begun and to date approximately 1,900 barrels of diesel fuel have been pumped from the ground.

- j. Summary of Findings Regarding Declining or Lagging Rate of Growth of Total Equalized Assessed Valuation: This factor is applicable to vacant land as well as improved land. The annual change in the total equalized assessed valuation (EAV) for the Area has lagged behind the balance of the City for five (5) of the last five (5) years. A comparison of EAV for the Area and the balance of the City is shown on the following page as **Exhibit D, Comparison of EAV Growth Rates (2001-2006)**.

Exhibit D

COMPARISON OF EAV GROWTH RATES (2001 - 2006)
Columbia Park Redevelopment Project Area
City of Rock Island, Illinois

Assessment Year	EAV		Area Growth Rate Less Than Balance of City?
	Project Area ¹	Balance of City ²	
2001	\$ 3,124,352	\$ 413,534,948	
2002	\$ 3,329,447	\$ 443,181,741	
Annual Percent Change	6.6%	7.2%	YES
2003	\$ 3,487,942	\$ 468,788,537	
Annual Percent Change	4.8%	5.8%	YES
2004	\$ 3,341,509	\$ 488,807,813	
Annual Percent Change	-4.2%	4.3%	YES
2005	\$ 3,467,642	\$ 513,995,830	
Annual Percent Change	3.8%	5.2%	YES
2006	\$ 3,561,547	\$ 536,953,714	
Annual Percent Change	2.7%	4.5%	YES

¹ Equalized Assessed Valuation (EAV) for the Project Area. Source: Rock Island County property assessment data.

² Total City EAV minus Project Area EAV.

2. Findings on Vacant Area

Of the 60 parcels within the Area, 13 (22%) are considered vacant land, as defined in the Act. The following narrative summarizes the qualifying factors present that apply to vacant land:

- a. Summary of Findings on Obsolete Platting: Obsolete platting was exhibited on six (6) of the 13 vacant parcels (46%). Three of these parcels are located along Sylvan Slough and are not accessible by public right-of-way. The other vacant lots in the Area that exhibit evidence of obsolete platting are of an inadequate size for contemporary development standards.
- b. Summary of Findings on Deterioration of Structures/Site Improvement in Neighboring Areas: All 13 parcels of vacant land are adjacent to structures or site improvements exhibiting various degrees of deterioration as defined by the Act.
- c. Summary of Findings on Environmental Remediation: Several parcels in the northeast corner of the Area that are now vacant (the "Midway Oil" site) have documented cases of environmental contamination. Remediation on this site has already taken place in conjunction with the Illinois EPA's Site Remediation Program (LPC # 1610655169). To conclude the remediation process, a groundwater well prohibition ordinance, already in place, will be incorporated into the "No Further Remediation" Letter for this property.
- d. Summary of Findings on Declining or Sub-Par EAV Growth: This factor is applicable to vacant land as well as improved land. The annual change in the total equalized assessed valuation (EAV) for the Area has lagged behind the balance of the City for five (5) of the last five (5) calendar years. A comparison of EAV for the Area and the balance of the City is shown below as **Exhibit D, Comparison of EAV Growth Rates (2001-2006)**.

E. Summary of Eligibility Factors for the Area

It is found that the Area contains conditions that qualify it as a combination **blighted area** and **conservation area**. The number of buildings that are 35 years old or older exceeds the statutory threshold of 50% (prerequisite for a "conservation area"). The developed (improved) portion of the Area contains a relatively high incidence of at least three blighting factors, which causes the improved land to qualify as a conservation area. An argument can also be made that the

improved area, as a whole, meets the definition of a **blighted area** as there are at least five blighting factors present to a significant degree. *Additionally*, two or more factors are present with respect to the majority of the smaller vacant parcels of property within the Area. The presence of these factors qualifies the vacant land as blighted, as this term is applied to vacant land in the Act. These qualifying factors are present to a meaningful extent and are distributed throughout the Area.

The following summarizes the existence of the most predominant blighting/conservation factors existing within the Area:

- **Age** – 75% of the buildings are over 35 years of age, thus exceeding the threshold for being considered a “conservation area.”
- **Deterioration** – 70% of the buildings and 70% of parcel site improvements exhibit signs of deterioration as defined in the Act. This is a high incidence of deterioration among buildings and site improvements. Deteriorated conditions were also found within public right-of-way (including street pavement, sidewalks, curb and gutters) on all 8 blocks of the Area.
- **Dilapidation** – 33% of the buildings in the Area were found to be dilapidated. Thirty (30) of the 36 dilapidated buildings are located on the main Quad City Industrial Center (QCIC) parcel. Most of these large former manufacturing buildings are vacant and all are obsolete, presenting a major impediment to reinvestment in the Area. Dilapidated site improvements were also documented in rights-of-way.
- **Obsolescence** – 38% of the buildings in the Area are considered obsolete, including the majority of the buildings on the main QCIC parcel.
- **Structures Below Minimum Codes** – At minimum, 30% of the buildings in the Area are not compliant with minimum building, fire or other applicable codes.
- **Excessive Vacancies** – 36% of the Area’s buildings have excessive vacancies.
- **Deleterious Land Use and or Layout** – Conditions of incompatible land uses were recorded in 6 of the 8 blocks located within the Project Area.
- **Environmental Clean-up** – Significant costs for remediation of hazardous substances in the Area have been incurred, and additional remediation is necessary.

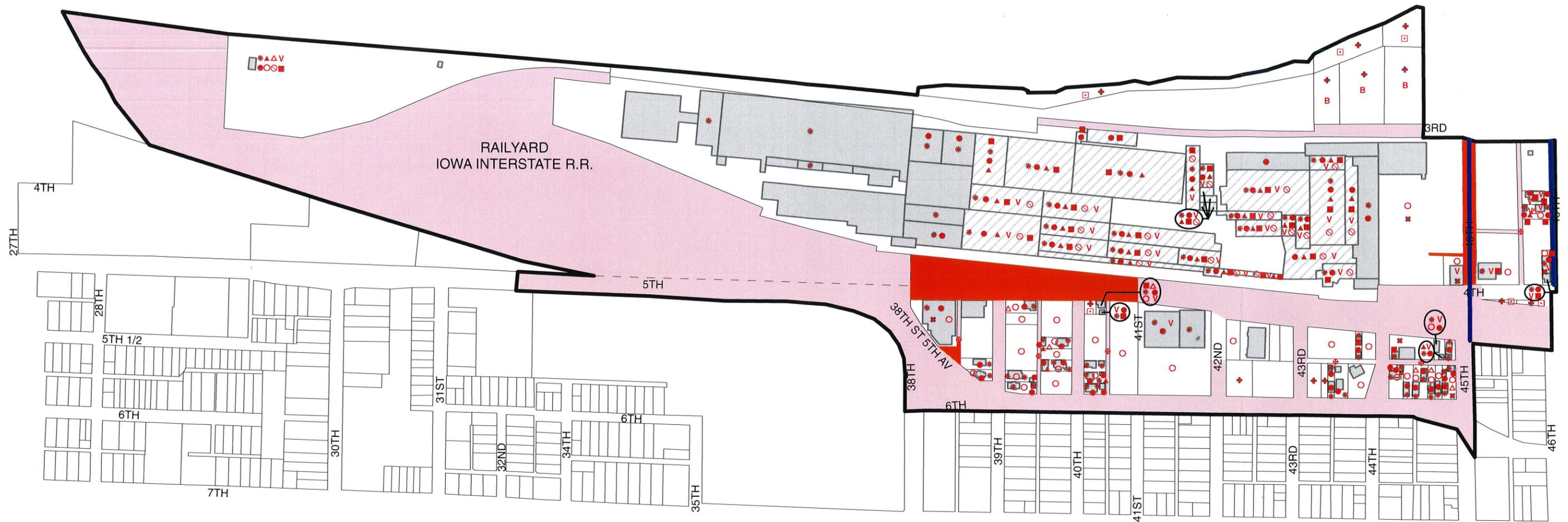
The completed and ongoing environmental clean-up constitutes a material impediment to redevelopment of the Area.

- **Obsolete Platting (Vacant Land)** – 46% of vacant parcels exhibit obsolete platting.
- **Sub-par EAV Growth** – The conditions summarized above help explain, in part, why the Area lags behind the balance of the City in terms EAV growth. This has held true for five (5) out of the last five (5) calendar years. This factor applies to both improved land and vacant land.

The eligibility factors are present to a meaningful extent and reasonably distributed throughout the Area (See **Exhibit E– Existing Conditions Map**). Photos of various properties located throughout the Area are provided in the **Appendix as Attachment C**.

It can be concluded that both improved and vacant portions of the Area that are blighted will continue to exhibit blighted conditions without a program of intervention to induce private and public investment in the Area. This conclusion can be made when considering the need for new private investment that would revitalize the Area, but has not occurred to a significant degree because of the impediments to reinvestment. The ultimate goal is to minimize or eliminate the blighting conditions and to enhance the tax base of all overlapping taxing authorities.

The City Council should review this analysis and, if satisfied with the findings contained herein, proceed with the adoption of these findings in conjunction with the adoption of the Redevelopment Plan and establishment of the Redevelopment Project Area.



Legend

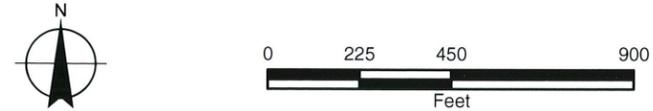
- Proposed Redevelopment Project Area Boundary
- * Over 35 Years of Age
- Deteriorated Structure
- ▲ Dilapidated Structure
- Deteriorated Site
- ▲ Dilapidated Site
- * Excessive Coverage
- Obsolete Building
- Obsolete Platting
- ✦ Deterioration in Neighboring Areas
- Structure Below Minimum Below Codes
- B Blighted Before Becoming Vacant
- V Vacant Building (Whole or Partial)
-
 Deteriorated Pavement in R.O.W. (sidewalk, streets and / or curb & gutter)
-
 Dilapidated Pavement in R.O.W. (sidewalk, streets and / or curb & gutter)
-
 Demolition in Progress / Demolition Planned
-
 Inadequate Utilites

Based on field work conducted
03/21-03/22/2007

MAY 2007

**Exhibit E
Existing Conditions**

Columbia Park Redevelopment Project Area
City of Rock Island, Illinois



SECTION IV

REDEVELOPMENT PLAN

A. Introduction

This section presents the Redevelopment Plan and Project for Rock Island's Columbia Park Redevelopment Project Area. Pursuant to the Tax Increment Allocation Redevelopment Act, when the finding is made that an area qualifies as either conservation, blighted, combination of conservation and blighted areas, or industrial park conservation area, a Redevelopment Plan must be prepared. A **Redevelopment Plan** is defined in the Act as "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 qualified the redevelopment project area as a blighted area or 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".

B. General Land Use Plan

The proposed General Land Use Plan for the Redevelopment Project Area is presented on **Exhibits F-1 and F-2**. The Plan is presented in two phases, a **Ten-Year General Land Use Plan** and a **Long-Term General Land Use Plan**, which reflects the "Quad City Industrial Center Vision Plan". This Vision Plan was adopted by the City in 2005 as an amendment to the City's Comprehensive Plan. The Vision Plan was prepared following a series of meetings with Area stakeholders, including property owners and neighbors. The City is considering tax increment financing as a way to implement the conceptual "Quad City Industrial Center Vision Plan". Therefore, the General Land Use Plan presented herein is based on that Vision Plan.

The Ten-Year and Long-Term General Land Use Plans for the Columbia Park Redevelopment Project Area propose primarily commercial and mixed-uses in the Area. These uses are consistent with the Official Comprehensive Plan for the City of Rock Island, as amended by the City of Rock Island in its adoption of the Quad City Industrial Center Vision Plan.

Portions of the Area are designated "Mixed Use", which permits existing residential uses to remain and encourages gradual transition to mixed-use development that would have residential dwellings on upper-stories above retail, service, or office uses.

It should be emphasized that the General Land Use Plan, and the QCIC Vision Plan on which it is based is conceptual in nature. Proposed streets are shown on the plan, but their exact location and design will be determined in the future based on the configuration of future development projects in that area.

The Ten-Year plan is distinguished from the Long-Term plan in that it allows the western portion of the QCIC complex to be retained for continued industrial use. The Long-Term plans shows this property and the rail yard both being transitioned to commercial use (western portion) and mixed-use (eastern).

Selective building demolition in the Area has commenced and is planned to continue. It is expected that building rehabilitation may take place in the Area along with redevelopment. It is the objective of this Plan that development and redevelopment activities will be accomplished in a well-planned manner to mitigate any potential incompatible land uses. Furthermore, all redevelopment projects shall be subject to the provisions of the City of Rock Island's ordinances and other applicable codes as may be in existence and may be amended from time-to-time.

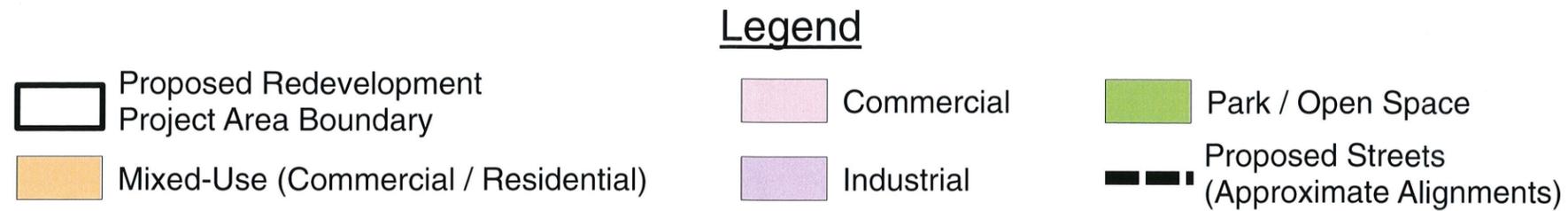


Exhibit F-1
General Land Use Plan
(10 Year Development Plan)
 Columbia Park Redevelopment Project Area
 City of Rock Island, Illinois

MAY 2007

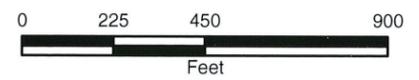




**Exhibit F-2
General Land Use Plan
(Long-Term Plan)**

Columbia Park Redevelopment Project Area
City of Rock Island, Illinois

MAY 2007



C. Objectives

The objectives of the Redevelopment Plan are:

1. Reduce or eliminate those conditions that qualify the Redevelopment Project Area as eligible for tax increment financing by carrying out the Redevelopment Plan including installing the needed public improvements stated herein. These improvements may include other actions permitted by the Act and infrastructure needs as identified during the implementation of the Redevelopment Plan.
2. Prevent the recurrence of blighting conditions by implementing actions outlined herein.
3. Enhance the real estate tax base for the City and all other taxing districts, which extend into the Redevelopment Project Area through the implementation and completion of the activities identified herein.
4. Encourage and assist private investment, redevelopment and rehabilitation within the Redevelopment Project Area through the provision of financial assistance for new development and rehabilitation as permitted by the Act.
5. Improve the overall environment of the Area including public safety and security measures so as to encourage new investment wherever possible in a manner that is compatible with surrounding land uses.
6. Provide for safe and efficient traffic circulation, facilitate effective emergency response time and accessibility, and general access within the Redevelopment Area.
7. Complete all public and private actions required in this Redevelopment Plan in an expeditious manner.

D. Program Policies to Accomplish Objectives

The City of Rock Island has determined that it is appropriate to provide limited financial incentives for private investment within the Redevelopment Planning Area. It has been determined through discussions with property owners and developers that tax increment financing constitutes a key component of leveraging private investment within the Redevelopment Project Area. The City will incorporate appropriate provisions within any redevelopment agreement entered into between the City and private parties to assure that redevelopment projects make progress towards achieving the objectives stated herein and to achieve the various redevelopment projects described below.

E. Redevelopment Projects

To achieve the Plan objectives and the overall project proposed in the Plan, a number of public and private activities will need to be undertaken. This includes a combination of private developments and public investment in infrastructure improvements. Improvements and activities necessary to implement the Plan may include the following:

1. Private Redevelopment Activities:

Rehabilitation of existing properties or construction of private buildings within the Project Area.

2. Public Redevelopment Activities:

Public improvements and support activities will be used to induce and complement private investment. These may include, but are not limited to: street and sidewalk improvements, land assembly and site preparation, public utilities, traffic signalization, marketing of properties as well as other programs of financial assistance, as may be provided by the City.

3. Land Assembly, Displacement Certificate & Relocation Assistance:

In order to achieve the objectives of the Plan, land assembly by the City and eventual conveyance to private entities may be necessary in order to attract private development interest. Therefore, any property located within the Redevelopment Project Area may be acquired by the City, as necessary, to assemble various parcels of land to achieve marketable tracts, or if such property is necessary for the implementation of a specific public or private redevelopment

project. This may include the displacement of inhabited housing units located in the Project Area (see below).

Displacement Certificate:

Under Sections 11-74.4-3 (n) (5) and 11-74.4-4.1 (b) of the Tax Increment Allocation Redevelopment Act the City hereby certifies that this Redevelopment Plan will not result in the displacement of more than nine (9) inhabited residential units. If at some time in the future, a redevelopment project is proposed that will result in the displacement of ten (10) or more inhabited residential units, the City will prepare, or cause to prepare, the requisite housing impact study as specified in the TIF Act.

Relocation Assistance:

In the event that households of low-income or very low-income persons inhabit any residential housing units where relocation of the occupants is required, relocation assistance will be provided to such persons. Affordable housing and relocation assistance shall not be less than that which would be provided under the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the regulations under that Act, including the eligibility criteria. Affordable housing may be either in existing or newly constructed buildings. For purposes of this requirement in the TIF Act, “low-income households”, “very low-income households” and “affordable housing” have the meanings set forth in the Illinois Affordable Housing Act.

F. Estimated Redevelopment Project Costs

The estimated costs associated with the eligible public redevelopment activities are presented in **Exhibit G** entitled **Estimated Redevelopment Project Costs**. This estimate includes reasonable or necessary costs incurred, or estimated to be incurred, in the implementation of this Redevelopment Plan. These estimated costs are subject to refinement as specific plans and designs are finalized and experience is gained in implementing this Redevelopment Plan and do not include financing costs or interest payments that may be incurred in conjunction with redevelopment projects.

In addition to the proposed TIF funding, the City may seek the assistance of various State of Illinois Departments (Department of Transportation, Department of Commerce and Economic Opportunity, etc), or appropriate agencies of the Federal Government to assist in funding site preparation, infrastructure, or other required projects or improvements. To the extent additional

funds can be secured from the State of Illinois, or any federal program or other public or private sources, the City may use such funding sources in furtherance of the Redevelopment Plan and Projects.

Exhibit G

ESTIMATED REDEVELOPMENT PROJECT COSTS Columbia Park Redevelopment Project Area City of Rock Island, Illinois

Description	Estimated Cost
A. Public Works or Improvements <i>(Improvement of streets, curb and gutters, utilities, and other public improvements)</i>	\$18,000,000
B. Property Assembly <i>(Acquisition of land and other property, building demolition, site preparation, etc.)</i>	\$16,000,000
C. Building Rehabilitation	\$4,000,000
D. Relocation	\$500,000
E. Taxing District Capital Costs	\$100,000
F. Job Training	\$100,000
G. School District Increased Costs	\$500,000
H. Interest Costs Incurred by Developers	\$5,000,000
I. Planning, Legal & Professional Services	\$1,000,000
J. General Administration	\$575,000
K. Financing Costs	See Note 3
L. Contingency	\$5,000,000
Total Estimated Costs	\$50,775,000

Notes:

1. All costs shown are in 2007 dollars and do not include additional costs to be incurred in future financing (e.g., bond issuance costs, interest payments on obligations and related expenses) or inflationary costs that may be realized.
2. Adjustments may be made among line items within the budget to reflect program implementation experience.
3. Financing costs such as interest expense, capitalized interest and cost of issuance of obligations are not quantified herein. These costs are subject to prevailing market conditions and will be considered part of the total redevelopment project cost if and when such financing costs are incurred.
4. Private redevelopment costs and investment are in addition to the above.
5. The total estimated redevelopment project costs shall not be increased by more than 5% after adjustment for inflation from the date of the Plan adoption.

G. Description of Redevelopment Project Costs

Costs that may be incurred by the City in implementing the Redevelopment Plan may include project costs and expenses as itemized in **Exhibit G**, subject to the definition of “redevelopment project cost” as contained in the TIF Act, and the “Contingency” line item may include any other costs that are eligible under said definition. Itemized below is the statutory listing of “redevelopment project costs” currently permitted by the TIF Act [bold typeface added for emphasis]. Note that some of the narrative below has been paraphrased (see full definitions in the TIF Act).

1. **Costs of studies, surveys, development of plans and specifications**, wetland mitigation plans, implementation and administration of the Redevelopment Plan, including but not limited to staff and professional service costs for architectural, engineering, legal, environmental, financial, planning or other services, subject to certain limitations:
 - a. There are limitations on contracts for certain professional services with respect to term, services, etc.
 - b. 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.
 - c. Marketing costs are allowable so long as they relate to marketing sites within the redevelopment project area to prospective businesses, developers, and investors.
2. **Property assembly costs**, including but not limited to acquisition of land and other property, real or personal or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground level environmental contamination, including but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land.
3. **Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings**, fixtures, and leasehold improvements; and the cost of replacing an existing public building if, pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment.

4. **Cost of construction of public works or improvements**, except that 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 it is not intended to replace an existing public building as provided for in paragraph 3 above, unless either:
 - a. 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
 - b. 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. **Cost 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**, 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 thereunder including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding thirty-six (36) months thereafter, and including reasonable reserves related thereto.
7. 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.
 - a. For redevelopment project areas designated (or redevelopment project areas amended to add or increase the number of tax-increment-financing assisted housing units), 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 and agreement with the

municipality or because the municipality incurs the cost of necessary infrastructure improvement projects within the boundaries of the assisted housing sites necessary for the completion of that housing as authorized by the Act, shall be paid by the municipality from the Special Tax Allocation Fund under certain conditions. For specific conditions and formulae used to determine payments due to a school district, see Subsection 11-74.4-3 (q) (7.5) of the TIF Act.

8. **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 Subsection 11-74.4-3 (n) (7) of the TIF Act (re: federal Uniform Relocation Assistance and Real Property Acquisition Policies Act requirements).
9. Payments in lieu of taxes.
10. **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:
 - a. are related to the establishment and maintenance of additional job training, advanced vocational education or career education or career education programs for persons employed or to be employed by employers located in a redevelopment project area: and
 - b. 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 programs 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 types of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the terms 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.

11. **Interest costs incurred by a redeveloper** related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a. such costs are to be paid directly from the special tax allocation fund established pursuant to this 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 pursuant to this paragraph, 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 this 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 this Act;
 - e. the cost limits set forth in subparagraphs (b) and (d) above shall be modified for the financing of rehabilitation 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) above;
 - f. Instead of the eligible costs provided by subparagraphs (b) and (d) above, as modified in this subparagraph, and notwithstanding any other provision of the TIF 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. For further provisions on financing and eligible costs, see Subsection 11-74.4-3 (q) (11) of the TIF Act.

12. Unless explicitly stated herein, the cost of construction of new privately owned buildings *shall not* be an eligible redevelopment project cost.

SECTION V

OTHER FINDINGS AND REQUIREMENTS

A. Conformance with Comprehensive Plan

Development projects proposed to be undertaken in implementing this Redevelopment Plan will conform to the Official Comprehensive Plan for the City of Rock Island. In addition, all development in the Redevelopment Planning Area will comply with applicable codes and ordinances.

B. Area, on the Whole, not Subject to Growth and Development

Upon examination of equalized assessed valuation data for the Area, the Redevelopment Project Area on the whole has not been subject to growth and investment. The tax base of the Area has lagged behind the balance of the City, which has been growing at a moderate rate.

While the City of Rock Island has experienced moderate growth and development, there has been a very limited amount of private investment in the Project Area. This fact is evidenced, in part, by the trend in the growth of EAV of property in the Area compared to the balance of the City of Rock Island. The total EAV of the Area, between 2001 and 2006, increased by about \$437,000 (see **Exhibit H**). During the same period, the EAV for the balance of Rock Island increased by approximately \$123 million or 30%. By way of comparison, the average annual increase in EAV for the balance of Rock Island was 6%, while the Area was only 2.8%.

Exhibit H

EAV TRENDS (2001 - 2006)

Columbia Park Redevelopment Project Area
 City of Rock Island, Illinois

	EAV				Avg. Annual Percent
	2001	2006	Change	Percent	
Columbia Park RPA	\$3,124,352	\$3,561,547	\$437,195	14%	2.8%
Balance of City	\$413,534,948	\$536,953,714	\$123,418,766	30%	6.0%

It is important to note that 81% of the Area's \$437,195 increase was associated with a single property, the main QCIC parcel, (350 44th Street, parcel number 55 on the attached parcel identification map). Approximately 1.8 million square feet of building floor area is located on this 44-acre parcel. The property consists of 54 buildings of various size and type that were con-

structed between 1915 and 1982. Because of these factors, the condition of buildings on this parcel varies widely. Field observation revealed that the westernmost portion of the parcel, which is actively used by McLaughlin Auto Body, is in much better condition than the remainder of this complex, much of which is now vacant, obsolete and dilapidated.

While the majority of this parcel has deteriorated severely in the last five years and not been subject to investment, the structures occupied by McLaughlin on westernmost part of the parcel (approximately 25% of the complex, by building floor area) have been maintained and improved. The modest investments to a small percentage of one parcel explains the majority of the growth in EAV for the entire Area. Even with the growth in EAV for this parcel, the amount of EAV growth for the total Area was less than one-half the rate of growth for the entire City over the same period.

As part of the EAV trend analysis completed as part of this study, the effect of equalization factors on EAV growth was measured. During the five-year period of EAV analysis, relatively high equalization factors were applied to Rock Island Township. Excluding the effect of the equalization factors during the period of analysis, the assessed value of the total Area grew by approximately 10.7% over 5 years, even less than the 14% growth rate presented above in Exhibit H.

The above evidence presented on assessment values shows that the Area, as a whole, lacks the level of private investment necessary to make a material difference in the quality of the urban environment in this older part of the City. Much more needs to be invested to achieve significant revitalization of this Area.

C. Would Not be Developed “but for” TIF

The City has found that the Redevelopment Project Area would not reasonably be developed without the use of tax increment revenues. The City further commits that such incremental revenues will be utilized for the development and revitalization of the Redevelopment Project Area as provided in the Act. Underscoring the economic need for municipal financial assistance in the form of tax increment financing is the fact that without the City's commitment to provide such municipal financial assistance, there will not be commitments for private development and revitalization.

Furthermore, the eligibility factors documented in this report contribute to the “but for” argument. These conditions are a discouragement to private investment as the potential return on investment is too small relative to the risk or simply does not make economic sense. Many of the buildings would require significant investment to rehabilitate them and allow them to be used or continue to be viable locations for businesses. Demolition of dilapidated structures and redeve-

lopment also would require major private financial investments. In addition, the costs associated with rehabilitating the street and alleys and replacing inadequate water mains further adds extraordinary costs to redevelopment efforts.

It is the intent of this TIF Redevelopment Plan to help overcome the economic disincentives, which have caused the Project Area to lag behind the remainder of the City in property value growth. Without financial incentives to overcome these barriers, investment by private enterprise will not take place to the degree necessary to realize significant revitalization and/or redevelopment within the Area.

D. Assessment of Financial Impact

The City finds that the Plan and Project proposed by this Redevelopment Plan will not place significant additional demands on facilities or services for any local taxing body. Currently, police and fire services and facilities appear to be adequate for the foreseeable future.

The City and Joint Review Board will monitor the progress of the TIF program and its future impacts on all local taxing bodies. In the event significant adverse impacts are identified that increase demands for facilities or services in the future, the City will consider utilizing tax increment proceeds or other appropriate actions, to the extent possible, to assist in addressing the needs.

E. Estimated Date for Completion of the Redevelopment Projects

The estimated date for completion of the Redevelopment Project or retirement of obligations issued shall not be later than December 31st of the year in which the payment to the City Treasurer as provided in subsection (b) of Section 11-74.4-8 of the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year after the year in which the ordinance approving the Redevelopment Project Area is adopted.

F. Most Recent Equalized Assessed Valuation

The most recent total equalized assessed valuation (EAV) for the Redevelopment Project Area has been estimated by the City to be approximately \$3,561,547. A listing of the **parcels of real property located in the Project Area, and the 2006 Assessment Year EAV**, is located in the **Appendix as Attachment D**. The County Clerk of Rock Island County will verify the base EAV amount of each property after adoption of the City ordinances approving the Redevelopment Plan and establishing the Redevelopment Project Area.

G. Redevelopment Valuation

Contingent on the adoption of this Tax Increment Redevelopment Plan and commitment by the City to the Redevelopment Program, it is anticipated that the private redevelopment investment in this Redevelopment Project Area will cause the equalized assessed valuation to increase by \$70 to \$90 million (2007 dollars) upon completion of the redevelopment projects.

H. Source of Funds

The primary source of funds to pay for Redevelopment Project Costs associated with implementing the Redevelopment Plan and Projects shall be funds collected pursuant to tax increment allocation financing to be adopted by the City of Rock Island. Under such financing, tax increment revenue resulting from increases in the EAV of property, in each Redevelopment Project Area shall be allocated to a special fund each year (the "Special Tax Allocation Fund"). The assets of the Special Allocation Fund shall be used to pay Redevelopment Project Costs and retire any obligations incurred to finance Redevelopment Project Costs.

In order to expedite the implementation of the Redevelopment Plan and Projects and construction of the public improvements, the City of Rock Island, pursuant to the authority granted to it under the TIF Act, may issue bonds or other obligations to pay for the eligible Redevelopment Project Costs. These obligations may be secured by future revenues to be collected and allocated to the Special Allocation Fund.

If available, revenues from other economic development funding sources, public or private, will be utilized. These may include State and Federal programs, local retail sales tax, applicable revenues from any adjoining Tax Increment Financing Areas, and land disposition proceeds from the sale of land in the Redevelopment Project Area, as well as other revenues. The final decision concerning redistribution of yearly tax increment revenues may be made a part of a bond ordinance.

I. Nature and Term of Obligations

Without excluding other methods of City or private financing, the principal source of funding will be those deposits made into the Special Allocation Fund of monies received from the taxes on the increased value (above the initial equalized assessed value) of real property in the Area. These monies may be used to repay private or public sources for the expenditure of funds made as Redevelopment Project Costs for applicable public or private redevelopment activities noted above, or may be used to amortize Tax Increment Revenue obligations, issued pursuant to this Redevelopment Plan and Project, for a term not to exceed 20 years bearing an annual interest rate as permitted by law. Revenues received in excess of 100% of funds necessary for the

ATTACHMENT C

Photographs



Step cracks in masonry of industrial building at the intersection of 38th Street and 5th Avenue .



Deteriorated concrete foundation on industrial building shown at left. Note exposed rebar near top right corner of window.



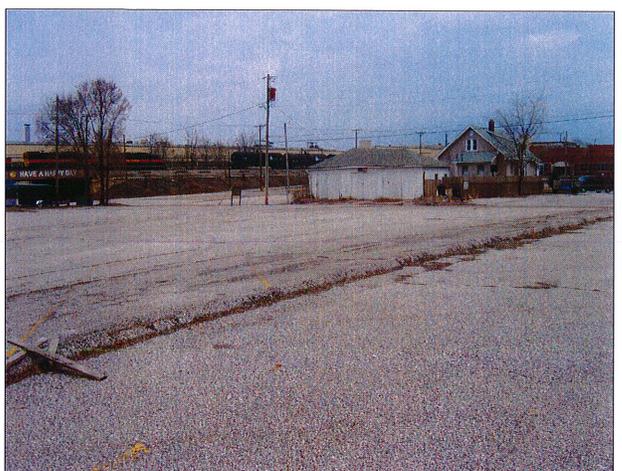
Deteriorated alleyway between 38th and 39th Streets.



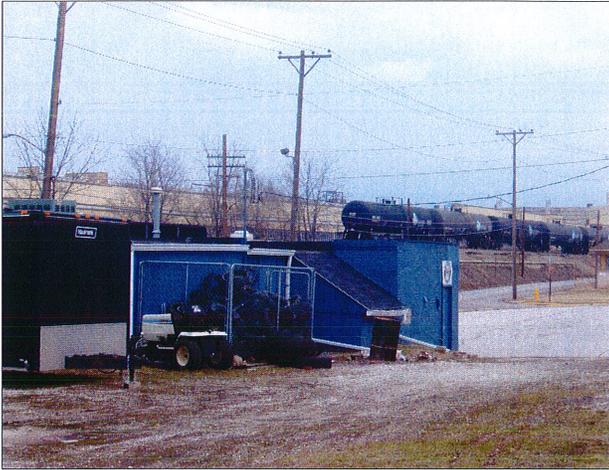
Vegetation grows over and through this uneven, cracked sidewalk along 39th Street.



Deteriorated accessory garage behind residential dwelling on 39th Street.



The asphalt parking lot between 38th and 39th Streets has extensive cracking. Note the residential house in the background surrounded by large commercial parking lots.



Trailers, tire and other items are stored outside this business on 5th Avenue. The gravel driveway and parking area is substandard relative to City code.



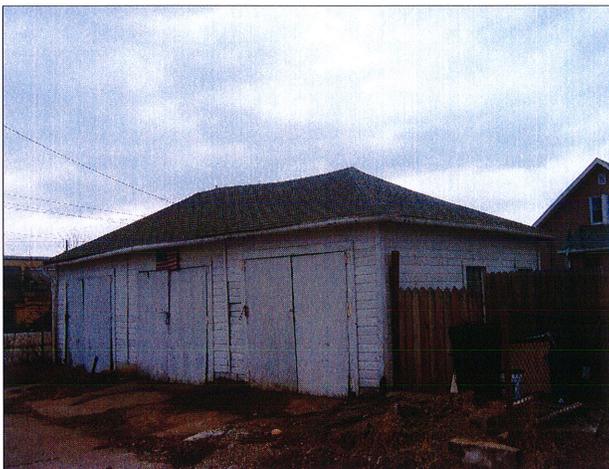
The stairs and retaining wall at the property shown at left are in need of replacement.



The stucco finish on this wall of the motorcycle business on 5th Avenue is separating from the masonry, likely a result of moisture damage.



Deteriorated/missing siding and fascia on a residential dwelling on 40th Street.



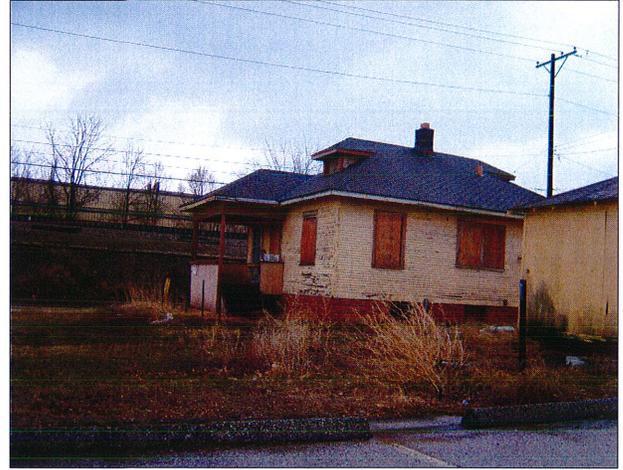
This garage behind a residential building on 40th Street is in need of major repairs to the roof structure. Note dilapidated driveway aprons.



This multi-unit residential building on 40th Street shows signs of needed repairs to the roof, siding and other building components.



Major cracks in the masonry foundation of this single-unit dwelling on 40th Street are evidence of foundation settlement.



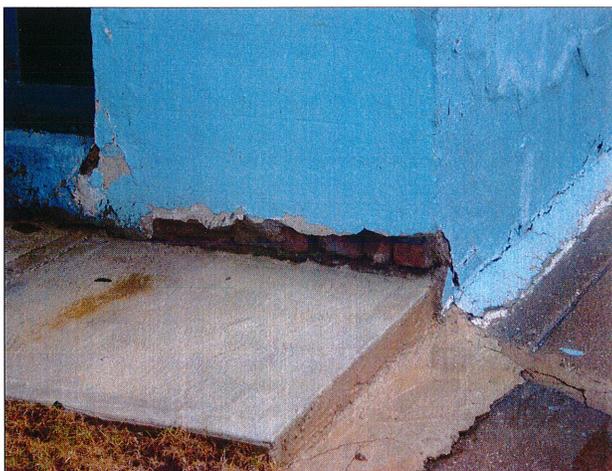
This residential structure on Fifth Avenue is vacant and boarded-up. Only small portions of the gutters remain and significant repairs are needed to siding and fascia.



Stormwater does not properly drain from this sidewalk along 5th Avenue, which has settled and cracked.



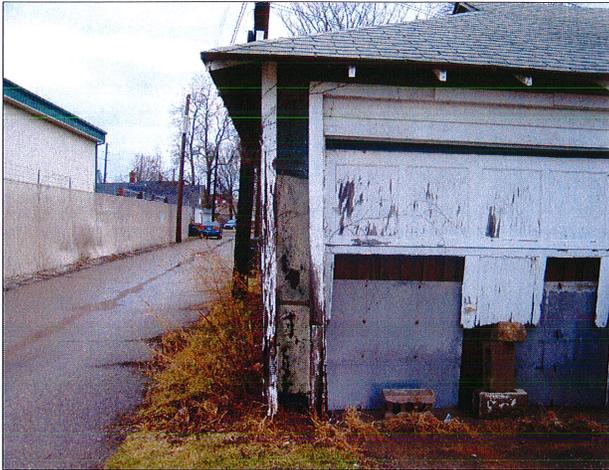
This outdoor storage yard is adjacent to residential lots. Note the cracked, deteriorated asphalt surface.



Missing pieces of stucco surface reveal deteriorated brick and missing mortar on this residential structure on 5th Avenue.



Repairs are needed to windows, doors and roofing material on this 6th Avenue residential building.



Rotting wood is evident in load-bearing walls of this dilapidated garage adjacent to a residential dwelling on 44th Street.



Siding is peeling and becoming detached from the exterior of this residential building on 6th Avenue.



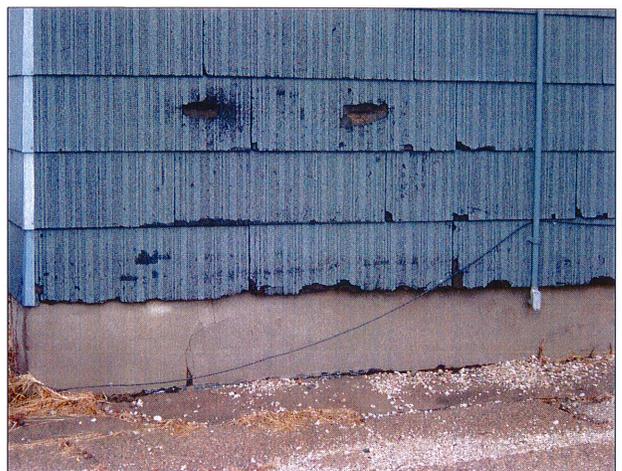
Deteriorated foundation of two-unit dwelling on 6th Avenue.



Soffit and guttering is falling from this residential structure on 6th Avenue



This broken window has been boarded up on this house on 45th Street. Note the deteriorated siding.



Additional evidence of deterioration to structure pictured at left. Note cracks in foundation.



The concrete driveway serving this 6th Avenue duplex is dilapidated and holds standing water. Note cars parked in rutted, unpaved portion of backyard.



Various components of this single unit dwelling on 45th Street are deteriorated and in need of repair, including windows, siding and roofing.



This sidewalk in the 5th Avenue public right-of-way is severely cracked and overgrown with vegetation.



The broken gate to a fenced-in area behind the vacant commercial building formerly home to Club Hypnotic reveals abandoned furniture and equipment.



Siding needs to be replaced on the rear portion of the now vacant Club Hypnotic building.



An unsecured opening is visible beneath the awning on the front of the vacant commercial building at the intersection of 4th Avenue and 46th Street.



This dilapidated sidewalk in the 46th Street right-of-way is covered with dirt, gravel and vegetation.



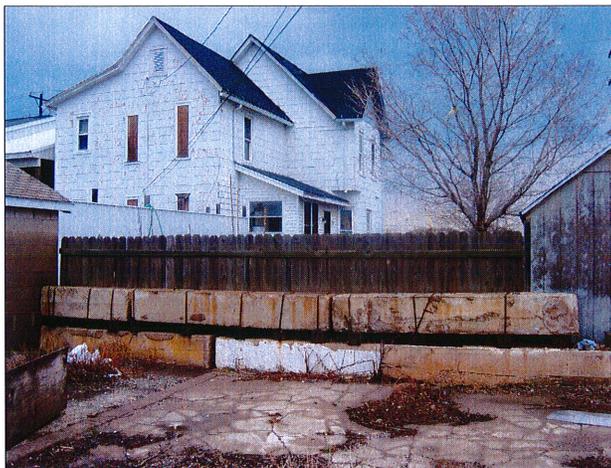
Deteriorated foundation and unsecured openings to vacant duplex on 46th Street.



Damage to exterior of vacant commercial building on 46th Street.



Major step cracks in garage behind 46th Street duplex indicate severe foundation settlement.



Deteriorated outdoor storage area adjacent to residential building.



Vacant office building on 4th Avenue. Note deteriorated condition of parking lot.



Vegetation has overgrown the fence enclosing this outdoor storage yard east of the QCIC complex. Note the vegetation and potholes in the inadequate gravel surface.



Large sections of siding are missing from this building in the northwest corner of the Project Area.



Equipment being stored on former storage/loading area. Note overgrown gravel surface in the foreground and loading docks in the background.



The rail yard on the western portion of the Area includes deteriorated driveways, site improvements and structures.



Potholes, cracks and surface deterioration in the pavement of the 46th Street right-of-way. Note also deteriorated curbs and curb aprons on either side.



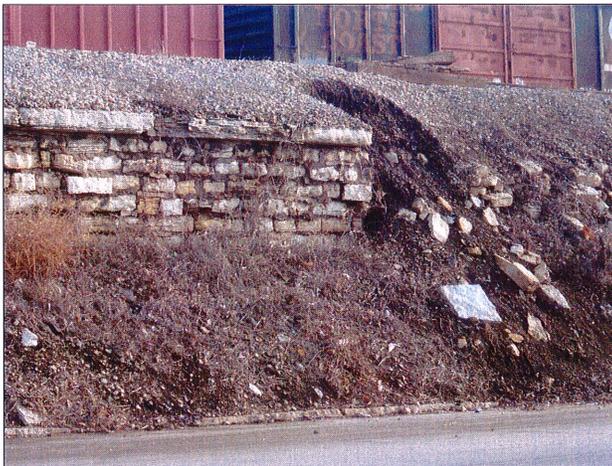
Cracked curbing and poor stormwater drainage in the 5th Avenue right-of-way.



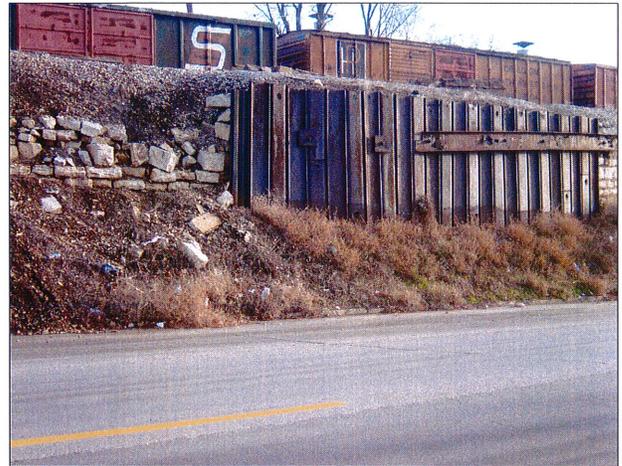
Crumbling asphalt patches provide temporary repairs to a portion of brick street in the 43rd Street right-of-way.



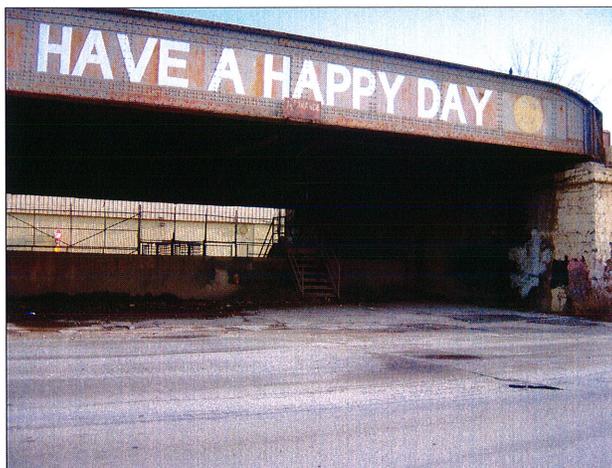
Cracked and overgrown sidewalks in the 40th Street right-of-way.



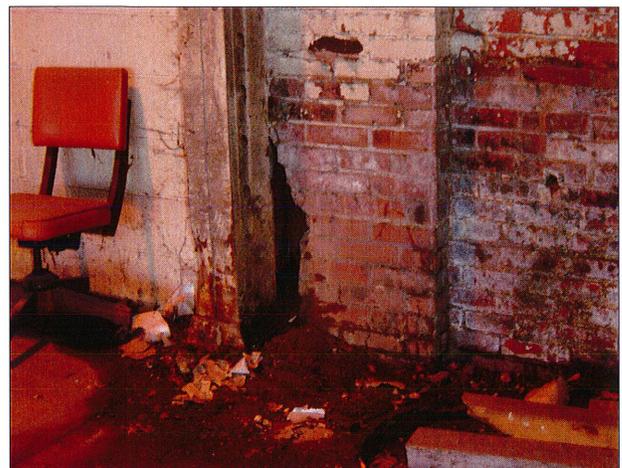
Sections of a stone retaining wall for the railroad tracks along the 5th Avenue right-of-way have collapsed.



Portions of the railroad retaining wall have been temporarily stabilized with corrugated metal reinforcement.



Various components of now unused pedestrian railroad underpass are in need of repairs. Note cracks and crumbling of masonry support at right.



Crumbling base of interior load-bearing wall in one of the central buildings of QCIC complex.



Step cracks in interior load-bearing wall in east portion of QCIC complex.



Holes and missing sections of the roof structure are common throughout the portions of the QCIC buildings that are currently vacant.



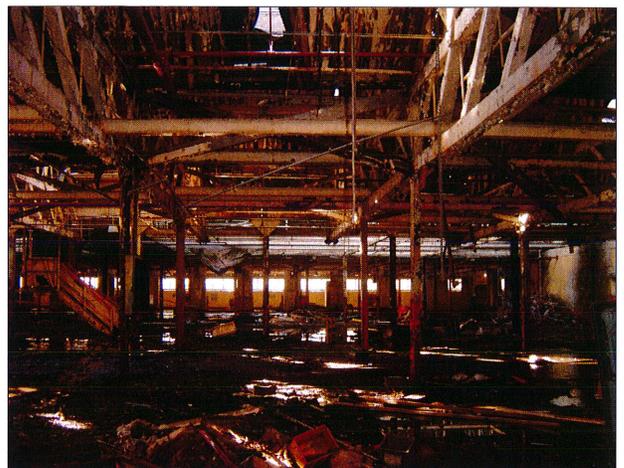
Wood and steel beams supporting the roof structure in this central section of the QCIC complex are severely deteriorated due partly to water damage.



Portions of roof structure in the vacated buildings of the QCIC complex are supported by temporary steel supports to prevent collapse.



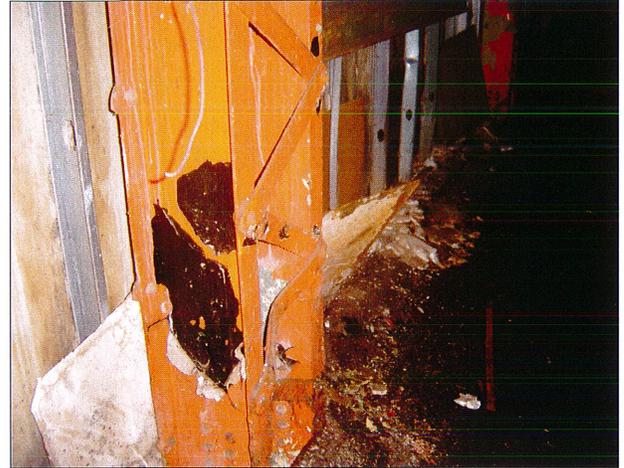
Additional evidence of dilapidated buildings in the QCIC complex. This photo was taken in the interior central portion of the complex.



Piles of debris are spread throughout vacated portions of the QCIC complex. This photo was taken looking south toward the exterior wall of Building 53.



Electrical and mechanical systems in vacated portions of the QCIC buildings are inoperable.



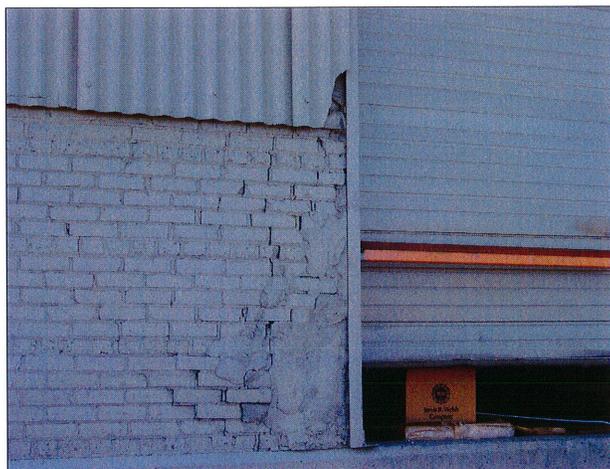
One of many supporting columns in the QCIC buildings that are damaged or deficient.



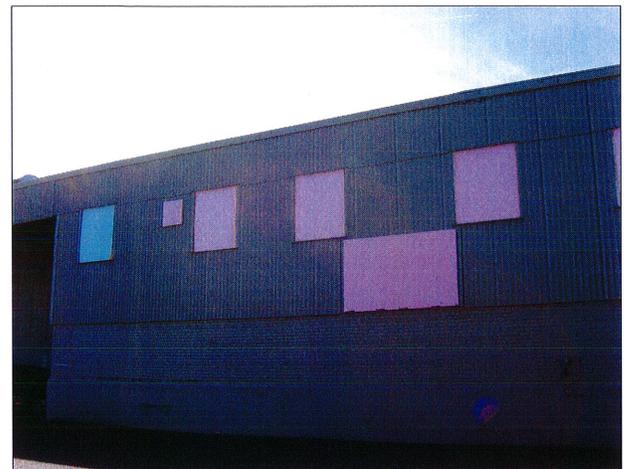
Rotting wood roof structural components in the interior of the QCIC complex.



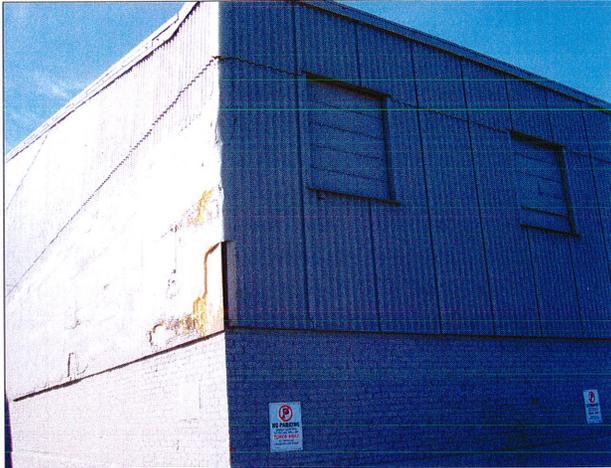
View of deterioration to foundation on exterior of Building 50 of QCIC complex.



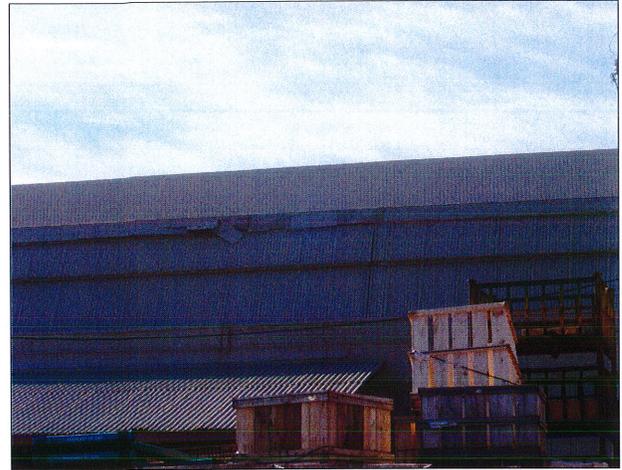
A section of this masonry exterior wall of a QCIC building has been recently painted but is in need of repair or partial replacement.



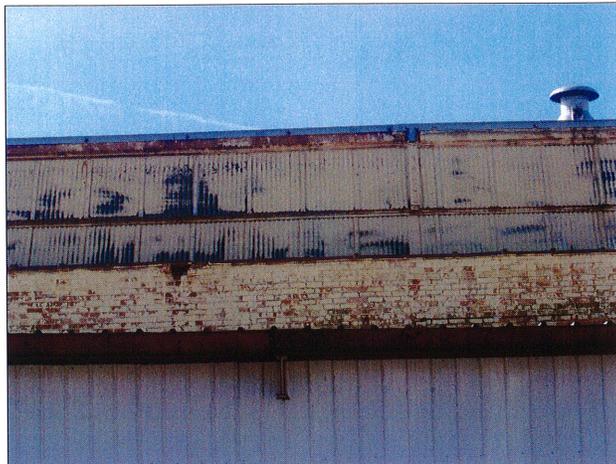
Window openings on the rear of this QCIC building have been boarded-up.



The superficial repair to this section of exterior wall has begun to peel, revealing a need for more for significant repair to this portion of a QCIC building.



Despite being painted recently, repairs to siding and fascia material are evident on this portion of a QCIC building near the rear center of the complex.



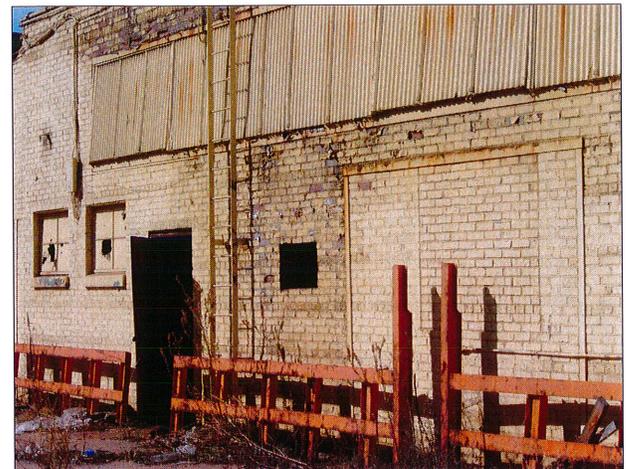
Cracks are found and bricks are missing in this section of exterior masonry. Deterioration to the metal siding higher on the building is also noted.



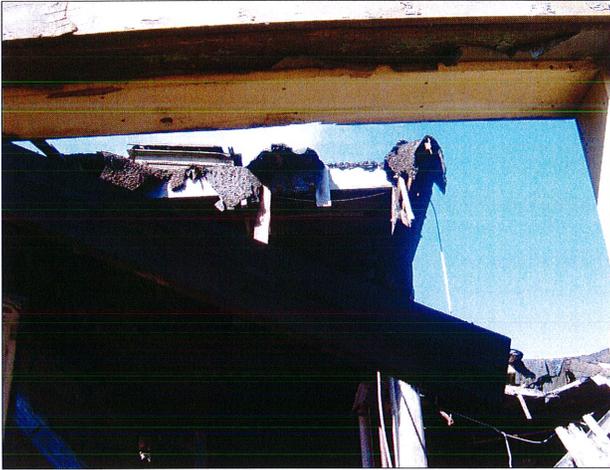
The foundation of a previously demolished building is located behind Building 8A of the QCIC complex.



Tires and other debris are scattered behind portions of the QCIC building.



Peeling paint reveals deterioration of masonry wall. Also note broken windows and unsecured door.



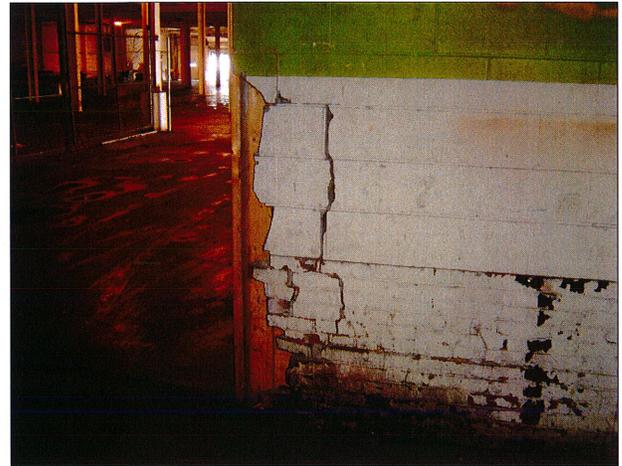
Portions of roof structure on this building at the rear of the east-central portion of the QCIC complex have collapsed.



Larger collapsed section of roof on building shown at left.



This storage drum and other debris are located in an uncovered former loading area at the rear of a vacated QCIC building.



Cracks in an interior load-bearing wall in a building at the east edge of the QCIC complex.



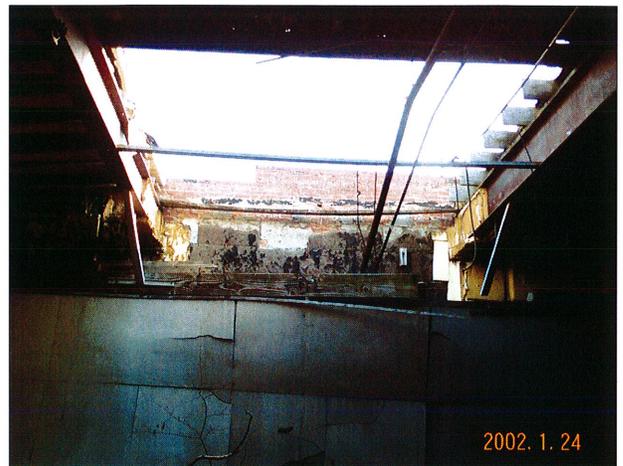
This dilapidated building in the northeast corner of the Project Area has been demolished. Photo taken 11/29/2001.



The abandoned semi-trailer and other debris in the northeast corner of the Project Area has been cleared following acquisition by the City. Photo taken 11/29/2001.



Interior view of dilapidated roof structure of building (now demolished) in northeast portion of the Project Area. Photo taken 1/24/2002.



Irreparable damage to roof structure and load-bearing wall of building (now demolished) in northeast portion of the Project Area. Photo taken 1/24/2002.



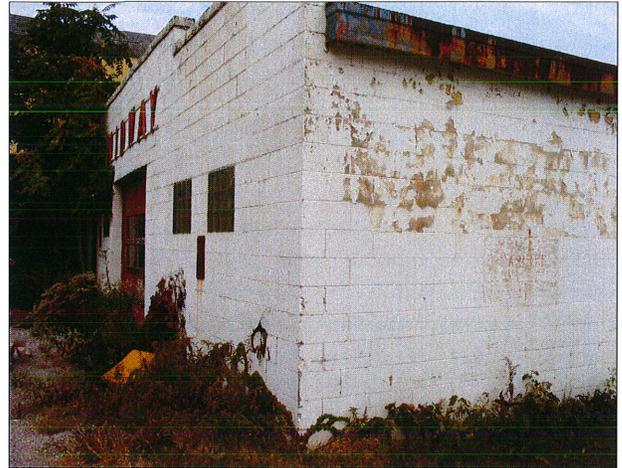
Dilapidated building in the northeast portion of the Project Area that has been demolished. Photo taken 1/24/2002.



Severe damage to masonry wall, roof structure and gutters on building (now demolished) in the northeast corner of Project Area. Photo taken 9/30/2004.



Dilapidated building and loading area (now cleared) in northeast corner of Project Area. Photo taken 9/03/2004



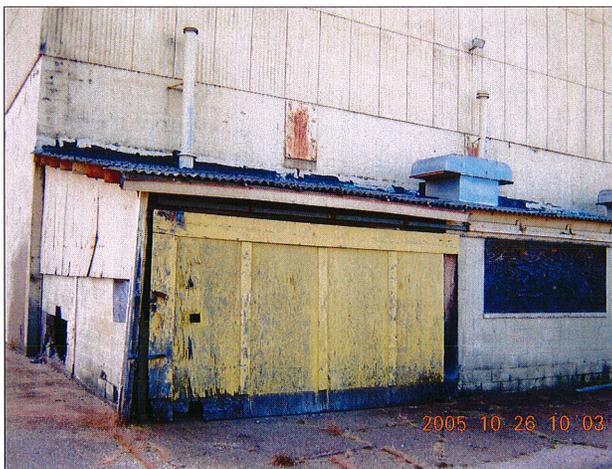
Dilapidated building (now demolished) in the northeast corner of Project Area. Note hole near bottom of masonry wall. Photo taken 10/13/2004.



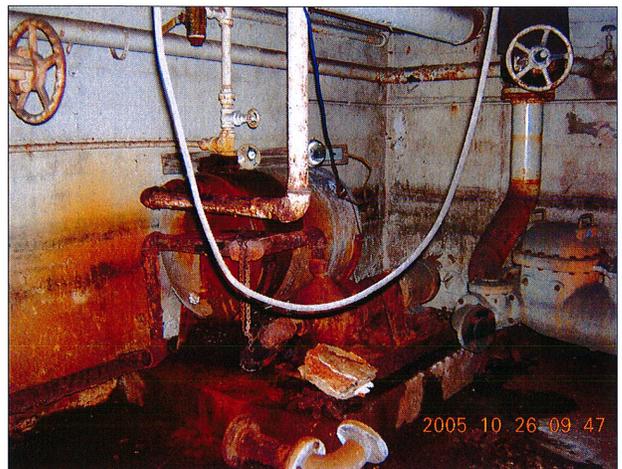
Dilapidated loading dock surrounded by debris. This building in the northeast corner of the Project Area has been demolished. Photo taken 11/16/2004.



Interior of dilapidated building (now demolished) in northeast corner of Project Area. Photo taken 1/12/2005



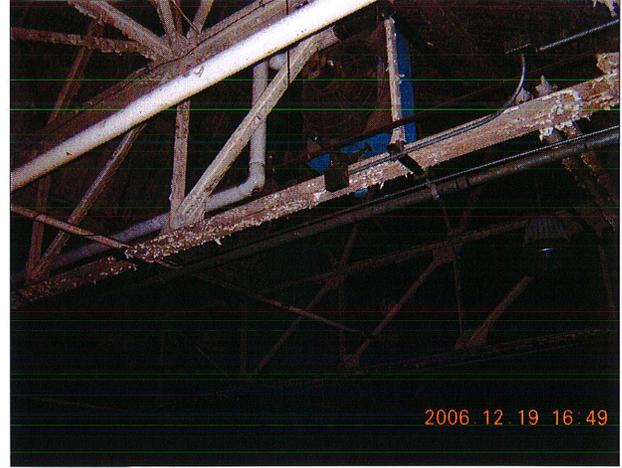
Exterior view of dilapidated structure (now demolished) in the northeast corner of the Project Area. Note hole in masonry wall. Photo taken 10/26/2005.



Mechanical equipment inside building in the northeast portion of the Project Area. The building has been demolished. Photo taken 10/26/2005



Interior view of dilapidated QCIC building that has been demolished. Note severe deterioration of supporting columns. Photo taken 12/19/2006.



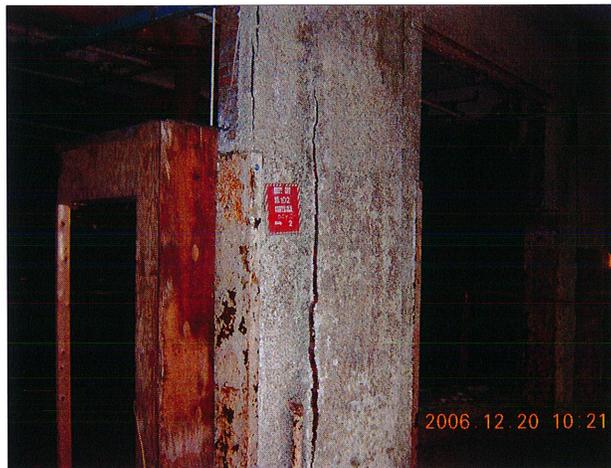
Dilapidated roof structure supporting QCIC building (now demolished). Photo taken 12/19/2006.



Locker room area in dilapidated QCIC building that has now been demolished. Photo taken 12/19/2006



Interior view of dilapidated roof structure in QCIC Building 7, portions of which have been demolished. Photo taken 12/20/2006.



Dilapidated load-bearing column and roof structure in part of a QCIC building that has been demolished. Photo taken 12/20/2006.

ATTACHMENT D

PIN List, Property Owners & 2006 EAV

**PROPERTY IDENTIFICATION NUMBER (PIN) LIST
PROPERTY OWNER & 2006 EAV**

Columbia Park Redevelopment Project Area

City of Rock Island, Illinois

Map #	Parcel I. D. No.	Property Owner	2006
1	831301002	REYNOLDS MANUFACTURING CO	194,650
2	<i>Not Used</i>		
3	831301003	WHEATON MARJORIE	12,489
4	831301004	KENNEDY TIMOTHY J/DIANE M	12,487
5	831302005	MENDOZA JOSEPH R	12,483
6	831302004	MENDOZA THOMAS J	12,486
7	831302003	LRC DEVELOPERS	23,440
8	831302002	MORLOK JEFFREY T	2,490
9	831302001	PAYNE MATTHEW E	13,208
10	831302010	LRC DEVELOPERS	20,416
11	831302007	LIMON JOSE LUIS/MARIA	12,486
12	<i>Not Used</i>		
13	831302009	REYES ALEXANDER	14,687
14	<i>Not Used</i>		
15	831303006	TACEY R LOUISE	10,278
16	831303005	ELLIOTT LINDA L	12,487
17	831303004	SOWARDS MILDRED E	10,278
18	831303003	LRC DEVELOPERS	16,365
19	831303001	LRC DEVELOPERS	1,054
20	831303002	ROCK ISLAND CO TRUSTEE	9,287
21	831303007	LRC REAL ESTATE INC	36,790
22	831304001	LRC REAL ESTATE INC	257,428
23	831309001	LRC DEVELOPERS	24,315
24	831309005	I H MISS VALLEY CR UNION	22,303
25	831309002	I H MISS VALLEY CR UNION	309,388
26	831309006	I H MISS VALLEY CR UNION	29,078
27	831309003	I H MISS VALLEY CR UNION	7,841
28	831309004	I H MISS VALLEY CR UNION	18,876
29	831310001	LRC DEVELOPERS	23,732
30	831310002	MURILLO JOSE	10,281
31	831310003	LRC DEVELOPERS	6,000
32	831310008	GIT-N-GO CONV STORES INC	90,165
33	831310007	MARCELENO LORENZO	14,685
34	831310006	GRANGER GLENN A/CYNTHIA K	10,281
35	831310005	I H MISS VALLEY CR UNION	1,485

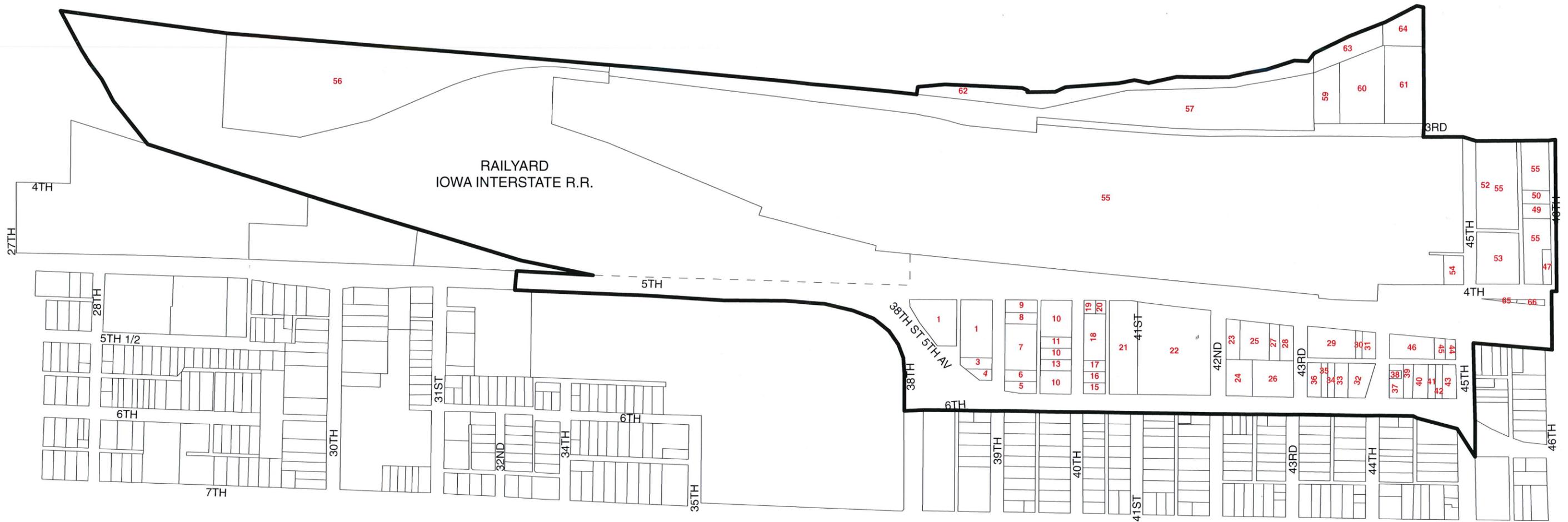
PROPERTY IDENTIFICATION NUMBER (PIN) LIST

PROPERTY OWNER & 2006 EAV

Columbia Park Redevelopment Project Area

City of Rock Island, Illinois

Map #	Parcel I. D. No.	Property Owner	2006
36	831310004	I H MISS VALLEY CR UNION	2,971
37	831311004	RIVERA ROMERO RAMIRO	2,585
38	831311005	RIVERA ROMERO RAMIRO	10,283
39	831311006	ALBERS MICHAEL D	9,019
40	831311007	NGUYEN Y THANH	20,319
41	831311008	GRANADO EMETERIO	17,357
42	831311009	MEYERS ORRIN K	10,287
43	831311010	GRUNEWALD AUGUSTA R	24,017
44	831311003	RAMIREZ RAFAELA	10,280
45	831311002	REWERTS DEBORAH	10,271
46	831311001	MUSKOPF MELISSA M	38,468
47	831104001	COLUMBIA PARK LLC	21,919
48	<i>Not Used</i>		
49	831103004	COLUMBIA PARK LLC	11,296
50	831103003	COLUMBIA PARK LLC	10,833
51	<i>Not Used</i>		
52	831101003	LRC DEVELOPERS	26,215
53	831103002	COLUMBIA PARK LLC	74,949
54	831103001	COLUMBIA PARK LLC	27,909
55	831101002	LRC DEVELOPERS	1,946,505
56	736105001	NAVISTAR INT TRANS CORP	23,471
57	831101001	CITY OF ROCK ISLAND	0
58	<i>Not Used</i>		
59	831102003	CITY OF ROCK ISLAND	0
60	831102004	CITY OF ROCK ISLAND	0
61	831102005	CITY OF ROCK ISLAND	0
62	831100001	CITY OF ROCK ISLAND	0
63	831102001	MIDAMERICAN ENERGY CO	7,591
64	831102002	CITY OF ROCK ISLAND	0
65	831100005	TLC PROPERTIES INC	578
66	831100006	LRC DEVELOPERS	705
Total			\$ 3,561,547



Legend

 Proposed Redevelopment Project Area Boundary

66 Parcel Identification Number

Parcel Identification Map

Columbia Park Redevelopment Project Area
City of Rock Island, Illinois

MAY 2007



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