

CITY OF JOLIET, ILLINOIS

Amendment No. 3 to the City Center Tax Increment Financing Redevelopment Plan and Project

DRAFT REPORT | April 26, 2019



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CITY OF JOLIET, ILLINOIS
Amendment No. 3 to the
City Center Tax Increment Financing Redevelopment Project and Plan

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1. Introduction to Amendment

Introduction to Amendment No. 3

To induce redevelopment, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended as needed (the "Act"), the City of Joliet (the "City") passed ordinances on April 4, 2000 that designated the City Center Redevelopment Project Area (the "Original Redevelopment Project Area" or the "Original RPA") as a Tax Increment Financing ("TIF") District, and that adopted a TIF Redevelopment Plan and Project (the "Original City Center TIF Redevelopment Plan and Project" or the "Original Plan") to guide redevelopment within the RPA. The City Center TIF District (the "TIF District") is scheduled to expire after 23 years on April 3, 2023, with the final year of property taxes levied in 2023 to be collected in 2024.

The Original RPA was previously amended ("Amendment No. 1") in 2007 to expand the boundary of the Original RPA. It is our understanding that in 2007, Amendment No. 1 entirely replaced the text of the Original Plan with an updated and amended Redevelopment Plan and Project.

In 2017, the City amended ("Amendment No. 2") to modify the 2007 RPA boundary to remove a large number of parcels, including some parcels that were in the Original RPA. The revised Redevelopment Project Area as defined in Amendment No. 2 is referred to as the "2017 Redevelopment Project Area" or "2017 RPA." The 2017 amended Redevelopment Plan and Project is referred to as "2017 City Center TIF Redevelopment Plan and Project" or the "2017 Plan".

The main purpose of proposed Amendment No. 3 is to extend the life of the TIF District for 12 years beyond its original completion date of April 3, 2023 to April 3, 2035. The life of the TIF District is being extended so that property within the RPA that is still underutilized can be successfully redeveloped. The City is currently working with property owners and developers. Without additional time, the City is unlikely to fully achieve the goals of the 2017 Plan. Amendment No. 3 does not propose including additional parcels in the TIF District. Thus, Amendment No. 3 will not address TIF designation eligibility. The revised Redevelopment Plan and Project in Amendment No. 3 is herein referred to as the "2019 City Center TIF Redevelopment Plan and Project" or the "2019 Plan."

2. Amendments to the Redevelopment Plan and Project

The following amendments are made to the 2017 City Center TIF Redevelopment Plan and Project. All other sections of the 2017 Plan remain unchanged.

INTRODUCTION

- 1) Replace the final paragraph of the "PROJECT BACKGROUND" subsection within the "INTRODUCTION" section, with the following paragraph:

In 2017, the City amended ("Amendment No. 2") the 2007 City Center TIF Redevelopment Plan and Project to reduce the size of the 2007 Redevelopment Project Area from 284 PINs to 59 PINs, bounded by Webster Street on the north, Joliet Street on the west, Van Buren Street on the south, and Scott Street on the east; update the Future Land Use map to support the improvement of the 2017 RPA as a mixed-use district; update the district budget and language regarding eligible redevelopment costs; and update language to bring the City Center TIF Redevelopment Plan and Project current with amendments to the TIF Act.

To help support ongoing redevelopment efforts in downtown Joliet, the City now seeks to amend (Amendment No. 3) the 2017 City Center TIF Redevelopment Plan and Project to extend the life of the TIF District for 12 years beyond its original completion date of April 3, 2023 to April 3, 2035.

- 2) No changes to subsections titled "TAX INCREMENT FINANCING" nor "ELIGIBILITY OF THE PROPOSED TIF DISTRICT"

REDEVELOPMENT PROJECT AREA DESCRIPTION

- 3) No changes to section titled "REDEVELOPMENT PROJECT AREA DESCRIPTION"

REDEVELOPMENT PLAN AND PROGRAM

- 4) Within the section titled "REDEVELOPMENT PLAN AND PROGRAM", no changes to the section introduction nor subsections titled "PURPOSE OF THE REDEVELOPMENT PLAN", "REDEVELOPMENT PLAN OBJECTIVES", "REDEVELOPMENT LAND USE PLAN", nor "ELIGIBLE PROJECT COSTS".

- 5) Replace the fifth sentence of the first paragraph of the "ACQUISITION AND CLEARANCE" subsection within the "REDEVELOPMENT PLAN AND PROGRAM" section, with the following sentence:

The City does, however, reserve the right to acquire, clear, or assemble any properties within the TIF District during the 35-year duration of the TIF.

- 6) Replace the fourth sentence of the first paragraph of the "LAND DISPOSITION" subsection within the "REDEVELOPMENT PLAN AND PROGRAM" section, with the following sentence:

The City does, however, reserve the right to sell or lease any property acquired within the TIF District during the 35-year duration of the TIF.

- 7) No changes to subsection titled "PUBLIC IMPROVEMENTS".
- 8) Replace section titled "PHASING OF PROJECT" and the associated paragraph with the following section title and text:

PHASING, SCHEDULING OF THE REDEVELOPMENT, AND ESTIMATED DATES OF COMPLETION

Each private project within the RPA receiving TIF benefits shall be governed by the terms of a written redevelopment agreement entered into by a designated developer and the City. This Redevelopment Plan is estimated to be completed, and all obligations issued to finance redevelopment costs are estimated to be retired, no later than December 31 of the year in which the payment to the City Finance Director provided in the Act is to be made with respect to ad valorem taxes levied in the thirty-fifth calendar year following the year in which the ordinance approving this RPA is adopted. This Redevelopment Plan is estimated to be completed, and all obligations issued to finance redevelopment costs shall be retired no later than December 31, 2035.

- 9) No changes to subsections titled "ESTIMATED PROJECT COSTS", nor "SOURCES OF FUNDS", nor "NATURE AND TERM OF OBLIGATIONS TO BE ISSUED."
- 10) The text and table within subsection titled "EQUALIZED ASSESSED VALUATION" is deleted and restated with the following text:

According to documentation by Will County Clerk's Office, the certified base EAV for the 2017 RPA is \$1,509,558. By tax year 2035 (collection year 2036), the total taxable EAV for the RPA is anticipated to be approximately \$9.0 million. This estimate is based on several key assumptions, including an inflation factor of 2.0% per year on the EAV of all properties within the 2017 RPA and one new development constructed within the life of the TIF.

- 11) No changes to subsections titled "AFFIRMATIVE ACTION", "PAYMENT IN LIEU OF TAXES", and "PROVISION FOR AMENDING THE REDEVELOPMENT PLAN AND PROGRAM."

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

- 12) Within the section titled "FINDINGS OF NEED FOR TAX INCREMENT FINANCING," no changes to section introduction, and subsection titled "PROJECT AREA NOT SUBJECT TO GROWTH."
- 13) Replace the last sentence of the subsection titled "CONFORMANCE WITH EXISTING DEVELOPMENT PLANS" with the following text:

The 2019 City Center TIF Redevelopment Plan and Project also conforms to the 2017 City of Joliet Downtown Plan, which seeks to provide a "roadmap" for the improvement of downtown Joliet.

- 14) Delete subsection titled "DATE OF COMPLETION" and associated text.

FINANCIAL IMPACT OF REDEVELOPMENT

15) No changes to section titled "FINANCIAL IMPACT OF REDEVELOPMENT".

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**Appendix A. Amendment No. 2 to the City Center
Tax Increment Financing Redevelopment Plan and
Project**

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CITY OF JOLIET, ILLINOIS

Amendment No. 2 to the City Center Tax Increment Financing Redevelopment Plan and Project

November 13, 2017



CITY OF JOLIET, ILLINOIS
Amendment No. 2 to the
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CITY OF JOLIET, ILLINOIS
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Introduction to Amendment

To induce redevelopment, pursuant to the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 et seq., as amended as needed (the “Act”), the City of Joliet (the “City”) passed ordinances on April 4, 2000 that designated the City Center Redevelopment Project Area (the “Original Redevelopment Project Area” or the “Original RPA”) as a Tax Increment Financing (“TIF”) District, and that adopted a TIF Redevelopment Plan and Project (the “Original City Center TIF Redevelopment Plan and Project” or the “Original Plan”) to guide redevelopment within the RPA. The City Center TIF is scheduled to expire after 23 years on April 3, 2023, with the final year of property taxes levied in 2023 to be collected in 2024.

Redevelopment Project Area

The Original RPA was previously amended (“Amendment No. 1”) in 2007 to expand the boundary of the Original Redevelopment Project Area. The Redevelopment Project Area described in Amendment No. 1, which includes the Original RPA, is referred to as the “2007 Redevelopment Project Area” or “2007 RPA.” The City now seeks an additional amendment (“Amendment No. 2”) to further change the 2007 RPA to remove a large number of parcels, including parcels that were in the Original RPA. The revised Redevelopment Project Area as defined in Amendment No. 2 is herein referred to as the “2017 Redevelopment Project Area” or “2017 RPA.” Amendment No. 2 will not reassess original TIF designation eligibility. One key purpose of proposed Amendment No. 2 is to:

- Reduce the size of the 2007 RPA from 284 PINs to 59 PINs, bounded by Webster Street on the north, Joliet Street on the west, Van Buren Street on the south, and Scott Street on the east.

Redevelopment Plan and Project

It is our understanding that in 2007, Amendment No. 1 entirely replaced the text of the Original Plan with an updated and amended Redevelopment Plan and Project. The 2007 Plan is referred to as the “2007 City Center TIF Redevelopment Plan and Project” or “2007 Plan.” The City now seeks to further amend the 2007 Plan to help support ongoing redevelopment efforts in downtown Joliet. The revised Redevelopment Plan and Project in Amendment No. 2 is herein referred to as the “2017 City Center TIF Redevelopment Plan and Project” or the “2017 Plan.” Amendment No. 2 will not reassess original TIF designation eligibility. The main purposes of proposed Amendment No. 2 are to:

- Update the Future Land Use map to support the improvement of the 2017 RPA as a mixed-use district;
- Update the district budget and language regarding eligible redevelopment costs; and
- Update language to bring the City Center TIF Redevelopment Plan and Project current with amendments to the TIF Act.

Amendments to the Redevelopment Plan and Project

The following amendments are made to the 2007 City Center TIF Redevelopment Plan and Project. All other sections of the 2007 Plan remain unchanged. This amendment uses a numbering system to track 24 total amendment actions. These numbers should not be included in the 2017 City Center TIF Redevelopment Plan and Project.

INTRODUCTION

1) The following paragraph is added to the end of the “PROJECT BACKGROUND” subsection within the “INTRODUCTION” section, as follows:

To help support ongoing redevelopment efforts in downtown Joliet, the City seeks to amend (“Amendment No. 2”) the 2007 City Center TIF Redevelopment Plan and Project to reduce the size of the 2007 Redevelopment Project Area from 284 PINs to 59 PINs, bounded by Webster Street on the north, Joliet Street on the west, Van Buren Street on the south, and Scott Street on the east; update the Future Land Use map to support the improvement of the 2017 RPA as a mixed-use district; update the district budget and language regarding eligible redevelopment costs; and update language to bring the City Center TIF Redevelopment Plan and Project current with amendments to the TIF Act.

2) No changes to subsections titled “TAX INCREMENT FINANCING” nor “ELIGIBILITY OF THE PROPOSED TIF DISTRICT”

REDEVELOPMENT PROJECT AREA DESCRIPTION

3) The following paragraph is added to the end of the “REDEVELOPMENT PROJECT AREA DESCRIPTION” section, replacing all text after the first paragraph subtitled “*Amended TIF District Boundary:*” as follows:

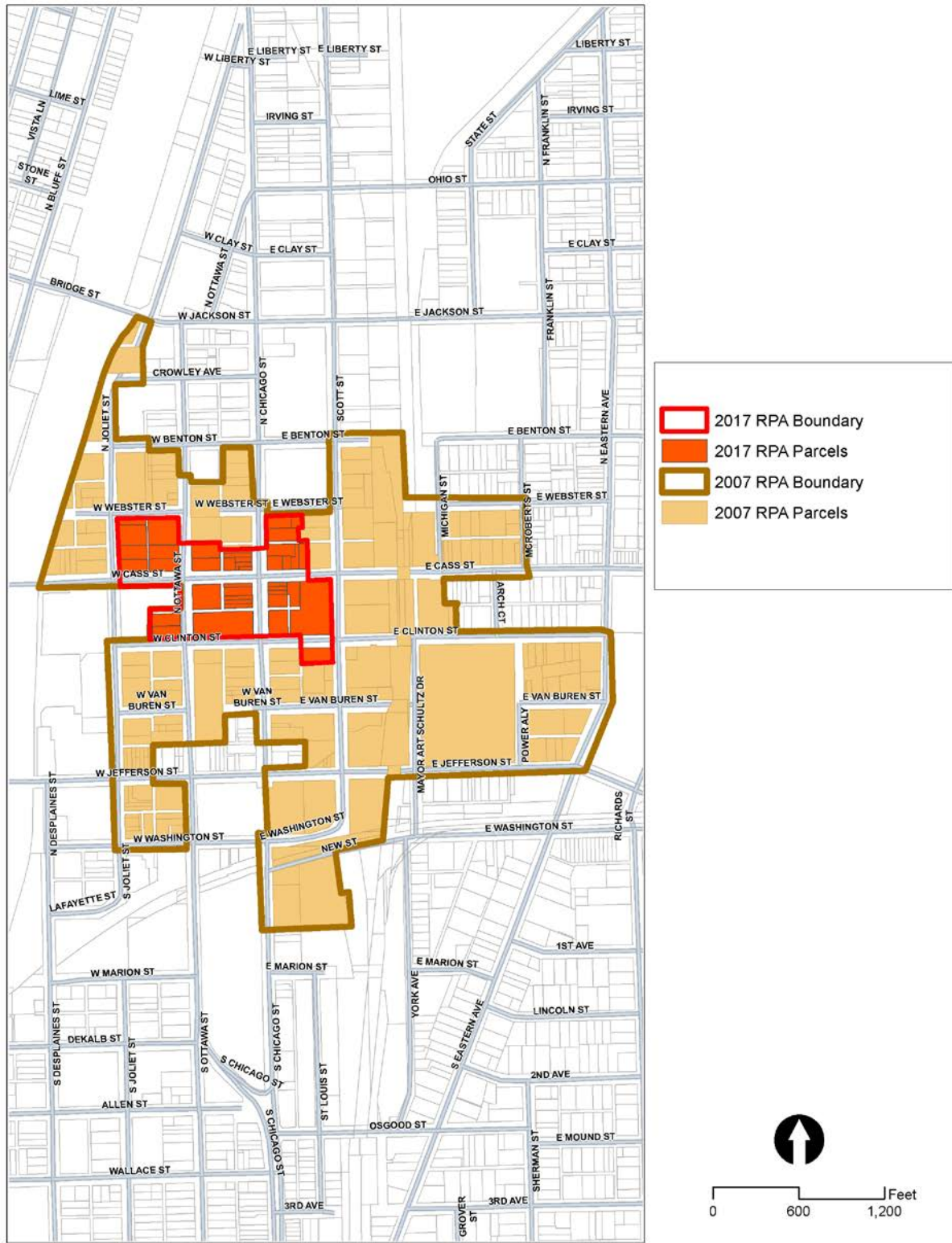
Amended City Center TIF District Boundary No. 2:

Amendment No. 2 removes 225 PINs from the 2007 RPA, generally bounded by Webster Street on the north, Joliet Street on the west, Van Buren Street on the south, and Scott Street on the east. The post-amendment 2017 Redevelopment Project Area contains 59 parcels and consists of 12.5 land acres. The list of PINs remaining in the 2017 RPA is located in **Appendix D**.

EXHIBIT A contains the existing 2007 RPA boundary and the proposed 2017 RPA boundaries.

4) The following map replaces the existing map (“**EXHIBIT A**”) within the section titled “REDEVELOPMENT PROJECT AREA DESCRIPTION”, as follows:

EXHIBIT A: 2017 Redevelopment Project Area



Source: City of Joliet, ESRI, SB Friedman.

5) Within the section titled “REDEVELOPMENT PROJECT AREA DESCRIPTION” section, replace the existing boundary legal description (“CITY CENTER II TIF LEGAL DISTRICT DESCRIPTION”), as follows:

The legal description of the Redevelopment Project Area is as follows:

CITY CENTER TIF AMENDMENT NO. 2 LEGAL DISTRICT DESCRIPTION

THOSE PARTS OF SECTIONS 9 AND 10, IN TOWNSHIP 35 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE NORTH LINE OF CLINTON STREET AND THE EAST LINE OF JOLIET STREET; THENCE EAST ON THE NORTH LINE OF SAID CLINTON STREET TO THE WEST LINE OF THE NORTH-SOUTH ALLEY RUNNING THROUGH BLOCK 14 IN OLD TOWN JOLIET AND TO THE POINT OF BEGINNING; THENCE NORTH ON SAID WEST LINE TO THE NORTH LINE OF THE EAST-WEST ALLEY RUNNING THROUGH SAID BLOCK 14; THENCE EAST ON SAID NORTH LINE TO THE WEST LINE OF OTTAWA STREET; THENCE NORTH ON SAID WEST LINE TO THE SOUTH LINE OF CASS STREET; THENCE WEST ON SAID SOUTH LINE TO THE EAST LINE OF JOLIET STREET; THENCE NORTH, ON SAID EAST LINE, TO THE SOUTH LINE OF WEBSTER STREET; THENCE EAST ON SAID SOUTH LINE TO THE WEST LINE OF OTTAWA STREET; THENCE SOUTH ON SAID WEST LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF THE EAST-WEST ALLEY RUNNING THROUGH BLOCK 12 OF SAID OLD TOWN JOLIET; THENCE EAST ON SAID WESTERLY EXTENSION AND SAID NORTH LINE TO THE EAST LINE OF THE NORTH-SOUTH ALLEY RUNNING THROUGH SAID BLOCK 12; THENCE SOUTH ON SAID EAST LINE TO THE SOUTH LINE OF SUB LOT 10 IN ASSESSOR’S SUBDIVISION OF LOTS 5 AND 6 IN SAID BLOCK 12; THENCE EAST ON SAID SOUTH LINE AND ON THE EASTERLY EXTENSION THEREOF TO THE EAST LINE OF CHICAGO STREET; THENCE NORTH ON SAID EAST LINE TO THE SOUTH LINE OF WEBSTER STREET; THENCE EAST ON SAID SOUTH LINE TO THE EAST LINE OF THE PARCEL CONVEYED BY DOCUMENT NO. R2017-005665; THENCE SOUTH ON SAID EAST LINE TO THE SOUTH LINE OF LOT 8 IN BLOCK 5 OF EAST JULIET (NOW JOLIET); THENCE WEST ON SAID SOUTH LINE TO THE SOUTHWEST CORNER OF SAID LOT 8; THENCE SOUTH ON THE WEST LINE OF LOT 7 IN SAID BLOCK 5 TO THE NORTH LINE OF THE EAST-WEST ALLEY RUNNING THROUGH SAID BLOCK 5; THENCE EAST ON SAID NORTH LINE TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE WEST 44 FEET OF LOTS 5 AND 6 IN SAID BLOCK 5; THENCE SOUTH ON SAID NORTHERLY EXTENSION AND SAID EAST LINE, AND THE SOUTHERLY EXTENSION THEREOF, TO THE SOUTH LINE OF CASS STREET; THENCE EAST ON SAID SOUTH LINE TO THE WEST LINE OF SCOTT STREET; THENCE SOUTH ON SAID WEST LINE TO THE SOUTHEAST CORNER OF LOT 1 IN RUBEN’S SUBDIVISION; THENCE WEST ON THE SOUTH LINE OF SAID LOT 1 AND THE WESTERLY EXTENSION THEREOF, TO THE WEST LINE OF THE NORTH-SOUTH ALLEY RUNNING THROUGH BLOCK 3 OF SAID EAST JOLIET; THENCE NORTH ON SAID WEST LINE AND ON THE NORTHERLY EXTENSION THEREOF, TO THE NORTH LINE OF CLINTON STREET; THENCE WEST ON SAID NORTH LINE TO THE POINT OF BEGINNING, ALL IN WILL COUNTY, ILLINOIS.

REDEVELOPMENT PLAN AND PROGRAM

6) Within the section titled “REDEVELOPMENT PLAN AND PROGRAM”, no changes to the section introduction nor subsections titled “PURPOSE OF THE REDEVELOPMENT PLAN” nor “REDEVELOPMENT PLAN OBJECTIVES.”

7) Within the subsection “REDEVELOPMENT LAND USE PLAN”, the following paragraphs and map (“EXHIBIT B”) replace all existing text, as follows:

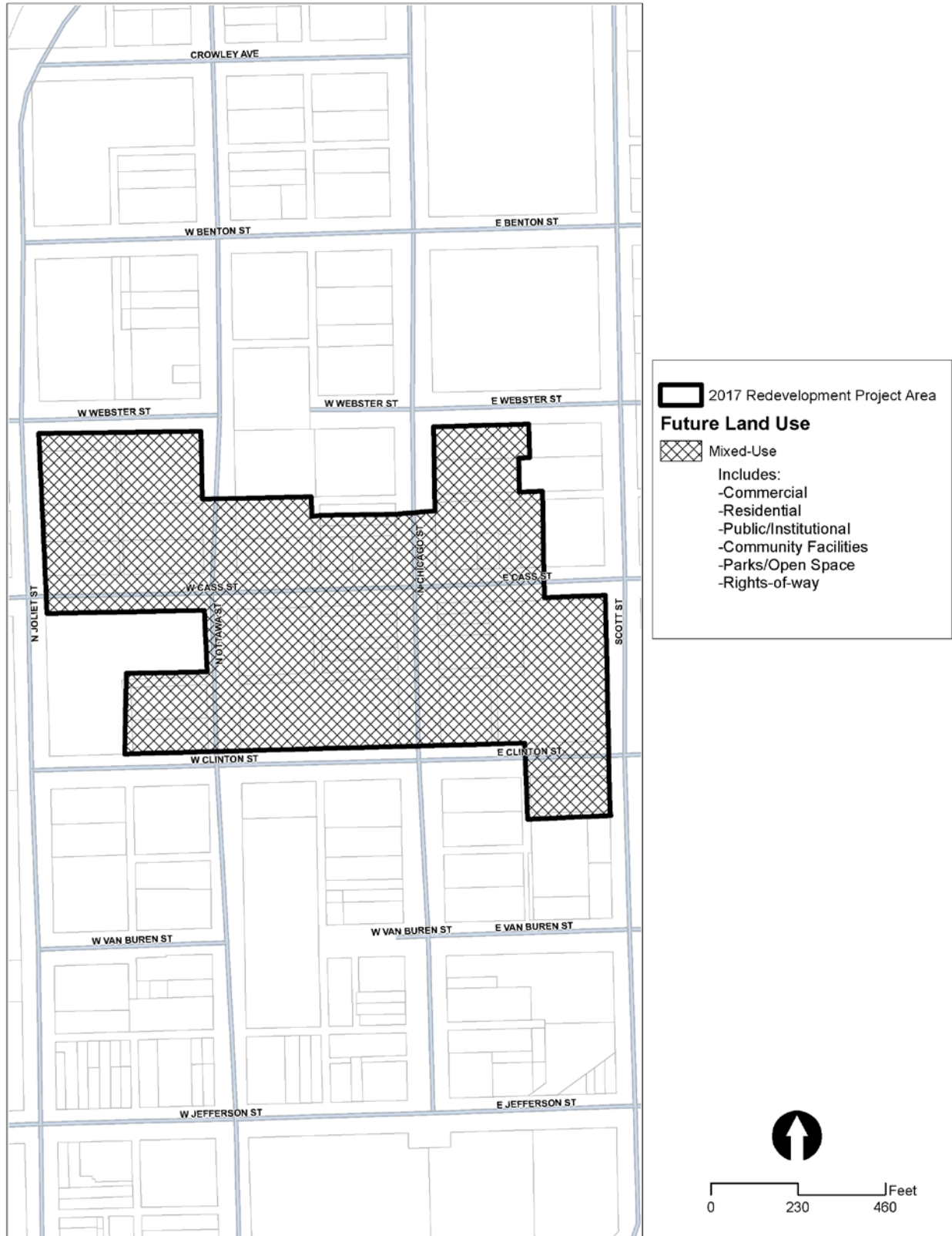
The proposed future land use of the 2017 RPA reflects the objectives of the 2017 City Center Redevelopment Plan and Project, which are to support the improvement of the area as an active mixed-use district, and to support other improvements that serve the redevelopment interests of the local community, current business owners and the City. The proposed objectives are compatible with historic land use patterns and align with current development trends in the area.

The proposed land uses are detailed in **EXHIBIT B**, which shows a mixed-use designation throughout the 2017 RPA. For the purposes of this plan, the mixed-use designation, as detailed in **EXHIBIT B** below, is meant to allow for various uses within the 2017 RPA, in a manner that is consistent with the 1999 City Center Development Plan, the 2015 Downtown Plan and other City planning documents that guide land use. The mixed-use designation allows for the following land uses within the 2017 RPA:

- Commercial
- Residential
- Public/Institutional
- Community Facilities
- Park/Open Space
- Rights-of-Way

It is anticipated that most new development will be mixed-use. The land uses listed above are to be predominant uses for the area indicated and are not exclusive of any other uses. The future land uses outlined above do not supersede the area’s zoning.

EXHIBIT B: 2017 Redevelopment Project Area Future Land Use Map



Source: City of Joliet, ESRI, SB Friedman.

8) Subsection “DEVELOPMENT OPPORTUNITY SITES” is deleted, as well as EXHIBITS B, C, and D within said subsection.

9) The following text is added to the end of subsection “ELIGIBLE PROJECT COSTS,” as follows:

Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost.

If a Special Service Area is established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the Redevelopment Project Area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

10) No changes to subsections titled “ACQUISITION AND CLEARANCE”, “LAND DISPOSITION”, and “PUBLIC IMPROVEMENTS.”

11) The text within subsection titled “PHASING OF PROJECT” is deleted and restated as follows:

Redevelopment projects anticipated in the Project Plan may commence immediately. The City may undertake additional public improvements or development projects as appropriate throughout the life of the Project Plan.

12) Within subsection titled “ESTIMATED PROJECT COSTS”, existing text and **Table 1** are deleted, and restated as follows:

Estimated public project costs are listed in **Table 1**. These costs are based on 2017 dollars and are therefore subject to inflation and cost increases as authorized in the Act.

Table 1: City Center TIF Estimated TIF-Eligible Redevelopment Project Costs

Project/Improvement	Estimated Project Costs
Administration and Professional Service Costs	\$100,000
Costs of Studies, Surveys, Plans, etc. as Authorized in the Act	\$50,000
Site Marketing Costs	\$500,000
Property Assembly Costs (including acquisition and site preparation)	\$500,000
Costs of Building Rehabilitation	\$6,000,000
Costs of Construction of Public Works or Improvements	\$6,500,000
Costs of Job Training or Retraining (Businesses)	\$100,000
Financing Costs	\$50,000
Taxing District Capital Costs [1]	\$300,000
Relocation Costs	\$200,000
Payments in Lieu of Taxes	\$100,000
Costs of Job Training (Community College)	\$100,000
Costs of Affordable Housing	\$100,000
Interest Costs (Developer or Property Owner)	\$400,000
TOTAL REDEVELOPMENT PROJECT COSTS [2] [3] [4]	\$15,000,000

[1] This category may include paying for or reimbursing capital costs of taxing districts impacted by the redevelopment of the RPA. As permitted by the Act, to the extent the City by written agreement accepts and approves the same, the City may pay, or reimburse all, or a portion of a taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of this Redevelopment Plan.

[2] Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest, costs of issuance, and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.

[3] The amount of the Total Redevelopment Project Costs that can be incurred in the RPA may be reduced by the amount of Redevelopment Project Costs incurred in contiguous RPAs, or those separated from the RPA only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the RPA, but may not be reduced by the amount of Redevelopment Project Costs incurred in the RPA that are paid from incremental property taxes generated in contiguous RPAs or those separated from the RPA only by a public right-of-way.

[4] All costs are in 2017 dollars and may be increased by 5% after adjusting for annual inflation reflected in the Consumer Price Index (CPI) for All Urban Consumers in U.S. Cities, published by the U.S. Department of Labor. In addition to the above stated costs, each issue of obligations issued to finance a phase of the Redevelopment Plan and Project may include an amount of proceeds sufficient to pay customary and reasonable charges associated with the issuance of such obligations, including interest costs.

Adjustments to the estimated line item costs in **Table 1** are expected and may be made by the City without amendment to this 2017 City Center Redevelopment Plan and Project. Each individual project cost will be re-evaluated in light of projected private development and resulting incremental tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a limit on the described expenditures. Adjustments may be made in line items within the total, either increasing or decreasing line item costs because of changed redevelopment costs and needs.

13) Within the subsection titled, "SOURCES OF FUNDS", delete the last paragraph.

14) No changes to subsection titled "NATURE AND TERM OF OBLIGATIONS TO BE ISSUED."

15) The text and table within subsection titled "EQUALIZED ASSESSED VALUATION" is deleted and restated as follows:

The 59 PINs remaining in the 2017 RPA have an original certified base value of \$3.7 million and a 2016 EAV of \$5.1 million, as shown in **Table 2** below:

Table 2: Joliet City Center TIF District - 2016 and Base Year Equalized Assessed Valuations

	PIN Count	Base EAV	EAV 2016	Change	% Change
2007 RPA	284	\$7,980,312	\$11,277,311	\$3,296,999	41%
2017 RPA	59	\$3,656,750	\$5,072,256	\$1,415,506	39%
PINs removed from 2007 RPA	225	\$4,323,562	\$6,205,055	\$1,881,493	44%

The total taxable EAV for the 2017 RPA at the conclusion of the TIF life is anticipated to be approximately \$7.0 million. This estimate is based on several key assumptions, including an inflation factor of 2.0% per year on the EAV of all properties within the 2017 RPA and one new development constructed within the life of the TIF.

16) No changes to subsections titled "AFFIRMATIVE ACTION", "PAYMENT IN LIEU OF TAXES", and "PROVISION FOR AMENDING THE REDEVELOPMENT PLAN AND PROGRAM."

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

17) Within the section titled “FINDINGS OF NEED FOR TAX INCREMENT FINANCING,” no changes to section introduction, and subsection titled “PROJECT AREA NOT SUBJECT TO GROWTH.”

18) The subsection title “CONFORMANCE WITH THE 1990 JOLIET CITY CENTER DEVELOPMENT PLAN” is retitled to “CONFORMANCE WITH EXISTING DEVELOPMENT PLANS,” and the following text is added to the end of the retitled subsection as follows:

The 2017 City Center TIF Redevelopment Plan and Project also conforms to the City of Joliet Downtown Plan, which seeks to provide a “roadmap” for the improvement of downtown Joliet.

19) No changes to subsection titled “DATE OF COMPLETION.”

FINANCIAL IMPACT OF REDEVELOPMENT

20) Within the section titled “FINANCIAL IMPACT OF REDEVELOPMENT”, delete all subsections, beginning with subsection titled “IMPACT ON CITY OF JOLIET.”

APPENDICES

21) Appendix A – AMENDMENT No. 1 TO THE CITY CENTER TIF REDEVELOPMENT PLAN AND PROJECT

INTRODUCTION

PROJECT BACKGROUND

In 1990, the City of Joliet adopted the Joliet City Center Development Plan as a means to guide future development and revitalization efforts in the City's central business area. In 2000, the City approved its first Tax Increment Financing (TIF) District, *City Center TIF I*, which encompassed the central business district properties. As recommended in the City Center Development Plan, TIF was used as the financial tool to help facilitate redevelopment efforts and foster development consistent with the Plan. Since the adoption of City Center TIF I, substantial public and private investment has occurred within the District; however, other properties within the City Center, outside the boundaries of the original TIF district, have not experienced the same level of investment and revitalization. To further encourage new investment in these areas the City has determined it necessary to expand the boundaries of original TIF District by amending the City Center TIF I. The parcels that comprise the amendment area are adjacent to the City Center TIF I District and are included as Amendment No.1 to this Plan.

This report presents the Tax Increment Redevelopment Plan and Program (the "Redevelopment Plan") for the **Joliet City Center TIF I Amendment No.1 Redevelopment Project Area** ("the Project Area"). It is an expansion of the original City Center TIF I which was adopted in 2000. The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area that have contributed to the inability of the City Center to achieve the vision established by the City in its recent planning and redevelopment efforts. This Redevelopment Plan is also indicative of a strong commitment and desire on the part of the City to maintain and revitalize the Project Area as an essential part of Joliet's economic development and fiscal health. The goal of the Redevelopment Plan is to strengthen the residential, employment, office, and commercial components of the Project Area through the maintenance and improvement of existing facilities and the redevelopment of existing obsolete and blighted buildings or vacant land for new and expanded uses. This Plan is intended to provide a framework for improvements within the Project Area over the remaining 23-year life of the original TIF, including redevelopment goals, recommended land uses, and a budget of estimated project costs.

In 2005, TAI initiated a feasibility study, performed site evaluations, and identified public improvement deficiencies to determine the eligibility of the Project Area for TIF. The feasibility study documented the presence of at least 50% of the structures within the Project Area over 35 years of age; the obsolescence of structures; the deterioration of structures and surface improvements; the general lack of community planning within the Project Area; and lack of growth in the equalized assessed value at a rate equivalent to the City as a whole as principal factors contributing to the eligibility of the Project Area. This evidence enabled TAI to conclude in the Eligibility Study that the Project Area meets the statutory requirements for a "Conservation Area" and could be designated as a "redevelopment project area" under the Illinois TIF Act.

1)

2)

TAX INCREMENT FINANCING

Tax increment financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes, as amended (hereinafter the "Act"). Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act in effect after the effective date of Public Act No. 91-478, known as the TIF Reform Law. It shall serve as a guide to all proposed public and private actions in the Redevelopment Project Area (see Figure A). Besides describing the redevelopment objectives, this Redevelopment Area Plan and Program sets forth, in general terms, the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be repaid with the revenues generated by increased assessed values of private real estate within a designated project area. The key to this financing tool is that funding does not rely on the taxing power of the municipality alone. The property taxing power of all taxing districts with jurisdiction over the land within the project area can be employed to retire the necessary financial obligations. This taxing power is only applied to the increase in equalized assessed valuation generated within the designated project area during the limited term of the Redevelopment Plan and Program, principally increased equalized assessed valuation from new private development.

2)

ELIGIBILITY OF THE PROPOSED TIF DISTRICT

Commencing in June of 2005, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed redevelopment project area. The results of the study indicate that the Project Area meets the Act's requirements for a "conservation area," and is eligible to be designated by the City Council of the City of Joliet as a "Tax Increment Financing Redevelopment Project Area." The detailed findings of this study are described in Appendix "A" of this report.

The Project Area qualifies as a "conservation area" under the Act because at least 50% of the structures in the Project Area are at least 35 years old, and because of the presence of at least three (3) of the qualifying conditions. Within the Project Area, the following four (4) qualifying conditions are present:

- o Obsolescence
- o Deterioration of structures and surface improvements
- o Lack of Community Planning
- o Decline in Equalized Assessed Value of the Amendment Area

Each of these factors, to a meaningful extent, contributes to the eligibility of the Project Area as a "Conservation Area" and each factor is reasonably distributed throughout the study area.

REDEVELOPMENT PROJECT AREA DESCRIPTION

Original TIF District:

The original TIF Project Area consists of a large portion of the central core of downtown Joliet, generally centered on Joliet and Ottawa Streets. The majority of the District lies north of the C.R.I.&P. railroad, but also includes four (4) properties south of the tracks. Numerous historic buildings are included, such as the Rialto Theater, the St. Patrick's Residence, the Auditorium Building, and Union Station. The Project Area contains 53 buildings on 112 parcels, and covers 22 blocks or parts thereof. The total area is approximately 44 acres.

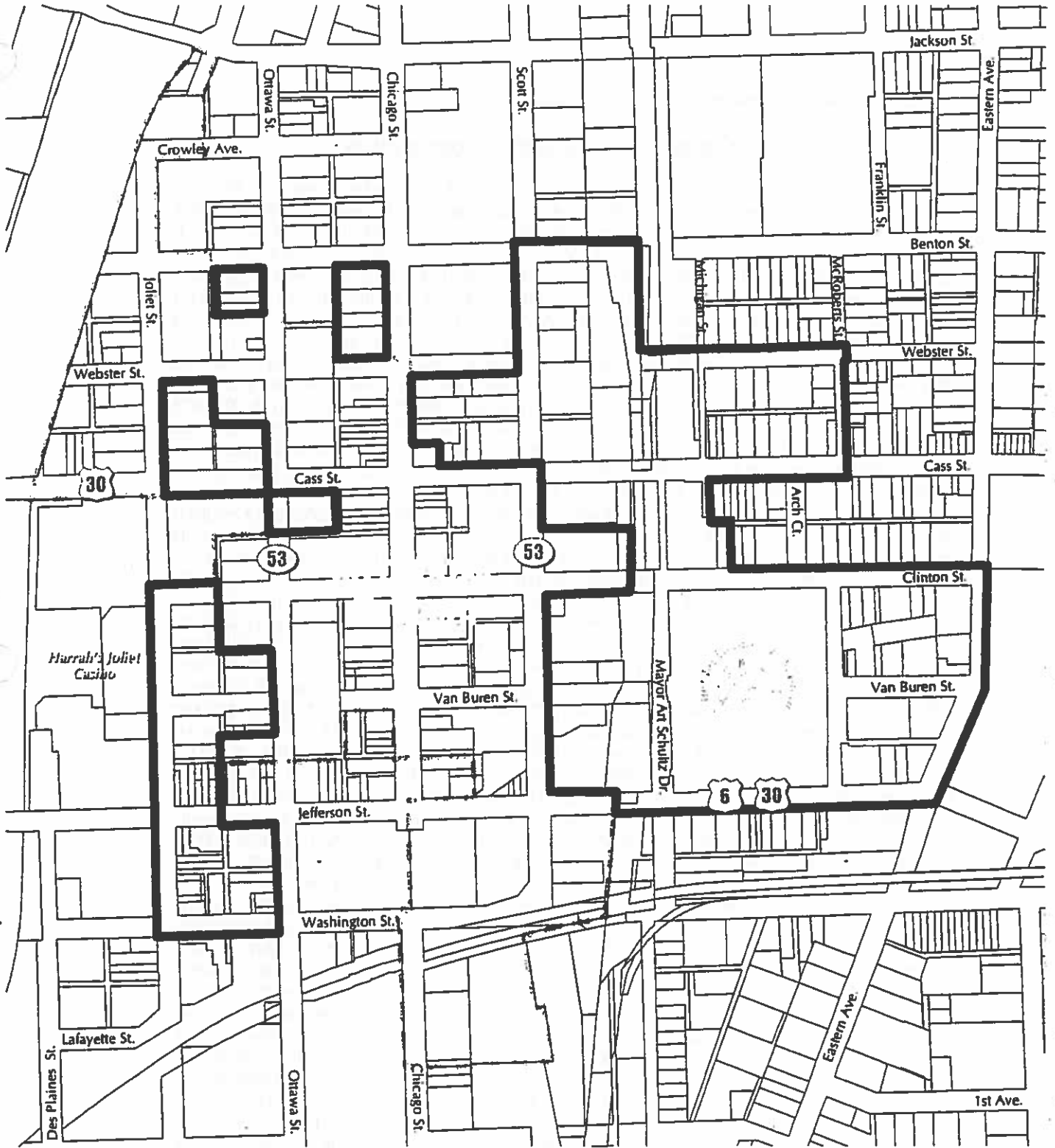
3)

Amended TIF District Boundary:

The TIF Amendment Project Area consists of the addition of parcels on all sides of the original Project Area. The properties lying to the east of the original TIF area are generally bound by Benton Street on the north, Eastern Avenue on the east, Jefferson Street (US-30/US-6) on the south, and the eastern boundary of the original TIF District on the west. The properties lying to the west of the original TIF area are generally bound by the original TIF District boundary to the north and east, Washington Street on the south, and Joliet Street on the west. The boundaries of the Amendment Area have been carefully established to add properties that will gain an immediate and substantial benefit from inclusion in the Redevelopment Plan. The Amendment Area contains 46 buildings and 140 parcels, and consists of 52 acres within 20 legal blocks or portions thereof.

The largest portions of property within the Project Area are zoned B-2: *Central Business District*, which is intended for general commercial economic uses within the City Center. A majority of the adjacent properties surrounding the Corridor contain residential zoning classifications and support detached single-family residential uses.

Exhibit "A" contains the amended and original TIF District boundaries.



 Existing TIF Boundary
(City Center TIF I)

 Amended TIF Boundary
(City Center TIF II)

 Amended TIF Parcels
(of record)



EXHIBIT A:
TIF REDEVELOPMENT PROJECT AREA
 CITY CENTER TIF II - City of Joliet, Illinois



The legal description of the Project Area is as follows:

CITY CENTER II TIF LEGAL DISTRICT DESCRIPTION

1 THOSE PARTS OF SECTION 9, 10, 15, 16, ALL IN TOWNSHIP 35 NORTH, RANGE 10 EAST OF
 2 THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE
 3 NORTH LINE OF JEFFERSON STREET, AND THE WEST LINE OF EAST JULIET (NOW JOLIET)
 4 SUBDIVISION, SAID POINT BEING 47 FEET WEST OF THE SOUTHWEST CORNER OF LOT 4,
 5 BLOCK 2, IN EAST JOLIET; THENCE EAST ON THE NORTH LINE OF JEFFERSON STREET TO A
 6 POINT FOUR FEET WEST OF THE SOUTHEAST CORNER OF LOT 4 IN BLOCK 2 IN EAST JULIET
 7 (NOW JOLIET) SUBDIVISION; THENCE NORTH PARALLEL WITH THE EAST LINE OF SAID LOT 4
 8 TO THE NORTH LINE OF THE ABANDONED RIGHT OF WAY OF THE CHICAGO ROCK ISLAND
 9 AND PACIFIC RAILROAD COMPANY; THENCE NORTHEASTERLY ON SAID NORTH LINE TO
 10 THE EAST LINE OF SAID LOT 4; THENCE NORTH ON SAID EAST LINE AND ON THE EAST LINE
 11 OF LOT 3 IN BLOCK 2 AFORESAID TO THE NORTHEAST CORNER OF SAID LOT 3; THENCE
 12 WEST ALONG THE NORTH LINE OF SAID LOT 3 AND ON THE WESTERLY EXTENSION OF SAID
 13 NORTH LINE TO THE WEST LINE OF CHICAGO STREET; THENCE NORTH ON SAID WEST LINE
 14 TO THE SOUTH LINE OF VAN BUREN STREET; THENCE WEST ON SAID SOUTH LINE TO THE
 15 NORTHWEST CORNER OF LOT 8 IN JOEL S. MATHESON SUBDIVISION OF LOTS 7 AND 8 IN
 16 BLOCK 21 IN OLD TOWN JOLIET, SAID POINT ALSO BEING ON THE EAST LINE OF A NORTH
 17 SOUTH ALLEY LYING WITHIN SAID BLOCK 21; THENCE SOUTH ON THE EAST LINE OF SAID
 18 ALLEY TO THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH SAID BLOCK 21;
 19 THENCE WEST ON SAID SOUTH LINE AND ON THE EASTERLY EXTENSION OF SAID SOUTH
 20 LINE AND ON THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH BLOCK 22
 21 IN URI OSGOOD'S SUBDIVISION OF THE SOUTH HALF OF BLOCK 22 TO THE WEST LINE OF
 22 THE NORTH SOUTH ALLEY RUNNING THROUGH SAID BLOCK 22; THENCE SOUTH ON SAID
 23 WEST LINE AND ON THE SOUTHERLY EXTENSION OF SAID WEST LINE TO THE SOUTH LINE
 24 OF JEFFERSON STREET; THENCE EAST ON SAID SOUTH LINE TO THE WEST LINE OF OTTAWA
 25 STREET; THENCE SOUTH ON SAID WEST LINE AND ON THE SOUTHERLY EXTENSION OF SAID
 26 WEST LINE TO THE SOUTH LINE OF WASHINGTON STREET; THENCE WEST ON SAID SOUTH
 27 LINE AND ON THE WESTERLY EXTENSION OF SAID SOUTH LINE TO THE WEST LINE OF JOLIET
 28 STREET; THENCE NORTH ON THE WEST LINE OF JOLIET STREET TO THE SOUTH LINE OF
 29 CLINTON STREET; THENCE EAST ON THE EASTERLY EXTENSION OF SAID SOUTH LINE AND
 30 ON SAID SOUTH LINE TO THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING
 31 THROUGH BLOCK 19 IN SAID OLD TOWN JOLIET; THENCE NORTH ON THE NORTHERLY
 32 EXTENSION OF SAID WEST LINE, AND ON THE WEST LINE OF THE NORTH SOUTH ALLEY
 33 RUNNING THROUGH BLOCK 14 IN OLD TOWN JOLIET TO THE NORTH LINE OF THE EAST
 34 WEST ALLEY RUNNING THROUGH SAID BLOCK 14; THENCE EAST ON SAID NORTH LINE TO
 35 THE WEST LINE OF OTTAWA STREET; THENCE NORTH ON SAID WEST LINE TO THE SOUTH
 36 LINE OF CASS STREET; THENCE WEST ON SAID SOUTH LINE TO THE WEST LINE OF DES
 37 PLAINES STREET TO THE EASTERLY FACE OF THE EASTERLY WALL OF THE ILLINOIS
 38 WATERWAY; THENCE NORTHEASTERLY ON SAID EASTERLY FACE TO THE SOUTH LINE OF
 39 JACKSON STREET AS OCCUPIED, SAID SOUTH LINE BEING 14 FEET NORTHERLY OF THE
 40 SOUTH LINE OF JACKSON STREET PER THE PLAT OF NORTH JOLIET; THENCE SOUTHEASTERLY
 41 ON SAID SOUTH LINE TO THE EASTERNMOST CORNER OF THE PARCEL OF LAND CONVEYED
 42 TO CITY OF JOLIET PER DOCUMENT NOS. 764127 AND 824990; THENCE SOUTHWESTERLY
 43 ON THE SOUTHEASTERLY LINE OF SAID PARCEL TO THE EAST LINE OF THE NORTH SOUTH
 44 ALLEY RUNNING THROUGH BLOCK 2 IN OLD TOWN JOLIET; THENCE SOUTH ON SAID EAST
 45 LINE AND ON THE SOUTHERLY EXTENSION OF SAID EAST LINE TO THE SOUTH LINE OF
 46 CROWLEY AVENUE (REED STREET); THENCE WEST ON SAID SOUTH LINE TO THE EAST LINE

5)

47 OF JOLIET STREET; THENCE SOUTH ON SAID EAST LINE TO THE NORTH LINE OF BENTON
48 STREET; THENCE EAST ON SAID NORTH LINE TO THE NORTHERLY EXTENSION OF THE EAST
49 LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 7 IN OLD TOWN JOLIET;
50 THENCE SOUTH ON SAID NORTHERLY EXTENSION TO THE SOUTH LINE OF BENTON STREET;
51 THENCE EAST ON SAID SOUTH LINE TO THE WEST LINE OF OTTAWA STREET; THENCE
52 SOUTH ON SAID WEST LINE TO THE NORTH LINE OF THE EAST-WEST ALLEY RUNNING
53 THROUGH BLOCK 7 IN OLD TOWN JOLIET; THENCE EAST ON THE EASTERLY EXTENSION OF
54 SAID NORTH LINE TO THE EAST LINE OF OTTAWA STREET; THENCE SOUTH ON SAID EAST
55 LINE TO THE NORTH LINE OF THE SOUTH 49.5 FEET OF LOT 3 IN BLOCK 6 IN OLD TOWN
56 JOLIET; THENCE EAST ON SAID NORTH LINE TO THE WEST LINE OF THE NORTH-SOUTH
57 ALLEY RUNNING THROUGH SAID BLOCK 6; THENCE NORTH ON SAID WEST LINE TO THE
58 SOUTH LINE OF BENTON STREET; THENCE EAST ON SAID SOUTH LINE TO THE WEST LINE OF
59 CHICAGO STREET; THENCE SOUTH ON SAID WEST LINE TO THE NORTH LINE OF WEBSTER
60 STREET; THENCE EAST ON SAID NORTH LINE TO THE EAST LINE OF CHICAGO STREET;
61 THENCE SOUTH ON SAID EAST LINE TO THE SOUTH LINE OF WEBSTER STREET; THENCE EAST
62 ON SAID SOUTH LINE TO THE WEST LINE OF SCOTT STREET; THENCE NORTH ON SAID WEST
63 LINE TO THE NORTH LINE OF BENTON STREET; THENCE EAST ON SAID NORTH LINE TO THE
64 WEST LINE OF THE GULF, MOBILE AND OHIO RAILROAD; THENCE SOUTH ON SAID WEST
65 LINE TO THE WESTERLY EXTENSION OF THE NORTH LINE OF WEBSTER STREET; THENCE EAST
66 ON SAID WESTERLY EXTENSION AND ON SAID NORTH LINE TO THE EAST LINE OF
67 MCROBERTS STREET; THENCE SOUTH ON SAID EAST LINE TO THE SOUTH LINE OF CASS
68 STREET; THENCE WEST ON SAID SOUTH LINE TO THE WEST LINE OF LOT 4 IN BLOCK 19 OF
69 J.L. ELWOOD'S SUBDIVISION; THENCE SOUTH ON SAID WEST LINE AND ON THE
70 SOUTHERLY EXTENSION OF SAID WEST LINE TO THE NORTH LINE OF LOT 10 IN SAID BLOCK
71 19; THENCE EAST ON SAID NORTH LINE TO THE NORTHEAST CORNER OF SAID LOT 10;
72 THENCE SOUTH ON THE EAST LINE OF SAID LOT 10 TO THE NORTH LINE OF CLINTON
73 STREET; THENCE EAST ON SAID NORTH LINE TO THE EAST LINE OF EASTERN AVENUE;
74 THENCE SOUTH ON SAID EAST LINE TO THE SOUTH LINE OF JEFFERSON STREET; THENCE
75 WEST ON SAID SOUTH LINE TO THE WEST RIGHT OF WAY OF THE ATCHISON TOPEKA AND
76 SANTA FE RAILROAD; THENCE SOUTH ON SAID WEST RIGHT OF WAY TO THE NORTH LINE
77 OF WASHINGTON STREET; THENCE WEST ON SAID NORTH LINE TO THE NORTHERLY
78 EXTENSION OF THE EAST LINE OF DOCUMENT NO. 459876; THENCE SOUTH ON SAID EAST
79 LINE TO THE SOUTH FACE OF THE SOUTH RETAINING WALL OF THE CHICAGO ROCK
80 ISLAND AND PACIFIC RAILWAY, MICHIGAN CENTRAL RAILWAY ELEVATED TRACK; THENCE
81 SOUTHWESTERLY ALONG SAID SOUTHERLY FACE TO THE NORTHERLY EXTENSION OF THE
82 EAST LINE OF THE PARCEL OF LAND CONVEYED BY DOCUMENT NO. R93-14594; THENCE
83 SOUTHERLY ON SAID NORTHERLY EXTENSION AND ON SAID EAST LINE TO THE SOUTH LINE
84 OF SAID PARCEL; THENCE WEST ON SAID SOUTH LINE TO THE EAST LINE OF LOT 3 OF THE
85 ASSESSORS SUBDIVISION OF LOTS 1 AND 2 IN THE SUBDIVISION OF LOTS 7 AND 8 OF
86 BLOCK 7 IN CANAL TRUSTEE SUBDIVISION; THENCE SOUTH ON SAID EAST LINE TO THE
87 SOUTHEAST CORNER OF SAID LOT 3; THENCE WEST ON THE SOUTH LINE OF SAID LOT 3
88 AND ON THE WESTERLY EXTENSION OF SAID SOUTH LINE TO THE WEST LINE OF CHICAGO
89 STREET; THENCE NORTH ON SAID WEST LINE TO THE NORTH LINE OF WASHINGTON
90 STREET; THENCE EAST ON SAID NORTH LINE TO THE WEST LINE OF EAST JOLIET
91 SUBDIVISION; THENCE NORTH ON SAID WEST LINE TO THE POINT OF BEGINNING, ALL IN
92 WILL COUNTY, ILLINOIS.

REDEVELOPMENT PLAN AND PROGRAM

6)

The revitalization of the Redevelopment Project Area is a large and complex undertaking that presents many challenges and opportunities for the City. The success of this effort will depend on the cooperation between the private sector and the local government. Public and private development efforts have not, as yet, been able to stimulate the comprehensive revitalization of the designated Project Area. The adoption of this Redevelopment Area Plan and Program will aid in the implementation of the goals and objectives identified in the Joliet City Center Development Plan (hereinafter the "City Center Plan") and will assist in stimulating redevelopment and rehabilitation in this area which otherwise could not reasonably be anticipated to develop without the adoption of this Plan and Program. Through public investment, the area will become an environment and setting that will attract private investment.

The Act describes the Redevelopment Plan 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 ..., and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area."

The successful implementation of the Redevelopment Area Plan and Program requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Redevelopment Area would not reasonably be developed and improved without the use of such incremental revenues.

The City of Joliet further certifies that connection to the process required for the adoption of this Redevelopment Plan and Program, pursuant to 65 ILCS Section 5/11-74.4.3(n)(5) of the Act, that this Plan will not result in the displacement of ten (10) or more inhabited residential units.

PURPOSE OF THE REDEVELOPMENT PLAN

6)

Pursuant to the "Tax Increment Allocation Redevelopment Act," the purpose of a Redevelopment Plan and Program is to promote the health, safety, morals, and welfare of the general public by:

1. Eradicating blighting conditions and instituting conservation measures;
2. Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
3. Improving existing public utilities within the area; and by
4. Enhancing the overall quality of the City of Joliet.

6)

REDEVELOPMENT PLAN OBJECTIVES

The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act, and those discussed in the City Center Plan. They are summarized below:

- o **Promote a variety and concentration of uses.** The City of Joliet should encourage an intensive development pattern that will provide a substantial employment and residential base. Development should contain a mix of uses, including office, retail and support services, restaurants, entertainment, housing, and recreational opportunities. Vehicular circulation and parking should be managed to ensure that these functions are supportive but do not dominate the pedestrian orientation of the Downtown.
- o **Promote Joliet as a center of business activity and economic growth both locally and regionally.** Downtown Joliet is a major commercial center that supports the economic needs of local residents and residents in neighboring communities. The City should capitalize on this asset through the promotion of economic activity within the City Center, not only concentrating on local needs, but those of regional customers as well.
- o **Reinforce the sense of historical continuity in the Downtown.** The City Center has a strong historic presence that should be preserved and enhanced. Particular care should be taken to assure that new development and redevelopment efforts compliment and preserve existing historic structures and the historic character of the Downtown.
- o **Promote and enhance the City Center as a viable commercial district.** A concerted effort should be made to encourage aesthetic improvements and to attract appropriate land uses within the City Center. The public sector should work with business owners, community residents, and the private sector to overcome constraints and capitalize on the opportunities and strengths of the City Center.
- o **Strengthen the City Center's residential function.** A residential population can extend the hours of activity beyond working hours, provide support to expanded retail and entertainment uses, and provide an impetus for quality infrastructure and services. New and expanded residential uses in the City Center should accommodate a variety of household types and income levels.
- o **Strengthen the City Center's commercial function and encourage business development that maximizes links to related businesses, infrastructure, and customers.** New and expanded commercial uses within the Downtown should accommodate a variety and mix of commercial and office uses that are compatible and that complement the existing uses within the Downtown. Direct competition between similar uses should be minimized in order to assure the success and longevity of each use.
- o **Enhance the marketability of vacant and underutilized properties and encourage private investment to strengthen the community's tax base.** The City should work internally or with a private agency to effectively market all vacant or underutilized properties in an effort to attract new commercial investment. Additionally, efforts

should also be made to retain the existing, viable uses that contribute to the desired quality and the ultimate vision of the City Center.

- **Enhance the overall quality of the City of Joliet and the welfare of its residents.** The City Center is the City's historic commercial hub. Through appropriate planning efforts, the City should work with other public agencies and the private sector to eliminate or mitigate deteriorated or blighted conditions within the Project Area.
- **Create a safe and attractive pedestrian environment.** Improvements to the visual character, comfort, and convenience of the pedestrian experience will help draw increasing numbers of people to the Downtown. Streetscape and public space improvements should include adequate walkway widths, improved crosswalks, quality paving, clear signage, appropriate lighting, and attractive public gathering spaces.
- **Develop a distinctive image and identity.** A unified approach to design and development should be encouraged within the City Center in order to create a unique and positive community identity, foster community pride, reinforce its unique, historic character, and distinguish it from other downtowns. Design guidelines should be established that promote a sound economic and physical design approach that respects the history of the the City Center.
- **Encourage public/private partnerships.** The success of the City Center plan is dependent upon the private and public sectors working together toward the revitalization of the Downtown as a whole, further eliminating the conditions which, if continued, will likely result in a lack of investment or even disinvestment in the Downtown. Beyond cost-sharing for infrastructure, partnerships can be applied to joint-venture developments, decision-making, education, marketing, maintenance, and the implementation of new projects.
- **Emphasize action and tangible results.** Tangible results can ensure continued interest and enthusiasm both by the citizens of Joliet as well as the development community. Specific short-term, highly visible projects will demonstrate the commitment of the public sector to the revitalization of the Downtown.

7)

REDEVELOPMENT LAND USE PLAN

The aim of the Redevelopment Plan is the revitalization of the Project Area as a vibrant mixed-use urban center which contributes to the health and vitality of the City of Joliet. The recommended land uses, redevelopment opportunities, and public improvements of this Redevelopment Plan are largely based upon the guidelines and development opportunities presented in the City Center Plan, except as amended herein.

Exhibit "B" depicts current land uses. Exhibit "C", *TIF Redevelopment Activities*, identifies the key redevelopment sites located within the TIF project area, and Exhibit "D", *TIF Redevelopment Plan*, shows the anticipated land uses at completion of project activities. Key redevelopment sites within the City Center are shown as either "Mixed-Use", "Retail", "Office", "Hotel", or "Restaurant/Entertainment". This plan also identifies the new and/or reconfigured parking facilities, existing buildings anticipated to be rehabilitated, and the existing buildings to be maintained.

Properties designated for "Mixed-Use" are anticipated to support multi-level structures with street level space occupied by retail, restaurant, or other commercial activities that serve the public with upper stories occupied by residential condominiums, office space, or a combination of both. "Retail" uses are anticipated to support new retail uses in one (1) to two (2) level structures oriented towards the principal roadway. Properties designated for "Office" uses are anticipated to support both single and multi-level professional office activities. Properties designated for "Hotel" use are anticipated to support a maximum of seven (7) levels, unless otherwise approved by the City. "Restaurant/Entertainment" uses are anticipated to support one (1) to two (2) level restaurant, nightclub, and/or bar/tavern facilities. In keeping with the scale and existing development character of the City Center, all new structures, unless otherwise noted or consistent with current development trends/requirements, are not anticipated to exceed the height of adjacent structures by more than two (2) levels.

With regard to parking supply and demand, some general assumptions have been made. In particular, all existing parking quantities for existing uses to remain must be provided in addition to the accommodation of all new parking demand generated by the new uses. In order to provide the amount of required parking as reflected in the Zoning Ordinance, we have included a 10% reduction in parking demand due to the proximity of the project area to mass transit, and a 15% reduction due to the potential for shared parking between different land uses. We believe a parking reduction is warranted based on the experience of similar downtown projects.

Parking will be provided in a combination of surface lots, on-street spaces, and in above and below ground parking structures. All identified redevelopment sites are anticipated to provide on-site parking for the planned use with additional parking being accommodated by the existing parking facilities (surface lots and garages) and on-street parking.

The Redevelopment Land Use Plan shall serve as a guideline for the Project Area. It is not meant to establish specific requirements and should not be rigidly interpreted. Adjustments may be made in response to market conditions and other key factors as long as they remain consistent with the City's overall goals and objectives for the City Center. This Redevelopment Plan is consistent with City Center Plan, and is intended to be the primary vehicle for implementing the goals and objectives of said Plan.

DEVELOPMENT OPPORTUNITY SITES

8)

The *TIF Redevelopment Activities* map (Exhibit "C"), identifies thirteen (13) key redevelopment opportunity sites within the Project Area. Recommendations for these sites, including the anticipated land uses and general design characteristics, will be described in this section of the Plan. These recommendations are also graphically depicted and described in the *TIF Redevelopment Plan* exhibit, or Exhibit "D". It should be noted that these recommendations may not be the only appropriate redevelopment opportunities for each individual site and throughout the City Center, nor should they be viewed as a limitation to redevelopment potential. They are posed here as a guide to suggest the anticipated intent and scale of each identified redevelopment project site. The referenced fiscal/economic forecasts used in this report have also been generated from the redevelopment activities which follow.

8)

1. Site "A"; New Mixed-Use Development:
Development Site "A" is located at the southwest corner of Ottawa Street and Benton Street. This site is anticipated to be redeveloped with a new mixed-use facility supporting ground floor retail uses with two (2) levels of office and one (1) level of residential condominiums above the retail use. On-site surface parking and underground parking are also anticipated to be provided on this site.
2. Site "B"; New Mixed-Use Development:
Development Site "B" contains all parcels fronting the west side of Chicago Street between Webster and Benton. Much like Site "A", this site is anticipated to be redeveloped with a new mixed-use facility supporting ground floor retail uses with two (2) levels of office and one (1) level of residential condominiums above the retail use. On-site surface parking and underground parking are also anticipated to be provided on this site.
3. Site "C"; New Mixed-Use Development & Building Rehab:
Development Site "C" contains all but one parcel (at the immediate southwest corner of the block) located on the block bound by Webster Street to the north, Scott Street to the east, Cass Street to the south, and Chicago Street to the west. This site is anticipated to be redeveloped with a new mixed-use facility supporting ground floor retail uses with two (2) levels of office and one (1) level of residential condominiums above the retail use. Underground parking will be provided for this use, primarily as a means to support the residential and office uses.

Additionally, the existing structure located at 212 N Chicago Street (PIN: 07-10-312-013), is anticipated to be rehabilitated to support a restaurant/entertainment use on the ground floor with two (2) levels of office above. On-site surface parking is also anticipated for this use and will likely occur on the parcels fronting the north side of Cass Street, with access via Scott Street and/or the existing alley.
4. Site D; New Retail Development:
Development Site "D", which is bound by Benton Street to the north, railroad ROW to the east, Cass Street to the south, and Scott Street to the west, is anticipated to be redeveloped with a one (1) level grocery store (or supermarket). On-site surface parking should be provided with access coming via Scott Street and/or Benton Street. Access from Cass Street should not be permitted, unless otherwise permitted by the City of Joliet.
5. Site E; New Retail Development:
Development Site "E", which currently contains a surface parking lot, is bound by Webster Street to the north, Michigan Street to the east, Cass Street to the south, and railroad ROW to the west. This site is anticipated to be redeveloped with a one (1) to two (2) level retail use fronting Cass Street. On-site surface parking should occur behind the new retail facility with access from any road aside from Cass St.
6. Site F; New Mixed-Use Development:
Development Site "F" contains all parcels located on the block bound by Webster Street to the north, McRoberts Street to the east, Cass Street to the south, and Michigan Street to the west. As presented, this site is anticipated to be redeveloped with two (2) new mixed-use

8)

structures that front Cass Street. Whereas both structures are anticipated to contain ground level retail uses, one will support two (2) levels of residential condominiums above and the other will support two (2) levels of office above the retail. Along with the provision of underground parking, on-site surface parking should occur to the north of both mixed-use structures.

7. Site G; New Mixed-Use Development:

Development Site "G", which is currently utilized for surface parking, contains all parcels fronting the east side of Joliet Street between Webster and Cass Street. As presented, this site is anticipated to be redeveloped with a new mixed-use facility containing ground level retail with three (3) levels of residential condominiums above. A bookstore, such as Barnes & Nobel, would be a desired retail use at this location. Underground parking should also be provided to support the residential and retail uses at this site.

8. Site H; Building Rehab for Office Development:

The existing structure located on Development Site "H", which is located at the southeast corner of Cass Street and Ottawa Street, is anticipated to be rehabilitated to support three (3) levels of new office use. Parking will be provided in the existing on-site surface lot (which may be reconfigured), through existing parking structures, and by on-street parking located in Joliet's downtown.

9. Site I; New Mixed-Use Development & Building Rehab for Office and Entertainment:

Except for the parcel located at the southwest corner of Ottawa Street and Clinton Street, Development Site "I" contains all other parcels located on the block bound by Clinton Street to the north, Ottawa Street to the east, Van Buren Street to the south, and Joliet Street to the west. As presented, this site is anticipated to contain a new mixed-use facility supporting ground level retail use with three (3) levels of residential condominiums above in the northwest quadrant of the block. Underground parking should be provided for this newly constructed use. The existing structure (75 W Van Buren Street) located in the southwestern quadrant of this block is anticipated to be rehabilitated to support a new restaurant/nightclub/entertainment use. The existing structure (103 W Ottawa Street) located in the southeastern quadrant of this block is anticipated to be rehabilitated to support three (3) levels of office use. Parking for the rehabilitated new uses will either be provided on-site, through existing on-street parking, and/or existing parking facilities in Joliet's downtown.

10. Site J; New Hotel Development & New Retail Development:

Redevelopment Site "J", which generally includes all parcels located in the western and north eastern section of the block bound by Van Buren Street to the north, Ottawa Street to the east, Jefferson Street to the south, and Joliet Street to the west, is anticipated to be redeveloped with a new, seven (7) level hotel and a one (1) to two (2) level retail use. To maximize the development potential of the site, parking for the hotel use should be provided through an underground lot located under the planned facility. Due to site constraints, parking for the anticipated retail use (which is separate from the hotel) should be provided via on-street parking or through the existing parking facilities that exist in Joliet's downtown.

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11. Site K; New Mixed-Use Development:

Development Site "K", which is located on the block bound by Van Buren Street to the north, the railroad ROW to the east, Jefferson Street to the south, and Scott Street to the west, is an existing commercial and vacant site that is anticipated to be redeveloped with a new mixed-use facility containing ground level retail with four (4) levels of residential condominiums above. Parking should be provided through an on-site surface parking lot and an underground parking facility.

12. Site L; Building Rehab for Entertainment Development:

Development Site "L" is an existing two (2) level structure located at the northwest corner of Jefferson Street and the access road located between Mayor Art Schultz Drive and Eastern Avenue (to the east of the baseball stadium). This structure is anticipated to be rehabilitated to support a restaurant/entertainment use. Parking for this new use will be provided through existing parking facilities and by on-street parking located in Joliet's downtown.

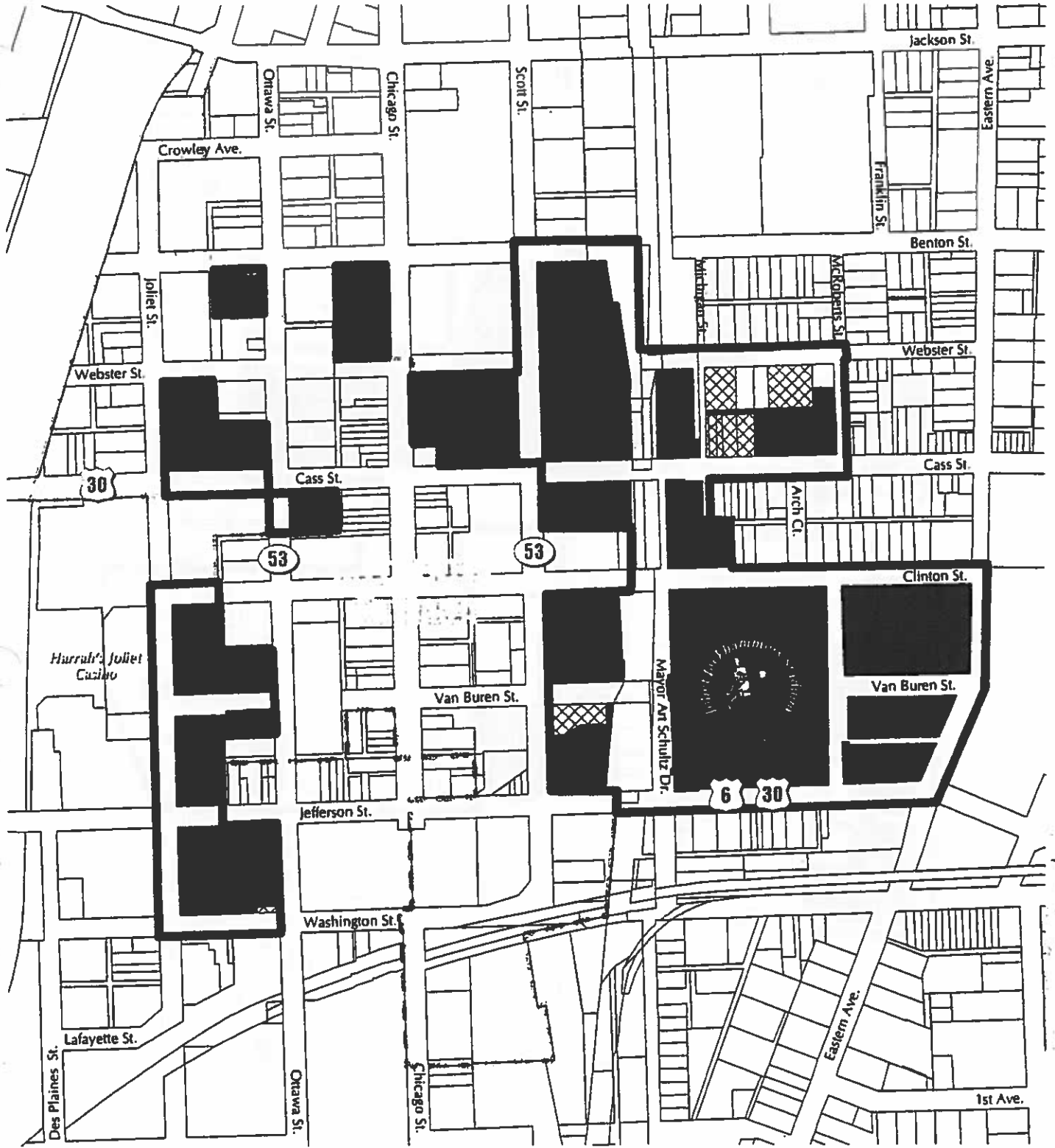
13. Site M; New Mixed-Use Development & New Parking Structure:

Development Site "M" contains all properties (except those in the northeastern quadrant) located in the block bound by Jefferson Street to the north, Ottawa Street to the east, Washington Street to the south, and Joliet Street to the west. As presented, the northwest section of this block is anticipated to be redeveloped with a new mixed-use facility containing ground level retail with two (2) levels of office above. Parking for this use should be provided in an underground facility, or if approved by the City, in the four (4) level public parking structure that is anticipated to be developed in the southwest section of the development site. The existing surface parking lot located in the southeast section of this block will have to be reconfigured to accommodate the newly planned uses.

In addition to these "opportunity sites," the Redevelopment Plan also anticipates activities to be undertaken by the public sector - these activities are identified in the Public Improvements section of this report. All redevelopment opportunities and public improvements should be conducted under the guidance of the City Center Plan and all other related and relevant ordinances and plans, including the development guidelines and recommendations contained therein.

Undertaking these redevelopment activities will generate increased tax revenues through the expansion of the availability of high quality retail, residential, entertainment, and office space in Joliet, and will provide a stimulus for additional development in surrounding areas.

8)











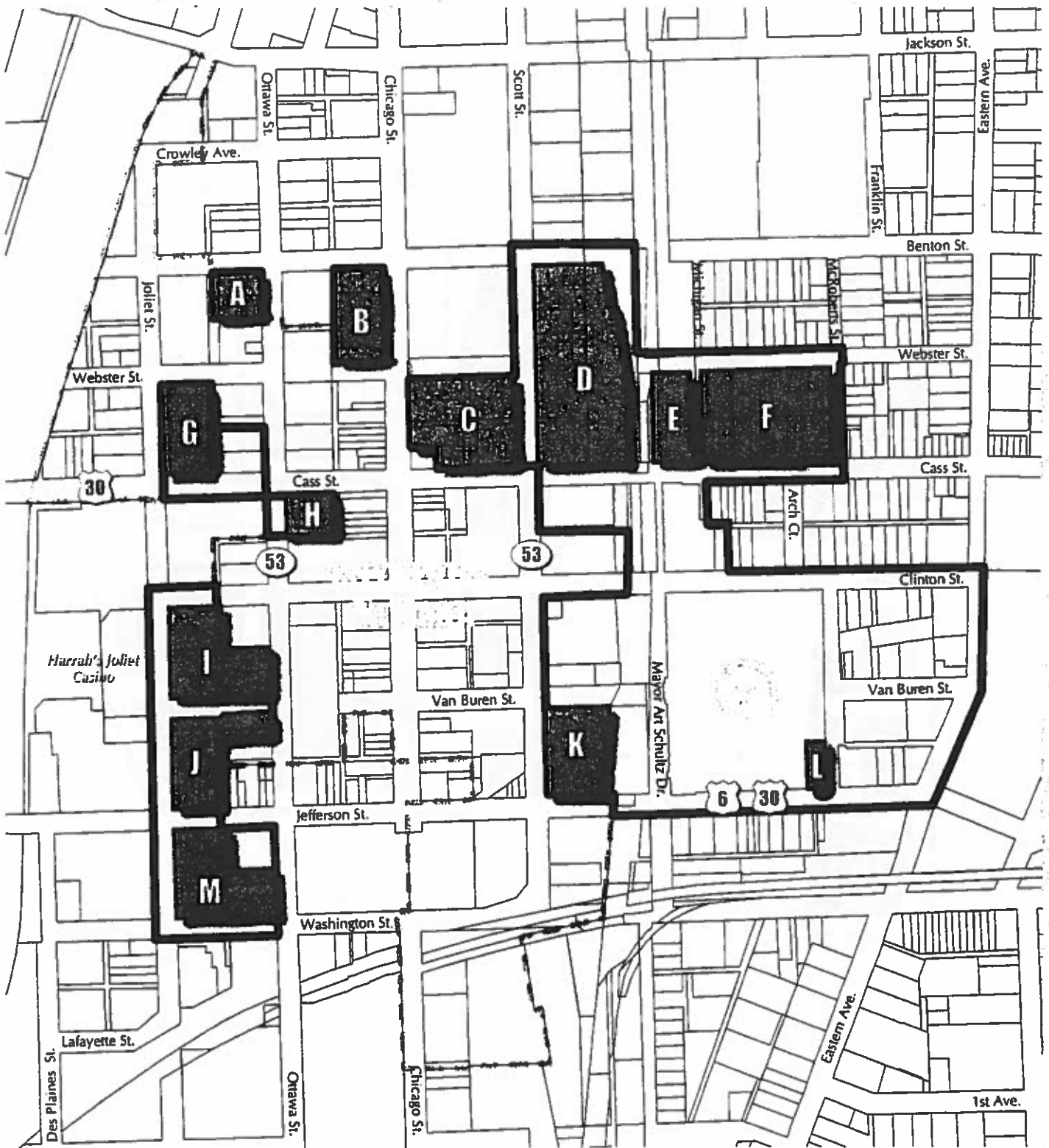
-  Commercial/Retail
-  Single-Family Residential
-  Commercial/Entertainment
-  Multiple-Family Residential
-  Institutional/Public
-  Parking or Alley
-  Railroad, Railyard, & ROW
-  Vacant



EXHIBIT B:
EXISTING LAND USE MAP
 CITY CENTER TIF II - City of Joliet, Illinois

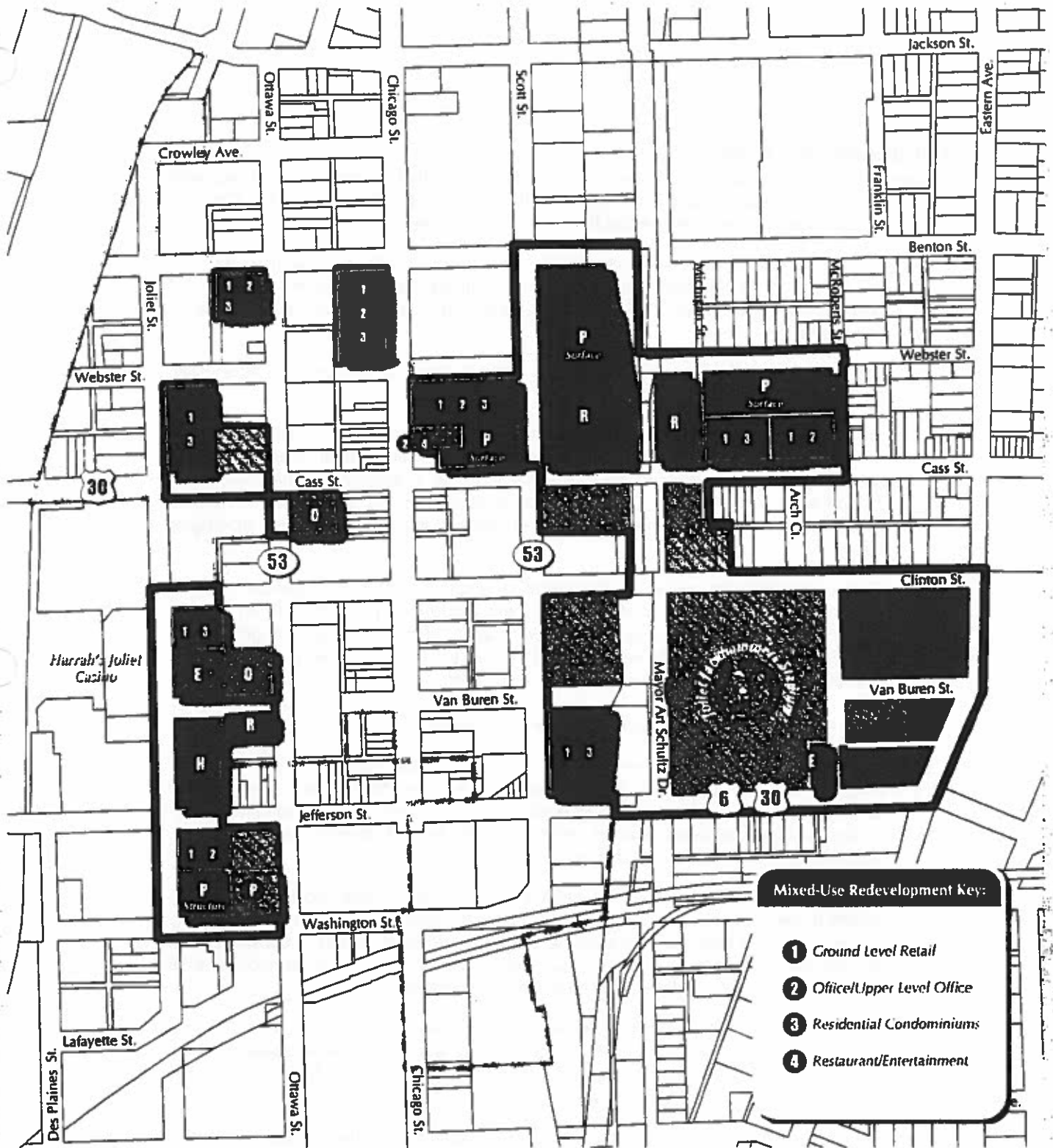


8)



**EXHIBIT C:
TIF REDEVELOPMENT ACTIVITIES
CITY CENTER TIF II - City of Joliet, Illinois**





Mixed-Use Redevelopment Key:

- ① Ground Level Retail
- ② Office/Upper Level Office
- ③ Residential Condominiums
- ④ Restaurant/Entertainment

R Retail Development	O Office Development	Mixed-Use Development
H Hotel Development	E Restaurant/Entertainment Development	P Parking
EXHIBIT D:	Institutional Use	Rehabilitation of Existing Structure
TIF REDEVELOPMENT PLAN		Maintain Existing Use
CITY CENTER TIF II - City of Joliet, Illinois		TIF II Project Area



ELIGIBLE PROJECT COSTS

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Program. Such costs may include, without limitation, the following:

- o Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services;
- o The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
- o Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- o Costs of rehabilitation, reconstruction, repair, or remodeling of existing private or public 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 to devote it to a different use requiring private investment;
- o Costs of the construction of public works or improvements;
- o Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the Project Area, and costs of 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, as provided in the Act;
- o 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 under the Act accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and not exceeding 36 months thereafter and including reasonable reserves related thereto;
- o To the extent the City 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;
- o An elementary, secondary, unit school district's and library district increased costs attributable to assisted housing units as provided in the Act;

- o Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or State law;
 - o Payment in lieu of taxes;
 - o Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act;
- 9) o Up to 50% of the cost of construction, renovation, and/or rehabilitation of all low- and very low-income housing units as defined in Section 3 of the Illinois Affordable Housing Act, as provided by the Act;

ACQUISITION AND CLEARANCE

10) To meet redevelopment objectives, it may be necessary for the City to assemble properties in the Project Area. At this time, the City does not intend to acquire, clear, or assemble any properties within the Project Area. Acquisition, clearance, and assembly of properties within the Project Area will likely result from the actions of the private sector. The City will help to market and promote such redevelopment opportunities. The City does, however, reserve the right to acquire, clear, or assemble any properties within the TIF District during the 23-year duration of the TIF. In order to support the increased parking demands in the downtown, the City may determine the need to acquire property for new parking facilities. All action(s) will be consistent with the stated intent of the TIF and should not result in the need for additional amendments to this Plan. Any clearance of existing structures will be scheduled to coincide with redevelopment activities so that facilities do not remain unused for extended periods of time, and to minimize the adverse effects of rehabilitation or clearance activities.

LAND DISPOSITION

10) Per the TIF Statute, property acquired by a municipality may be assembled into appropriate redevelopment sites. These properties may be sold or leased by said municipality to other public bodies or to private developers, in whole or in part. The City has no current intentions of acquiring and/or assembling any property within the Project Area for the purpose of selling or leasing to other public bodies or to private developers. The City does, however, reserve the right to sell or lease any property acquired within the TIF District during the 23-year duration of the TIF. Any future modifications to the stated disposition actions of this Plan will be in accordance with the objectives of this Redevelopment Plan and Program, and will not require any amendment to the Plan. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land.

No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the City. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property owned by the City shall be made without providing reasonable opportunity for the submission of alternative proposals or bids.

10)

PUBLIC IMPROVEMENTS

The City of Joliet will continue to provide public improvements in the Project Area to stimulate development and redevelopment in a manner consistent with this Redevelopment Plan. Public improvements may include, but are not limited to, the following:

- o Vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, pedestrianways, and pathways.
- o Development of or improvements to public open space.
- o Construction of off-street parking facilities and structures.
- o Improvement or replacement of public utilities such as sewer and water lines, sidewalks, curbs and gutters, and stormwater detention facilities.
- o Demolition and rehabilitation of obsolete structures.
- o Beautification improvements, including streetscape, lighting, signage, and landscaping of public properties.
- o Grants or loans to private property owners for eligible property improvements, including building rehabilitation, façade restoration or enhancements.
- o Business relocation expenses.

Public improvement activities planned as part of this Redevelopment Plan and Program are based upon recommendations consistent with the goals and objectives of the City Center Plan and the City's anticipated development within the Downtown, and include the following:

1. **Streetscape:** Following the recommendation of the City Center Development Plan, the City has undertaken a comprehensive program of streetscape improvements throughout the City Center in recent years. The City may supplement these activities with additional improvements in the Project Area, or may maintain and upgrade existing streetscape elements. Public art may also be introduced as part of the streetscape program. Streetscape enhancements include but are not limited to: street trees, sidewalks, benches, bike racks, lighting, flower beds/planters, special paving, pedestrian lighting, decorative street lighting, banners and kiosks.
2. **ROW Improvements:** As development occurs, many of the road sections in the project area may need to be improved. Improvements to existing streets and alleys include, but are not limited to, removal, resurfacing and repaving.
3. **Parking Enhancements:** The City Center Development Plan contains guidelines for the design and landscape treatment of parking facilities in the Downtown, including both public and private facilities. The guidelines are directed toward structured parking, on-street parking, and surface parking (both permanent lots and temporary lots on parcels awaiting redevelopment). Newly planned and existing parking facilities to be maintained should be enhanced and screened with landscaping, fencing, and/or a combination of both.
4. **Public Parking Structure:** In order to meet the increased demands and requirements for parking in the City Center, a public parking structure is planned.

The costs associated with the aforementioned improvements may be shared by the City and individual developers, pursuant to an agreement between both parties. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list which are consistent with the objectives of this Redevelopment Plan.

11)

PHASING OF PROJECT

Redevelopment projects anticipated in this Plan may commence immediately. Major development and redevelopment projects may be completed within five (5) years. Any building rehabilitations and other activities on individual properties will be encouraged during the first five (5) years of the Tax Increment Finance District, but may occur throughout the life of the TIF. The City may undertake additional public improvements or development projects as appropriate throughout the life of the Redevelopment Plan and Program.

12)

ESTIMATED PROJECT COSTS

Estimated public project costs are listed in Table 1. These costs are based on 2005 dollars and are therefore subject to inflation and cost increases as authorized in the Act. Estimated public project costs are listed in Table 1.

Table 1: Estimated Redevelopment Project Costs

Category	Cost
Property assembly, acquisition of land and other property, demolition of buildings, site preparation and site improvements	\$7,500,000
Environmental, Market and Planning Studies, Surveys, Development of Engineering and Architectural Plans, Specifications, Implementation and Administration Fees	\$5,000,000
Rehabilitation, Reconstruction, Repair, or Remodeling of Existing Public or Private Buildings and Fixtures	\$24,500,000
Streetscape Improvements, Including but Not Limited to Landscaping, Street Furniture, Trash Receptacles, Bike Racks, Banners, and Bollards	\$2,500,000
Cost of Marketing Sites	\$1,000,000
ROW Improvements	\$4,000,000
Construction of Parking Structure and Parking Lot Improvements/ Enhancements	\$9,000,000
Total Estimated Project Costs:	\$53,500,000

Note: This table does not include costs associated with the issuance of municipal obligations, capitalized interest, reimbursement for a portion of privately issued obligations, financing costs during construction (not to exceed 36 months), or other eligible project costs. Such additional costs may or may not be incurred and cannot be estimated at this time.

In addition to the above stated costs, any bonds issued to finance a phase of the Project may include an amount sufficient to pay customary and reasonable charges associated with the issuance of such obligations as well as to provide for capitalized interest and reasonably required reserves. Adjustments to the estimated line item costs above are expected. Each individual project cost will be reevaluated in light of the projected private development and

resulting tax revenues as it is considered for public financing under the provisions of the Act. The totals of line items set forth above are not intended to place a total limit on the described expenditures as the specific items listed above are not intended to preclude payment of other eligible redevelopment project costs in connection with the redevelopment of the proposed Redevelopment Plan and Program., provided that the total amount of payment for eligible project costs shall not exceed the overall budget amount outlined above, including adjustments for inflation and cost increased as authorized by the Act. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment. Such modifications may be made without further amendment to this Plan. Total Project Costs may be shared with other contiguous project areas or those separated by only a public right-of-way that are permitted under the Act. Additional costs may or may not be incurred and cannot be estimated at this time.

SOURCES OF FUNDS

The Act provides a way for municipalities to finance public redevelopment costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue.

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

- o Real property tax increment revenues from the Project Area;
- o Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area;
- o Interest earned on temporary investments;
- o Gifts, grants, and contributions;
- o Sale or lease of land proceeds;
- o User fees;
- o Municipal sales taxes; and
- o The City's general revenue fund.

13)

The principal source of funds to undertake redevelopment activities will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the project area over the initial equalized assessed value of each such lot, block, tract or parcel. It is estimated that the incremental increase in property taxes over the term of the TIF District in 2005 dollars will be **\$53,500,000**. There may also be other eligible local sources of revenue, such as the sale or lease of City owned property that the City determines to be appropriate for allocating to the payment of redevelopment project costs.

14)

NATURE AND TERM OF OBLIGATIONS TO BE ISSUED

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan; whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the City from undertaking initiatives designed to stimulate appropriate private investment in the Project Area.

Certain redevelopment projects may be of such a scale or on such a timetable as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed twenty (20) years. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as now or hereafter amended, in accordance with law.

The City may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- o Net revenues of all or part of a Redevelopment Project;
- o Taxes levied and collected on any or all property in the municipality;
- o The full faith and credit of the municipality;
- o A mortgage on part or all of a Redevelopment Project; and
- o Any other taxes or anticipated receipts that the municipality may lawfully pledge.

15) EQUALIZED ASSESSED VALUATION

Table 2 lists the most recent (2005) equalized assessed valuation of properties in the Project Area by block. The total 2005 equalized assessed valuation of the Project Area is \$5,156,980.

Table 2: 2005 Equalized Assessed Valuations

Section-Block	2004 Equalized Assessed Value	Section-Block	2004 Equalized Assessed Value
09-427	\$146	10-314	\$294,274
09-428	\$62,184	10-320	\$643,963
09-430	\$144,390	10-321	\$47,135
09-435	\$246,412	10-324	\$689,659
09-438	\$557,980	10-325	\$201,866
09-442	\$282,567	10-330	\$211,651
09-446	\$998,567	10-331	\$40,431
10-309	\$72,207	10-500	\$0
10-312	\$497,959	10-502	\$0
10-313	\$165,589	10-503	\$0

Total: \$5,156,980

Upon the completion of anticipated redevelopment projects it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of \$116,350,000. This represents an approximate 2,155% increase in the total equalized assessed valuation. This figure is based upon estimates of value for the anticipated rehabilitation and redevelopment projects described in the Redevelopment Project Plan section of this report.

16) AFFIRMATIVE ACTION

The City of Joliet will require each private developer entering into an agreement with the City, in connection with development in the Project Area, to utilize fair employment practices, including an affirmative action program.

16) PAYMENT IN LIEU OF TAXES

No payments in lieu of taxes are anticipated as part of the Redevelopment Plan and Program.

16) PROVISION FOR AMENDING THE REDEVELOPMENT PLAN AND PROGRAM

The Redevelopment Plan and Program may be amended pursuant to provisions of the Act.

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

17)

On the basis of the *City Center TIF I & II Tax Increment Financing Eligibility Study* and this Redevelopment Plan and Program, the City Council of Joliet, Illinois, can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

17)

PROJECT AREA NOT SUBJECT TO GROWTH

The Project Area on the whole has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed consistent with City policies without adoption of this Redevelopment Plan.

First, the City finds that the Project Area on the whole has not been subject to growth and redevelopment through investment by private enterprise, based on the physical condition and the lag in growth in property values as follows:

- o As described in the Eligibility Study, the physical condition of the Project Area testifies to the lack of maintenance and improvement activities. In particular, the Eligibility Study identifies a prevalence of deterioration both of buildings and surface improvements. Such deterioration is a direct consequence of a lack of investment in the Project Area. While each individual property may not be deteriorated, the Project Area as a whole is characterized by a reasonable extent and meaningful distribution of this lack of investment.
- o The total Equalized Assessed Value (EAV) of the Project Area has consistently lagged that of the balance of the City in four (4) of the last five (5) years – 2001, 2002, 2003, and 2005. Relative to the immediate surroundings, the Project Area has not experienced appropriate growth in the tax base or shown evidence of private investment which increases the value of properties. Further, this is a significant trend that has persisted over a majority of the time period under analysis.

Second, the City finds that the Project Area would not reasonably be anticipated to be developed without adoption of this Redevelopment Plan. This conclusion is based upon the findings in the Joliet City Center Development Plan, a study conducted by the City of Joliet, the resultant economic development attributed to the first City Center TIF, and information provided by private property owners in the Project Area, as follows:

- o In 1990, the City of Joliet adopted the Joliet City Center Development Plan as a means to guide the revitalization of the City's central business area. This area, while home to numerous important historic structures, civic buildings, and cultural attractions, was characterized by a state of decline. The City Center Development Plan recommended numerous public and private development activities to arrest and reverse these trends.
- o Whereas the City Center Development Plan helped to facilitate the development of a riverboat casino, which has proven to be a great magnet for visitors to the downtown and a valuable source of revenue for the City, the riverboat casino has not stimulated other private investment to the extent to which the City had hoped. Although limited private redevelopment has occurred on the fringes of the central area, such investment

has generally not occurred in the historic heart of downtown. This is due, in part, to the fact that rehabilitation costs associated with re-use of older, deteriorated buildings are prohibitive.

- o To encourage new investment in the City Center area, the City in 2000 approved a Tax Increment Financing (TIF) district as the financial tool to facilitate redevelopment. This decision was based in part on a recommendation contained in the City Center Development Plan, which identified TIF as a valuable tool for implementation of the City's goals. Since the adoption of the first TIF District, the City has seen substantial new public and private investment within the original Project Area. However, other properties within the City Center, outside the boundaries of the original TIF District, have not experienced the same level of investment and revitalization.

Therefore, the City of Joliet finds that the Project Area is not subject to appropriate growth and development, and is not reasonably anticipated to be developed without adoption of this Redevelopment Plan.

18)

CONFORMANCE WITH THE 1990 JOLIET CITY CENTER DEVELOPMENT PLAN

This Redevelopment Plan and Program conforms to the City of Joliet's City Center Development Plan, which was adopted by the Mayor and City Council in 1990. This Plan was prepared with the goal of creating an attractive, mixed use urban downtown that provides a "sense of place" for the City. The 1990 Plan provides a series of recommendations for enhancing the business mix and physical nature of the central business district in order to achieve this goal. The City Center Plan identifies opportunity sites which served as a "starting point" for the planning of the redevelopment projects and public improvements discussed in this Redevelopment Plan and Program. Furthermore, a TIF district was recommended as an implementation tool for the revitalization objectives identified in the 1990 Plan.

19)

DATE OF COMPLETION

The estimated year of completion of the redevelopment projects is the year 2023 (23 years from the date of adoption of the original City Center TIF District ordinance approving the Redevelopment Plan and Program in 2000).

FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Program, development and redevelopment projects within the Project Area are not reasonably expected to be undertaken by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and to spread, and that the Project Area along with adjacent properties will become less attractive for maintaining and improving existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area has already occurred, and could lead to further reductions of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Plan and Program is expected to have significant short and long-term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to

arrest the ongoing decline of existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of redevelopment projects and the payment of all redevelopment project costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in equalized assessed valuation caused by the Redevelopment Plan and Program.

The following taxing districts cover the proposed Project Area:

- City of Joliet
- City of Joliet Fire Department
- City of Joliet Road and Bridge District
- City of Joliet Park District
- City of Joliet Public Library
- City of Joliet Special Service Area 96-14
- Community College District 525
- Joliet Township Road Funds
- Joliet Township Town Funds
- School District 86
- School District 204
- Will County
- Will County Building Commission
- Will County Forest Preserve District

20)

IMPACT ON CITY OF JOLIET

As a result of new development in the Project Area, the City of Joliet may experience increased demand for services such as police protection and fire protection. This increased demand should not be so substantial that, on its own, warrants the hiring of additional police officers or the purchasing of additional fire trucks and related equipment. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

IMPACT ON CITY OF JOLIET FIRE DEPARTMENT

New and expanded commercial, residential, office, and mixed-use development in the Project Area may increase demand for fire protection. However, this will be balanced by the rehabilitation and removal of hazardous buildings which currently exhibit deterioration and code violations. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

IMPACT ON CITY OF JOLIET ROAD AND BRIDGE DISTRICT

The City of Joliet Road and Bridge District maintains city roads and bridges. Whereas road improvements are planned, no new roads or bridges are anticipated as a result of this Redevelopment Plan. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

IMPACT ON CITY OF JOLIET PARK DISTRICT

The increased demands for recreational services resultant from the anticipated commercial and office development should have minimal impacts on the Park District – any increase would only account for a small percentage of the total demands required of the District. No redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

20)

IMPACT ON CITY OF JOLIET PUBLIC LIBRARY

New commercial and residential development may increase demand for facilities and programs offered by the Library. However, the main Joliet library branch is located in the original portion of the amended TIF Project Area, and will likely benefit from redevelopment activities. The increased demand for any library services resultant from the development plan set forth in this document will be incidental in relation to the total operations of the library district. Therefore, no program is set forth in the Redevelopment Plan.

IMPACT ON CITY OF JOLIET SPECIAL SERVICE AREA 96-14

Special Service Area 96-14 provides services desired by City Center property owners, in addition to those provided by other taxing bodies. Maintenance, security, marketing, and other related services are typically included. Public improvements contemplated by the Redevelopment Plan may complement or relieve some of the responsibility of the Special Service Area. No program is set forth in the Redevelopment Plan.

IMPACT ON COMMUNITY COLLEGE DISTRICT 525

Residential development is planned to occur within the Project Area. Some of the residents of these new dwellings may seek educational opportunities at the Community Colleges. The impact will be incidental, as it is likely that most of these residents already reside in the Community College jurisdiction, and this increase in population is only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

IMPACT ON JOLIET TOWNSHIP TOWN FUNDS

Joliet Township provides services such as animal control, mosquito abatement, and limited social services. New and expanded commercial and residential development in the Project Area may minimally increase demand for social services. However, it is likely that many potential new residents already reside in Joliet Township, and this increase in population is only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

IMPACT ON JOLIET TOWNSHIP ROAD FUNDS

The Joliet Township Road Fund maintains township roads. No new township roads are anticipated as a result of this Redevelopment Plan, and therefore, no program is set forth in the Redevelopment Plan.

IMPACT ON SCHOOL DISTRICTS #86 AND #204

New residential development is encouraged in this Redevelopment Plan. However, due to the anticipated unit sizes, the anticipated population, and their planned locations in the City Center, a majority of the new units are anticipated to generate few school-aged children. No program is set forth in the Redevelopment Plan.

IMPACT ON WILL COUNTY

Residential development is encouraged by this Redevelopment Plan, and some of the potential new residents may take advantage of programs offered by the County. However, it is likely that many of these residents already live in the County, and these new residents are not a significant increase in the total population of the County. Therefore, there will be minimal increased

20)

demand for services from or financial impact upon Will County, and no program is set forth in the Redevelopment Plan.

IMPACT ON WILL COUNTY BUILDING COMMISSION

The Will County Building Commission owns public facilities throughout Will County, including the parking lot on the west half of the block bounded by Jefferson, Scott, Washington, and Chicago Streets. New and expanded commercial and residential development in the Project Area may increase demand for the facilities owned by the Commission. Such increased demand would likely improve the revenue position of the Commission. No program is set forth in the Redevelopment Plan.

IMPACT ON WILL COUNTY FOREST PRESERVE DISTRICT

Residential redevelopment is encouraged in the Project Area. Some of the residents of these new dwellings may seek recreational opportunities in Forest Preserve facilities. The impact on the Forest Preserve will be incidental as it is likely that most of these residents already reside in the jurisdiction of the Forest Preserve; this increase in population represents only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

**22) Appendix B – CITY CENTER TIF REDEVELOPMENT PLAN AND PROJECT
AMENDMENT No. 1 TAX INCREMENT FINANCING ELIGIBILITY FINDINGS**

**CITY CENTER TIF I
AMENDMENT No. 1
TAX INCREMENT FINANCING
ELIGIBILITY FINDINGS**

City of Joliet, Illinois

Original Date: September 21, 2005
Updated with 2005 EAV Data: July 2006
Teska Associates, Inc.

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1. How do you feel about the current state of the world?

2. What are your biggest concerns for the future?



INTRODUCTION

In 1990, the City of Joliet adopted the Joliet City Center Development Plan as a means to guide the revitalization of the City's central business area. This area, while home to numerous important historic structures, civic buildings, and cultural attractions, was characterized by a state of decline. The City Center Development Plan recommended numerous public and private development activities to arrest and reverse these trends.

Following the adoption of the City Center Development Plan, a riverboat casino was introduced to Joliet. This attraction has great potential as a magnet for visitors to the downtown area, and has proven to be a valuable source of revenue for the City. Portions of this revenue have been directed toward several visible public investments in the City Center, such as streetscape improvements and on-going development of a riverfront park. However, the riverboat casino has not stimulated other private investment to the extent to which the City had hoped. Although limited private redevelopment has occurred on the fringes of the central area, such investment has generally not occurred in the historic heart of downtown. This is due, in part, to the fact that rehabilitation costs associated with re-use of older, deteriorated buildings are prohibitive.

Acknowledging the deteriorated condition of the City Center area, and to encourage revitalization of a community focal point and central business district, City officials determined that, without direct municipal involvement and financial assistance, planning objectives for this area could not be met. To encourage new investment in the City Center area, the City in 2000 approved a Tax Increment Financing (TIF) district as the financial tool to facilitate redevelopment. This decision was based in part on a recommendation contained in the City Center Development Plan, which identified TIF as a valuable tool for implementation of the City's goals.

TIF can be used to make the area attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the City's tax base, affect the safety of community residents, and hinder the City's ability to promote a cohesive development of compatible land uses. In accordance with the City Center Development Plan and the Comprehensive Plan for the City of Joliet, public improvements may be constructed and incentives provided to encourage the type of private investment that will allow the City to achieve its goals for this area. These goals include conservation and enhancement of the historic building stock, rehabilitation and re-use of these resources, and construction of new structures for increased economic growth.

Since the adoption of the first TIF District, the City has seen substantial new public and private investment within the original Project Area. However, other properties within the City Center, outside the boundaries of the original TIF District, have not experienced the same level of investment and revitalization. To further encourage new investment in these areas the City has determined it necessary to explore the expansion of the original TIF District. The proposed expanded area, or "Amendment Area," is approximately equal in size in terms of land area to the original district.

The report that follows incorporates the eligibility findings from the previous 2000 study, and provides new information regarding the eligibility of the TIF Amendment Area.

TAX INCREMENT FINANCING

The Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11 - 74.4 - 1, et seq., as amended (the "Act"), stipulates specific procedures which must be adhered to in designating a Project Area and amendments thereto. A Redevelopment Project Area is defined as:

"...an area designated by the municipality, which is not less in the aggregate than 1 ½ 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" (65 ILCS 5/11-74.4-3(p)).

Section 5/11-74.4-3(a) defines a "conservation area" as:

"...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 or more of the following factors: dilapidation; obsolescence; deterioration, illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

Determination of eligibility of the City Center TIF Redevelopment Project Area for tax increment financing is based on a comparison of data gathered through field observations by Teska Associates, Inc. (TAI), document and archival research, and information provided by the City of Joliet against the eligibility criteria set forth in the Act. The eligibility criteria identified in the Act are supplemented by the definitions prepared by the Illinois Department of Revenue in its 1988 TIF Guide, as revised April 6, 1989.

This report summarizes the analyses and findings of the consultants' work, which is the responsibility of TAI. TAI has prepared this report with the understanding that the City would rely on: (1) the findings and conclusions of this report in proceeding with the designation of the Study Area as a Redevelopment Project Area under the Act; and (2) the fact that TAI has obtained the necessary information to conclude that the Study Area can be designated as a Redevelopment Project Area in compliance with the Act.

The original Redevelopment Project Area, approved in 2000, was eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration, depreciation of physical maintenance, presence of structures below minimum code standards, and excessive vacancies.**

The City Center TIF I Amendment No. 1 Redevelopment Project Area (the "Project Area") is eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration, obsolescence, deterioration of buildings and surface improvements, lack of community planning, and lack of growth in the equalized assessed value at a rate equivalent to the City as a whole.** Each of these factors contribute significantly towards the decline of the Project Area as a whole.

ELIGIBILITY OF ORIGINAL TIF AREA

DESCRIPTION OF THE ORIGINAL PROJECT AREA

The original Project Area consists of a large portion of the central core of downtown Joliet, generally centered on Joliet and Ottawa Streets. The majority of the District lies north of the C.R.I. &P. railroad, but also includes four properties south of the tracks. Numerous historic buildings are included, such as the Rialto Theater, St. Patrick's Residence, the Auditorium Building, and Union Station. The Project Area contains 53 buildings on 112 parcels, and covers 22 blocks or parts thereof. The total area is approximately 44 acres. Figure 1 illustrates the boundaries of the original Project Area.

ORIGINAL ELIGIBILITY FINDINGS

Teska Associates, Inc. conducted a field survey of every property in the Project Area in conjunction with City building officials. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred on April 28, 1998, July 14, 1999, and July 27, 1999, and the findings cited in this report reflect the conditions on those dates. Photographs further document the observed conditions. Field observations were supplemented with information provided by City building officials.

In order to be designated as a conservation area, at least 50% of the structures must be 35 years or more in age. Additionally, a combination of at least three of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

Age of Buildings

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on historical records provided by the City of Joliet, 49 out of 53 (92%) of the buildings in the Project Area are more than 35 years old (see Figure 2). The average year of construction is 1922, and many buildings are listed on local or national Historic Registers.

Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that major repair is required or, the defects are so serious and so extensive that the buildings must be removed.

Currently, only two structures in the Project Area, the Ivanhoe building and the White Store building, display this extreme physical state. These buildings are characterized by severe deficiencies in structural or mechanical systems, such that re-use is possible only if the interior of the structures were gutted. However, this factor is not distributed throughout the Project Area, and therefore does not contribute to the designation of the Project Area.

Deterioration

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

Deterioration of Buildings

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration of structures occurs on 27 of 53 buildings (51%), and is found throughout the Project Area (13 of 22 blocks). The age of the buildings is a primary factor in the deterioration of many buildings, as the effects of time have not been arrested by private investment in maintenance. In addition, vacancies in a large number of these structures contributes to the deteriorated state, as tenants are not available to effect improvements.

Deterioration of Surface Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface. Fourteen of the 22 blocks (64%) show signs of deteriorated surface improvements. Broken and cracked sidewalks, including deterioration of decorative paving, is the most frequent occurrence. Deterioration of surface improvements also occurs on individual properties, particularly parking lots with degraded pavement and drainage systems.

The widespread extent and distribution of deterioration of both buildings and surface improvements creates a significant blighting effect upon the entire Project Area (see Figure 3). **Deterioration is therefore a major contributing factor towards designation as a conservation area.**

Depreciation of Physical Maintenance

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; and loose or missing shingles; and damaged building areas still in disrepair.

Signs of depreciation of maintenance are present throughout the entire Project Area, on 16 of 22 blocks. Forty-one of 53 buildings (77%) in the Project Area are characterized by this factor (see Figure 4). The most common examples include damaged brick or terra cotta wall surfaces and materials badly in need of paint. Again, vacancies and age contribute to the widespread occurrence of this factor. Deferred maintenance indicates a substantial risk for increased deterioration and blight if present trends continue. Given the prevalence of this characteristic throughout the Project Area, this factor is a major contributor to the designation of the entire Project Area as a conservation area.

Obsolescence

According to Illinois Department of Revenue definitions, an obsolete building or improvement is one which is becoming obsolete or going out of use - not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub-categories:

Functional Obsolescence

Structures are typically built for specific uses or purposes with design, location, height and space arrangement each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Fifteen of 53 buildings in the Project Area (28%) display characteristics of functional obsolescence. Most are former commercial and/or warehouse structures that no longer meet modern standards for loading areas, ceiling heights, or code compliance. These structures are no longer being used for the purpose for which they were originally designed.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary

development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc. Obsolete site improvements are found on 12 properties in the Project Area (11%), most of which are parking lots that do not have adequate design, access, or drainage.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or 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. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete. Obsolete platting is found on 5 properties in the Project Area.

In sum, one quarter of the parcels in the Project Area exhibit one or more kinds of obsolescence (see Figure 5). Such obsolescence constitutes a significant impediment to development on these parcels. Because many of the affected parcels are large and highly visible, obsolescence has a disproportionately large blighting effect upon the entire district. Therefore, obsolescence makes a minor contribution towards the designation as a conservation area.

Illegal Use of Individual Structures

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

Based on information provided by City officials, two (2) buildings contained uses that are in violation of City ordinances. This factor does not significantly contribute to the designation as a conservation area.

Presence of Structures Below Minimum Code Standards

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

According to information provided by the Building Department of the City of Joliet, 30 of 53 buildings (57%) in the Project Area are not in compliance with City codes (see Figure 6). While some violations have been documented, the majority are known to the inspectors but will not be enforced until the owner attempts to rehabilitate or re-occupy the structures. Most non-compliant structures contain significant mechanical or electrical deficiencies, or do not conform to the requirements of the Americans with Disabilities Act. **The extent and distribution of buildings below minimum code standards makes this a major contributor to the designation of the Project Area.**

Excessive Vacancies

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Thirty-seven of 53 buildings (70%) are presently vacant or partially vacant, many for years or even decades (see Figure 7). Deterioration, code violations, and the age of these buildings are all associated with the high incidence of vacancies. Specifically, continued vacancies are often related to the expense and difficulty of renovations that would be required in order to occupy these buildings again. **The extent and visibility of these vacancies is a drain upon the vitality of the area and makes a major contribution towards the designation of the Project Area.**

Overcrowding of Structures and Community Facilities

Overcrowding of structures refers to the over utilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. No structures in the Project Area exhibit visible overcrowding and therefore this factor is not a significant concern for the Project Area as a whole.

Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health of building occupants, e.g., residents, employees, or visitors.

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

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

Two structures, the Kline's and Fehrenbacher's buildings, display this characteristic, and therefore this factor does not significantly contribute to blighting conditions within the Project Area as a whole.

Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electric service which may be shown to be inadequate. Inadequate utilities would include those which are: (1) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas, (2) deteriorated, antiquated, obsolete, or are in disrepair or are lacking.

According to information provided by the City, inadequate utilities is not a significant factor in the designation of the Project Area as a conservation district.

Excessive Land Coverage

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to

close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development. This characteristic is viewed relative to its urban context, common practice, and contemporary development standards.

Relative to the urban downtown nature of the area, there are no properties which display excessive coverage. This factor does not make a contribution to the classification of the Project Area as a conservation area.

Deleterious Land Use or Layout

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

Eight properties in the Project Area display deleterious land uses or layouts. Each of these properties do pose risks in their immediate area. However, due to the limited extent of this problem, deleterious land use or layout does not make a significant contribution to the classification of the entire Project Area as a conservation district.

Lack of Community Planning

Lack of community planning may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development. This, of course, may be documented by establishing the date of adoption of the City's master plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards. While lack of planning does occur on eleven properties in the Project Area, this factor is not a significant contributor to the present condition of the entire Project Area or to its designation as a conservation area.

CONCLUSION

Based on the findings contained herein, the original Project Area as a whole qualifies as a conservation area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings and surface improvements
3. Depreciation of physical maintenance
4. Presence of structures below minimum code standards
5. Excessive vacancies

Each of these factors contributes significantly to the eligibility of the original Project Area as a conservation area. In addition, prevalent obsolescence makes a minor contribution toward the eligibility. Seventy-eight of the parcels in the Project Area (70%) contain at least one defect as defined by the criteria established in the Act.

All of these factors verify the eligibility of the City Center TIF I as a conservation area. The conservation designation is particularly appropriate for the Project Area, given the substantial historic resources contained in the building stock, and the need to conserve and restore these buildings. The conservation designation, coupled with the increased investment that will be encouraged by TIF, will ensure that the historic resources can be maintained and rehabilitated in order to capitalize upon their inherent value to the community.

ELIGIBILITY OF CITY CENTER TIF I AMENDMENT No.1 AREA

DESCRIPTION OF THE AMENDMENT AREA

The Amendment Area consists of the addition of parcels on all sides of the Original Project Area. Figure 1 identifies the boundaries of the original Project Area and the Amendment Area.

The boundaries of the Amendment Area have been carefully established to add properties that will gain an immediate and substantial benefit from inclusion in the Redevelopment Plan. The Amendment Area contains 46 buildings and 140 parcels, and consists of 52 acres within 20 legal blocks or portions thereof.

AMENDMENT AREA ELIGIBILITY FINDINGS

TAI conducted a field survey of the subject properties in June 1, 2005. Based on an inspection of the improvements and grounds, field notes were taken which recorded the condition of the parcels. Photographs further document the observed conditions. Additional research was conducted at the City Building Department.

For each factor that contributes to the eligibility of the Amendment Area, a map has been prepared that illustrates the distribution of the factor. The maps represent the parcels in which TAI finds the characteristic to be present to the degree that it represents a significant influence on the character, vitality, and value of properties.

Consistent with the original Project Area, the designation of the Amendment Area as a conservation area is based on a finding that at least 50% of the structure are 35 years or more in age. Additionally, a combination of at least three of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

Age of Buildings

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings or improvements typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on the observed style and construction methods of the buildings within the Amendment Area, 31 of 46 buildings (67%) are more than 35 years old. Age is also widely distributed throughout the area. As required, more than 50% of the structures within the Amendment Area are more than 35 years of age. Age is therefore a major contributing factor in the designation of the Project Area as a conservation area. Figure 2 identifies the parcels that are at least 35 years old.

Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that: (1) major repair is required or; (2) the defects are so serious and extensive that the buildings must be removed.

The exterior survey conducted by TAI found one structure that is characterized by this extreme physical state. Dilapidation is not a contributing factor toward the designation of the Amendment Area as a conservation area.

Obsolescence

According to the Act, an obsolete building or improvement is one which is in the condition or process of falling into disuse. The structures and/or site conditions have become ill suited for the original use. Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements exhibiting conditions of falling into disuse. The following identify more specific sub-categories of obsolescence.

Functional Obsolescence

Structures are typically built for specific uses or purposes with design, location, height and space arrangement are each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standard.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or 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. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete. Finally, platting that is incompatible with the current improvements and which is inconsistent with the City's future plans for a given site should be considered obsolete.

The Amendment Area shows a few signs of functional obsolescence and obsolete site improvements. However, a significant number of parcels are affected by platting that is a relic of a former type of development and no longer reflective of the current uses. This is particularly true for parking lots, many of which contain a half a dozen or more separate parcels that were clearly platted for different purposes. Furthermore, the size and layout of many parcels inhibits redevelopment according to contemporary development standards.

At least one form of obsolescence occurs on 94 of 140 parcels (67%). This factor is also distributed throughout the Project Area. Because obsolescence makes re-use of a building or property difficult or costly, the motivation to invest is diminished by the presence of this factor. **Therefore, obsolescence is a major factor in the designation of the Project Area.** Figure 5 identifies the parcels containing some form of obsolescence.

Deterioration

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

Deterioration of Buildings

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration occurs in 13 of 46 buildings (28%) in the Project Area contain defects that cannot be corrected with normal maintenance. Such buildings significantly contribute to the perception of deterioration throughout the Project Area, causing owners of other nearby properties to be less inclined to invest in their own buildings. Thus, the effects of deterioration can become magnified beyond those buildings identified in the eligibility survey.

Deterioration of Site Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface.

Deteriorated surface improvements can be identified on 71 of 140 parcels (51%).

Deterioration of structures and/or surface improvements is present on 72 of the 140 parcels (51%). These parcels are distributed throughout the Amendment Area. More importantly, such deterioration has depressing effects on investment in neighboring properties, to a much greater extent than the proportion of properties exhibiting this factor might suggest. **Therefore, deterioration is a major factor in the designation of the Amendment Area as a conservation area.** Figure 3 identifies the parcels that exhibit deterioration.

Presence of Structures Below Minimum Code Standards

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

Based on information provided by City officials, 33 parcels (23%) exhibit one or more code violations. Furthermore, City officials indicated that official building records were not sufficient to document all code violations. Given the lack of sufficient evidence and the relatively low percentage of parcels affected, this factor is not considered to contribute to the status of the Amendment Area as a conservation area.

Illegal Use of Individual Structures

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

Based on information provided by City officials, one parcel exhibits illegal use violations. Furthermore, City officials indicated that official building records were not sufficient to document all illegal uses. Given the lack of sufficient evidence and the low number of parcels affected, this factor is not considered to contribute to the status of the Amendment Area as a conservation area.

Excessive Vacancies

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Only one (1) 2% of the 46 buildings in the Amendment Area, is vacant. This factor does not significantly contribute to the status of the Amendment Area as a conservation area.

Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in City of Joliet municipal codes and ordinances, or in locally adopted national codes such as the International Building Code, and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health and building occupants, e.g., residents, employees, or visitors.

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

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

No properties were identified in the Amendment Area that were obviously inadequately lit or ventilated. As a result, this factor does not significantly contribute to the eligibility of the Amendment Area as a whole.

Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone and electric service which may be shown to be inadequate. Inadequate utilities would include those which are: (1) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas; and (2) deteriorated, antiquated, obsolete, or in disrepair or are lacking.

While the condition of public utilities has not been documented as part of the surveys and analyses undertaken within the Amendment Area, existing utilities may need to be relocated or upgraded to adequately serve new development. Based on the lack of adequate data, inadequate utilities is not being considered as a major factor in the designation of the Amendment Area.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Based on the requirements of the Act, no parcels within the Amendment Area exhibit excessive land coverage resulting in the conditions outlined above.

Overcrowding of structures refers to the over utilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. Based on the exterior field survey conducted by TAI there are no structures in the Amendment Area that exhibit visible overcrowding conditions. Furthermore, City officials indicated that official building records were not sufficient to document all illegal uses. Given the lack of sufficient evidence, this factor is not considered to contribute to the status of the Amendment Area as a conservation area.

Deleterious Land Use or Layout

Deleterious land uses include all instances of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses, or uses which may be considered noxious, offensive or environmentally unsuitable. Based on the exterior field survey conducted by TAI, 20 parcels in the Amendment Area (14%) exhibit deleterious land use relationships. These parcels comprise two separate uses, Rendel's Junk Yard and the Werden Brick Yard. This factor is not a major factor in the designation of the Amendment Area.

Lack of Community Planning

This may be a significant factor if the Amendment Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the development of the area. This finding may be amplified by evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards.

The Amendment Area developed without the guidance of a community plan. Lack of planning is exhibited in 100 parcels (71%) and is therefore a major factor in the designation of the Amendment Area. Figure 8 identifies the parcels that exhibit lack of community planning.

Environmental Remediation Cost Impeding Development

This factor may be documented by determining if any requirements by the Illinois Environmental Protection Agency, the United States Environmental Protection Agency, or any study conducted by a recognized independent expert consultant has resulted in the need to incur remediation costs for a site that have resulted in impeding further site redevelopment. Based on field survey, there does not appear to be any environmental remediation projects required within the Amendment Area. Furthermore, City records are not sufficient to determine if environmental remediation is required, or if costs associated with a remediation project would impede the redevelopment of a site. This factor is not considered to significantly contribute to the status of the Amendment Area as a conservation area.

Decline or Minimal Marginal Increase in the Equalized Assessed Value

This factor can be cited if the total equalized assessed value of the Amendment Area has declined for 3 of the last 5 calendar years in which information is available; or is increasing at an annual rate that is less than the balance of the municipality for 3 of the last 5 calendar years for which information is available; or is increasing at an annual rate that is less than the Consumer Price Index for All Urban Consumers published by the United States Department of Labor or successor agency for 3 of the last 5 calendar years for which information is available.

Table A-1: City of Joliet EAV Data: Years 2000-2005						
Year	2000	2001	2002	2003	2004	2005
Total Equalized Assessed Value of the Amendment Area	\$3,816,096	\$3,835,974	\$4,198,205	\$4,205,149	\$4,954,298	\$5,156,980
Percent Change in Amendment Area EAV from prior year	-	0.52%	8.63 %	1.74 %	15.12 %	3.93 %
EAV of the City of Joliet excluding Amendment Area	\$1,288,718,500	\$1,418,154,336	\$1,576,406,967	\$1,800,536,362	\$1,977,433,358	\$2,291,253,954
Percent change in City EAV from prior year	-	9.13 %	10.04 %	12.45 %	8.95 %	13.70 %
Growth less than City?	-	Yes	Yes	Yes	No	Yes

Source: City of Joliet

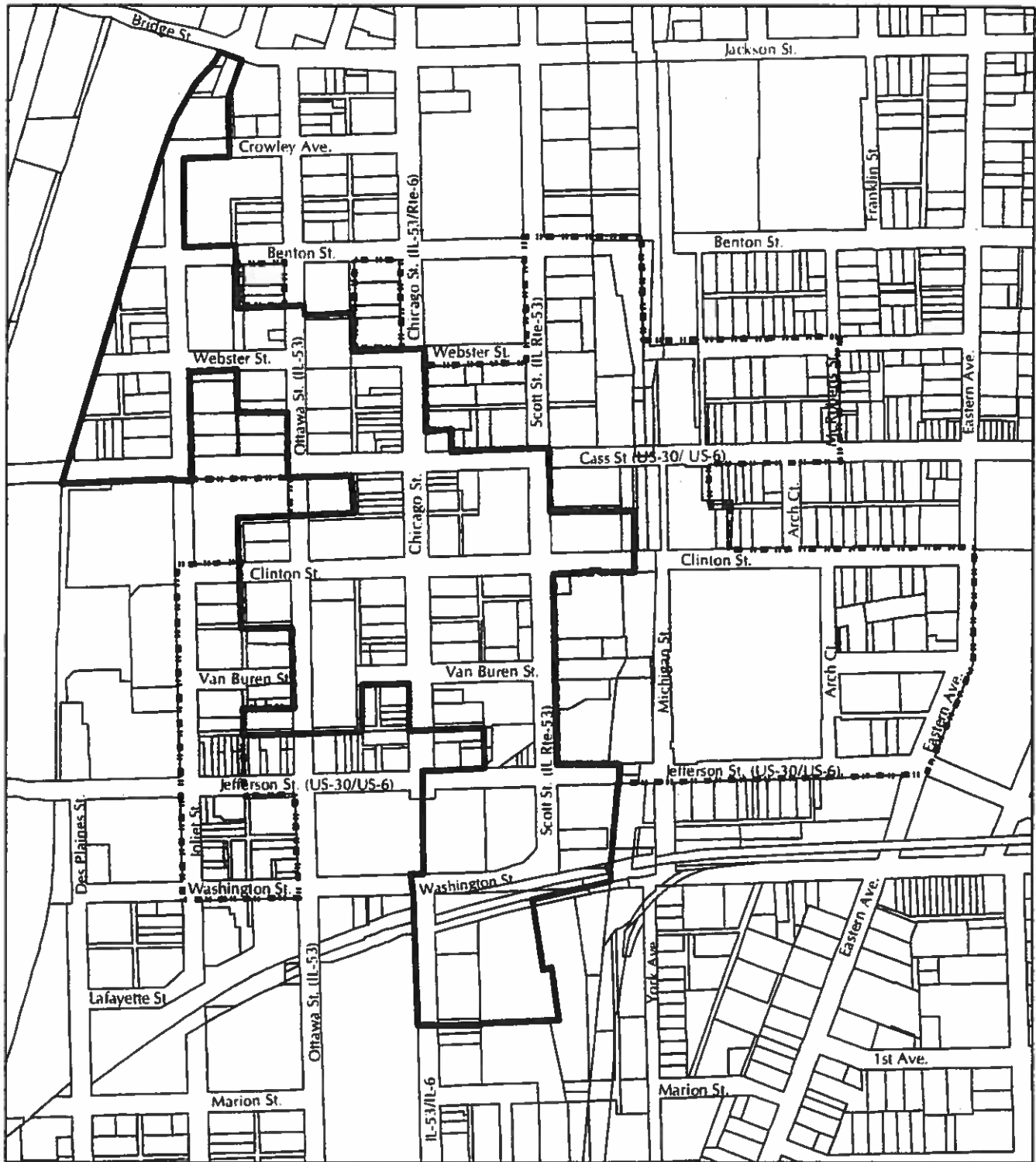
Table A-1 represents the most recent data available from the Will County Assessor's Office as of July 2006. Based on growth rate of equalized assessed value for the whole City over the last 5 years, the percent change in the EAV for the Amendment Area was less than the percent change for the City of Joliet in the years 2001, 2002, 2003, and 2005. The Amendment Area has not experienced appropriate growth in the tax base or shown evidence of private investment, which increases the value of properties. **Based on this evidence, lag in growth of EAV is a major contributing factor to the status of the Amendment Area as a conservation area.** Furthermore, it appears that the spike in 2004 EAV is primarily related to one outlying data point (the "Executive Center" office building property), and does not represent a general trend toward overall increase in EAV throughout the Amendment Area.

CONCLUSION




The City Center TIF I Amendment No.1 Area qualifies as a conservation area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Obsolescence
3. Deterioration of buildings and surface improvements
4. Lack of community planning
- 5: Decline of the Amendment Area equalized assessed value at a rate greater than experienced by the remainder of the City for at least three of the last five years

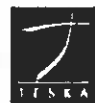
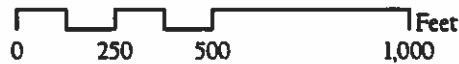
Each of the factors listed above is present to a significant degree and distributed throughout the Amendment Area. Further, these factors act in combination with one another, reinforcing the negative affects of the other factors. For example, a property owner may be less likely to invest in maintenance for an obsolete building, which may lead to deterioration, which further inhibits investment. In turn, investment in neighboring properties is inhibited in this environment of decay. Therefore, while not every block exhibits every factor, the combination of the factors throughout the Amendment Area has a significant impact. Due to the negative effect on the public safety and welfare caused by these factors, the Amendment Area is declared eligible as a conservation area. All of these characteristics point to the need for designation of the Amendment Area as a conservation area, to be followed by public intervention in order that redevelopment might occur.



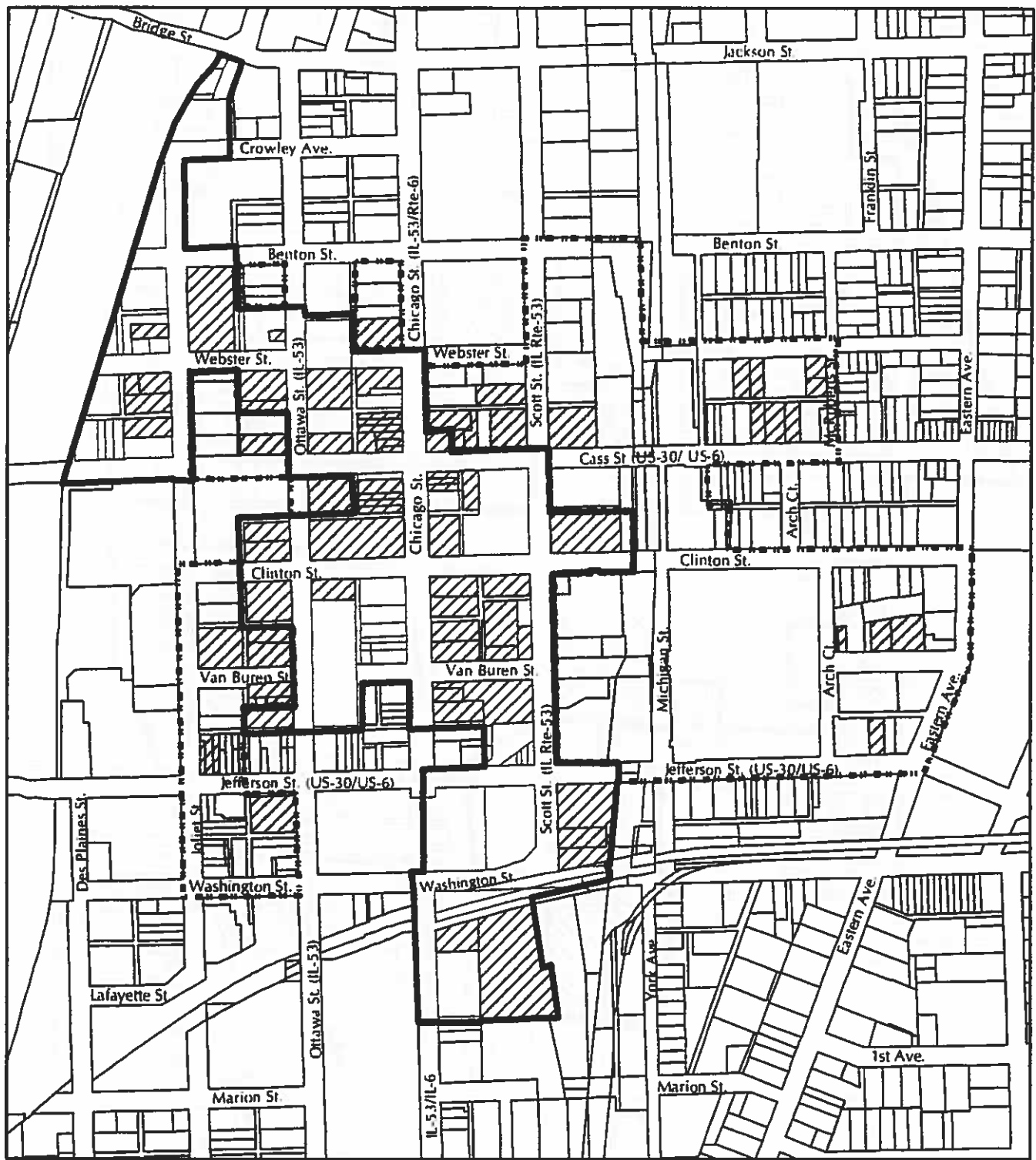
Legend

-  Amended TIF Boundary
-  Existing TIF Boundary
-  Proposed TIF Parcels

August 2005



Joliet City Center II Eligibility
FIGURE 1: TIF BOUNDARY



Legend

- Amended TIF Boundary
- Existing TIF Boundary
- Proposed TIF Parcels
- Age

August 2005

0 250 500 1,000 Feet

Joliet City Center II Eligibility
FIGURE 2: AGE

*Age for Existing TIF Parcels reflects original report from 2000.



Legend

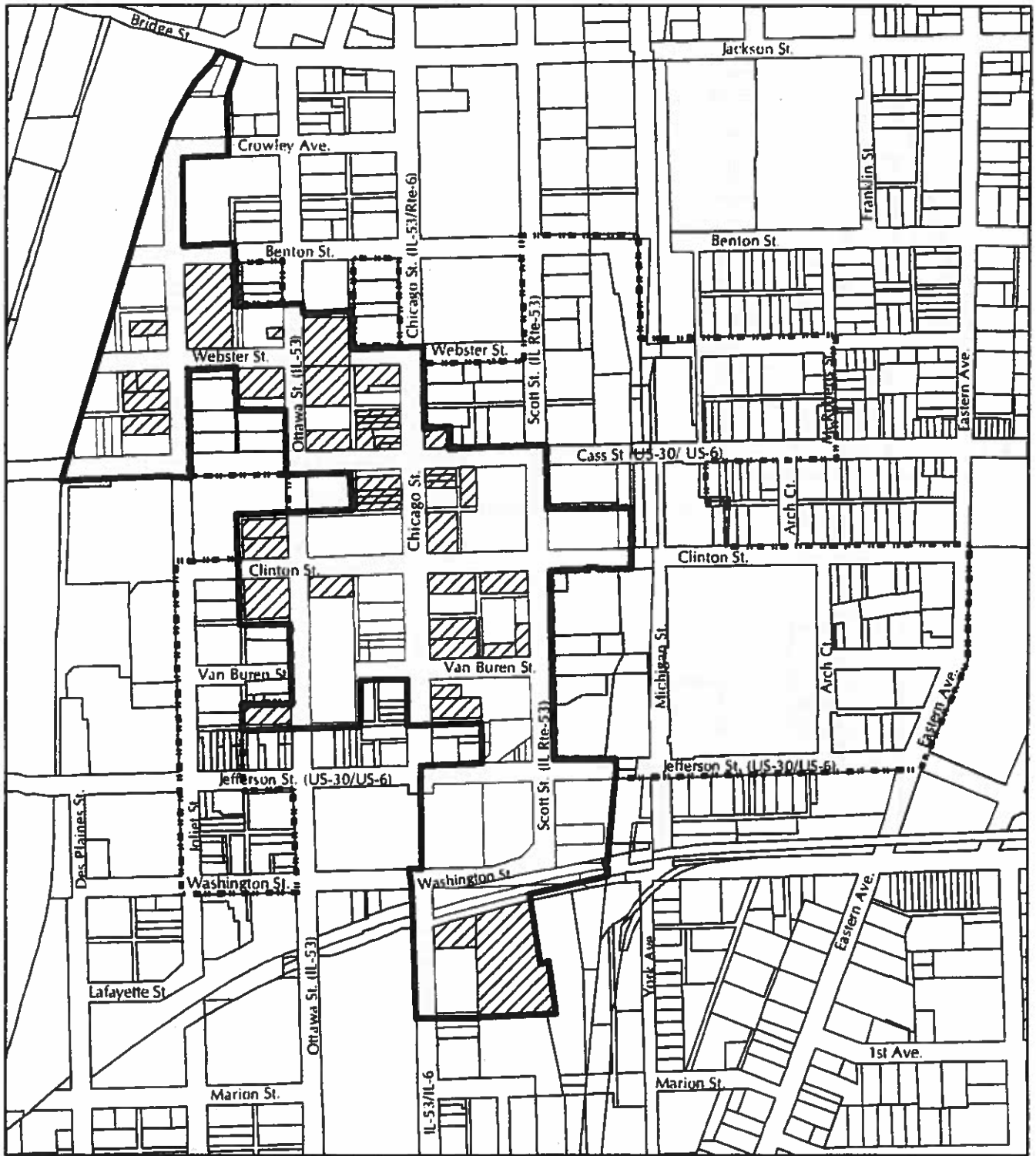
- Ammended TIF Boundary
- Existing TIF Boundary
- Proposed TIF Parcels
- Deterioration



August 2005

**Joliet City Center II Eligibility
FIGURE 3: DETERIORATION**

**Deterioration for Existing TIF Parcels reflects original report from 2000.*



Legend

- Amended TIF Boundary
- Existing TIF Boundary
- Proposed TIF Parcels
- Depreciation

August 2005

0 250 500 1,000 Feet





Joliet City Center II Eligibility

FIGURE 4: DEPRECIATION of PHYSICAL MAINTENANCE

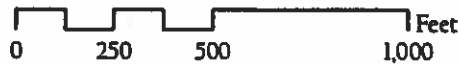
**Depreciation of Physical Maintenance of Existing TIF Parcels reflects original report from 2000. It is no longer listed as an 'Eligibility Factor' in the Act.*



Legend

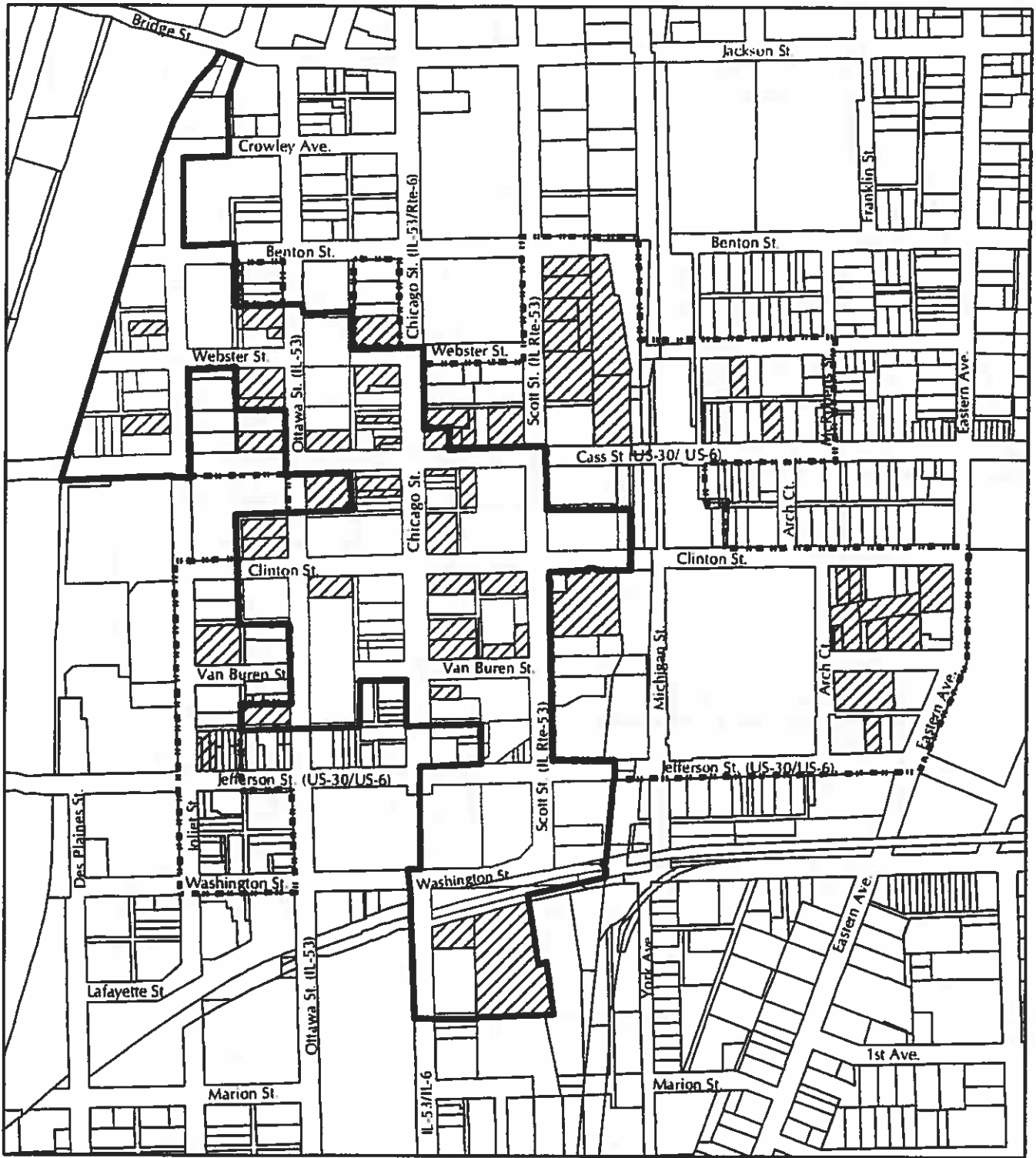
-  Amended TIF Boundary
-  Existing TIF Boundary
-  Proposed TIF Parcels
-  Obsolescence

August 2005







**Joliet City Center II Eligibility
FIGURE 5: OBSOLESCENCE**

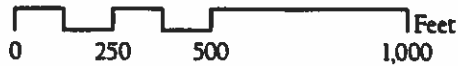
*Obsolescence for Existing TIF Parcels reflects original report from 2000.



Legend

-  Amended TIF Boundary
-  Existing TIF Boundary
-  Proposed TIF Parcels
-  Below Code

August 2005



Joliet City Center II Eligibility
FIGURE 6: BELOW CODE

*Below Code for Existing TIF Parcels reflects original report from 2000.



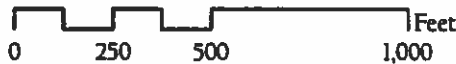
Legend

Amended TIF Boundary

Existing TIF Boundary

Proposed TIF Parcels

Excessive Vacancies

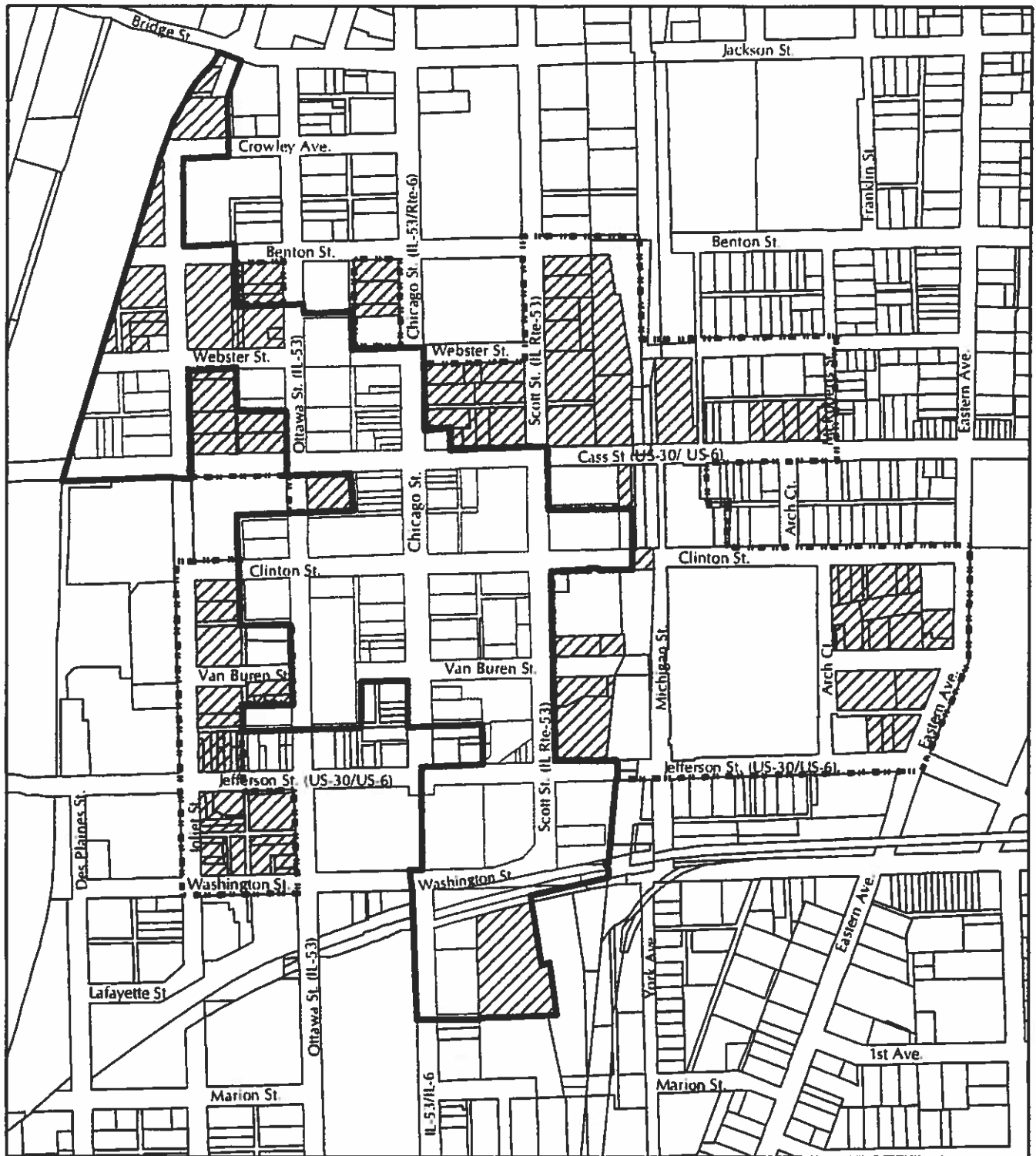


August 2005



Joliet City Center II Eligibility
FIGURE 7: EXCESSIVE VACANCIES

*Excessive Vacancies for Existing TIF Parcels reflects original report from 2000.

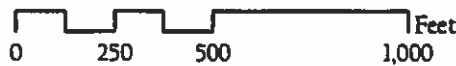


Legend

Amended TIF Boundary

Existing TIF Boundary

Proposed TIF Parcels Lack of Planning



August 2005



Joliet City Center II Eligibility

FIGURE 8: LACK OF PLANNING

[Faint, illegible text, possibly bleed-through from the reverse side of the page]



23) Appendix C – ORIGINAL CITY CENTER REDEVELOPMENT PLAN AND PROJECT AREA

CITY CENTER TIF
REDEVELOPMENT AREA
PLAN AND PROGRAM

City of Joliet, Illinois

FINAL DRAFT
December 13, 1999

Prepared by:
Teska Associates, Inc.
Evanston, Illinois

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INTRODUCTION

Background

In 1990, the City of Joliet adopted the Joliet City Center Development Plan as a means to guide the revitalization of the City's central business area. This area, while home to numerous important historic structures, civic buildings, and cultural attractions, was characterized by a state of decline. The City Center Development Plan recommended numerous public and private development activities to arrest and reverse these trends.

Following the adoption of the City Center Development Plan, a riverboat casino was introduced to Joliet. This attraction has great potential as a magnet for visitors to the downtown area, and has proven to be a valuable source of revenue for the City. Portions of this revenue have been directed toward several visible public investments, such as streetscape improvements and on-going development of a riverfront park. However, the riverboat casino has not stimulated other private investment to the extent to which the City had hoped. Although limited private redevelopment has occurred on the fringes of the central area, such investment has generally not occurred in the historic heart of downtown. This is due, in part, to the fact that excessive rehabilitation costs associated with re-use of older, deteriorated buildings is a significant deterrent to private investors.

Acknowledging the deteriorated condition of the City Center area, and to encourage revitalization of a community focal point and central business district, City officials determined that, without direct municipal involvement and financial assistance, planning objectives for this area could not be met. To encourage new investment in the City Center area, the City decided to explore the feasibility of the use of tax increment financing (TIF) as the financial tool to facilitate redevelopment. This decision was based in part on a recommendation contained in the City Center Development Plan, which identified TIF as a valuable tool for implementation of the City's goals.

TIF can be used to make the area attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the City's tax base, affect the safety of community residents, and hinder the City's ability to promote a cohesive development of compatible land uses. In accordance with the City Center Development Plan and the Comprehensive Plan for the City of Joliet, public improvements may be constructed and incentives provided to encourage the type of private investment that will allow the City to achieve its goals for this area. These goals include conservation and enhancement of historic buildings, rehabilitation, re-use of these resources, and development of other new structures. These efforts will expand the economic base of the City and revitalize its traditional civic, and cultural center.

Tax Increment Financing

Tax increment financing is permitted in Illinois under the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes, as amended (hereinafter the "Act"). Only areas which meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act in effect prior to the effective date of Public Act No. 91-478, known as the TIF Reform Law. It shall serve as a guide to all proposed public and private actions in the Redevelopment Project Area (see Figure A).

Besides describing the redevelopment objectives, this Redevelopment Area Plan and Program report sets forth in general terms the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to improve eligible "conservation" or "blighted" areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be repaid with the revenues generated by increased assessed values of private real estate within a designated project area. The key to this financing tool is that funding does not rely on the taxing power of the municipality alone. The property taxing power of all taxing districts with jurisdiction over the land within the project area can be employed to retire the necessary financial obligations. This taxing power is only applied to the increase in equalized assessed valuation generated within the designated project area during the limited term of the redevelopment Plan and Program, principally increased equalized assessed valuation from new private development.

Eligibility of the Proposed TIF District

During April and July 1999, a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed TIF Redevelopment Project Area. These "Eligibility Findings" indicate that the proposed project area meets the statutory requirements of a "conservation area," and is eligible for designation as a "Tax Increment Finance Redevelopment Project Area."

As detailed in the Appendix to this report, the Project Area is eligible for designation as a "conservation area," due to the predominance and extent of the following blighting factors:

1. age
2. deterioration
3. depreciation of physical maintenance
4. presence of structures below minimum code standards, and
5. excessive vacancies.

REDEVELOPMENT PROJECT AREA DESCRIPTION

The boundaries of the Joliet-City Center Redevelopment Project Area (hereinafter referred to as the "Project Area") were carefully established in adherence to the eligibility criteria and include those parcels which would benefit by the proposed Redevelopment Plan and Program. The Project Area consists of a large portion of the central core of downtown Joliet, generally centered around Chicago and Ottawa Streets. The majority of the District lies north of the C.R.I.&P. railroad, but also includes four properties south of the tracks. Numerous historic buildings are included, such as the Rialto Theater, St. Patrick's Residence, the Auditorium Building, and Union Station. The Project Area contains 53 buildings on 112 parcels, and covers 22 blocks or parts thereof. The total area is approximately 44 acres. Figure A illustrates the boundaries of the Project Area.

The predominant land uses in the Project Area are retail/commercial, often in mixed use, multi-story structures with residential or office uses on upper floors. There are also several institutional uses and a number of parking facilities (see Figure B).

The legal description of the Project Area is as follows:

LEGAL DESCRIPTION

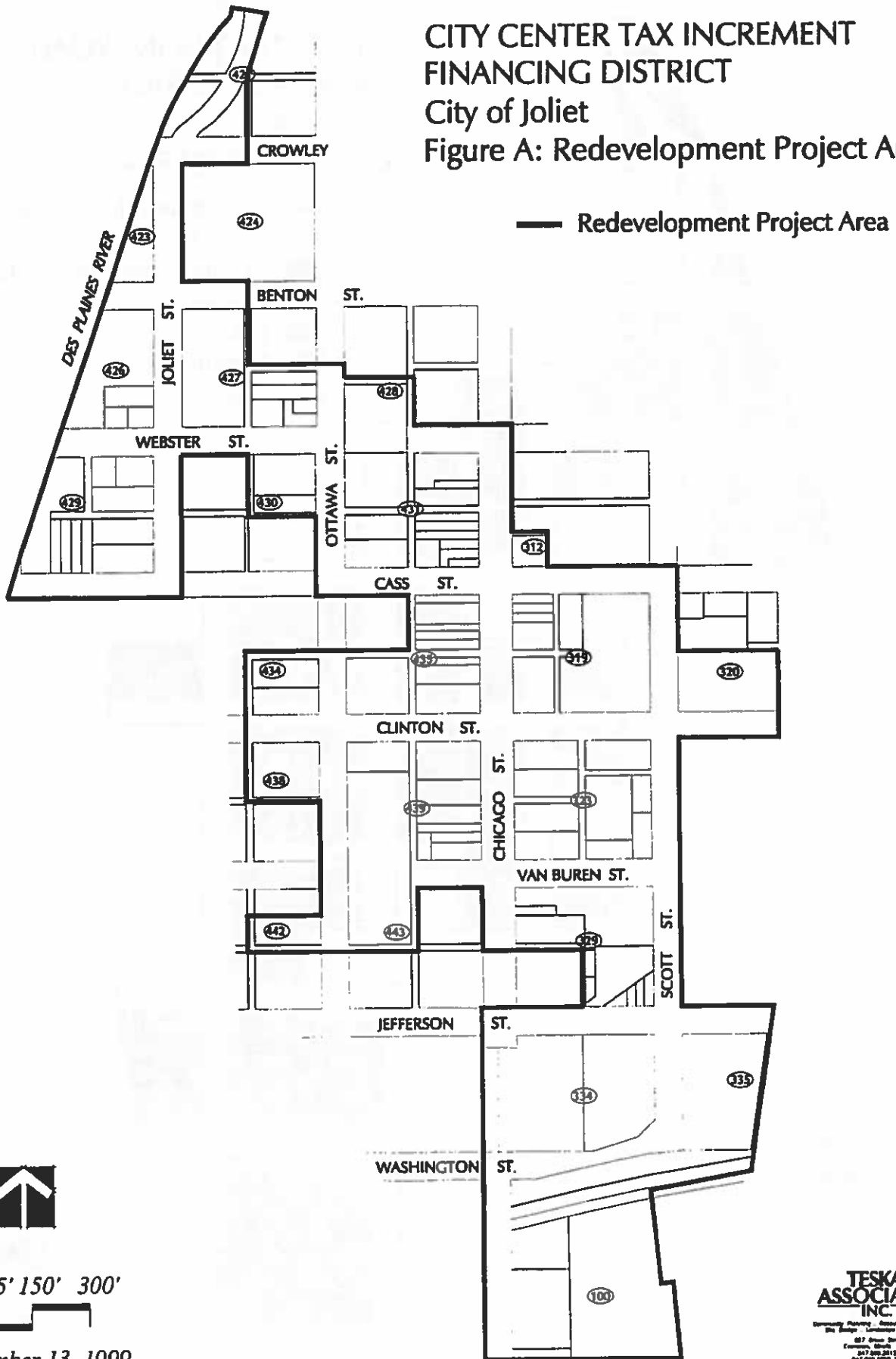
1 THOSE PARTS OF SECTION 9, 10, 15, 16, ALL IN TOWNSHIP 35 NORTH, RANGE 10 EAST OF THE
2 THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE NORTH
3 LINE OF JEFFERSON STREET, AND THE WEST LINE OF CHICAGO STREET, SAID POINT BEING THE
4 SOUTHWEST CORNER OF LOT 7 IN GOODSPEED AND HAVEN'S SUB OF LOT 5, BLOCK 21, OLD
5 TOWN OF JOLIET; THENCE EAST, ON THE NORTH LINE OF JEFFERSON STREET, TO A POINT FOUR
6 FEET WEST OF THE SOUTHWEST CORNER OF LOT 4 IN BLOCK 2 IN EAST JULIET (NOW JOLIET)
7 SUBDIVISION; THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID LOT 4, TO THE NORTH
8 LINE OF THE ABANDONED RIGHT OF WAY OF THE CHICAGO ROCK ISLAND AND PACIFIC
9 RAILROAD COMPANY; THENCE NORTHEASTERLY, ON SAID NORTH LINE, TO THE EAST LINE OF
10 SAID LOT 4; THENCE NORTH, ON SAID EAST LINE, AND ON THE EAST LINE OF LOT 3 IN BLOCK 2
11 AFORESAID, TO THE NORTHEAST CORNER OF SAID LOT 3; THENCE WEST, ALONG THE NORTH LINE
12 OF SAID LOT 3, AND THE WESTERLY EXTENSION OF SAID NORTH LINE, TO THE WEST LINE OF
13 CHICAGO STREET; THENCE NORTH, ON SAID WEST LINE, TO THE SOUTH LINE OF VAN BUREN
14 STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE NORTHWEST CORNER OF LOT 8 IN JOEL S.
15 MATHESON SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 21 IN OLD TOWN JOLIET, SAID POINT ALSO
16 BEING ON THE EAST LINE OF A NORTH SOUTH ALLEY LYING WITHIN SAID BLOCK 21; THENCE
17 SOUTH, ON THE EAST LINE OF SAID ALLEY, TO THE SOUTH LINE OF THE EAST WEST ALLEY
18 RUNNING THROUGH SAID BLOCK 21; THENCE WEST, ON SAID SOUTH LINE, AND ON THE
19 EASTERLY EXTENSION OF SAID SOUTH LINE, AND ON THE SOUTH LINE OF THE EAST WEST ALLEY
20 RUNNING THROUGH BLOCK 22 IN SAID OLD TOWN IN JOLIET, TO THE WEST LINE OF THE NORTH
21 SOUTH ALLEY RUNNING THROUGH SAID BLOCK 22; THENCE NORTH, ON SAID WEST LINE, TO THE
22 WESTERLY EXTENSION OF THE NORTHERLY LINE OF LOT 7 IN BLOCK 22 IN OLD TOWN JOLIET;
23 THENCE EAST, ON SAID WESTERLY EXTENSION, AND ON THE NORTH LINE OF SAID LOT 7, TO THE
24 WEST LINE OF OTTAWA STREET; THENCE NORTH, ON SAID WEST LINE, TO THE SOUTH LINE OF THE
25 EAST WEST ALLEY RUNNING THROUGH BLOCK 19 IN SAID OLD TOWN JOLIET, SAID POINT ALSO
26 BEING THE NORTHEAST CORNER OF LOT 6 IN BLOCK 19 IN OLD TOWN JOLIET; THENCE WEST, ON
27 THE SOUTH LINE OF SAID ALLEY, TO THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING
28 THROUGH SAID BLOCK 19; THENCE NORTH, ON SAID WEST LINE, AND ON THE NORTHERLY
29 EXTENSION OF SAID WEST LINE, AND ON THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING
30 THROUGH BLOCK 14 IN OLD TOWN JOLIET, TO THE NORTH LINE OF THE EAST WEST ALLEY
31 RUNNING THROUGH SAID BLOCK 14; THENCE EAST, ON SAID NORTH LINE, AND ON THE
32 EASTERLY EXTENSION OF SAID NORTH LINE, AND ON THE NORTH LINE OF THE EAST WEST ALLEY
33 RUNNING THROUGH BLOCK 13 IN OLD TOWN JOLIET, TO THE WEST LINE OF THE NORTH SOUTH
34 ALLEY RUNNING THROUGH SAID BLOCK 13; THENCE NORTH, ON SAID WEST LINE, TO THE SOUTH
35 LINE OF CASS STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE WEST LINE OF OTTAWA
36 STREET; THENCE NORTH, ON SAID WEST LINE, TO THE CENTERLINE OF THE EAST WEST ALLEY
37 RUNNING THROUGH BLOCK 11 IN SAID OLD TOWN JOLIET; THENCE WEST, ON SAID CENTERLINE,
38 TO THE CENTERLINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 11 IN OLD TOWN
39 JOLIET; THENCE NORTH, ON SAID CENTERLINE, TO THE SOUTH LINE OF WEBSTER STREET; THENCE
40 WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF JOLIET STREET; THENCE SOUTH, ON SAID EAST
41 LINE, TO THE SOUTH LINE OF CASS STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE
42 EASTERLY FACE OF THE EASTERLY WALL OF THE ILLINOIS WATERWAY; THENCE NORTHEASTERLY,
43 ON SAID EASTERLY FACE, TO THE SOUTH LINE OF JACKSON STREET, AS OCCUPIED, SAID SOUTH
44 LINE BEING 14 FEET NORTHERLY OF THE SOUTH LINE OF JACKSON STREET PER THE PLAT OF
45 NORTH JOLIET; THENCE SOUTHEASTERLY, ON SAID SOUTH LINE, TO THE EASTMOST CORNER OF
46 THE PARCEL OF LAND CONVEYED TO CITY OF JOLIET PER DOCUMENT NOS. 764127 AND 824990;
17 THENCE SOUTHWESTERLY, ON THE SOUTHEASTERLY LINE OF SAID PARCEL, TO THE EAST LINE OF

48 THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 2 IN OLD TOWN JOLIET; THENCE SOUTH,
49 ON SAID EAST LINE, AND ON THE SOUTHERLY EXTENSION OF SAID EAST LINE, TO THE SOUTH LINE
50 OF CROWLEY AVENUE (REED STREET); THENCE WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF
51 JOLIET STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF BENTON STREET;
52 THENCE EAST, ON SAID NORTH LINE, TO THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF
53 THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 7 IN OLD TOWN JOLIET; THENCE SOUTH,
54 ON SAID NORTHERLY EXTENSION, AND ON SAID EAST LINE, TO THE NORTH LINE OF THE EAST
55 WEST ALLEY RUNNING THROUGH SAID BLOCK 7; THENCE EAST, ON SAID NORTH LINE, AND ON
56 THE EASTERLY EXTENSION OF SAID NORTH LINE, TO THE EAST LINE OF OTTAWA STREET; THENCE
57 SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF THE SOUTH 49.5 FEET OF LOT 3 IN BLOCK
58 6 IN OLD TOWN JOLIET; THENCE EAST, ON SAID NORTH LINE, TO THE EAST LINE OF THE NORTH
59 SOUTH ALLEY RUNNING THROUGH SAID BLOCK 6; THENCE SOUTH, ON SAID EAST LINE, TO THE
60 NORTH LINE OF WEBSTER STREET; THENCE EAST, ON SAID NORTH LINE, TO THE EAST LINE OF
61 NORTH CHICAGO STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF THE
62 SOUTH 5.5 FEET OF LOT 3 IN BLOCK 5 IN EAST JOLIET; THENCE EAST, ON SAID NORTH LINE, TO
63 THE EAST LINE OF THE WEST 80 FEET OF SAID LOT 3; THENCE SOUTH, ON SAID EAST LINE TO THE
64 NORTH LINE OF LOT 4 IN SAID BLOCK 5; THENCE EAST ON SAID NORTH LINE TO THE EAST LINE
65 OF THE WEST 81.75 FEET OF SAID LOT 4; THENCE SOUTH ON SAID EAST LINE TO THE NORTH LINE
66 OF CASS STREET; THENCE EAST, ON SAID NORTH LINE, TO THE EAST LINE OF SCOTT STREET;
67 THENCE SOUTH, ON SAID EAST LINE, TO THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING
68 THROUGH BLOCK 13, IN SAID EAST JOLIET, SAID POINT ALSO BEING THE NORTH LINE OF THE
69 SOUTH 12 FEET OF STEEL PLACE PER F. S. ROBINSON'S SUB OF THE WEST HALF OF BLOCK 13 IN
70 EAST JOLIET; THENCE EAST, ON THE NORTH LINE OF THE SAID SOUTH 12 FEET, TO THE WEST
71 RIGHT OF WAY OF THE ATCHESON TOPEKA AND SANTA FE RAILROAD; THENCE SOUTH, ON SAID
72 WEST RIGHT OF WAY, TO THE SOUTH LINE OF CLINTON STREET; THENCE WEST, ON SAID SOUTH
73 LINE, TO THE EAST LINE OF SCOTT STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH
74 LINE OF JEFFERSON STREET; THENCE EAST, ON SAID NORTH LINE, TO THE WEST RIGHT OF WAY
75 OF THE ATCHESON TOPEKA AND SANTA FE RAILROAD; THENCE SOUTH, ON SAID WEST RIGHT OF
76 WAY, TO THE NORTH LINE OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD; THENCE
77 WEST, ON SAID NORTH LINE TO THE NORTHERLY EXTENSION OF THE EAST LINE OF DOCUMENT
78 NO. 459876; THENCE SOUTH, ON SAID NORTHERLY EXTENSION TO THE SOUTH FACE OF THE
79 SOUTH RETAINING WALL OF CHICAGO ROCK ISLAND AND PACIFIC RAILWAY, MICHIGAN CENTRAL
80 RAILWAY ELEVATED TRACK; THENCE SOUTHWESTERLY, ALONG SAID SOUTHERLY FACE, TO THE
81 NORTHERLY EXTENSION OF THE EAST LINE OF THE PARCEL OF LAND CONVEYED BY DOCUMENT
82 NO. R93-14594; THENCE SOUTHERLY, ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID
83 DOCUMENT; THENCE WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF LOT 3 OF THE ASSESSORS
84 SUBDIVISION OF LOTS 1 AND 2 IN THE SUBDIVISION OF LOTS 7 AND 8 OF BLOCK 7 IN CANAL'S
85 TRUSTEE SUBDIVISION; THENCE SOUTH, ON SAID EAST LINE, TO THE SOUTHEAST CORNER OF
86 SAID LOT 3; THENCE WEST, ON THE SOUTH LINE OF SAID LOT 3, AND THE WESTERLY EXTENSION
87 OF SAID SOUTH LINE, TO THE WEST LINE OF CHICAGO STREET; THENCE NORTH, ON SAID WEST
88 LINE, TO THE NORTH LINE OF JEFFERSON STREET, TO THE POINT OF BEGINNING, ALL IN WILL
89 COUNTY, ILLINOIS.

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure A: Redevelopment Project Area



0 75' 150' 300'



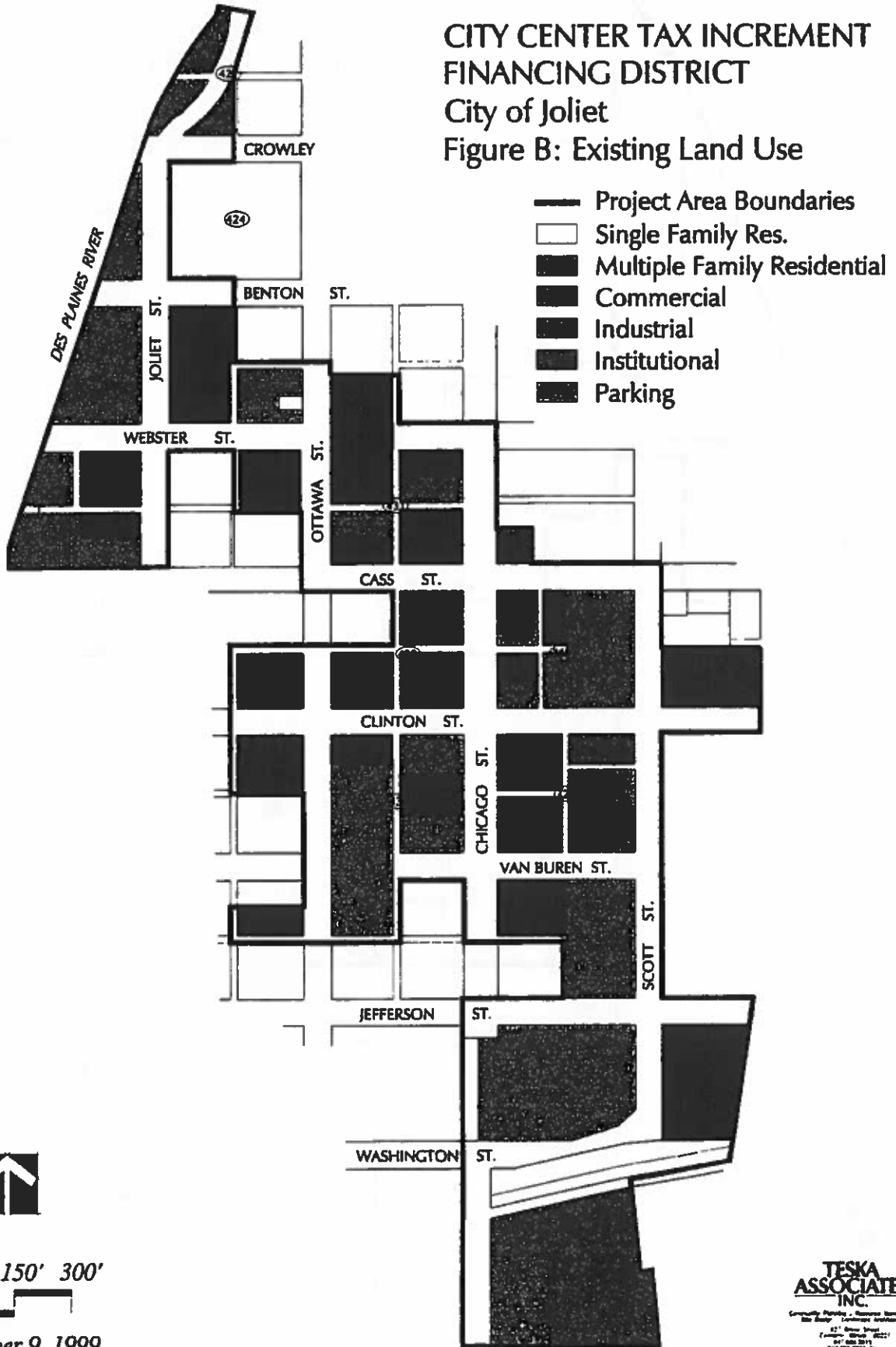
December 13, 1999

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ASSOCIATES
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Site Study • Landscape Architecture
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CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure B: Existing Land Use



0 75' 150' 300'



December 9, 1999

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REDEVELOPMENT PLAN AND PROGRAM

The revitalization of the Redevelopment Project Area is a large and complex undertaking that presents challenges and opportunities for the City. The success of this effort will depend upon cooperation between the private sector and local government. Public and private development efforts have not, as yet, been able to stimulate the comprehensive revitalization of the City Center. Furthermore, new development and redevelopment in the Project Area has not occurred as envisioned in the City Center Plan. The adoption of this Redevelopment Area Plan and Program will make possible the implementation of the City Center planning program to stimulate redevelopment and rehabilitation in this area which otherwise could not reasonably be anticipated to develop without the adoption of this Redevelopment Area Plan and Program. Through public investment, the area will become an environment and setting that will attract private investment.

The Act describes the Redevelopment Plan 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 ..., and thereby serves to enhance the tax bases of the taxing districts which extend into the redevelopment project area."

The successful implementation of the Redevelopment Area Plan and Program requires that the City take full advantage of the real estate tax increment attributed to the Project Area as provided for by the Act. The Redevelopment Area would not reasonably be developed and improved without the use of such incremental revenues.

Purpose of the Redevelopment Plan

Pursuant to the "Tax Increment Allocation Redevelopment Act" (Chapter 65 ILCS 5/11-74.4-1, et seq.) of the Illinois Statutes as amended (hereinafter the "Act"), the purpose of a Redevelopment Plan and Program is to promote the health, safety, morals, and welfare of the general public by:

- Eradicating blighting conditions and instituting conservation measures;
- Removing and alleviating adverse conditions by encouraging private investment of underutilized and vacant properties which will strengthen the economy, tax base, business environment, and living environment;
- Improving existing public utilities within the area; and
- Enhancing the overall quality of the City of Joliet.

Redevelopment Plan Goals and Objectives

The goals and objectives of the Redevelopment Plan are both those articulated in the Illinois Tax Allocation Redevelopment Act, and those stated in the Joliet City Center Development Plan. They are summarized below:

- *Promote diversity and concentration of use.* The City should encourage an intensive development pattern which will provide a substantial employment and residential base. Development should contain a mix of uses, including office, retail and support services, restaurants, entertainment, housing, and recreational opportunities. Vehicular circulation and parking should be managed to ensure that these functions are supportive but do not dominate the pedestrian orientation of the downtown.
- *Create an appealing pedestrian environment.* Improvements to the visual character, comfort, and convenience of the pedestrian experience will help to draw increasing numbers of people to downtown. Streetscape and public space improvements should include adequate walkway widths, quality paving, canopy trees, clear signage, and appropriate lighting.
- *Develop a distinctive image and identity.* Preservation and enhancement of the numerous landmark buildings within downtown can improve the positive identity of the area, which can enhance its strong, marketable image. New development should also be carefully designed to complement the historic character and positive image of downtown.
- *Strengthen City Center's residential function.* A residential population can extend the hours of activity beyond working hours, provide support to expanded retail and entertainment uses, and provide an impetus for quality infrastructure and services. New and expanded residential uses in downtown should accommodate a variety of household types and income levels.
- *Encourage public/private partnerships.* The strengths of the private and public sectors should be encouraged to work together toward revitalization of the City Center area as a whole, eliminating conditions which, if continued, may result in lack of investment or disinvestment. Beyond cost-sharing for infrastructure, partnerships can be applied to joint-venture developments, decision-making, education, marketing, maintenance, and implementation of downtown projects.
- *Emphasize action and tangible results.* Tangible results can ensure continued interest and enthusiasm both by the citizens of Joliet as well as the development community. Specific short-term, highly visible projects will demonstrate the commitment of the public sector to the revitalization of the downtown.

Redevelopment Land Use Plan

The aim of the Redevelopment Plan is the revitalization of the Project Area as a vibrant mixed-use urban center which contributes to the health and vitality of the City of Joliet. The recommended land uses, redevelopment opportunities, and public improvements of this Redevelopment Plan are largely based upon the guidelines and development opportunities presented in the Joliet City Center Development Plan, except as amended herein.

The Redevelopment Land Use Plan (Figure C) shows anticipated land uses at completion of project activities. The most prevalent land use category is the Downtown Mixed Use designation. Properties in this category are envisioned for pedestrian-oriented, mixed use development. Street level space should be occupied by

retail, restaurants, or other commercial activities which serve the public. Upper stories should be occupied by offices or residential dwellings, or both, depending upon market demand.

Multifamily residential development is intended for properties on which street level retail may not be appropriate. For example, the Joliet Warehouse/Transfer Building is located outside of the pedestrian core, and the building design is not conducive to ground floor storefronts. However, this land use category is not intended to preclude any renovations which would introduce ground floor retail space.

Open space/riverwalk areas are also shown on the Redevelopment Land Use Plan, to provide open space opportunities for potential new residents of the Project Area, and to take advantage of the views and amenity value provided by the Des Plaines River. The riverwalk area shown on the Redevelopment Land Use Plan should be linked to existing and future greenway corridors on surrounding properties.

Large institutional uses remain on the Redevelopment Land Use plan, as do parking structures. However, smaller surface parking lots are shown for redevelopment. Redevelopment of existing parking areas should occur only when adequate parking can be provided elsewhere, such as in underground parking structures associated with new developments.

The Redevelopment Land Use Plan shall serve as a guideline for the Project Area. It is not meant to establish specific requirements. Adjustments may be made in response to market conditions and other key factors as long as they remain faithful to the City's overall goals and objectives for the City Center. Therefore, this Redevelopment Plan is consistent with the City Center Development Plan, and is intended to be the primary vehicle for implementing that Plan.

Development Opportunity Sites

Numerous development and redevelopment opportunity sites exist in the Project Area (see Figure D, Redevelopment Activities). While new large-scale and infill development is included, most projects are intended to take advantage of Joliet's most critical asset - the stock of attractive historic buildings. In keeping with the designation of the Project Area as a "conservation area," the primary focus of this Redevelopment Plan is the conservation and improvement of the historic building stock within downtown. Therefore, development on most opportunity sites will consist of rehabilitation and re-use of existing structures. Recommendations for many of these sites are found in the City Center Development Plan.

1. *Riverfront Site:* This site consists of three blocks along the river between Benton and Cass Streets, west of Joliet Street. Based on the surrounding land uses and the proximity to the river and the accompanying views mixed use development would be most appropriate. Redevelopment plans should include a mixed use project, consisting of residential uses above street level retail and entertainment uses along Cass and Joliet Streets, south of Webster, blending into residential development to the north. A public park or open space area could be incorporated into the northern portion of the development, and public access to the river should be a component of redevelopment plans, primarily through an extension of the riverwalk. To enhance new development within this area, the northern portion of Joliet Street may be vacated.
2. *Webster and Ottawa site:* This site is currently occupied by parking areas and a single family home, which is in a deteriorated condition and is not appropriate in this isolated location. This site would be appropriate for expanded public or private parking facilities to serve new and existing development in the vicinity.

3. *Joliet Junior College*: The Joliet Junior College area is envisioned for an institutional campus which contributes to, rather than contrasts with, the urban context of the City Center. The site of the former Sheraton hotel building and adjacent properties should be considered for long term redevelopment and expansion of the College, to become a major anchor in the downtown.
4. *YMCA*: Ideally, the former YMCA facilities should be rehabilitated for market rate apartments and a health club. The associated on-site parking area should be adequately screened and landscaped, and eventually targeted for infill development.
5. *White Store*: The condition of this structure, currently used for storage for a nearby retail enterprise, will require substantial renovation to make the building safe for occupancy. Potential uses include office, or residential on upper floors, with ground floor retail.
6. *Loughran Building*: Extensive exterior and interior rehabilitation is necessary for this structure, preferably including restoration of the original cupola. Efforts should be made to occupy vacant upper story spaces with residential uses or offices.
7. *Kline's*: The former Kline's department store should ideally be returned to a commercial operation, such as office space or a year-round antiques mart. Rehabilitation for residential use would also be desirable, although costly. At a minimum, street level retail uses should be encouraged, and upper window openings should be uncovered to restore the fenestration patterns.
8. *Infill Site*: Throughout the Project Area, parcels without buildings are generally used for parking lots, such as the lot located along Chicago Street between Cass and Clinton Streets. Where nearby parking structures provide adequate parking supply, these surface parking lots provide opportunities for small scale infill development. Infill buildings should repair gaps in the streetscape, showing particular sensitivity to the architectural and urban context.
9. *Auditorium Building*: This early mixed-use structure housed a church and several ground floor retail businesses. Facade restoration is required, as well as extensive interior rehabilitation. In addition to the ground floor retail, ultimate uses may include office and/or residential units on the upper floors, with an entertainment use in the former church space.
10. *Post Office*: The historic Post Office building has been renovated relatively recently. Potential users include office or entertainment spaces, in addition to the continuing Postal Service operations.
11. *St. Mary's*: This church and priory have been vacant for several years. However, the visibility of the site and the quality of the architecture warrant rehabilitation and re-use. Perhaps the easiest option would be re-occupation by a church organization. Alternatively, the church could be renovated to provide gallery or entertainment space, while the priory could be used for residential purposes, such as living/studio space for artists.
12. *Plaza Hotel*: Existing retail storefronts should be rehabilitated for high quality tenants. When market conditions allow, upper stories should be rehabilitated for residential uses. The fourth floor addition is not architecturally compatible with the rest of the structure and should be removed.

13. *St. Patrick's (formerly Louis Joliet Hotel)*: This nationally registered landmark building is currently the subject of investor inquiries for redevelopment. However, the costs of rehabilitation are so extensive as to preclude private investment without public assistance. The rehabilitation of this building would add significantly to the residential base of the City Center, increasing street activity and patronage for nearby businesses during evenings and weekends. Street level retail should serve the needs of residents and passers-by.
14. *Rialto Plaza*: The City Center Development Plan identified this site across from the Rialto Theater as a critical redevelopment opportunity. In the long run, a pair of four or five story buildings are envisioned for the site, including ground floor restaurants and cinemas, with offices above. The pedestrian plaza connection from the municipal parking structure should be maintained as an integral part of the redevelopment. In the short run, the existing parking lot is targeted for signage improvements and as a location for festivals and other public activities.
15. *Rialto Theater (including Rialto II, Rialto South, and the Ivanhoe building)*: While the rehabilitation of this historic, nationally registered landmark theater has returned this facility to a cultural asset and focal point in downtown, the upper floors remain vacant. Rehabilitation of the vacant space for office uses would provide additional income for the Will County Metropolitan Exhibition and Auditorium Authority to continue to enhance and operate the theater, return this space to tax producing uses, and stabilize this historic structure from further deterioration. The upper floors of Rialto South could also be converted to residential use. These spaces could be leased on a long term basis to private developers.
16. *Barrett's Hardware*: This building is ideal for redevelopment to retail or restaurant use, with residential or office uses on upper stories. A brew-pub could be particularly appropriate. As with so many of the other historic, attractive buildings in the Project Area, the extent of rehabilitation costs has thus far inhibited private redevelopment.
17. *Block 329 Parking Lot*: This site, currently used as parking for the adjacent bank, could be redeveloped for a major mixed use project. Such a project could contain enclosed parking, street level retail, and office uses on the upper stories.
18. *Commuter Parking Lot*: This site, currently used as parking for the adjacent train station, could be redeveloped for a major mixed use project. Such a project could contain enclosed parking, street level retail, and office uses on upper stories. Logical tenants for office space would include portions of the County Courthouse operations or other government offices. As part of this redevelopment, Chicago Street would be re-opened to traffic between Washington and Jefferson Streets.
19. *Joliet Warehouse/Transfer Site*: This site consists of two warehouse/industrial buildings, both requiring extensive rehabilitation in order to be effectively used. Located in close proximity to Union Station, the larger building could be re-utilized for loft-style residential dwellings. The smaller warehouse/industrial building to the west should be removed to enhance the feasibility and function of the larger residential project. The Chicago Street connection to downtown should be emphasized by creating an inviting pedestrian linkage and open space/urban streetscape focal point on this side of the railroad. While development interest has also been expressed for this property, rehabilitation costs have prevented private investment thus far.

In addition to these opportunity sites, the Redevelopment Plan also anticipates activities undertaken by the public sector, which are identified in the Public Improvements section of this report. All of the

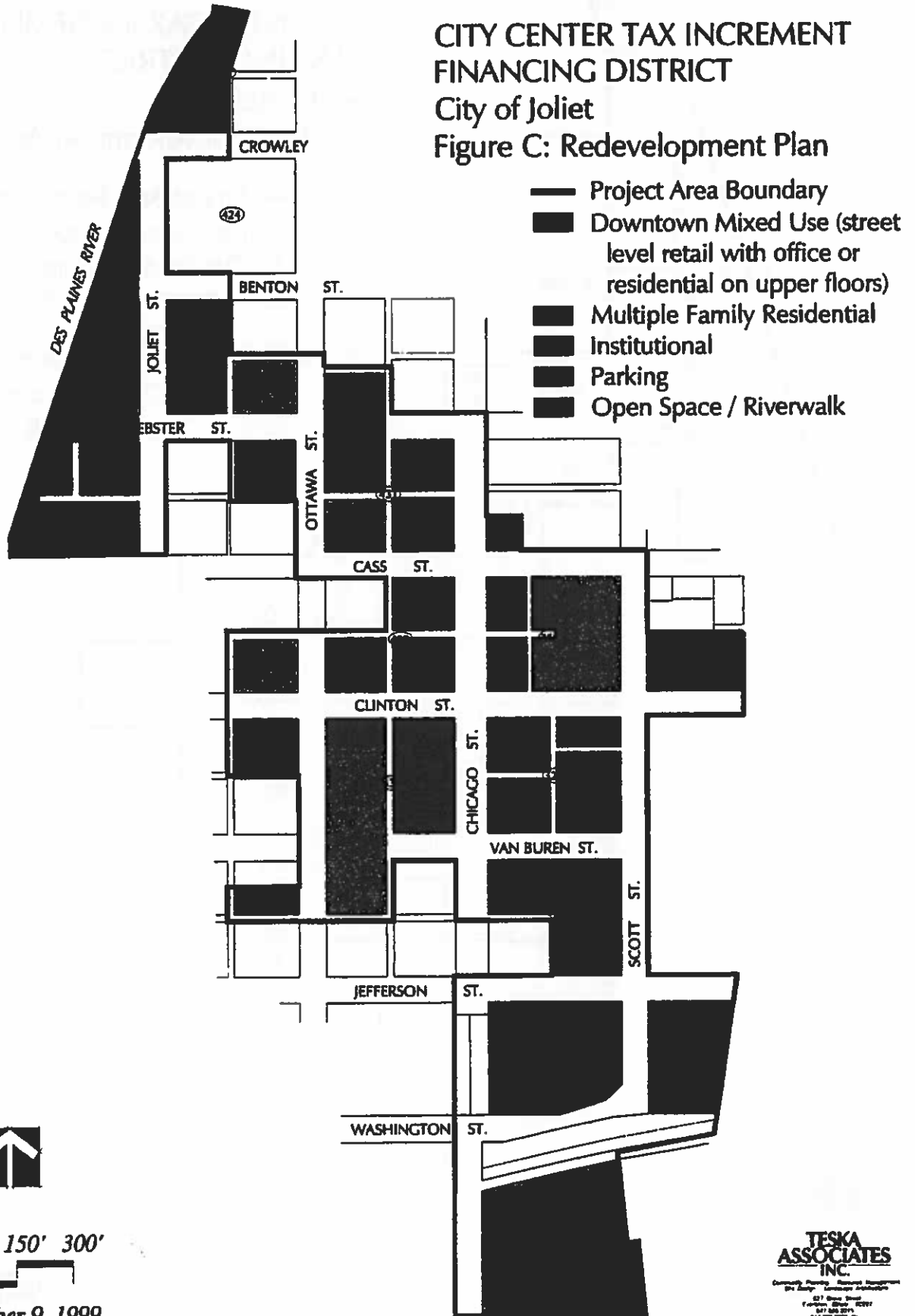
redevelopment opportunities and public improvements should be conducted under the guidance of the Joliet City Center Development Plan, including the design guidelines and recommendations contained therein.

Undertaking these redevelopment activities will generate increased tax revenues, create housing opportunities, expand the availability of high quality retail, residential, and office space in Joliet, and provide a stimulus for additional development in surrounding areas.

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure C: Redevelopment Plan



- Project Area Boundary
- Downtown Mixed Use (street level retail with office or residential on upper floors)
- Multiple Family Residential
- Institutional
- Parking
- Open Space / Riverwalk



0 75' 150' 300'



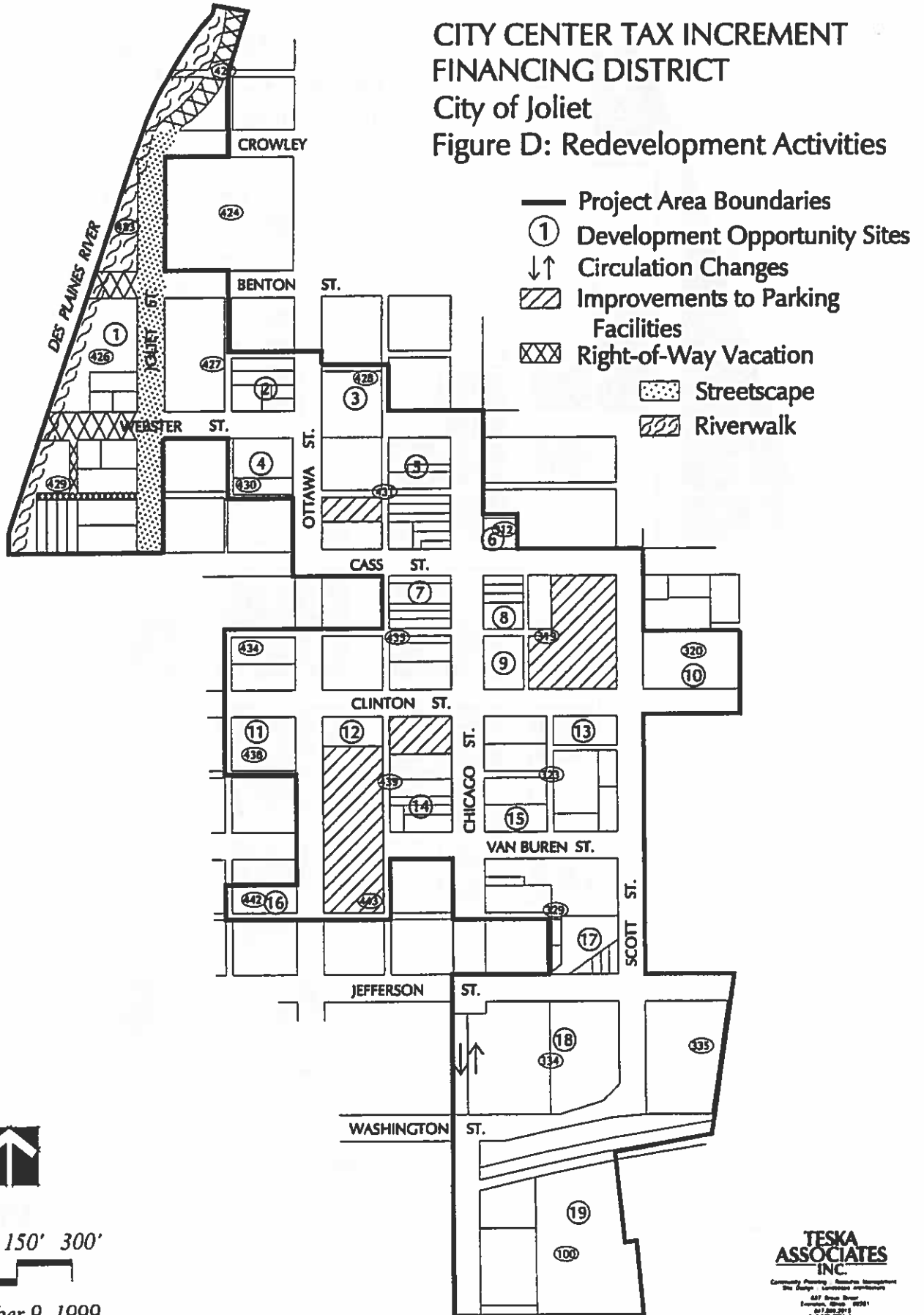
December 9, 1999

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CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure D: Redevelopment Activities



0 75' 150' 300'

December 9, 1999

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Eligible Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan and Program. Such costs may include, without limitation, the following:

- Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services.
- Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land.
- Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings and fixtures.
- Costs of the construction of public works or improvements.
- Costs of job training and retraining.
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and for not exceeding 36 months thereafter and including reasonable reserves related thereto.
- All or a portion of the taxing district's capital costs resulting from a redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Program, to the extent that the City by written agreement, accepts and approves such costs.
- Relocation costs to the extent that the City determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law.
- Payment in lieu of taxes.
- Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical field leading directly to employment, incurred by one or more taxing districts, as provided by the Act.
- Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project, as provided by the Act.

Acquisition and Clearance

To meet redevelopment objectives, it may be necessary for the City of Joliet to assemble properties in the Project Area. Acquisition of property as shown on Figure E, and any clearance of existing structures will be scheduled to coincide with redevelopment activities so that facilities do not remain unused for extended periods of time, and to minimize the adverse effects of rehabilitation or clearance activities. In addition to several properties currently owned by the City of Joliet, several additional sites have been identified for

possible acquisition due to their importance as key parts of significant redevelopment opportunity sites and contribution to satisfying the public parking demand in the downtown area.

Land Disposition

Property which may be acquired by the City may be assembled into appropriate redevelopment sites. These properties may be sold or leased by the City to other public bodies or to private developers, in whole or in part. Figure F identifies properties that may potentially be disposed of to facilitate redevelopment. The City may in the future modify this disposition plan in accordance with the objectives of this Redevelopment Plan and Program, without amending the Plan. Terms of conveyance may be incorporated into appropriate disposition documents or agreements, and may include more specific restrictions than contained in this Redevelopment Plan or in other municipal codes and ordinances governing the use of the land.

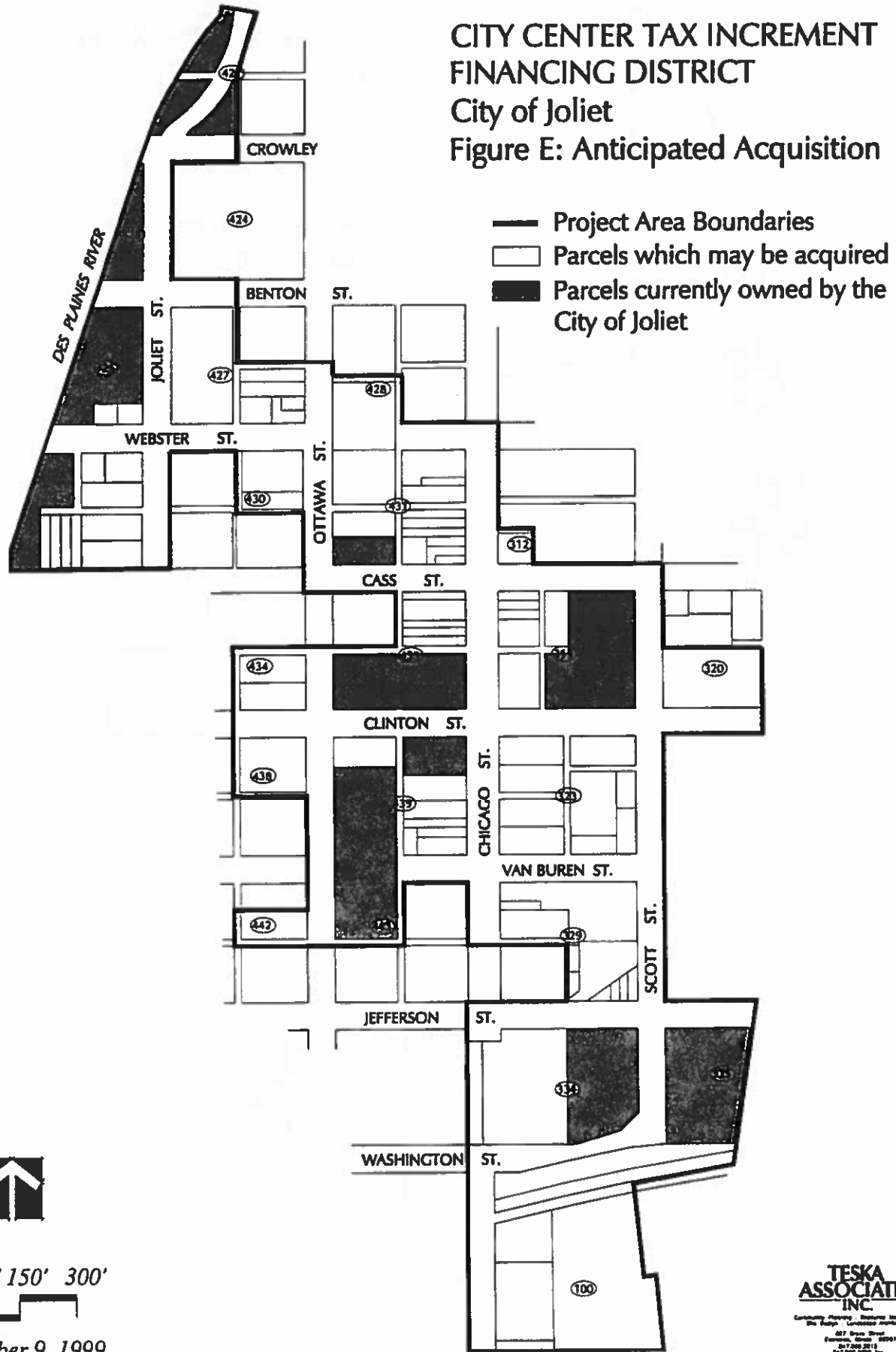
No conveyance, lease, mortgage, disposition of land or other property, or agreement relating to the development of property will be made except upon the adoption of an ordinance by the City. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without providing reasonable opportunity for the submission of alternative proposals or bids.

Public Improvements

The City of Joliet will continue to provide public improvements in the Project Area to stimulate development and redevelopment in a manner consistent with this Redevelopment Plan. Public improvements may include, but are not limited to, the following:

- Vacation, removal, resurfacing, widening, reconstruction, and other improvements to rights-of-way, streets, alleys, pedestrianways, and pathways.
- Development of or improvements to public open space.
- Construction of off-street parking facilities and structures.
- Improvement of public utilities such as sewer and water lines, sidewalks, curbs and gutters, storm water detention facilities.
- Demolition and rehabilitation of obsolete structures.
- Beautification improvements, including streetscape, lighting, signage, and landscaping of public properties.
- Grants or loans to private property owners for eligible property improvements, including facade restoration or enhancements.
- Business relocation expenses.

CITY CENTER TAX INCREMENT FINANCING DISTRICT City of Joliet Figure E: Anticipated Acquisition



0 75' 150' 300'



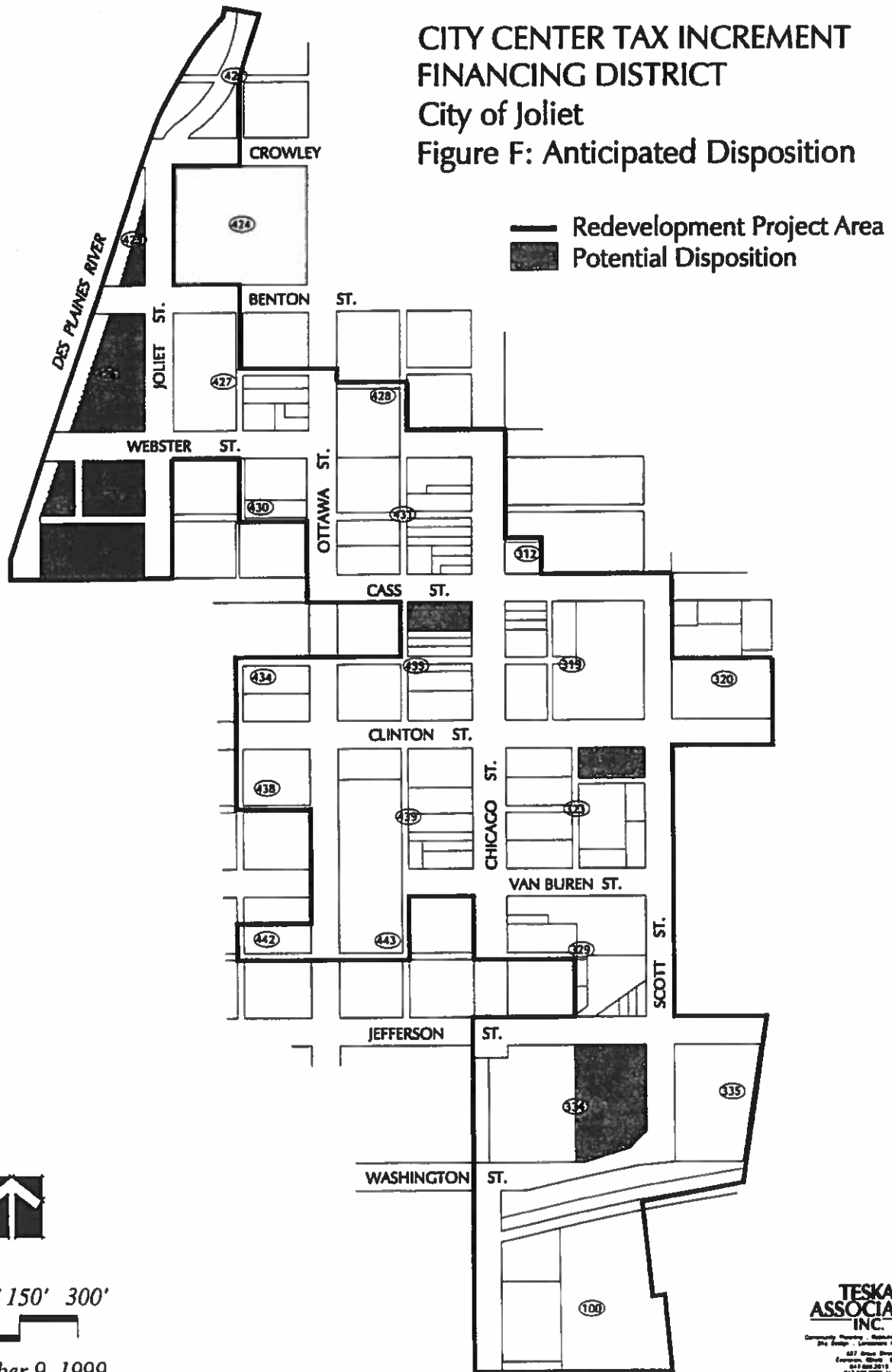
December 9, 1999

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CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure F: Anticipated Disposition



0 75' 150' 300'
December 9, 1999

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Public improvement activities which are planned as part of this Redevelopment Plan and Program are illustrated in Figure D. These activities are based upon recommendations contained in the City Center Development Plan and include the following:

1. *Streetscape*: Following the recommendation of the City Center Development Plan, the City has undertaken a comprehensive program of streetscape improvements throughout the City Center in recent years. While the majority of this program has already been completed, improvements to Joliet Street are still forthcoming. The City may supplement these activities with additional improvements in the Project Area, or may maintain and upgrade existing streetscape elements. Public art may also be introduced as part of the streetscape program.
2. *Landscape Improvements*: The City has established a "riverwalk" pedestrian greenway system along the banks of the Des Plaines River. This riverwalk should be extended through the Project Area along those portions which border the river. This may be accomplished by the private sector as development occurs.
3. *Parking*: The City Center Development Plan contains guidelines for the design and landscape treatment of all parking in the Project Area, including both public and private parking facilities. The guidelines are directed toward structured parking, on-street parking, and surface parking (both permanent lots and temporary lots on parcels awaiting redevelopment). Priority should be given to facade improvements to enhance the appearance of municipal parking structures as elements of the downtown urban context, and development of new parking facilities.
4. *Circulation*: Vacated portions of Chicago Street between Jefferson and Washington Streets should be re-opened to traffic to enhance circulation. Joliet Street may be vacated north of Crowley to facilitate redevelopment within this area.

The costs associated with these improvements may be shared by the City of Joliet and individual developers, pursuant to an agreement between the parties. The City may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list which are consistent with the objectives of this Redevelopment Plan.

Phasing of Project

Redevelopment projects anticipated in this Plan may commence immediately. Major development and redevelopment projects may be completed within ten years. Facade improvements, building rehabilitations, and other activities on individual properties will be encouraged during the first ten years of the Tax Increment Finance District, but may occur throughout the life of the TIF. The City may undertake additional public improvements or development projects as appropriate throughout the life of the Redevelopment Plan and Program.

Estimated Project Costs

Estimated public project costs are listed in Table 1. These costs are based on 1999 dollars and are therefore subject to inflation.

Table 1: Estimated Redevelopment Project Costs

Category	Cost
Property assembly	\$1,000,000
Environmental, market and planning studies, surveys, development of engineering and architectural plans, specifications, implementation and administration fees	\$2,185,000
Rehabilitation, reconstruction, repair, or remodeling of existing public or private buildings and fixtures	\$38,765,000
Construction or improvement of public facilities (e.g. facade improvement to parking deck, surface parking, riverwalk, opening/reconstruction of Chicago Street, Joliet Street streetscape, general streetscape enhancements, vacation of Joliet Street)	\$1,750,000
Total Estimated Project Costs	\$43,700,000

Note: Actual costs for each category identified above may vary. In addition, this table does not include at this time costs associated with the issuance of municipal obligations, capitalized interest, reimbursement for a portion of privately issued obligations, financing costs during construction (not to exceed 36 months), or other eligible project costs. Such additional costs may or may not be incurred and can not be estimated at this time.

Sources of Funds

The Act provides a way for municipalities to finance public redevelopment costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue.

Funds necessary to pay redevelopment project costs may be derived from a number of authorized sources. These may include, but are not limited to, the following:

- Real property tax increment revenues from the Project Area.
- Tax revenues resulting from the establishment of any Special Service Area districts within the Project Area.
- Interest earned on temporary investments.
- Gifts, grants, and contributions.

- Sale or lease of land proceeds.
- User fees.
- Municipal sales taxes.
- The City's general revenue fund.

The principal source of funds to undertake redevelopment activities will be the incremental increase in real property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the project area over the initial equalized assessed value of each such lot, block, tract or parcel. It is estimated that the incremental increase in property taxes over the term of the TIF District in 1999 dollars will be **\$43,700,000**. There may also be other eligible local sources of revenue, such as the sale or lease of City owned property, that the City determines are appropriate to allocate to the payment of redevelopment project costs.

Nature and Term of Obligations to be Issued

The financial plan of this Redevelopment Plan is intended to establish a conservative public expenditure approach. Revenues will be accumulated in the special tax allocation fund to pay for public purpose expenditures identified in this Redevelopment Plan, and whenever practical, expenditures will be made on a cash basis. This method of financing shall not preclude the City from undertaking initiatives designed to stimulate appropriate private investment in the Project Area.

Certain redevelopment projects may be of such a scale or on such a time-table as to preclude financing on a cash basis. These projects may be funded by the use of tax increment revenue obligations issued pursuant to the Act for a term not to exceed 20 years. Consistent with the conservative nature of the financial plan for this Redevelopment Program, the highest priority for the issuance of tax increment revenue obligations shall occur when the commitment is in place for private sector investment necessary to fund the amortization of such obligations.

All obligations are to be covered after issuance by projected and actual tax increment revenues and by such debt service reserved and sinking funds as may be provided by ordinance. Revenues not required for the retirement of obligations providing for reserves, sinking funds, and anticipated redevelopment project costs may be declared surplus and become available for distribution annually to the taxing districts in the Project Area.

One or more issues of obligations may be sold at one or more times in order to implement this plan, as now or hereafter amended, in accordance with law.

The City may, by ordinance, in addition to obligations secured by the special tax allocation fund provided by law, pledge for a period not greater than the term of the obligations any part or any combination of the following:

- Net revenues of all or part of a Redevelopment Project,
- Taxes levied and collected on any or all property in the municipality.

- The full faith and credit of the municipality.
- A mortgage on part or all of a Redevelopment Project.
- Any other taxes or anticipated receipts that the municipality may lawfully pledge.

Equalized Assessed Valuation

Table 2 lists the most recent (1998) equalized assessed valuation of properties in the Project Area by block. The total 1998 equalized assessed valuation of the Project Area is **\$3,819,815**.

Table 2: Equalized Assessed Valuation

Block	1998 Equalized Assessed Value
100	\$174,093
312	\$32,814
319	\$261,577
320	\$92,282
323	\$194,029
329	\$713,502
334	\$0
335	\$0
421	\$0
423	\$0
426	\$19,961
427	\$1,063,993
428	\$4,157
429	\$152,293
430	\$127,651
431	\$288,533
434	\$90,287
435	\$179,773
438	\$0
439	\$365,458
442	\$58,878
500's	\$534
Total	\$3,819,815

Upon the completion of anticipated redevelopment projects it is estimated that the equalized assessed valuation of real property within the Project Area will be in excess of \$94,100,000. This represents a 2,363% percent increase in the total equalized assessed valuation. This figure is based upon estimates of value for the anticipated rehabilitation and redevelopment projects described in the Redevelopment Project Plan section of this report.

Affirmative Action

The City of Joliet will require each private developer entering into an agreement with the City, in connection with development in the Project Area, to utilize fair employment practices, including an affirmative action program.

Payment in Lieu of Taxes

No payments in lieu of taxes are anticipated as part of the Redevelopment Plan and Program.

Provision for Amending the Redevelopment Plan and Program

The Redevelopment Plan and Program may be amended pursuant to provisions of the Act.

FINDINGS OF NEED FOR TAX INCREMENT FINANCING

On the basis of the City Center TIF Eligibility Report and this Redevelopment Plan and Program, the Mayor and the City Council of Joliet, Illinois, can adopt the following findings pursuant to Section 11-74.4-3(n) of the Act.

Project Area Not Subject to Growth

The Project Area on the whole has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed consistent with City policies without adoption of this Redevelopment Plan. Over the period from 1993 to 1998, the Equalized Assessed Value of the City of Joliet as a whole grew by 53%. By contrast, the Equalized Assessed Value of those properties in the Project Area decreased by 22% during the same time period. Thus the level of investment and property appreciation within the Project Area is substantially lower than the City as a whole.

Conformance with Comprehensive Plan

This Redevelopment Plan and Program conforms to the City of Joliet City Center Development Plan of 1990. This Plan was prepared with the goal of creating an attractive, mixed use urban downtown that provides a "sense of place" for the City. The 1990 Plan provides a series of recommendations for enhancing the business mix and physical nature of the corridor in order to achieve this goal. The City Center Development Plan identifies opportunity sites which served as a starting point for the planning of redevelopment projects and public improvements contemplated in this TIF Redevelopment Plan and Program. Further, a TIF district was recommended as an implementation tool for the revitalization objectives identified in the 1990 Plan.

Date of Completion

The estimated year of completion of the redevelopment projects is the year 2023 (23 years from the date of adoption of the ordinance approving the Redevelopment Plan and Program).

FINANCIAL IMPACT OF REDEVELOPMENT

Without the adoption of the Redevelopment Plan and Program, development and redevelopment projects within the Project Area are not reasonably expected to be undertaken by private enterprise. In the absence of City-sponsored redevelopment, there is a prospect that blighting factors will continue to exist and spread, and the Project Area on the whole and adjacent properties will become less attractive for the maintenance and improvement of existing buildings and sites. Erosion of the assessed valuation of property in and outside of the Project Area has already occurred, and could lead to further reductions of real estate tax revenue to all taxing districts.

Implementation of the Redevelopment Plan and Program is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the City's effective use of tax increment financing can be expected to arrest the ongoing decline of existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long term, after the completion of all redevelopment improvements and activities, the completion of redevelopment projects and the payment of all redevelopment project costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in equalized assessed valuation caused by the Redevelopment Plan and Program.

The following taxing districts cover the proposed Project Area:

1. Forest Preserve
2. Will County Building Commission
3. Joliet Township Town Funds
4. Joliet Township Road Funds
5. School District 86
6. High School District 204
7. Community College District 525
8. City of Joliet Special Service Area 96-14
9. City of Joliet Fire Department
10. City of Joliet
11. City of Joliet Road and Bridge
12. Joliet Park District
13. City of Joliet Public Library
14. Will County

Impact on Forest Preserve District

Residential redevelopment is encouraged in the Project Area. Some of the residents of these new dwellings may seek recreational opportunities in Forest Preserve facilities. The impact on the Forest Preserve will be incidental, as it is likely that most of these residents already reside in the jurisdiction of the Forest Preserve, and this increase in population is only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

Impact on Will County Building Commission

The Will County Building Commission owns public facilities throughout Will County, including the parking lot on the west half of the block bounded by Jefferson, Scott, Washington, and Chicago Streets. New and expanded commercial and residential development in the Project Area may increase demand for the facilities owned by the Commission. Such increased demand may actually improve the revenue position of the Commission. No program is set forth in the Redevelopment Plan.

Impact on Joliet Township Town Funds

Joliet Township provides services such as animal control, mosquito abatement, and limited social services. New and expanded commercial and residential development in the Project Area may minimally increase demand for social services. However, it is likely that many potential new residents already reside in Joliet Township, and this increase in population is only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

Impact on Joliet Township Road Funds

The Joliet Township Road Fund maintains township roads. No new township roads are anticipated as a result of this Redevelopment Plan, and therefore, no program is set forth in the Redevelopment Plan.

Impact on School District 86 and High School District 204

New residential development is encouraged in this Redevelopment Plan. However, many of the new units in the City Center, such as senior housing and urban apartments, will generate few school-aged children. No program is set forth in the Redevelopment Plan.

Impact on Community College District 525

Residential redevelopment may occur in the Project Area. Some of the residents of these new dwellings may seek educational opportunities at the Community Colleges. The impact will be incidental, as it is likely that most of these residents already reside in the Community College jurisdiction, and this increase in population is only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

Impact on City of Joliet Special Service Area 96-14

Special Service Area 96-14 provides services desired by City Center property owners, in addition to those provided by other taxing bodies. Maintenance, security, marketing, and other such services are typically included. Public improvements contemplated by the Redevelopment Plan may complement or relieve some of the responsibility of the Special Service Area. No program is set forth in the Redevelopment Plan.

Impact on City of Joliet Fire Department

New and expanded commercial and residential development in the Project Area may increase demand for fire protection. However, this will be balanced by the rehabilitation of hazardous buildings which are currently characterized by deterioration, lack of ventilation, and code violations. No program is set forth in the Redevelopment Plan.

Impact on City of Joliet

As a result of new and expanded commercial and residential development in the Project Area, the City of Joliet may experience increased demand for services such as police protection and development review. No program is set forth in the Redevelopment Plan.

Impact on City of Joliet Road and Bridge

The Road and Bridge fund is responsible for the construction, maintenance, and improvement of roads and bridges in the City. No new roads or bridges are contemplated by this Redevelopment Plan, although Chicago Street between Jefferson and Washington may be reinstated as a public thoroughfare. Streetscape and circulation improvement anticipated by the Redevelopment Plan will be undertaken using TIF revenues. No program is set forth in the Redevelopment Plan.

Impact on Joliet Park District

Residential redevelopment may occur in the Project Area. Some of the residents of these new dwellings may seek recreational opportunities in Park District facilities. The impact on the Park District will be incidental, as it is likely that most of these residents already reside in the jurisdiction of the Park District, and this increase in population is only a small percentage of the total population served. No program is set forth in the Redevelopment Plan.

Impact on City of Joliet Public Library

New commercial and residential development may increase demand for facilities and programs offered by the Library. However, the main Joliet library branch is located in the Project Area, and will likely benefit from redevelopment activities. No program is set forth in the Redevelopment Plan.

Impact on Will County

Residential development is encouraged by this Redevelopment Plan, and some of the potential new residents may take advantage of programs offered by the County. However, it is likely that many of these residents already live in the County, and these new residents are not a significant increase in the total population of the County. Therefore, there will be minimal increased demand for services from or financial impact upon Will County, and no program is set forth in the Redevelopment Plan.

EXHIBIT A

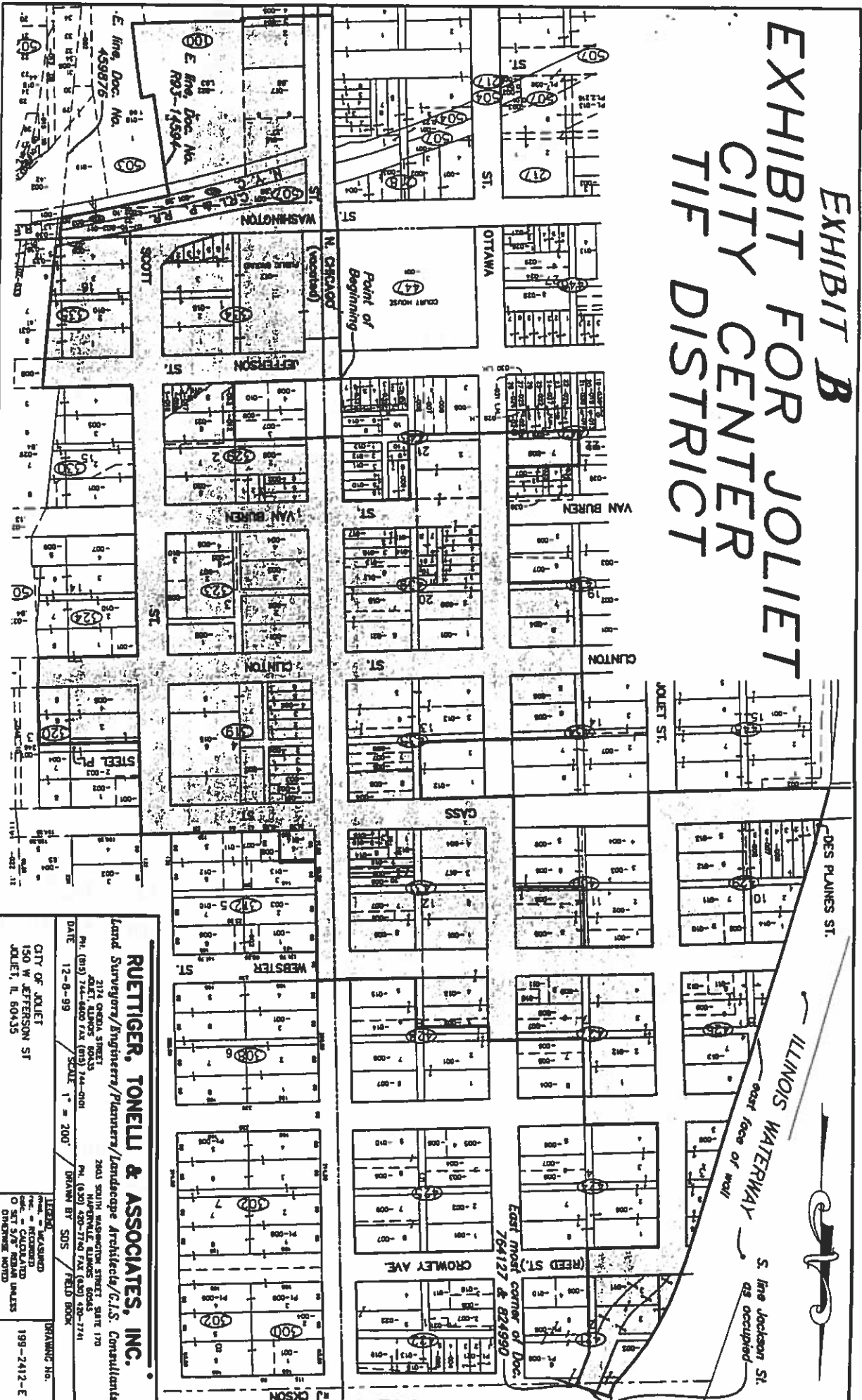
TIF DISTRICT LEGAL DESCRIPTION

THOSE PARTS OF SECTION 9, 10, 15, 16, ALL IN TOWNSHIP 35 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF JEFFERSON STREET, AND THE WEST LINE OF CHICAGO STREET, SAID POINT BEING THE SOUTHWEST CORNER OF LOT 7 IN GOODSPEED AND HAVEN' S SUB OF LOT 5, BLOCK 21, OLD TOWN OF JOLIET; THENCE EAST, ON THE NORTH LINE OF JEFFERSON STREET, TO A POINT FOUR FEET WEST OF THE SOUTHWEST CORNER OF LOT 4 IN BLOCK 2 IN EAST JULIET (NOW JOLIET) SUBDIVISION; THENCE NORTH, PARALLEL WITH THE EAST LINE OF SAID LOT 4, TO THE NORTH LINE OF THE ABANDONED RIGHT OF WAY OF THE CHICAGO ROCK ISLAND AND PACIFIC RAILROAD COMPANY; THENCE NORTHEASTERLY, ON SAID NORTH LINE, TO THE EAST LINE OF SAID LOT 4; THENCE NORTH, ON SAID EAST LINE, AND ON THE EAST LINE OF LOT 3 IN BLOCK 2 AFORESAID, TO THE NORTHEAST CORNER OF SAID LOT 3; THENCE WEST, ALONG THE NORTH LINE OF SAID LOT 3, AND THE WESTERLY EXTENSION OF SAID NORTH LINE, TO THE WEST LINE OF CHICAGO STREET; THENCE NORTH, ON SAID WEST LINE, TO THE SOUTH LINE OF VAN BUREN STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE NORTHWEST CORNER OF LOT 8 IN JOEL S. MATHESON SUBDIVISION OF LOTS 7 AND 8 IN BLOCK 21 IN OLD TOWN JOLIET, SAID POINT ALSO BEING ON THE EAST LINE OF A NORTH SOUTH ALLEY LYING WITHIN SAID BLOCK 21; THENCE SOUTH, ON THE EAST LINE OF SAID ALLEY, TO THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH SAID BLOCK 21; THENCE WEST, ON SAID SOUTH LINE, AND ON THE EASTERLY EXTENSION OF SAID SOUTH LINE, AND ON THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH BLOCK 22 IN SAID OLD TOWN IN JOLIET, TO THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH SAID BLOCK 22; THENCE NORTH, ON SAID WEST LINE, TO THE WESTERLY EXTENSION OF THE NORTHERLY LINE OF LOT 7 IN BLOCK 22 IN OLD TOWN JOLIET; THENCE EAST, ON SAID WESTERLY EXTENSION, AND ON THE NORTH LINE OF SAID LOT 7, TO THE WEST LINE OF OTTAWA STREET; THENCE NORTH, ON SAID WEST LINE, TO THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH BLOCK 19 IN SAID OLD TOWN JOLIET, SAID POINT ALSO BEING THE NORTHEAST CORNER OF LOT 6 IN BLOCK 19 IN OLD TOWN JOLIET; THENCE WEST, ON THE SOUTH LINE OF SAID ALLEY, TO THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH SAID BLOCK 19; THENCE NORTH, ON SAID WEST LINE, AND ON THE NORTHERLY EXTENSION OF SAID WEST LINE, AND ON THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 14 IN OLD TOWN JOLIET, TO THE NORTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH SAID BLOCK 14; THENCE EAST, ON SAID NORTH LINE, AND ON THE EASTERLY EXTENSION OF SAID NORTH LINE,

AND ON THE NORTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH BLOCK 13 IN OLD TOWN JOLIET, TO THE WEST LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH SAID BLOCK 13; THENCE NORTH, ON SAID WEST LINE, TO THE SOUTH LINE OF CASS STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE WEST LINE OF OTTAWA STREET; THENCE NORTH, ON SAID WEST LINE, TO THE CENTERLINE OF THE EAST WEST ALLEY RUNNING THROUGH BLOCK 11 IN SAID OLD TOWN JOLIET; THENCE WEST, ON SAID CENTERLINE, TO THE CENTERLINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 11 IN OLD TOWN JOLIET; THENCE NORTH, ON SAID CENTERLINE, TO THE SOUTH LINE OF WEBSTER STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF JOLIET STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE SOUTH LINE OF CASS STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE EASTERLY FACE OF THE EASTERLY WALL OF THE ILLINOIS WATERWAY; THENCE NORTHEASTERLY, ON SAID EASTERLY FACE, TO THE SOUTH LINE OF JACKSON STREET, AS OCCUPIED, SAID SOUTH LINE BEING 14 FEET NORTHERLY OF THE SOUTH LINE OF JACKSON STREET PER THE PLAT OF NORTH JOLIET; THENCE SOUTHEASTERLY, ON SAID SOUTH LINE, TO THE EASTMOST CORNER OF THE PARCEL OF LAND CONVEYED TO CITY OF JOLIET PER DOCUMENT NOS. 764127 AND 824990; THENCE SOUTHWESTERLY, ON THE SOUTHEASTERLY LINE OF SAID PARCEL, TO THE EAST LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 2 IN OLD TOWN JOLIET; THENCE SOUTH, ON SAID EAST LINE, AND ON THE SOUTHERLY EXTENSION OF SAID EAST LINE, TO THE SOUTH LINE OF CROWLEY AVENUE (REED STREET); THENCE WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF JOLIET STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF BENTON STREET; THENCE EAST, ON SAID NORTH LINE, TO THE NORTHERLY EXTENSION OF THE EASTERLY LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH BLOCK 7 IN OLD TOWN JOLIET; THENCE SOUTH, ON SAID NORTHERLY EXTENSION, AND ON SAID EAST LINE, TO THE NORTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH SAID BLOCK 7; THENCE EAST, ON SAID NORTH LINE, AND ON THE EASTERLY EXTENSION OF SAID NORTH LINE, TO THE EAST LINE OF OTTAWA STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF THE SOUTH 49.5 FEET OF LOT 3 IN BLOCK 6 IN OLD TOWN JOLIET; THENCE EAST, ON SAID NORTH LINE, TO THE EAST LINE OF THE NORTH SOUTH ALLEY RUNNING THROUGH SAID BLOCK 6; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF WEBSTER STREET; THENCE EAST, ON SAID NORTH LINE, TO THE EAST LINE OF NORTH CHICAGO STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF THE SOUTH 5.5 FEET OF LOT 3 IN BLOCK 5 IN EAST JOLIET; THENCE EAST, ON SAID NORTH LINE, TO THE EAST LINE OF THE WEST 80 FEET OF SAID LOT 3; THENCE SOUTH, ON SAID EAST LINE TO THE NORTH LINE OF LOT 4 IN SAID BLOCK 5; THENCE EAST ON SAID NORTH LINE TO THE EAST LINE OF THE WEST 81.75 FEET OF SAID LOT 4; THENCE SOUTH ON SAID EAST LINE TO THE NORTH LINE OF CASS STREET; THENCE EAST, ON SAID

NORTH LINE, TO THE EAST LINE OF SCOTT STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE SOUTH LINE OF THE EAST WEST ALLEY RUNNING THROUGH BLOCK 13, IN SAID EAST JOLIET, SAID POINT ALSO BEING THE NORTH LINE OF THE SOUTH 12 FEET OF STEEL PLACE PER F. S. ROBINSON' S SUB OF THE WEST HALF OF BLOCK 13 IN EAST JOLIET; THENCE EAST, ON THE NORTH LINE OF THE SAID SOUTH 12 FEET, TO THE WEST RIGHT OF WAY OF THE ATCHESON TOPEKA AND SANTA FE RAILROAD; THENCE SOUTH, ON SAID WEST RIGHT OF WAY, TO THE SOUTH LINE OF CLINTON STREET; THENCE WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF SCOTT STREET; THENCE SOUTH, ON SAID EAST LINE, TO THE NORTH LINE OF JEFFERSON STREET; THENCE EAST, ON SAID NORTH LINE, TO THE WEST RIGHT OF WAY OF THE ATCHESON TOPEKA AND SANTA FE RAILROAD; THENCE SOUTH, ON SAID WEST RIGHT OF WAY, TO THE NORTH LINE OF THE CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD; THENCE WEST, ON SAID NORTH LINE TO THE NORTHERLY EXTENSION OF THE EAST LINE OF DOCUMENT NO. 459876; THENCE SOUTH, ON SAID NORTHERLY EXTENSION TO THE SOUTH FACE OF THE SOUTH RETAINING WALL OF CHICAGO ROCK ISLAND AND PACIFIC RAILWAY, MICHIGAN CENTRAL RAILWAY ELEVATED TRACK; THENCE SOUTHWESTERLY, ALONG SAID SOUTHERLY FACE, TO THE NORTHERLY EXTENSION OF THE EAST LINE OF THE PARCEL OF LAND CONVEYED BY DOCUMENT NO. R93-14594; THENCE SOUTHERLY, ALONG SAID EAST LINE TO THE SOUTH LINE OF SAID DOCUMENT; THENCE WEST, ON SAID SOUTH LINE, TO THE EAST LINE OF LOT 3 OF THE ASSESSORS SUBDIVISION OF LOTS 1 AND 2 IN THE SUBDIVISION OF LOTS 7 AND 8 OF BLOCK 7 IN CANAL' S TRUSTEE SUBDIVISION; THENCE SOUTH, ON SAID EAST LINE, TO THE SOUTHEAST CORNER OF SAID LOT 3; THENCE WEST, ON THE SOUTH LINE OF SAID LOT 3, AND THE WESTERLY EXTENSION OF SAID SOUTH LINE, TO THE WEST LINE OF CHICAGO STREET; THENCE NORTH, ON SAID WEST LINE, TO THE NORTH LINE OF JEFFERSON STREET, TO THE POINT OF BEGINNING, ALL IN WILL COUNTY, ILLINOIS.

EXHIBIT B EXHIBIT FOR JOLIET CITY CENTER TIF DISTRICT



RUETIGER, TONELL & ASSOCIATES, INC.
 Land Surveyors/Engineers/Planners/Landscape Architects/c.l.s. Consultants
 2174 OGDEN STREET
 SUITE 1000
 JOLIET, ILLINOIS 60438
 PHONE (815) 746-8800 FAX (815) 746-8801
 DATE 12-8-99 SCALE 1" = 200'
 DRAWN BY SJS / FIELD BOOK

CITY OF JOLIET
 150 W. JEFFERSON ST
 JOLIET, IL 60438

BRANDING NO. 199-2412-E

RECORDS
 O - ORIGINAL
 C - CALCULATED
 S - SURVEYED
 & FIELD BOOK

12/10/99

APPENDIX - CITY CENTER TIF ELIGIBILITY REPORT

CITY CENTER TIF
TAX INCREMENT FINANCING
ELIGIBILITY FINDINGS

City of Joliet, Illinois

Final Draft

December, 1999

Teska Associates, Inc.

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INTRODUCTION

In 1990, the City of Joliet adopted the Joliet City Center Development Plan as a means to guide the revitalization of the City's central business area. This area, while home to numerous important historic structures, civic buildings, and cultural attractions, was characterized by a state of decline. The City Center Development Plan recommended numerous public and private development activities to arrest and reverse these trends.

Following the adoption of the City Center Development Plan, a riverboat casino was introduced to Joliet. This attraction has great potential as a magnet for visitors to the downtown area, and has proven to be a valuable source of revenue for the City. Portions of this revenue have been directed toward several visible public investments, such as streetscape improvements and on-going development of a riverfront park. However, the riverboat casino has not stimulated other private investment to the extent to which the City had hoped. Although limited private redevelopment has occurred on the fringes of the central area, such investment has generally not occurred in the historic heart of downtown. This is due, in part, to the fact that rehabilitation costs associated with re-use of older, deteriorated buildings are prohibitive.

Acknowledging the deteriorated condition of the City Center area, and to encourage revitalization of a community focal point and central business district, City officials determined that, without direct municipal involvement and financial assistance, planning objectives for this area could not be met. To encourage new investment in the City Center area, the City decided to explore the feasibility of the use of tax increment financing (TIF) as the financial tool to facilitate redevelopment. This decision was based in part on a recommendation contained in the City Center Development Plan, which identified TIF as a valuable tool for implementation of the City's goals.

TIF can be used to make the area attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the City's tax base, affect the safety of community residents, and hinder the City's ability to promote a cohesive development of compatible land uses. In accordance with the City Center Development Plan and the Comprehensive Plan for the City of Joliet, public improvements may be constructed and incentives provided to encourage the type of private investment that will allow the City to achieve its goals for this area. These goals include conservation and enhancement of the historic building stock, and rehabilitation and re-use of these resources and other new structures for increased economic growth.

TAX INCREMENT FINANCING

The Tax Increment Allocation Redevelopment Act (65 ILCS 5/11 - 74.4 - 1, et seq.) (the "Act") stipulates specific procedures which must be adhered to in designating a Redevelopment Project Area. By definition, a Redevelopment Project Area is:

"..an area designated by the municipality, which is not less in the aggregate than 1 ½ 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 (Section 11-74.4-3)."

Section 11-74.4-3 defines a conservation area as:

"...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 or more of the following factors: dilapidation; obsolescence; deterioration, illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; lack of community planning; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

Determination of eligibility of the City Center TIF Redevelopment Project Area for tax increment financing is based on a comparison of data gathered through field observations by Teska Associates, Inc. (TAI), document and archival research, and information provided by the City of Joliet against the eligibility criteria set forth in the Act. The eligibility criteria identified in the Act are supplemented by the definitions prepared by the Illinois Department of Revenue in its 1988 TIF Guide, as revised April 6, 1989.

The City Center TIF Redevelopment Project Area (the "Project Area") is eligible for designation as a "conservation area" based on the predominance and extent of parcels exhibiting the following characteristics: **age, deterioration, depreciation of physical maintenance, presence of structures below minimum code standards, and excessive vacancies.** Each of these factors contribute significantly towards the decline of the Project Area as a whole. Further, the extent of obsolescence makes a minor contribution toward the eligibility of the Project Area.

DESCRIPTION OF THE PROJECT AREA

The Project Area consists of a large portion of the central core of downtown Joliet, generally centered around Chicago and Ottawa Streets. The majority of the District lies north of the C.R.I.&P. railroad, but also includes four properties south of the tracks. Numerous historic buildings are included, such as the Rialto Theater, St. Patrick's Residence, the Auditorium Building, and Union Station. The Project Area contains 53 buildings on 112 parcels, and covers 22 blocks or parts thereof. The total area is approximately 44 acres. Figure 1 illustrates the boundaries of the Project Area.

EXISTING CONDITIONS

Overall, the present condition of the Project Area inhibits redevelopment potential. The vast majority of the structures in the Project Area are very old. While the historic design and beauty of these structures make them attractive, these characteristics also make maintenance costly and difficult. As a result, many structures are deteriorated and fall well below modern building code standards. Very costly rehabilitation is required for these buildings. Further, high rates of vacancy in numerous visible locations mean that commercial and cultural spaces are not effectively utilized. These conditions have created an overall trend of decline, which further inhibits investment in a self-reinforcing cycle. The next section elaborates further on the nature and extent of the specific conditions which contribute to the decline of the area.

ELIGIBILITY FINDINGS

Teska Associates, Inc. conducted a field survey of every property in the Project Area, in conjunction with City building officials. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred on April 28, 1998, July 14, 1999, and July 27, 1999, and the findings cited in this report reflect the conditions on those dates. Photographs further document the observed conditions. Field observations were supplemented with information provided by City building officials.

In order to be designated as a conservation area, at least 50% of the structures must be 35 years or more in age. Additionally, a combination of at least three of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area.

Age of Buildings

The characteristic of age presumes the existence of problems or limiting conditions resulting from normal and continuous use of structures and exposure to the elements over a period of many years. As a rule, older buildings typically exhibit more problems than buildings constructed in later years because of longer periods of active usage (wear and tear) and the impact of time, temperature and moisture. Additionally, older buildings tend not to be well suited for modern-day uses because of contemporary space and development standards.

Based on historical records provided by the City of Joliet, 49 out of 53 (92%) of the buildings in the Project Area are more than 35 years old (see Figure 2). The average year of construction is 1922, and many buildings are listed on local or national Historic Registers.

Dilapidation

Dilapidation refers to an advanced state of disrepair of buildings or improvements or the neglect of necessary repairs, causing the building or improvement to fall into a state of decay. At a minimum, dilapidated buildings should be those with critical defects in primary structural components (roof, bearing walls, floor structure, and foundation), building systems (heating, ventilation, lighting, and plumbing), and secondary structural components in such combination and extent that (i) major repair is required or, (ii) the defects are so serious and so extensive that the buildings must be removed.

Currently, only two structures in the Project Area, the Ivanhoe building and the White Store building, display this extreme physical state. These buildings are characterized by severe deficiencies in structural or mechanical systems, such that re-use is possible only if the interior of the structures were gutted. However, this factor is not distributed throughout the Project Area, and therefore does not contribute to the designation of the Project Area.

Deterioration

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

Deterioration of Buildings

Buildings in a state of deterioration exhibit defects which are not easily correctable in the course of normal maintenance. Such buildings may be classified as deteriorating or in an advanced stage of deterioration, depending upon the degree or extent of defects. This would include buildings with major defects in the secondary building components (e.g., doors, windows, porches, gutters and downspouts, fascia materials, etc.), and major defects in primary building components (e.g., foundations, frames, roofs, etc.), respectively.

Deterioration of structures occurs on 27 of 53 buildings (51%), and is found throughout the Project Area (13 of 22 blocks). The age of the buildings is a primary factor in the deterioration of many buildings, as the effects of time have not been arrested by private investment in maintenance. In addition, vacancies in a large number of these structures contributes to the deteriorated state, as tenants are not available to effect improvements.

Deterioration of Surface Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface. Fourteen of the 22 blocks (64%) show signs of deteriorated surface improvements. Broken and cracked sidewalks, including deterioration of decorative paving, is the most frequent occurrence. Deterioration of surface improvements also occurs on individual properties, particularly parking lots with degraded pavement and drainage systems.

The widespread extent and distribution of deterioration of both buildings and surface improvements creates a significant blighting effect upon the entire Project Area (see Figure 3). Deterioration is therefore a major contributing factor towards designation as a conservation area.

Depreciation of Physical Maintenance

This factor considers the effects of deferred maintenance and the lack of maintenance of buildings, improvements and grounds comprising the proposed redevelopment area. Evidence to show the presence of this factor in buildings may include, but is not limited to, the following: unpainted or unfinished surfaces; paint peeling; loose or missing materials; sagging or bowing walls, floors, roofs, and porches; cracks; broken windows; loose gutters and downspouts; and loose or missing shingles; and damaged building areas still in disrepair.

Signs of depreciation of maintenance are present throughout the entire Project Area, on 16 of 22 blocks. Forty-one of 53 buildings (77%) in the Project Area are characterized by this factor (see Figure 4). The most common examples include damaged brick or terra cotta wall surfaces and materials badly in need of paint. Again, vacancies and age contribute to the widespread occurrence of this factor. Deferred maintenance indicates a substantial risk for increased deterioration and blight if present trends continue. Given the prevalence of this characteristic throughout the Project Area, this factor is a major contributor to the designation of the entire Project Area as a conservation area.

Obsolescence

According to Illinois Department of Revenue definitions, an obsolete building or improvement is one which is becoming obsolete or going out of use - not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse.

Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub-categories:

Functional Obsolescence

Structures are typically built for specific uses or purposes with design, location, height and space arrangement each intended for a specific occupancy at a given time. Buildings are obsolete when they contain characteristics or deficiencies which limit the re-use and marketability of such buildings. The characteristics may include loss in value to a property resulting from an inherent deficiency existing from poor or out-dated design or layout, improper orientation of building on site, etc., which detracts from the overall usefulness or desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

Fifteen of 53 buildings in the Project Area (28%), display characteristics of functional obsolescence. Most are former commercial and/or warehouse structures that no longer meet modern standards for loading areas, ceiling heights, or code compliance. These structures are no longer being used for the purpose for which they were originally designed.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc. Obsolete site improvements are found on 12 properties in the Project Area (11%), most of which are parking lots that do not have adequate design, access, or drainage.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or 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. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete. Obsolete platting is found on 5 properties in the Project Area.

In sum, one quarter of the parcels in the Project Area exhibit one or more kinds of obsolescence (see Figure 5). Such obsolescence constitutes a significant impediment to development on these parcels. Because many of the affected parcels are large and highly visible, obsolescence has a disproportionately large blighting effect upon the entire district. Therefore, obsolescence makes a minor contribution towards the designation as a conservation area.

Illegal Use of Individual Structures

This factor applies to the use of structures in violation of applicable national, state, or local laws, and not to legal, nonconforming uses. Examples of illegal uses may include, but not be limited to the following:

- Illegal home occupations;
- Conduct of any illegal vice activities such as gambling, drug manufacture or dealing, prostitution, sale and/or consumption of alcohol by minors;
- Uses not in conformance with local zoning codes and not previously grandfathered in as legal nonconforming uses;
- Uses in violation of national, state or local environmental and occupational safety and health regulations;
- Uses involving manufacture, sale, storage or use of dangerous explosives and firearms.

The exterior field survey conducted by Teska Associates, Inc. found no buildings characterized by an illegal use, and there are no known uses in violation of State or Federal regulations. This factor does not significantly contribute to the designation as a conservation area.

Presence of Structures Below Minimum Code Standards

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

According to information provided by the Building Department of the City of Joliet, 30 of 53 buildings (57%) in the Project Area are not in compliance with City codes (see Figure 6). While some violations have been documented, the majority are known to the inspectors but will not be enforced until the owner attempts to rehabilitate or re-occupy the structures. Most non-compliant structures contain significant mechanical or electrical deficiencies, or do not conform to the requirements of the Americans with Disabilities Act. The extent and distribution of buildings below minimum code standards makes this a major contributor to the designation of the Project Area.

Excessive Vacancies

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Thirty-seven of 53 buildings (70%) are presently vacant or partially vacant, many for years or even decades (see Figure 7). Deterioration, code violations, and the age of these buildings are all associated with the high incidence of vacancies. Specifically, continued vacancies are often related to the expense and difficulty of renovations that would be required in order to occupy these buildings again. The extent and visibility of these vacancies is a drain upon the vitality of the area and makes a major contribution towards the designation of the Project Area.

Overcrowding of Structures and Community Facilities

Overcrowding of structures refers to the overutilization of private or public structures beyond a reasonable or safe capacity. Conversions from one use to another are the typical cause. No structures in the Project Area exhibit visible overcrowding and therefore this factor is not a significant concern for the Project Area as a whole.

Lack of Ventilation, Light, or Sanitary Facilities

Many older structures fail to provide adequate ventilation, light or sanitary facilities as required by local building or housing codes. This is also a characteristic often found in illegal or improper building conversions. The criterion used for determining the presence of this factor can be found in local codes and ordinances, or in locally adopted national codes such as the Uniform Building Code, Building Officials Code of America (BOCA), and the Model Housing Code of the American Public Health Association (APHA). Lack of ventilation, light, or sanitary facilities is presumed to adversely affect the health of building occupants, e.g., residents, employees, or visitors.

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

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

Two structures, the Kline's and Fehrenbacher's buildings, display this characteristic, and therefore this factor does not significantly contribute to blighting conditions within the Project Area as a whole.

Inadequate Utilities

This factor relates to all underground and overhead utilities, including, but not limited to, storm sewers and storm drainage, sanitary sewers, water lines, and gas, telephone, and electric service which may be shown to be inadequate. Inadequate utilities would include those which are (i) of insufficient capacity to serve the uses in the redevelopment project and surrounding areas, (ii) deteriorated, antiquated, obsolete, or are in disrepair or are lacking.

According to information provided by the City, inadequate utilities is not a significant factor in the designation of the Project Area as a conservation district.

Excessive Land Coverage

This factor may be documented by showing all instances where building coverage is excessive. Zoning ordinances commonly contain standards for residential, commercial, and industrial properties which relate floor area to lot area. In residential districts a lower ratio is usually required. Excessive land coverage refers to the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Problem conditions include buildings either improperly situated on the parcel or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety, and multiple buildings on a single parcel. The resulting inadequate conditions include such factors as insufficient provision for light and air, increased threat of spread of fires due to close proximity to nearby buildings, lack of adequate or proper access to a public right-of-way, lack of required off-street parking, and inadequate provision for loading and service. Excessive land coverage conditions are presumed to have an adverse or blighting effect on nearby development. This characteristic is viewed relative to its urban context, common practice, and contemporary development standards.

Relative to the urban downtown nature of the area, there are no properties which display excessive coverage. This factor does not make a contribution to the classification of the Project Area as a conservation area.

Deleterious Land Use or Layout

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

Eight properties in the Project Area display deleterious land uses or layouts. Each of these properties do pose risks in their immediate area. However, due to the limited extent of this problem, deleterious land use or layout does not make a significant contribution to the classification of the entire Project Area as a conservation district.

Lack of Community Planning

Lack of community planning may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development. This, of course, may be documented by establishing the date of adoption of the City's master plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding. This may include, but is not limited to, adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, and parcels of inadequate size or shape to meet contemporary development standards. While lack of planning does occur on eleven properties in the Project Area, this factor is not a significant contributor to the present condition of the entire Project Area or to its designation as a conservation area.

CONCLUSION

Based on the findings contained herein, the Project Area as a whole qualifies as a conservation area according to the criteria established by the Act, based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age
2. Deterioration of buildings and surface improvements
3. Depreciation of physical maintenance
4. Presence of structures below minimum code standards
5. Excessive vacancies

Each of these factors contributes significantly to the eligibility of the Project Area as a conservation area. In addition, prevalent obsolescence makes a minor contribution toward the eligibility. Seventy-eight of the parcels in the Project Area (70%) contain at least one defect as defined by the criteria established in the Act (a summary table is attached).

All of these factors point to the need for designation of the City Center TIF as a conservation area. The conservation designation is particularly appropriate for the Project Area, given the substantial historic resources contained in the building stock, and the need to conserve and restore these buildings. The conservation designation, coupled with the increased investment that will be encouraged by TIF, will ensure that the historic resources can be maintained and rehabilitated in order to capitalize upon their inherent value to the community.

Joliet Downtown TIF Eligibility Study
 Summary of Eligibility Factors
 Surveyed 4/28/99, 7/14/99, and 7/27/99

	Building Condition			Obsolescence										Number of Buildings	Number of Vacant Lots	Number of Parcels						
	Age Over 35 Years	Dilapidation	Deterioration	Depreciation of Phys. Main.	Deterioration of Surface Impts	Functional Obsolescence	Obsolete Site Improvements	Obsolete Platting	Contains at Least One Obs. Char.	Illegal Use	Below Code	Excessive Vacancies	Overcrowding				Lack of Ventilation/Sanitary	Inadequate Utilities	Excessive Coverage	Deterious Use/Layout	Lack of Planning	Parcel Contains 1 or More Defects
Number of Parcels Displaying Characteristic	49	2	27	41	37	15	12	5	28	0	30	37	0	2	0	0	8	11	78	112	1	53
as % of buildings	92%	4%	51%	77%		28%				0%	57%	70%	0%	4%								
as % of all parcels					33%		11%	4%	25%						0%	0%	7%	10%	70%			1%
Number of Blocks Displaying Characteristic	17	2	13	16	14	10	8	4	17	0	14	14	0	2	0	0	6	5	20	22	1	
as % of all blocks	77%	9%	59%	73%	64%	45%	36%	18%	77%	0%	64%	64%	0%	9%	0%	0%	27%	23%	91%		5%	

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 1: Project Area Boundaries

— Project Area Boundaries



0 75' 150' 300'



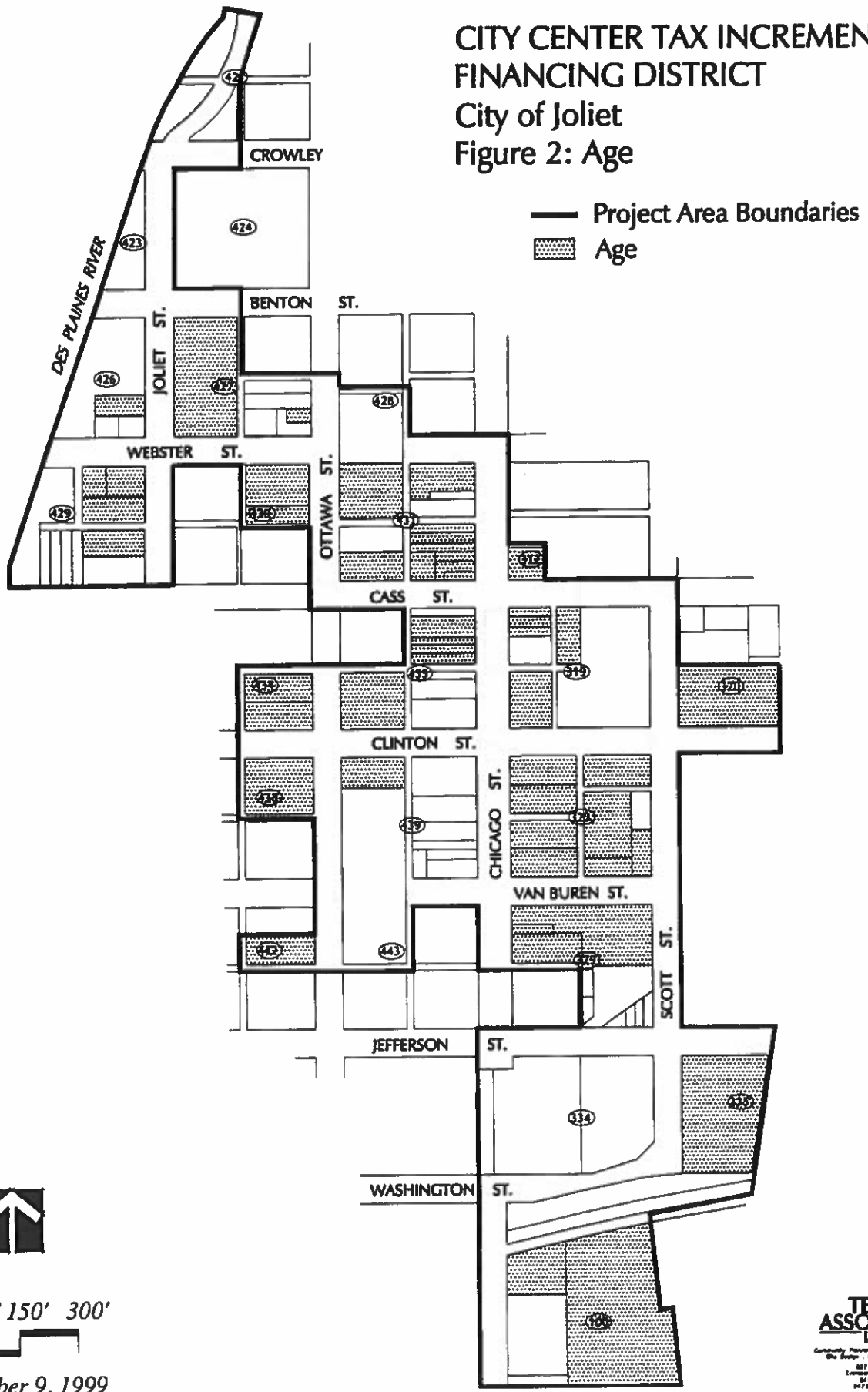
December 9, 1999

**TESKA
ASSOCIATES
INC.**
Consulting Planning, Research, Assessment
and Design - Landmarks Architecture
527 Olive Street
Evanston, Illinois 60201
630.833.2010
630.833.2000 fax

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 2: Age



0 75' 150' 300'



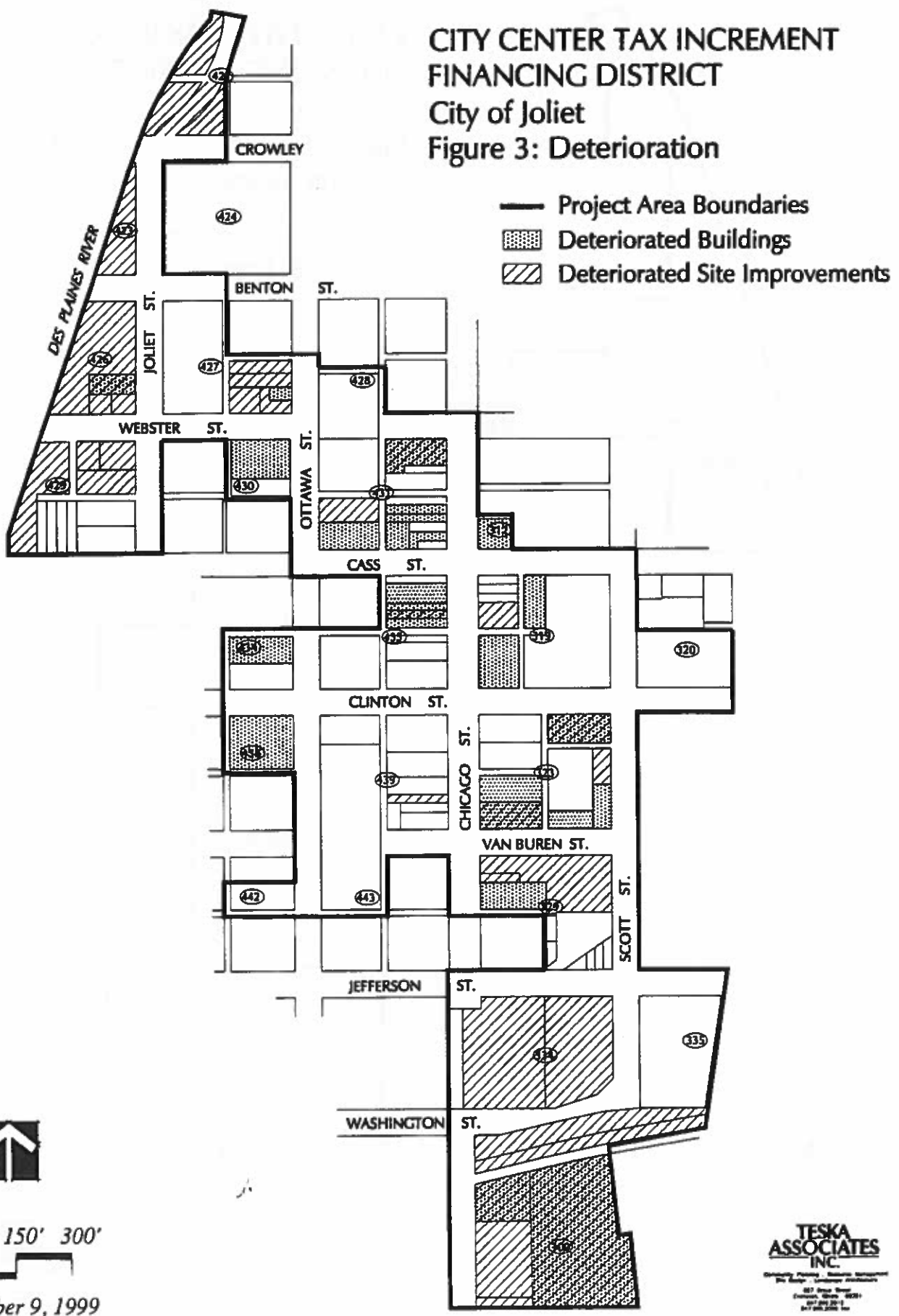
December 9, 1999

TESKA ASSOCIATES INC.
 Community Planning • Economic Development
 City of Joliet
 107 West Third
 Joliet, IL 61701-2011
 815-726-1000

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 3: Deterioration



0 75' 150' 300'



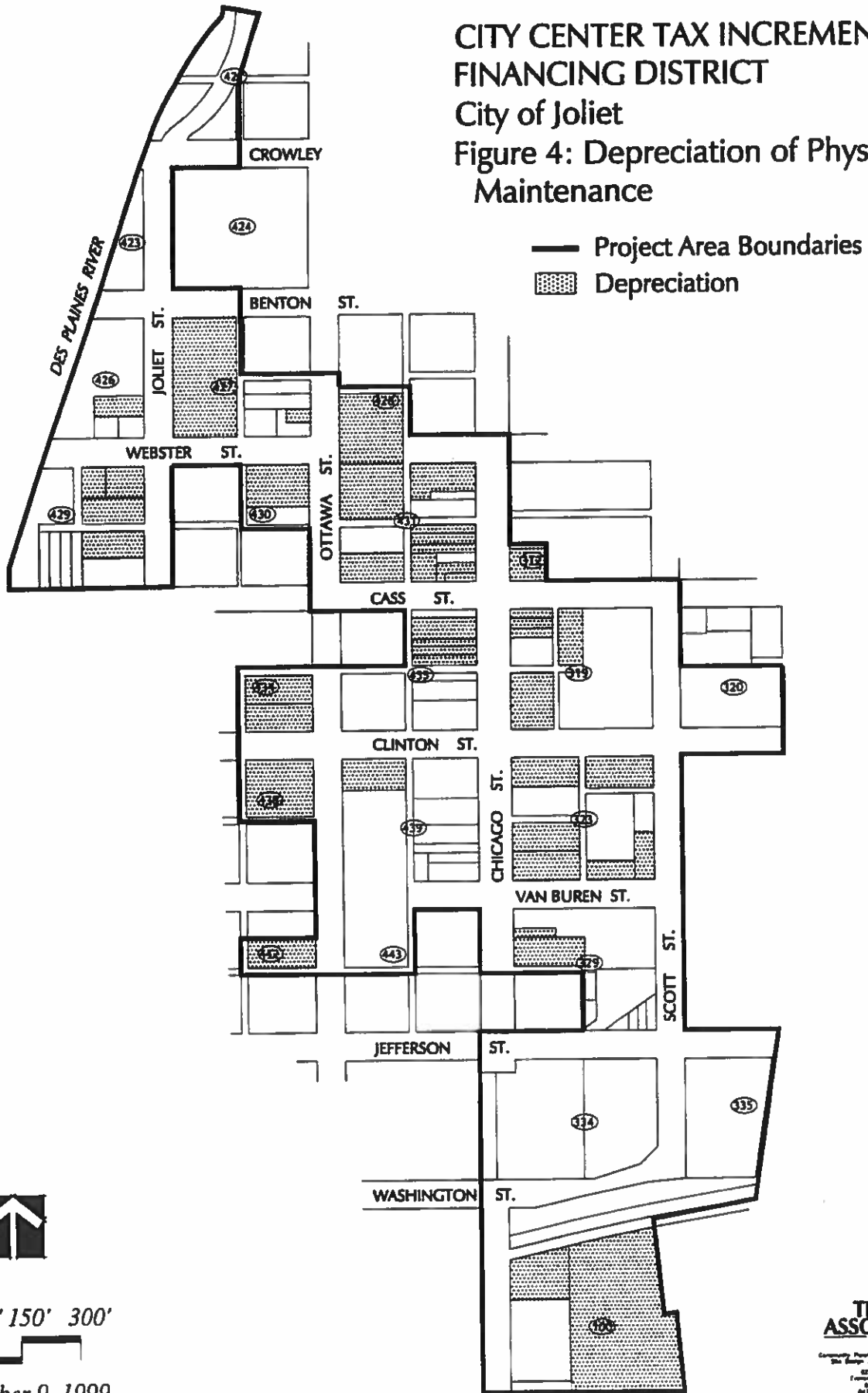
December 9, 1999

TESKA ASSOCIATES INC.
 Consulting Planning & Economic Development
 457 West Street
 Joliet, Illinois 60431
 815.733.2211
 815.733.2200 fax

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 4: Depreciation of Physical Maintenance



0 75' 150' 300'



December 9, 1999

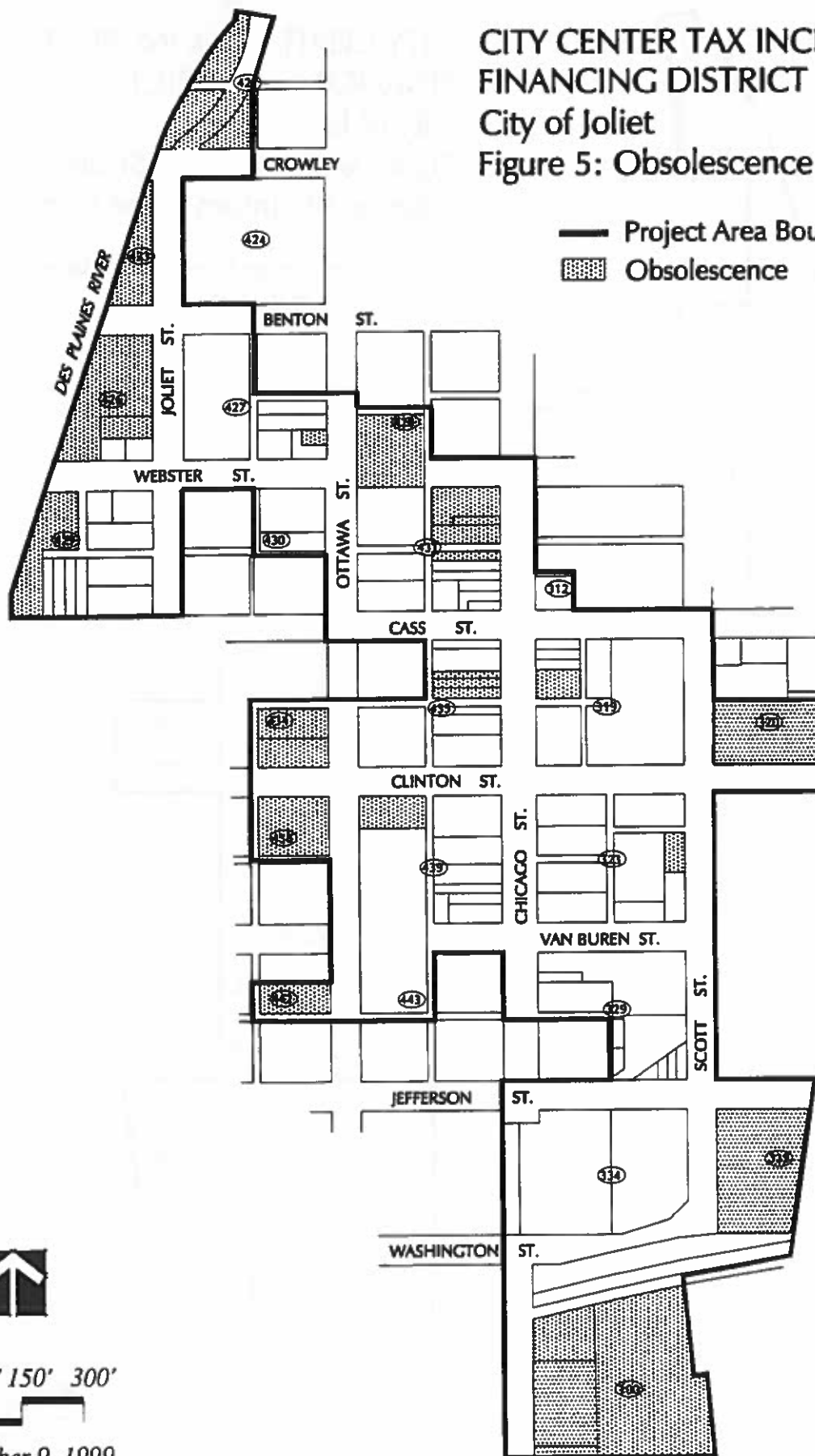
TESKA ASSOCIATES INC.
 Community Planning • Economic Development
 Site Design • Landscape Architecture
 627 West Street
 Joliet, Illinois 61701
 815.733.2515
 815.733.2500 Fax

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 5: Obsolescence

-  Project Area Boundaries
-  Obsolescence



0 75' 150' 300'



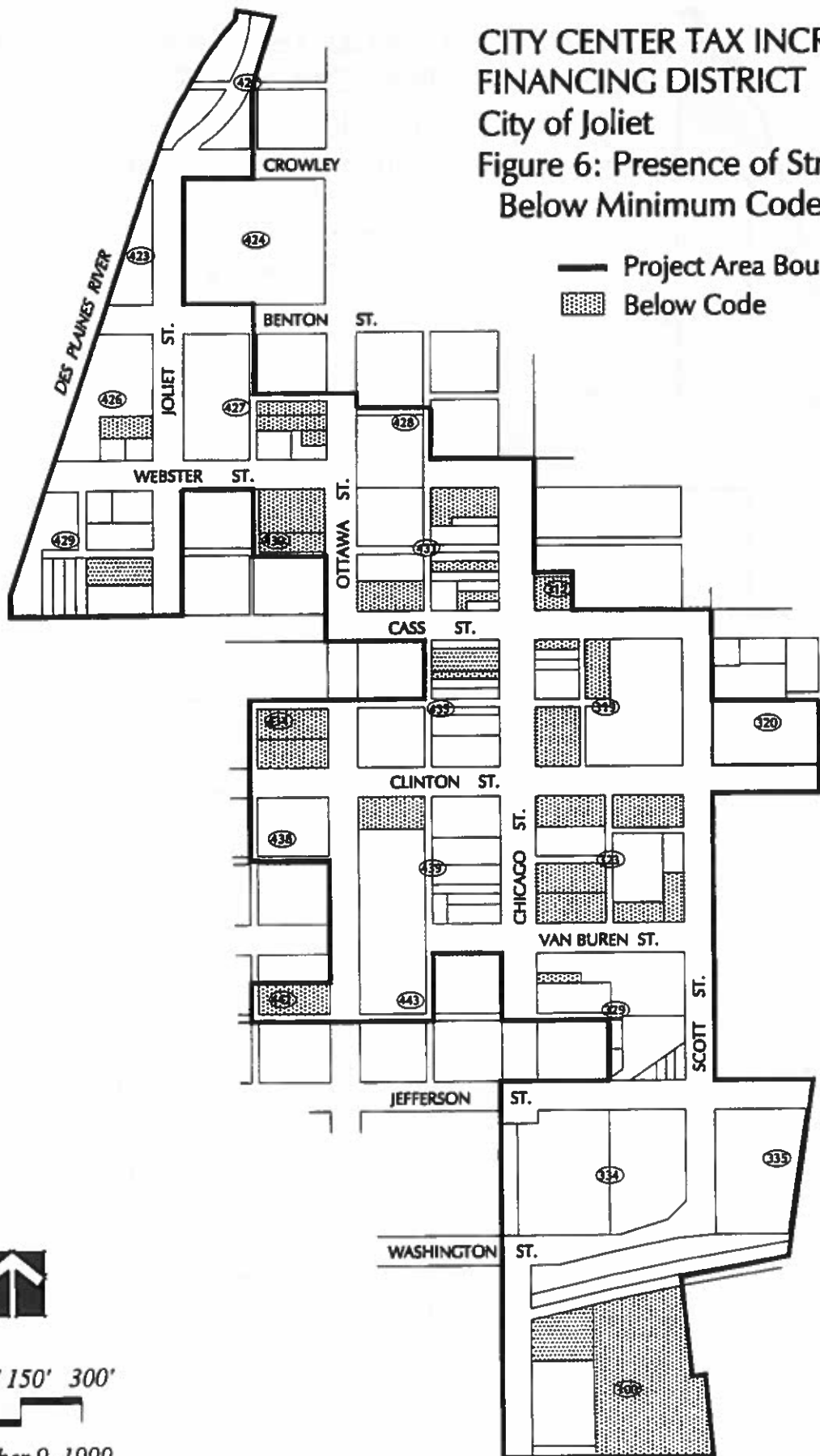
December 9, 1999

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 227 West Street
 Chicago, Illinois 60601
 312.467.1212
 312.467.1213 fax

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 6: Presence of Structures Below Minimum Code Standards



— Project Area Boundaries
▨ Below Code



0 75' 150' 300'



December 9, 1999

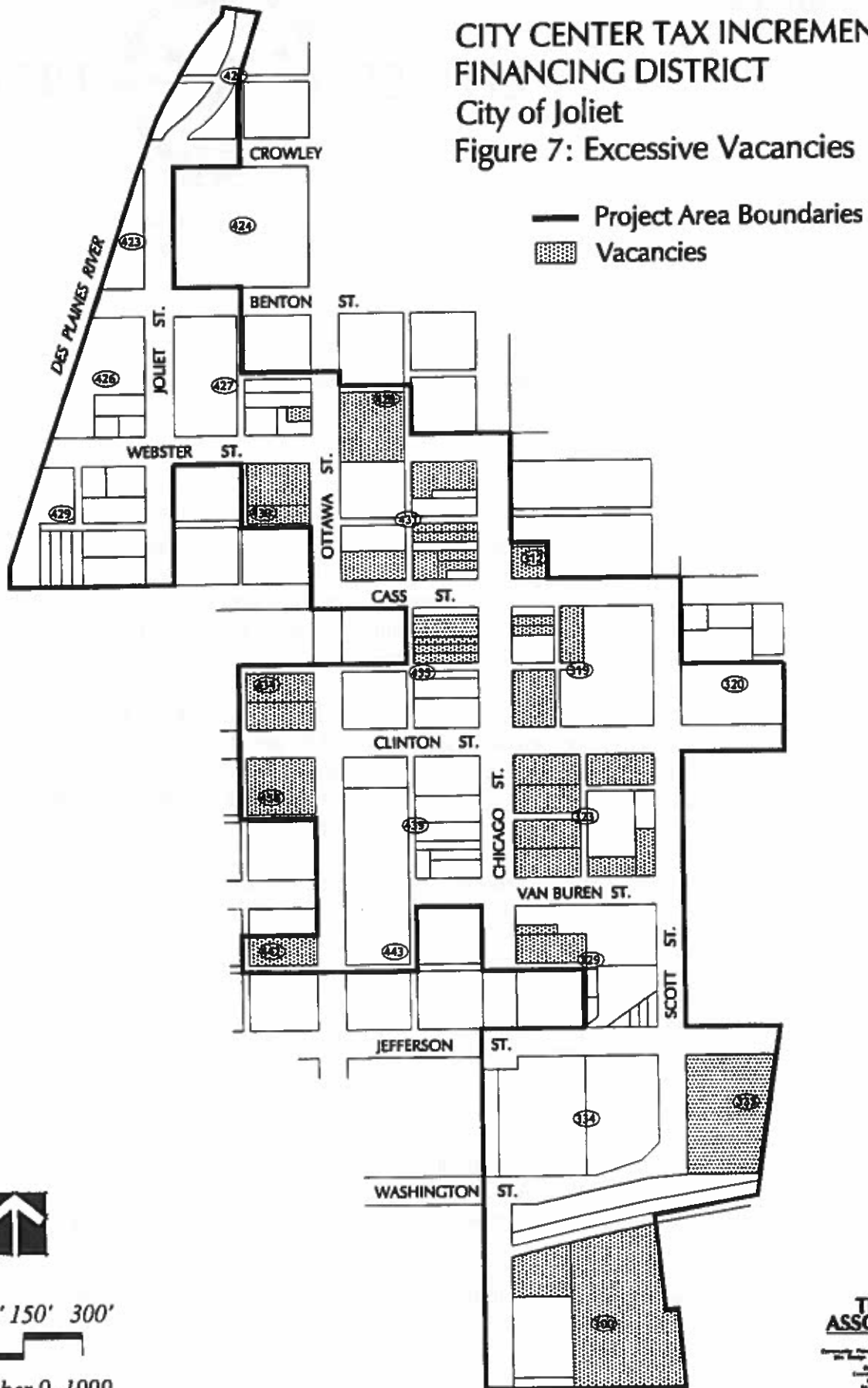
TESKA ASSOCIATES INC.

417 East Street
Joliet, Illinois 61731
815/233-2011
815/233-2012

CITY CENTER TAX INCREMENT FINANCING DISTRICT

City of Joliet

Figure 7: Excessive Vacancies



0 75' 150' 300'



December 9, 1999

TESKA ASSOCIATES INC.
 Company Planning & Economic Management
 637 West Street
 Joliet, Illinois 61701
 815-724-2000

24) Appendix D – Amended City Center TIF District PIN List

The following 59 PINs remain in the Amended City Center TIF District:

PIN	2016 EAV
3007094300010000	\$0
3007094300020000	\$0
3007094300030000	\$0
3007094300040000	\$0
3007094300080000	\$7,533
3007094300100010	\$0
3007094300100020	\$1,049,895
3007094310040000	\$0
3007094310090000	\$49,901
3007094310120000	\$45,000
3007094310140000	\$92,391
3007094310160000	\$72,819
3007094310170000	\$0
3007094310180000	\$29,800
3007094310190000	\$102,283
3007094340050000	\$196,641
3007094340060000	\$67,000
3007094350040000	\$3,653
3007094350050000	\$1,568,347
3007094350060000	\$50,270
3007094350070000	\$38,299
3007094350080000	\$50,000
3007094350120000	\$116,666
3007094350130000	\$0
3007103120010000	\$77,784
3007103120020000	\$8,676
3007103120030000	\$104,213
3007103120060000	\$48,000
3007103120070000	\$28,252
3007103120110000	\$7,116

PIN	2016 EAV
3007103120130000	\$56,473
3007103120140000	\$0
3007103190010000	\$22,916
3007103190020000	\$33,916
3007103190030000	\$33,916
3007103190040000	\$23,632
3007103190050000	\$108,587
3007103190150000	\$0
3007103190160000	\$64,843
3007103190170000	\$0
3007103190181001	\$62,977
3007103190181002	\$61,698
3007103190181003	\$63,777
3007103190181004	\$1,173
3007103190181005	\$1,653
3007103190181006	\$1,706
3007103190181007	\$1,120
3007103190181008	\$960
3007103190181009	\$81,427
3007103190181010	\$84,840
3007103190181011	\$1,493
3007103190181012	\$73,055
3007103190181013	\$1,333
3007103190181014	\$960
3007103190181015	\$853
3007103190181016	\$1,493
3007103190181017	\$853
3007103190181018	\$1,120
3007103230060000	\$470,943
Total	\$5,072,256