
**CITY OF CHAMPAIGN
NORTH CAMPUSTOWN AREA
REDEVELOPMENT PLAN AND PROJECT**

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And

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December 2001

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LIST OF EXHIBITS

EXHIBITS

- Exhibit 1 - Legal Description
- Exhibit 2 - Boundary Map
- Exhibit 3 - Existing Land Use Map
- Exhibit 4 - Proposed Land Use Map
- Exhibit 5 - TIF Qualification/Designation Report

I. INTRODUCTION

The City of Champaign (the "City") is a home rule municipality located in Champaign County, which is situated in east-central Illinois, approximately 135 miles south of Chicago and approximately 38 miles west of the Indiana Border. The City was incorporated in 1855 and currently has approximately 16.7 square miles within its boundaries. The University of Illinois at Urbana-Champaign is located in both Champaign and the adjacent City of Urbana.

The City is situated within a significant regional transportation network. The City has within its boundaries entrances to Interstate Highway 57 providing north-south access and Interstate Highways 72 and 74 providing east-west access. Primary roadways within the City are provided by Route 45 in north-south directions and Routes 10 and 150 in east-west directions.

In the context of planning for the North Campustown Redevelopment Project Area, the City initiated a study to determine whether the area qualifies for consideration as a Tax Increment Financing ("TIF") District.

The RPA is generally bounded on the north by Clark Street, on the east by Fifth Street, on the south by Springfield Avenue (and also extends south to include Scott Park) and on the west by First Street. The former Burnham Hospital facility and related properties are included in the area. The RPA excludes the frontage parcels located north of Springfield Avenue between Fourth and Fifth Streets. The RPA is located south of the East University Avenue RPA (TIF No. 2) and east of the Downtown Core RPA (TIF No. 1).

The RPA consists of approximately one hundred thirty-two (132) tax parcels and one hundred (100) structures. Over 50% of the buildings are thirty-five (35) years old or greater.

The development of the RPA has been influenced by the proximity of the area to the University of Illinois Campus and resulting demand for multi-unit residential structures. In addition, the former Burnham Hospital facility occupies large tracts of land in the south portion of the RPA. Lot depth and the presence of single purpose buildings limit the availability of land for mixed uses that could maximize the development of arterial frontage along Springfield Avenue or within the RPA.

The City has been involved in a public/private, interjurisdictional effort known as Campustown 2000 (Campustown is located south of the RPA) which is undertaking a comprehensive, cooperative effort to improve the business and residential area surrounding the University of Illinois. This Campustown 2000 partnership includes the Champaign County Chamber of Commerce, campustown property and business owners, the University of Illinois, the City of Urbana, the Champaign-Urbana Mass Transit District, and other agencies.

Numerous strategies and incentive programs have been implemented by the parties in order to: address traffic issues, increase bicycle police patrols, undertake drainage and other public improvements, coordinate parking regulations, increase property maintenance enforcement in Campustown, and improve the appearance of the Campustown area. Due to its location, the North Campustown area gets a spillover effect of the issues facing the Campustown area. The City offers redevelopment incentives for rehabilitation of private properties in Campustown. Campustown 2000, Inc. administers the program and the City provides the funding.

The North Campustown area, as described previously, includes the former Burnham Hospital facility. Due to the facility's size and location, the City has reviewed the site as a significant redevelopment opportunity which could provide not only a reuse of the site (which has been vacant since 1993), but provide benefits to the surrounding area through the generation of tax revenues to fund other or additional public improvements and redevelopment activities. The RPA is primarily residential in nature but contains mixed, commercial, recreational and institutional uses.

Conditions of inadequate infrastructure, deterioration of buildings, vacancies, deleterious layout, obsolescence, lack of community planning, and lag in Equalized Assessed Valuation (EAV) growth are evidenced throughout the area and have been documented pursuant to site visits and City sources. The condition of the former Burnham Hospital property is of greatest concern for the City. Its location and size in relation to the remainder of the RPA properties exert negative impacts due to the deteriorated condition of the property, its long-term vacancy, environmental remediation requirements and the obsolescent character of the structures. Redevelopment options will allow the former hospital site to be addressed by the City.

The RPA occupies a key area of the City adjacent to the Downtown, the East Side, Campustown, the Boneyard Creek Second Street Reach improvements and the future University of Illinois North Research Park. As stated above, the former Burnham Hospital property occupies a predominant position, and if left vacant, will serve as a blighting influence throughout the RPA and adjoining areas.

Other sources of potential concern regarding the RPA include ingress and egress coordination, maximization of commercial/retail uses along arterial streets, the need for stormwater management improvements, right-of-way/street improvements, and the deterioration of public improvements and underutilized properties. These factors taken in combination tend to limit the opportunities for redevelopment.

The RPA may be suitable for redevelopment for modern and more intensive mixed use if funding can be established to acquire and clear necessary properties, and to put in place appropriate incentives to overcome market difficulties. In addition, infrastructure improvements will be needed to support such a redevelopment. The City has undertaken an initiative, through the designation of the RPA, to promote this key area and by doing so, to stabilize and revitalize the area and create financial benefits to the community and affected taxing districts.

The Redevelopment Plan

The City recognizes the need for implementation of a strategy to revitalize existing properties within the boundaries of the RPA and to stimulate and enhance private development. Investment attraction and expansion are key components of the strategy. The needed private investment may only be possible if tax increment financing (TIF) is adopted pursuant to the terms of the Tax Increment Allocation Redevelopment Act (the "Act") Illinois Compiled Statutes, Chapter 65, Section 5/11-74.4-1 et seq., as amended. Incremental property tax revenue generated by the development will play a decisive role in encouraging private development. Site conditions that may have precluded intensive private investment in the past will be eliminated. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which encompass the area in the form of a significantly expanded tax base.

The designation of the area as a Redevelopment Project Area will allow the City to address area deficiencies including (but not limited to):

- Providing a viable reuse/redevelopment for the former Burnham Hospital site;
- Establishing a pattern of land-use activities that will increase efficiency and economic relationships, especially as such uses complement adjacent commercial, retail, residential, recreational, and other City redevelopments;
- Providing infrastructure that is adequate in relation to City redevelopment plans;
- Providing for roadway and traffic improvements within the area, including the continued review of ingress and egress requirements that satisfy area circulation, parking and connections to major arterials;
- Entering into redevelopment agreements in order to promote the redevelopment of blighted property and/or to induce new development to locate within the RPA;
- Providing for the improvements and/or rehabilitation of existing structures including institutional uses.
- Coordinating and providing adequate parking for all redevelopments;
- Improving area appearance through rehabilitation of structures, open space/park areas, landscape, streetscape and signage programs; and
- Coordinating land assembly in order to provide sites for more modern redevelopment plans.

A map of the RPA boundaries is included in Exhibit 2 and is a part of this Redevelopment Plan and Project. The area on the whole would not reasonably be anticipated to be developed in a coordinated manner without the adoption of a Redevelopment Plan and Project. The City, with the assistance of Kane, McKenna and Associates, Inc. has commissioned this Redevelopment Plan and Project to use tax increment financing in order to address local needs and to meet redevelopment goals and objectives.

The adoption of this Redevelopment Plan and Project makes possible the implementation of a comprehensive program for the economic redevelopment of the area. By means of public investment, the RPA will become a more viable area that will attract private investment. The public investment will set the stage for the redevelopment of the area with private capital. This in turn will lead to operation of viable residential and commercial mixed uses within the area.

Pursuant to the Act, the RPA includes only those contiguous parcels of real property and improvements thereon substantially benefited by the redevelopment project. Also pursuant to the Act, the area is not less in the aggregate than 1½ acres.

Through this Redevelopment Plan and Project, the City will serve as the central force for marshalling the assets and energies of the private sector for a unified cooperative public-private redevelopment effort. Ultimately, the implementation of the Redevelopment Plan and Project will benefit the City and all the taxing districts which encompass the RPA in the form of a stabilized and expanded tax base and creation of new employment and investment opportunities within the City as a result of new private redevelopment in the area.

Summary

It is found and declared by the City, through legislative actions as required by the Act, that in order to promote and protect the health, safety, and welfare of the public, that certain conditions that have adversely affected redevelopment within the RPA need to be addressed, and that redevelopment of such areas must be undertaken; and, to alleviate the existing adverse conditions, it is necessary to encourage private investment and enhance the tax base of the taxing districts in such areas by the development or redevelopment of certain areas. Public/private partnerships are determined to be necessary in order to achieve development goals. Without the development focus and resources provided under the Act, the development goals of the municipality would not reasonably be expected to be achieved.

It is found and declared by the City that the use of incremental tax revenues derived from the tax rates of various taxing districts in the Redevelopment Project Area for the payment of redevelopment project costs is of benefit to said taxing districts. This is because these taxing districts whose jurisdictions are included in the Redevelopment Project Area would not derive the benefits of an increased assessment base without addressing the coordination of redevelopment.

It is further found, and certified by the City, in connection to the process required for the adoption of this Plan and Project pursuant to 65 ILCS Section 5/11-74.4.3(n)(5) of the Act, that this Plan and Project will not result in the displacement of 10 or more inhabited residential units. Therefore, this Plan and Project does not include a housing impact study as would otherwise be required. There are more than seventy-five (75) inhabited residential units within the RPA, but the City has certified that the implementation of the Plan and Project will not result in the displacement of ten (10) or more inhabited residential units. The City will amend this Plan and Project (and the RPA) and provide a housing impact study in the manner prescribed by the Act should the City determine a need to withdraw such certification at a future time.

The redevelopment activities that will take place within the RPA will produce benefits that are reasonably distributed throughout the RPA.

Redevelopment of the RPA is feasible only if a portion of the improvements and other costs are funded by TIF District revenues.

II. **REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION**

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

III. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

The following goals and objectives are presented for the RPA in accordance with the City's Zoning Ordinance and comprehensive planning process (including any amendments thereto). The Redevelopment Plan and Project also conform to the City's Comprehensive Plan.

General Goals of the City

- A) To provide for implementation of economic development and redevelopment strategies that benefit the City and its residents.
- B) To provide for construction of public infrastructure improvements necessary to promote growth, redevelopment and reinvestment.
- C) To encourage positive and feasible redevelopment or improvement of vacant sites, underutilized properties and/or existing public facilities.
- D) To strengthen the property tax base of the City and overlapping tax districts.
- E) To create new jobs and retain existing jobs for area residents.
- F) To coordinate all redevelopment within the City in a comprehensive manner, avoiding adjacent land use conflicts and negative community impacts.
- G) To create a cooperative partnership between the City and private redevelopment entities to promote the public good.

Specific Objectives for the RPA

- A) Promote the redevelopment of the former Burnham Hospital site.
- B) Enhance the necessary infrastructure and Boneyard Creek related improvements in order to serve the redevelopment of the Burnham Hospital parcels, and improve service to all of the parcels within the RPA.
- C) Provide assistance for capital improvements associated with Scott Park and the Marquette School site.
- D) Improve existing streets, including providing for improved transit service via the potential widening of White Street, if necessary.
- E) Provide for the necessary site preparation, grading, and excavation (if necessary) of property located within the RPA.
- F) Coordinate redevelopment activities within the RPA in a manner that conforms with the fiscal and economic development policies of the City and its common interests with overlapping tax districts.
- G) Identify viable reuse opportunities for existing structures and for parcels within the RPA.
- H) Promote reinvestment in existing properties in the RPA.

Redevelopment Objectives

The RPA designation will allow the City to:

- a) Assist in coordinating redevelopment activities within the RPA in order to provide a positive marketplace signal;
- b) Reduce or eliminate negative factors present within the area;
- c) Accomplish redevelopment over a reasonable time period;
- d) Provide for high quality development within the RPA; and
- e) Provide for an attractive overall appearance of the area.

The implementation of the Redevelopment Project will serve to improve the physical appearance of the RPA and contribute to the economic development of the area. The implementation of the RPA will provide new employment opportunities for community and City residents.

IV. EVIDENCE OF THE LACK OF DEVELOPMENT AND GROWTH WITHIN THE RPA AND ASSESSMENT OF FISCAL IMPACT ON AFFECTED TAXING DISTRICTS

A. Evidence of the Lack of Development and Growth Within the RPA

As found in Exhibit 5 of this Plan, the RPA has suffered from certain impediments to redevelopment. The area has not in recent years benefited from significant private investment and/or development. As a result, is not likely to gain in value without encouragement by the City.

The RPA evidences inadequate utilities, deleterious layout, lack of community planning and deterioration. The former Burnham Hospital site occupies a significant portion of the south RPA and has been vacant since 1993.

B. Assessment of Fiscal Impact on Affected Taxing Districts

It is not anticipated that the implementation of this Redevelopment Plan and Project will have a negative financial impact on the affected taxing districts. Instead, action taken by the City to stabilize and cause growth of its tax base through the implementation of this Redevelopment Plan and Project will have a positive impact on the affected taxing districts by arresting potential assessed valuation declines.

It is not anticipated that the RPA will require increased services from any affected taxing districts except the City. Though strategies will be implemented to promote growth via private investment within the area, it is anticipated that the type of growth that will result will place minimal demands on the services of the other taxing bodies. Should the City achieve success in attracting private investment which does result in the need for documented increased services from any taxing districts, the City will consider the declaration of sufficient surplus funds, which funds are neither expended or obligated, as provided by the Act, to assist affected taxing districts in paying the costs for the increased services.

Any surplus Special Tax Allocation Funds, to the extent any surplus exists, will be proportionately shared, based on the appropriate tax rates for a given year, with the various taxing districts, including the City, after all TIF eligible costs either expended or incurred as an obligation by the City have been duly accounted for through administration of the Special Tax Allocation Fund to be established by the City as provided by the Act. The exception to this provision will be to the extent that the City utilizes TIF funding to assist in the redevelopment of residential units. In such cases, the City will provide for the cost incurred by eligible school districts to serve school age children that subsequently reside in the such residential units, in the manner prescribed by 65 ILCS Section 5/11-74.4.3(q)(7.5) of the Act. Such costs are included in the estimated redevelopment project costs (refer to Section E. below).

V. **TIF QUALIFICATION FACTORS EXISTING IN THE REDEVELOPMENT PROJECT AREA**

Findings

The RPA was studied to determine its qualifications under the Tax Increment Allocation Redevelopment Act. It was determined that the area as a whole qualifies as a TIF district under Illinois law. Refer to the TIF Qualification/Designation Report, (Exhibit 5) which is attached as part of this Plan.

Eligibility Survey

The RPA was evaluated in May through August, 2001 by representatives of Kane, McKenna and Associates, Inc., (KMA) and City staff. Analysis was aided by certain reports obtained from the City and other sources. In KMA's evaluation, only information was recorded which would directly aid in the determination of eligibility for a TIF district.

VI. REDEVELOPMENT PROJECT

A. Redevelopment Plan and Implementation Strategies

The City proposes to realize its goals and objectives of encouraging the development of the RPA and encouraging private investment through public finance techniques including, but not limited to, Tax Increment Financing:

- 1) By implementing a plan that provides for the attraction of investment to redevelop underutilized property and buildings that exist within the RPA.
- 2) By constructing public improvements which may include (if necessary):
 - i. Street and sidewalk improvements (including new street construction and widening of current streets)
 - ii. Utility improvements (including, but not limited to, construction and rehabilitation of water, stormwater management, and sanitary sewer projects)
 - iii. Signalization, traffic control and street lighting
 - iv. Off-street parking (if applicable)
 - v. Landscaping and beautification
- 3) By entering into Redevelopment Agreements with developers for qualified redevelopment projects, including (but not limited to) the provision of interest rate subsidy as allowed under the Act.
- 4) By providing or facilitating environmental clean-up efforts on the former Burnham Hospital site.
- 5) By providing for site preparation, clearance, and demolition, including grading and excavation.
- 6) By the redevelopment and/or revitalization of the existing building inventory through necessary incentives to promote such rehabilitation and improvement of structures.
- 7) By providing for the redevelopment of existing institutional uses within the RPA including the improvement of open space and recreational opportunities.

B. Redevelopment Activities

Pursuant to the foregoing objectives, the City will implement a coordinated program of actions, including, but not limited to, acquisition, site preparation, clearance, demolition, environmental clean-up, provision of public infrastructure and related public improvements, and rehabilitation of structures, if necessary.

Site Preparation, Clearance, and Demolition

Property within the RPA may be acquired and improved through the use of site clearance, excavation, environmental remediation or demolition prior to redevelopment. The land may also be graded and cleared prior to redevelopment.

Land Assembly and Relocation

Certain properties in the RPA (or the entire RPA) may be acquired, assembled and reconfigured into appropriate redevelopment sites. Relocation activities may also be undertaken by the City.

Public Improvements

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

- Improvements and/or construction of public utilities including sanitary and storm sewer systems and detention related improvements;
- Beautification, identification markers, landscaping, lighting, and signage of public right-of-ways; and
- Transit related/roadway improvements
- Recreational and open space improvements.

Rehabilitation

The City may provide incentives for the rehabilitation of certain structures within the RPA to promote the revitalization of the area and conformance to City code provisions. Improvements may include exterior and façade related work as well as interior related work.

Interest Rate Write-Down

The City may enter into agreements with owners/developers whereby a portion of the interest cost of a construction, renovation or rehabilitation project is paid for on an annual basis out of the Special Tax Allocation fund of the RPA, in accordance with the Act.

C. General Land Use Plan

Existing land use generally consists of mixed, residential, institutional, recreational and retail/commercial uses. Existing land uses are shown in Exhibit 3, attached hereto and made a part of this Plan. Exhibit 4, attached hereto and made a part of this Plan designates intended general land uses in the Redevelopment Project Area. The former Burnham Hospital site is expected to be redeveloped for mixed uses including residential and commercial uses. The land uses will conform to the Zoning Ordinance and the Comprehensive Plan of the City.

D. Additional Design and Control Standards

The appropriate design controls including any Planned Developments, as set forth in the City's Zoning Ordinance, shall apply to the RPA.

E. Estimated Redevelopment Project Costs

Redevelopment project costs mean and include the sum total of all reasonable or necessary costs incurred or expected to be incurred, as provided in the TIF statute, and any such costs incidental to this Redevelopment Plan and Project. Private investments, which supplement "Redevelopment Project Costs", are expected to substantially exceed such redevelopment project costs. Eligible costs permitted under the Act which may be pertinent to this Redevelopment Plan and Project include:

1. Costs of studies and 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, other special services, provided, however, that no charges for professional services may be based on a percentage of the tax increment collected. No contracts for professional services, excluding architectural and engineering services, may be entered into if the terms of the contract extend beyond a period of three (3) years. In addition, "redevelopment project costs" shall not include lobbying expenses.
 - 1.1 Annual administrative costs shall not include general overhead or administrative costs of the municipality that would still have been incurred by the municipality if the area was not part of an approved redevelopment plan;
 - 1.2 The cost of marketing sites within the redevelopment project area to prospective businesses, developers, and investors;

2. Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interest therein, demolition of buildings, site preparation, site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to, parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
3. Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures and leasehold improvements; and the costs of replacing an existing public building if, pursuant to the implementation of a redevelopment project, the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
4. Costs of the construction of public works or infrastructure improvements, and redevelopment project costs shall not include the cost of constructing a new municipal public building principally used to provide offices, storage space, or conference facilities or vehicle storage, maintenance, or repair for administrative, public safety, or public works personnel and that is not intended to replace an existing public building as provided under paragraph (3) of subsection (q) of Section 11-74.4-3 unless either (i) the construction of the new municipal building implements a redevelopment project that was included in a redevelopment plan that was adopted by the municipality prior to the effective date of the amendatory Act of the 91st General Assembly or (ii) the municipality makes a reasonable determination in the redevelopment plan, supported by information that provided that basis for that determination, that the new municipal building is required to meet an increase in the need for public safety purposes anticipated to result from the implementation of the redevelopment plan;
5. 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 pursuant to the Act 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;
6. To the extent the municipality by written agreement accepts and approves the same, all or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred within a taxing district in furtherance of the objectives of the redevelopment plan and project;
7. 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;

8. Interest costs incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 - a) such costs are to be paid directly from the Special Tax Allocation Fund established pursuant to the Act;
 - b) such payments in any one-year may not exceed 30% of the annual interest costs incurred by the developer with regard to the redevelopment project during that year;
 - c) if there are not sufficient funds available in the Special Tax Allocation Fund to make the payment pursuant to this paragraph (10) then the amounts so due shall accrue and be payable when sufficient funds are available in the Special Tax Allocation Fund; and
 - d) the total of such interest payments paid pursuant to the Act may not exceed 30% of the (i) cost paid or incurred by the redeveloper for the redevelopment project plus (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by a municipality pursuant to the Act.
9. Unless explicitly stated herein, the costs of construction of new privately owned buildings shall not be an eligible redevelopment project cost.
10. None of the redevelopment project costs enumerated in this subsection shall be eligible redevelopment projects if those costs would provide direct financial support to a retail entity initiating operations in the redevelopment project area while terminating operations at another Illinois location within 10 miles of the redevelopment project area but outside the boundaries of the redevelopment project area municipality. For purposes of this paragraph, termination means a closing of a retail operation that is directly related to the opening of the same operation or like retail entity owned or operated by more than 50% of the original ownership in a redevelopment project area, but it does not mean closing an operation for reasons beyond the control of the retail entity, as documented by the retail entity, subject to a reasonable finding by the municipality that the current location contained inadequate space, has become economically obsolete, or was no longer a viable location for the retailer or serviceman.

Estimated costs are shown in the next section. Adjustments to these cost items may be made without amendment to the Redevelopment Plan.

**NORTH CAMPUSTOWN AREA REDEVELOPMENT PROJECT
ESTIMATED PROJECT COSTS**

<u>Program Actions/Improvements</u>	<u>Estimated Costs (A)</u>
1. Land Acquisition and Assembly Costs including Demolition	<u>\$5.5 million</u>
2. Site Preparation/Environmental Remediation	<u>\$2.5 million</u>
3. Infrastructure Improvements including, but not limited to, water, storm, sanitary sewer, the service of public facilities, and road improvements (Including Boneyard Creek Second Street Reach park improvements)	<u>\$7.5 million</u>
4. Rehabilitation of Structures	<u>\$4 million</u>
5. Interest Costs Pursuant to the Act	<u>\$1.5 million</u>
6. Planning, Legal, Engineering, Administrative and Other Professional Service Costs	<u>\$1 million</u>
7. School District Tuition Costs	<u>\$1 million</u>
8. Taxing District Capital Improvements Pursuant to the Act	<u>\$4 million</u>
TOTAL ESTIMATED PROJECT COSTS	<u>\$27 million</u>

(A) All project cost estimates are in year 2001 dollars. 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 RPA, provided the total amount of payment for Eligible Redevelopment Project Costs shall not exceed the amount set forth above, as adjusted pursuant to the Act. Adjustments may be made in line items within the total, either increasing or decreasing line item costs for redevelopment.

F. Sources of Funds to Pay Redevelopment Project Costs Eligible Under Illinois TIF Statute

Funds necessary to pay for public improvements and other project costs eligible under the Act are to be derived principally from property tax increment revenues, proceeds from municipal obligations, if any, to be retired primarily with tax increment revenues and interest earned on resources available but not immediately needed for the Redevelopment Plan and Project.

“Redevelopment Project Costs” specifically contemplate those eligible costs set forth in the Act. The majority of development costs will be privately financed, and TIF or other public sources are to be used, subject to approval by the City Council, only to leverage and commit private redevelopment activity.

The tax increment revenues which will be used to pay debt service on the municipal obligations, if any, and to directly pay redevelopment project costs shall be the incremental increase in property taxes attributable to the increase in the equalized assessed value of each taxable lot, block, tract or parcel of real property in the RPA over and above the initial equalized assessed value of each such lot, block, tract or parcel in the RPA in the 2000 tax year for the RPA.

Among the other sources of funds which may be used to pay for redevelopment project costs and debt service on municipal obligations issued to finance project costs are the following: certain local sales or utility taxes, special service area taxes, the proceeds of property sales, certain land lease payments, certain Motor Fuel Tax revenues, certain state and federal grants or loans, certain investment income, and such other sources of funds and revenues as the City may from time to time deem appropriate. Pursuant to the Act, the City may utilize property tax increment revenues from contiguous Redevelopment Project Areas to fund eligible redevelopment costs that are incurred as part of the Redevelopment Plan and Project. Property tax increment derived from the North Campustown Area RPA may also be used to fund eligible redevelopment project costs in contiguous RPAs designated by the City.

The Redevelopment Project Area would not reasonably be expected to be developed in a coordinated manner without the use of the incremental revenues provided by the Act.

G. Nature and Term of Obligations to be Issued

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

Any and/or all obligations issued by the City pursuant to this Redevelopment Plan and Project and the Act shall be retired not more than twenty-three (23) years from the date of adoption of the ordinance approving the Redevelopment Project Area. However, the final maturity date of any obligations issued pursuant to the Act may not be later than twenty (20) years from their respective date of issuance. One or more series of obligations may be issued from time to time in order to implement this Redevelopment Plan and Project. The total principal and interest payable in any year on all obligations shall not exceed the amount available in that year or projected to be available in that year, may be payable from tax increment revenues and from bond sinking funds, capitalized interest, debt service reserve funds, and all other sources of funds as may be provided by ordinance, including tax increment revenues from contiguous RPAs.

Those revenues not required for principal and interest payments, for required reserves, for bond sinking funds, for redevelopment project costs, for early retirement of outstanding securities, and to facilitate the economical issuance of additional bonds necessary to accomplish the Redevelopment Plan, may be declared surplus and shall then become available for distribution annually to taxing districts overlapping the RPA in the manner provided by the Act.

Such securities may be issued on either a taxable or tax-exempt basis, as general obligation or revenue bonds, with either fixed rate or floating interest rates; with or without capitalized interest; with or without deferred principal retirement; with or without interest rate limits except as limited by law; and with or without redemption provisions, and on such other terms, all as the City may determine.

H. Most Recent Equalized Assessed Valuation (EAV) of Properties in the Redevelopment Project Area

The most recent estimate of equalized assessed valuation (EAV) for tax year 2000 of the property within the RPA is approximately \$7,529,220 for the RPA. The Boundary Map, Exhibit 2, shows the location of the RPA.

I. Anticipated Equalized Assessed Valuation (EAV)

Upon completion of the anticipated private development of the Redevelopment Project Area over a twenty-three (23) year period, it is estimated that the equalized assessed valuation (EAV) of the property within the Redevelopment Project Area will increase by approximately \$8,500,000 to \$15,000,000, depending upon the scope of the projects and actual market conditions.

VII. DESCRIPTION AND SCHEDULING OF REDEVELOPMENT PROJECT

A. Redevelopment Project

An implementation strategy will be employed with full consideration given to the availability of both public and private funding. It is anticipated that a phased redevelopment will be undertaken.

The Redevelopment Project will begin as soon as the private entities have obtained financing approvals for appropriate projects and such uses are conformant with City zoning and planning requirements. Depending upon the scope of the development as well as the actual uses, the following activities may be included in each phase:

Land Assembly: Certain properties in the RPA may be acquired and assembled into an appropriate redevelopment site.

Demolition/Site Preparation/Environmental Remediation: The existing improvements located within the southern portion of the RPA may have to be reconfigured or prepared to accommodate new uses or expansion plans. Demolition on parcels located to the south of the RPA may be necessary for future projects. Additionally, the redevelopment plan contemplates site preparation, or other requirements necessary to prepare the site for desired redevelopment projects, including environmental clean-up.

Rehabilitation: The City may assist in the rehabilitation of buildings or site improvements located within the RPA including the site of the Marquette School.

Landscaping/Buffering/Streetscaping: The City may fund certain landscaping projects, which serve to beautify public properties or rights-of-way and provide buffering between land uses. Existing or proposed open space/recreational improvements may also be addressed including Scott Park.

Water, Sanitary Sewer, Storm Sewer and Other Utility Improvements: Certain utilities may be extended or re-routed to serve or accommodate the new development. Upgrading of existing utilities may be undertaken. The provision of necessary detention or retention facilities may also be undertaken by the City.

Roadway/Street/Parking Improvements: Widening and/or improvement of existing road improvements and/or vacation of roads may be undertaken by the City. Certain secondary streets/roads may be extended or constructed. Related sidewalk, curb, gutter, and paving improvements could also be constructed as needed. Parking facilities may be constructed that would be available to the general public.

Utility services may also be provided or relocated in order to accommodate the renovation or expansion of buildings.

Traffic Control/Signalization: Traffic control or signalization improvements that improve access to the RPA and enhance its redevelopment may be constructed.

Public Safety Related Infrastructure: Certain public safety improvements including, but not limited to, public signage, public facilities, and streetlights may be constructed or implemented.

Interest Rate Write Down: The City may fund a portion of interest costs incurred by a developer for construction, renovation or rehabilitation of a redevelopment project. Such funding would be paid for out of annual tax increment revenue generated from the RPA as allowed under the Act.

Professional Services: The City may fund necessary planning, legal, engineering, administrative and financing costs during project implementation. The City may reimburse itself for eligible administrative costs pursuant to the Act.

B. Commitment to Fair Employment Practices and Affirmative Action

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

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

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

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

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

C. Completion of Redevelopment Project and Retirement of Obligations to Finance Redevelopment Costs

This Redevelopment Project and retirement of all obligations to finance redevelopment costs will be completed within twenty-three (23) years after the adoption of an ordinance designating the Redevelopment Project Area. The actual date for such completion and retirement of obligations shall not be later than December 31 of the year in which the payment to the municipal treasurer pursuant to the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year in which the ordinance approving the RPA is adopted. The actual construction activities for expected projects are anticipated to be completed within approximately fifteen (15) years.

VIII. PROVISIONS FOR AMENDING THE TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT

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

EXHIBIT 1
LEGAL DESCRIPTION

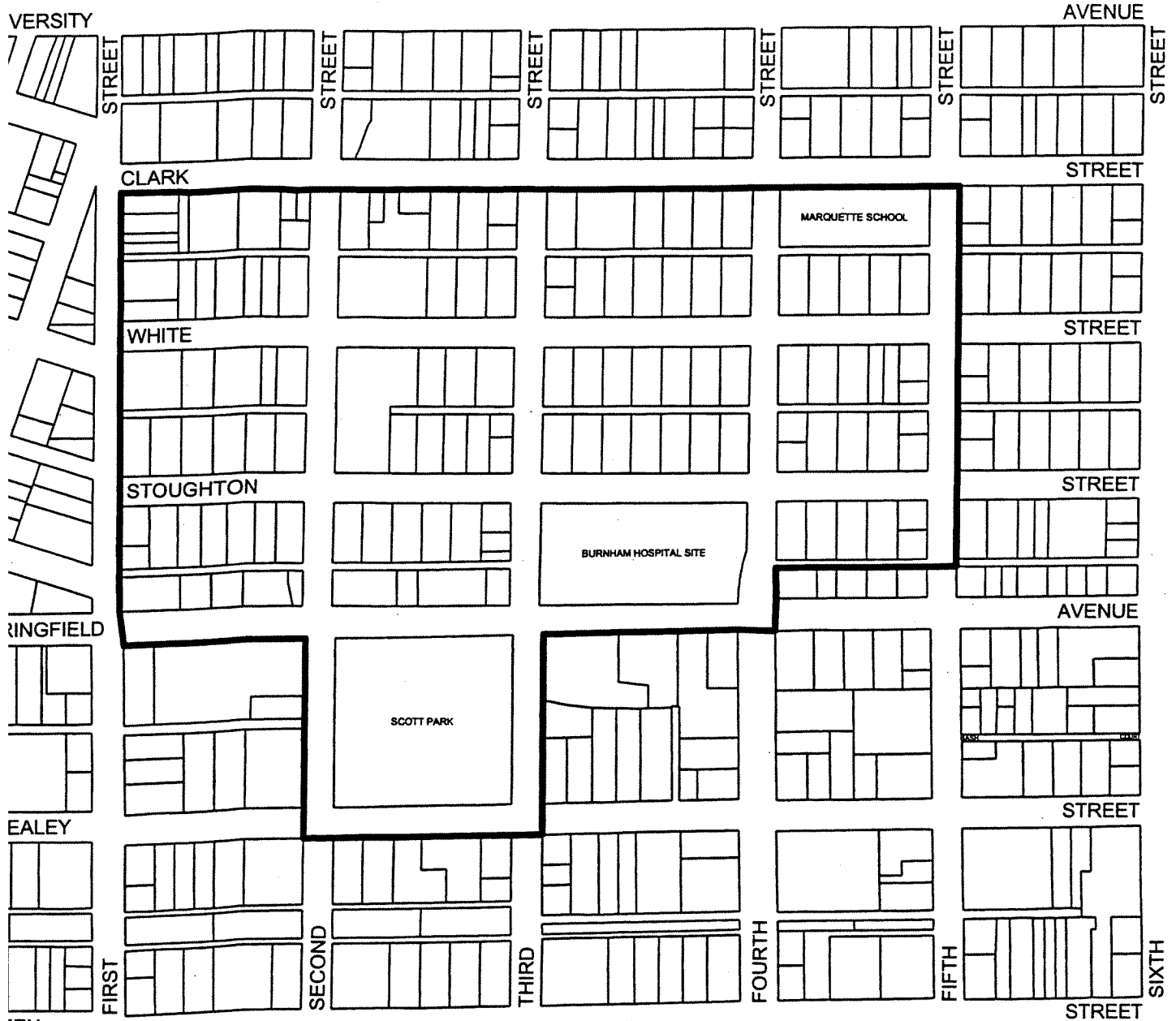
North Campustown TIF Redevelopment Project Area Legal Description

In the City of Champaign, part of Section 7, Township 19 North, Range 9 East and Section 18, Township 19 North, Range 9 East, of the 3rd Principal Meridian, Champaign County, Illinois, more particularly described as follows:

Commencing at the point of beginning, which is located at the northwest corner of Lot 5 of Block 1 of Kirkpatrick's Addition, said corner also being the intersection of the east right-of-way line of First Street and the south right-of-way line of Clark Street; thence east a distance of 1847 feet more or less along said south right-of-way line to the northwest corner of Lot 128 of Master in Chancery Subdivision of S. Pt. Lot 1 of Section 7, said corner also being the intersection of the south right-of-way line of Clark street and the east right-of-way line of Fifth Street; thence south a distance of 841.5 feet more or less along the east right-of-way line Fifth Street to the northwest corner of Lot 219 of Master in Chancery Subdivision of S. Pt. Lot 1 of Section 7, said corner also being the intersection of the south right-of-way line of an alley running east-west between Fifth and Sixth Streets and Springfield Avenue and Stoughton Street and the east right-of-way line of Fifth Street; thence west a distance of 396 feet more or less along the said south right-of-way line extended to the northwest corner of Lot 224 of said Master in Chancery Subdivision, said corner also being the intersection of the south right-of-way line of an alley running east-west between Fourth and Fifth Streets and Springfield Avenue and Stoughton Street and the east right-of-way line of Fourth Street; thence south along the east right-of-way line of Fourth Street a distance of 132 feet more or less to the northwest corner of Lot 1 of Block 3 of J. S. Wright's Addition, said corner also being the intersection of the east right-of-way line of Fourth Street and the south right-of-way line of Springfield Avenue; thence west along the south right-of-way line of Springfield Avenue extended a distance of 517 feet more or less to the northwest corner of Lot 6 of Block 1 of Scott's Subdivision Blocks 2, 3, 4, 5 and Pt. of Block 1, said corner also being the intersection of the south right-of-way line of Springfield Avenue and the east right-of-way line of Third Street; thence south along the east right-of-way line of Third Street a distance of 440 feet more or less to the northwest corner of Lot 4 of Huff's Subdivision, said corner also being the intersection of the east right-of-way line of Third Street and the south right-of-way line of Healey Street, thence west along the south right-of-way line of Healey Street extended a distance of 528 feet more or less to the northeast corner of Lot 1 of Block 8 of Scott's Subdivision Blocks 6, 7, 8, 9, 12, 13, 14 and 15, said corner also being the intersection of the south right-of-way line of Healey Street and the west right-of-way line of Second Street; thence north along the west right-of-way line of Second Street extended a distance of 440 feet more or less to the northeast corner of Lot 1 of Block 3 of Scott's Subdivision Blocks 2, 3, 4, 5 and Pt. of Block 1, said corner also being the intersection of the west right-of-way line of Second Street and the south right-of-way line of Springfield Avenue; thence west along the south right-of-way line of Springfield Avenue a distance of 396 feet more or less to the northwest corner of Lot 6 of Block 3 of Scott's Subdivision Blocks 2, 3, 4, 5 and Pt. of Block 1, said corner also being the intersection of the south right-of-way line of Springfield Avenue and the east right-of-way line of First Street, thence north along the east right-of-way line of First Street extended a distance of 980 feet more or less to the Point of Beginning containing 45 acres, more or less, all situated in the City of Champaign, Champaign County, Illinois.

EXHIBIT 2
BOUNDARY MAP

NORTH CAMPUSTOWN REDEVELOPMENT AREA BOUNDARY MAP TIF DISTRICT #3



:EN
 North Campus Redevelopment V:\Legal\boundary\ncp.n.dwg
 : 9/18/01 by CM
 10/8/01 by CM

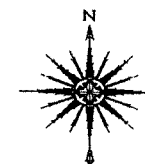
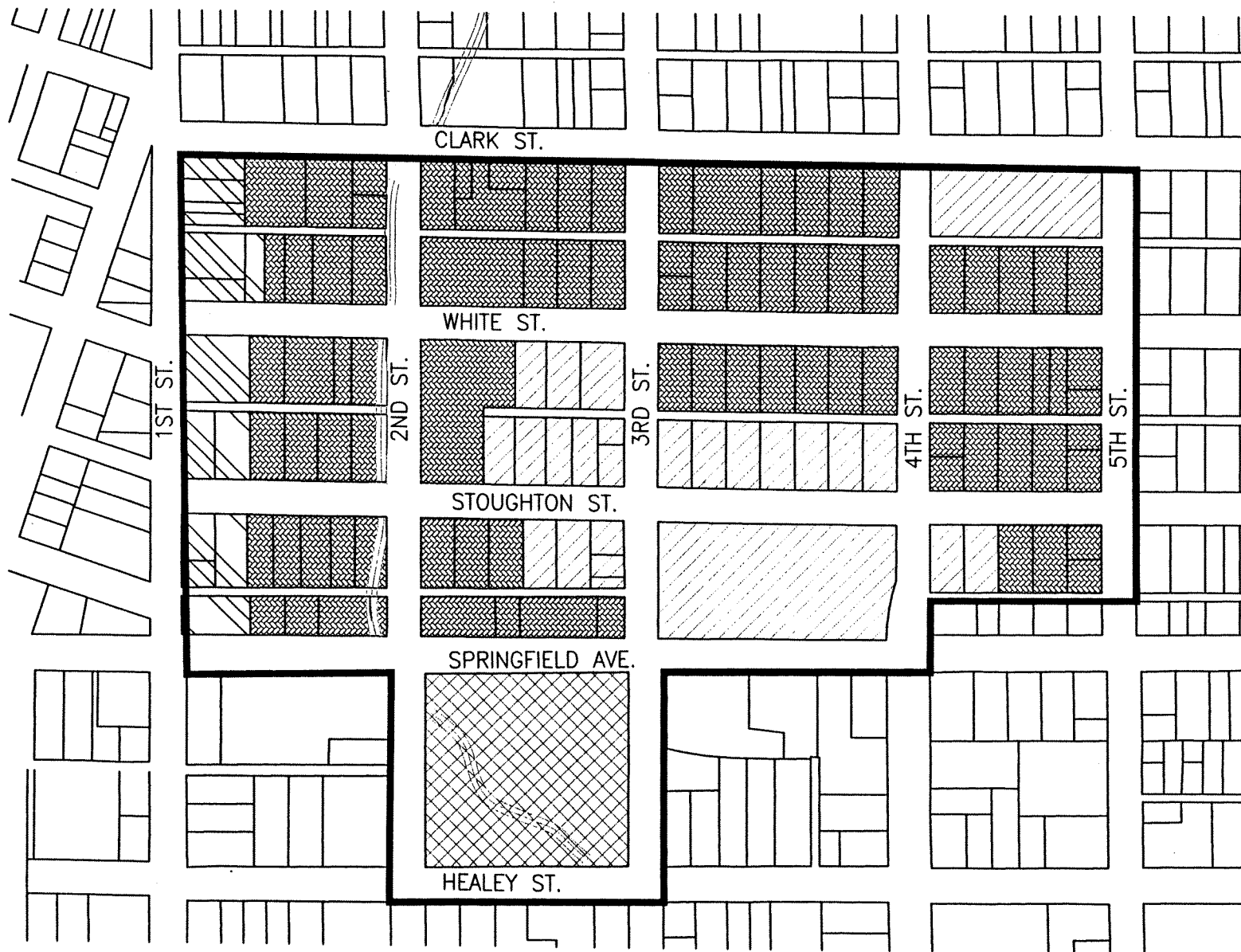
PROPOSED TIF BOUNDARY



EXHIBIT 3

EXISTING LAND USE MAP

Existing Land Use



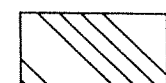
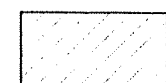


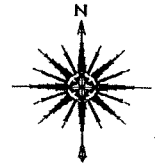
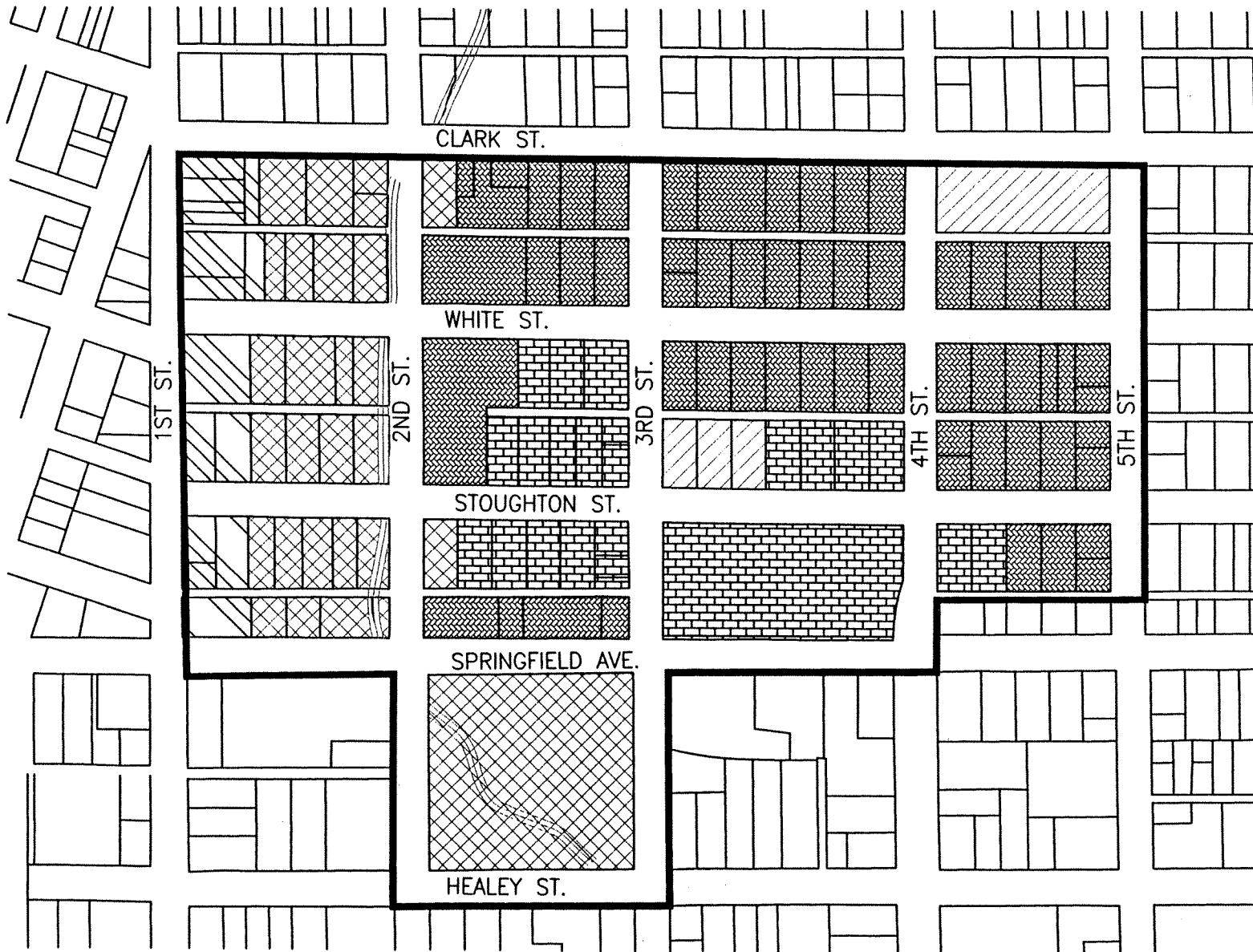
-  Commercial
-  Institutional
-  Residential
-  Parks and Open Space



EXHIBIT 4

PROPOSED LAND USE MAP

Proposed Future Land Use




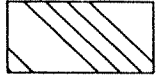

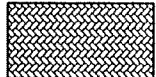

-  Mixed Use Development
-  Commercial
-  Institutional
-  Residential
-  Parks and Open Space



EXHIBIT 5

TIF QUALIFICATION/DESIGNATION REPORT

**CITY OF CHAMPAIGN
QUALIFICATION/DESIGNATION REPORT
PROPOSED NORTH CAMPUSTOWN TIF DISTRICT**

A study to determine whether all or a portion of an area located in the City of Champaign qualifies as a conservation area as set forth in the definition in the Tax Increment Allocation Redevelopment Act of 65 ILCS Section 5/11-74.4-1, et seq. of the Illinois Compiled Statutes as amended (the "TIF Act").

Prepared For: City of Champaign, Illinois

Prepared By: Kane, McKenna and Associates, Inc.

September, 2001

**CITY OF CHAMPAIGN
QUALIFICATION REPORT
PROPOSED NORTH CAMPUSTOWN TIF DISTRICT**

TABLE OF CONTENTS

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MAP

Proposed RPA Boundary Map

EXHIBIT 1

Property Identification Number List

I. INTRODUCTION AND BACKGROUND

In the context of planning for a Proposed Champaign Redevelopment Project No. 3, the City of Champaign (the "City") has initiated action related to the study of the Proposed Redevelopment Area (the "Proposed RPA") in its entirety to determine whether it qualifies for consideration as a Tax Increment Financing ("TIF") District. Kane, McKenna and Associates, Inc. ("KMA"), in accordance with such resolutions, has agreed to undertake the study of the area.

The Proposed RPA is generally bounded on the north by Clark Street, on the east by Fifth Street, on the south by Springfield Avenue and also extends south to include Scott Park, and on the west by First Street. The former Burnham Hospital facility and related properties are also included. The Proposed RPA excludes the frontage parcels located north of Springfield Avenue between Fourth and Fifth Streets.

The Proposed RPA consists of residential single-family and multi-family uses, retail/commercial properties, institutional uses, and recreational/open space properties.

The Proposed RPA suffers from deficiencies related to deterioration, inadequate utilities, deleterious layout, and lack of community planning. The rate of growth in property values within the Proposed RPA has lagged behind the City's overall growth for three of the last five (5) years.

The area consists of approximately one hundred thirty-two (132) tax parcels and one hundred (100) structures. Over 50% of the buildings are thirty-five (35) years old or greater.

The development of the Proposed RPA can be characterized as having been influenced by the proximity to the University of Illinois Campus and requirements for primarily multi-unit residential structures. In addition, the former Burnham Hospital facility occupies large tracts of land in the south portion of the Proposed RPA. Lot depth and the presence of single purpose buildings limit the availability of land for mixed uses that could maximize arterial frontage along Springfield Avenue or within the Proposed RPA.

From a City economic development perspective, the Proposed RPA represents a significant potential for development. The City has identified a number of goals and objectives for area development, including infrastructure improvements and upgrades, and emphasis on mixed use related development for the largely underutilized former Burnham Hospital complex in the south part of the area. A potential strength of the area is the redevelopment of the former hospital facility. The redevelopment could assist the City to accomplish objectives related to infrastructure upgrades and could provide the necessary resources to address the removal of the former hospital structures located within the Proposed RPA.

The City is mindful of the existing residential uses within the Proposed RPA. Because of this, the City wishes to coordinate any new commercial and residential use development within the Proposed RPA and ensure that development occurs within the guidelines of the City's comprehensive plan.

The qualification factors discussed with this Report qualify the area described below as a "conservation area", as such term is hereinafter defined pursuant to the TIF Act.

The City has reviewed the Proposed RPA for possible development for a period of time. In planning for this potential development, the City has conducted a review of possible land uses for the area. The zoning and land use plans include the existence of residential uses located within the area. A key goal of the City is to promote the development of underutilized sites and to encourage the redevelopment or renovation of the existing improved sites in order to improve tax base.

There are currently numerous uses within the Proposed RPA. Because of this, it will be difficult to develop the area in a coordinated manner. It has been determined that in order to encourage redevelopment to the area, the City must improve infrastructure improvements to the area and coordinate the reuse of the former hospital facility – which occupies the largest amount of area within the Proposed RPA.

The City is concerned that the Proposed RPA may to be underutilized and, therefore, require public funds to attract private investment. Additionally, the leveraging of the infrastructure and planning efforts would be impacted by adjacent redevelopment and would require coordination with any large scale redevelopment plan.

The creation and utilization of a TIF redevelopment plan is being investigated by the City to help provide the assistance required to eliminate conditions detrimental to successful redevelopment of the Proposed RPA.

II. QUALIFICATION CRITERIA USED

With the assistance of City staff, Kane, McKenna and Associates, Inc. examined the Proposed RPA from June to July, 2001 and reviewed information collected for the area to determine the presence or absence of appropriate qualifying factors listed in the Illinois "Real Property Tax Increment Allocation Act" (hereinafter referred to as "the Act") Ch. 65 ILCS Section 5/11-74.4-1 et. seq. of the Illinois Compiled Statutes, as amended. The relevant sections of the Act are found below.

The Act sets out specific procedures which must be adhered to in designating a redevelopment project area. By definition, a "Redevelopment Project Area" is:

"an area designated by the municipality, which is not less in the aggregate than 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 a blighted area or a conservation area, or a combination of both blighted area and conservation area."

A. Conservation Area

The Act defines a "conservation area" as follows:

"Conservation area" means any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but because of a combination of 3 or more of the following factors may be considered as a "conservation area":

- (A) Dilapidation: An advanced state of disrepair or neglect of necessary repairs to the primary structural components of buildings or improvements in such a combination that a documented building condition analysis determines that major repair is required or the defects are so serious and so extensive that the buildings must be removed.
- (B) Obsolescence: The condition or process of falling into disuse. Structures become ill-suited for the original use.

- (C) Deterioration: With respect to buildings, defects including, but not limited to, major defects in the secondary building components such as doors, windows, porches, gutters and downspouts and fascia. With respect to surface improvements, that the condition of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas evidence deterioration, including, but not limited to, surface cracking, crumbling, potholes, depressions, loose paving material and weeds protruding through paved surfaces.
- (D) Presence of Structures Below Minimum Code Standards: All structures that do not meet the standards of zoning, subdivision, building, fire and other governmental codes applicable to property, but not including housing and property maintenance codes.
- (E) Illegal Use of Individual Structures: The use of structures in violation of applicable federal, State, or local laws, exclusive of those applicable to the presence of structures below minimum code standards.
- (F) Excessive Vacancies: The presence of buildings that are unoccupied or under-utilized and that represent an adverse influence on the area because of the frequency, extent or duration of the vacancies.
- (G) Lack of Ventilation, Light, or Sanitary Facilities: The absence of adequate ventilation for light or air circulation in spaces or rooms without windows, or that require the removal of dust, odor, gas, smoke or other noxious airborne materials. Inadequate natural light and ventilation means the absence of skylights or windows for interior spaces or rooms and improper window sizes and amounts by room area to window area ratios. Inadequate sanitary facilities refer to the absence or inadequacy of garbage storage and enclosure, bathroom facilities, hot water and kitchens and structural inadequacies preventing ingress and egress to and from all rooms and units within a building.
- (H) Inadequate Utilities: Underground and overhead utilities such as storm sewers and storm drainage, sanitary sewers, water lines and gas, telephone and electrical services that are shown to be inadequate. Inadequate utilities are those that are: (i) of insufficient capacity to serve the uses in the redevelopment project area; (ii) deteriorated, antiquated, obsolete or in disrepair; or (iii) lacking within the redevelopment project area.

- (I) Excessive Land Coverage and Overcrowding of Structures and Community Facilities: The over-intensive use of property and the crowding of buildings and accessory facilities onto a site. Examples of problem conditions warranting the designation of an area as one exhibiting excessive land coverage are: (i) the presence of buildings either improperly situated on parcels or located on parcels of inadequate size and shape in relation to present-day standards of development for health and safety and (ii) the presence of multiple buildings on a single parcel. For there to be a finding of excessive land coverage, these parcels must exhibit one or more of the following conditions: insufficient provision for light and air within or around buildings, increased threat of spread of fire due to the close proximity of buildings, lack of adequate or proper access to a public right-of-way, lack of reasonably required off-street parking or inadequate provision for loading service.
- (J) Deleterious Land-Use or Layout: The existence of incompatible land-use relationships, buildings occupied by inappropriate mixed-uses or uses considered to be noxious, offensive or unsuitable for the surrounding area.
- (K) Environmental Clean-Up: The proposed redevelopment project area has incurred Illinois Environmental Protection Agency or United States Environmental Protection Agency remediation costs for, or a study conducted by an independent consultant recognized as having expertise in environmental remediation has determined a need for the clean-up of hazardous waste, hazardous substances or underground storage tanks required by State or federal law, provided that the remediation costs constitute a material impediment to the development or redevelopment of the redevelopment project area.
- (L) Lack of Community Planning: The proposed redevelopment project area was developed prior to or without the benefit or guidance of a community plan. This means that the development occurred prior to the adoption by the municipality of a comprehensive or other community plan or that the plan was not followed at the time of the area's development. This factor must be documented by evidence of adverse or incompatible land-use relationships, inadequate street layout, improper subdivision, parcels of inadequate shape and size to meet contemporary development standards or other evidence demonstrating an absence of effective community planning.

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

B. Blighted Area

Under the Act, "blighted area" means any improved or vacant area within the boundaries of a redevelopment project area located within the territorial limits of the municipality where:

- (1) If improved, industrial, commercial and residential buildings or improvements are detrimental to the public safety, health or welfare because of a combination of five (5) or more of the following factors, each of which is (i) present, with that presence documented, to a meaningful extent so that a municipality may reasonably find that the factor is clearly present within the intent of the Act; and (ii) reasonably distributed throughout the improved part of the redevelopment project area.

Note: The "conservation area" factors described above are applicable to the "improved blighted area" designation. The municipality is required to evidence five (5) factors other than the age threshold (50% or more of the structures area thirty-five (35) old or greater) and three (3) factors that are required for a "conservation area".

III. THE PROPOSED RPA

The Proposed RPA consists of approximately one hundred thirty-two (132) tax parcels and one hundred (100) structures. Land uses are mixed. Single-family and multi-family uses are interspersed with commercial and institutional uses located primarily at the perimeters of the south, east and west sections of the Proposed RPA. Some of these parcels include vacant lots or minor site improvements (parking lots).

The tax year 2000 Equalized Assessed Valuation (EAV) for the Proposed RPA is approximately \$7,529,220.

IV. METHODOLOGY OF EVALUATION

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

- 1) Site surveys of the Proposed RPA were undertaken by representatives from Kane, McKenna and Associates, Inc. Site surveys were completed for all parcels located within the proposed area.
- 2) Exterior evaluation of structures, noting depreciation, deterioration, or dilapidation as well as vacancies or possible code violations was completed by KMA. The code inspections were conducted by the City.
- 3) The area was studied in relation to review of available planning reports, City ordinances, land surveys, flood maps, local history, and an evaluation of area-wide factors that have affected the area's development (e.g., lack of community planning, obsolescence, deleterious layout, etc.). Kane, McKenna reviewed the area in its entirety. City redevelopment goals and objectives for the area have also been established and reviewed.
- 4) Existing structures and site conditions were initially surveyed only in the context of checking, to the best and most reasonable extent available, criteria factors of specific structures and site conditions on the parcels.
- 5) The Proposed RPA was examined to assess the applicability of the different factors, for both improved land and vacant land, required for qualification for TIF designation under the Act. Evaluation was made by reviewing the information and determining how each measured when evaluated against the relevant factors. Improved land within the Proposed RPA was examined to determine the applicability of the conservation or blighted factors for qualification for TIF designation under this statute.

V. QUALIFICATION OF PROPOSED RPA/FINDINGS OF ELIGIBILITY

As a result of KMA's evaluation of each parcel in the Proposed RPA, and analysis of each of the eligibility factors summarized in Section II, the following factors are presented to support qualification of the Proposed RPA as a "conservation" area.

THRESHOLD FACTOR

1) Age

Based upon site surveys and City data, 54% (or fifty-four (54) of the one hundred (100) structures) were found to be thirty-five years of age or greater.

OTHER CONSERVATION AREA FACTORS

2) Inadequate Utilities

Based upon City data and KMA review, sanitary sewer improvements are required throughout the Proposed RPA. Stormwater detention improvements are also area-wide in scope and involve proposed Boneyard Creek improvements. Many of the improvements along Fourth Street are over forty (40) years old. Streetlights also require upgrades throughout the area.

3) Obsolescence

Obsolescence is defined as the condition or process of falling into disuse. This can also be defined as a structure(s) that has become ill-suited for its original use. The area contains several structures which are ill-suited for their original use. Almost 30% of the structures are seventy (70) to one hundred (100) years old and were designed for primarily single-family uses. The former Burnham Hospital site includes structures and site improvements that were designed for a single use, and evidences both economic and functional obsolescence.

4) Deleterious Land Use

Deleterious land use (or layout) is defined as the existence of incompatible land use relationships, buildings occupied by inappropriate mixed-uses, or uses unsuitable for the surrounding area.

The Proposed RPA has been developed from the turn of the century until the early 1990's. Over 30% of the structures were constructed before 1950 (many structures were built in the late 1890's or early 1900's). Almost 50% of the structures were built post World War II; from the 1950's to the 1970's. Roughly 12% of the structures were constructed post 1980.

The building "phases" correspond to different points in the City's planning history. As a result, there is little coordinated parking among the uses. Open space provisions are very limited throughout the Proposed RPA north of Springfield Avenue (see below). Commercial loading and parking is located adjacent to residential uses (east of First Street). The former Burnham Hospital occupies a significant portion of the south area along Springfield Avenue.

Multi-unit apartment structures occupy large portions of the lots, limiting open space opportunities and areas for off-street parking. The east/west street widths are narrow, limiting on-street parking availability.

5) Lack of Community Planning

An area suffers from a lack of community planning if the area was developed prior to or without the benefit of a community plan. The lack of community planning has contributed to excessive land coverage, deleterious layout and inadequate utilities. Over 80% of the structures were developed prior to the adoption of the revised City Zoning Ordinance in 1985 and the current planning regarding stormwater management improvements associated with Boneyard Creek.

According to the Champaign Park District Long-Range Plan (1994), the Park District seeks to continue to cooperate in the design and development of improvements along the Boneyard. This would serve to address deficiencies associated with the lack of open space throughout the area.

6) Excessive Land Coverage

Excessive land coverage includes the over-intensive use of property and crowding of buildings onto a site. Findings may be evidenced by several factors, including the presence of multiple buildings on the site, lack of reasonably required off-street parking or inadequate provision for loading and service. The Proposed RPA exhibits several parcels with multiple buildings and over 80% of the buildings were developed prior to the introduction of parking standards that currently match parking availability to the number of bedrooms and bedroom sizes, rather than to dwelling units. In addition, loading and storage requirements were also revised by the City.

7) Equalized Assessed Valuation (EAV) Analysis

The EAV of the Proposed RPA has grown at a rate slower than the balance of the City for more than three (3) of the last five (5) calendar years (refer to chart below).

<u>Year</u>	<u>Proposed RPA EAV</u>	<u>Percent Change</u>	<u>Balance of City EAV (1)</u>	<u>Percent Change</u>
2000	\$ 7,529,220(2)	5.19%	\$ 772,470,780	5.67%
1999	7,157,760	4.18%	731,019,752	4.85%
1998	6,870,580	0.73%	697,219,260	4.61%
1997	6,820,650	0.51%	666,465,695	5.97%
1996	6,785,960	3.01%	628,896,534	6.58%
1995	6,587,840		590,072,338	

(1) Less: Proposed RPA EAV.

(2) The RPA was reassessed in 2000 and the reassessment accounts for the majority of the growth.

Source: City of Champaign.

8) Deterioration of Structures and Site Improvements

Pursuant to the Act, deterioration can be evidenced in major or secondary building defects. For example, such defects include, but are not limited to, defects in building components such as windows, porches, gutters and doors.

With respect to surface improvements, deterioration was found related to roadways, driveways, walkways and curbs. Off-street parking areas evidence deterioration, including, but not limited to, surface cracking, potholes, depressions and loose paving materials.

Various degrees of deterioration were identified on thirty-six (36) or 27% of the parcels within the area. According to on-site inspections performed by KMA and documented by site surveys and photographic analysis, some of the site improvements and structures contained the following signs of deterioration:

- Missing, damaged gutters
- Rusted, damaged siding
- Rotted wood frames and/or exterior siding or eaves
- Rotten wood porches or framing materials
- Cracked and damaged concrete steps and porches

9) Excessive Vacancies

The Act defines this factor to include the presence of unoccupied or underutilized buildings that represent an adverse influence on the area.

Based upon review with City staff, the Burnham Hospital has been vacant since 1993. The State of Illinois currently owns the facility and reuse as a hospital is not forecast. Environmental concerns (see below) limit efficient reuse and the building design reflects a special use as a hospital facility. Long-term development opportunities will most likely require the razing of the existing buildings (constructed from the late 1920's to the 1960's).

Given the size of the facility and location, the reuse or future use for the site is important for the surrounding area.

10) Environmental Clean-Up

An independent study by the City's consultants, Schneider Geoscience P.C., identifies significant costs associated with asbestos abatement throughout the former Burnham Hospital facilities. Preliminary estimates (May, 2001) place the cost at \$1,450,000. The cost does not include other potential concerns including: mercury vapor and PCB's (fluorescent lights, electrical medical equipment), possible liquid mercury, lead shielding in the walls of the x-ray labs and other rooms, lead paint, possible radioactive sources, and hazardous materials including medicine, laboratory chemicals, cleaners, and materials used by the mechanical and maintenance departments. These conditions serve as an impediment to any future redevelopment of the site.

VI. SUMMARY OF FINDINGS AND OVERALL ASSESSMENT OF QUALIFICATION

The following is a summary of relevant qualification findings as it relates to potential designation of the Proposed Redevelopment Project Area (RPA) by the City as a Tax Increment Finance (TIF) District. The findings herein pertain to the Proposed RPA.

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

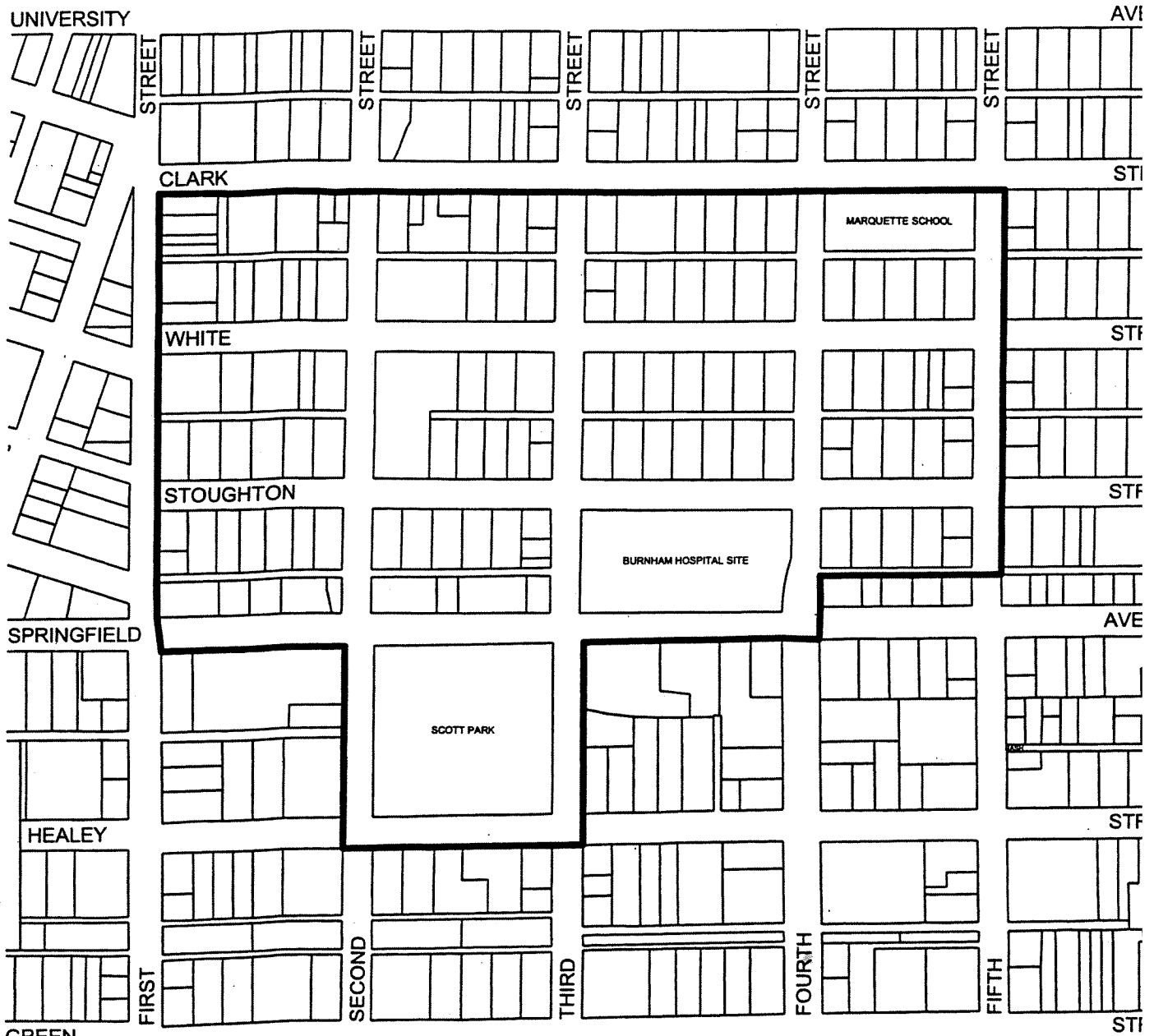
These findings, in the judgment of KMA, provide the City with sufficient justification to consider designation of the Proposed RPA as a TIF District.

The area has not benefited from coordinated planning efforts by either the public or private sectors. There is a need to focus redevelopment efforts relating to infrastructure, property reuse, and the improvement of existing building inventory.

The Burnham Hospital site, if considered separately, could qualify as a “blighted area”. The area is contiguous and greater than 1½ acres in size. However, the Proposed RPA, when considered as a whole, evidences qualification factors that would enable the City to designate the entire area as a “conservation area” as defined in the TIF Act.

PROPOSED RPA BOUNDARY MAP

NORTH CAMPUSTOWN REDEVELOPMENT AREA BOUNDARY MAP TIF DISTRICT #3



G:\TIF\North Campus Redevelopment\W3\legalboundary.nopin.dwg
 Revised : 9/19/01 by CM
 10/8/01 by CM

— PROPOSED TIF BOUNDARY



EXHIBIT 1

Property Identification Number List

46-21-07-352-001	46-21-07-356-003	46-21-07-360-015
46-21-07-352-002	46-21-07-356-004	46-21-07-360-016
46-21-07-352-003	46-21-07-356-005	46-21-07-361-001
46-21-07-352-004	46-21-07-356-006	46-21-07-361-002
46-21-07-352-006	46-21-07-356-007	46-21-07-361-003
46-21-07-352-007	46-21-07-356-008	46-21-07-361-004
46-21-07-352-008	46-21-07-356-012	46-21-07-361-005
46-21-07-352-009	46-21-07-356-013	46-21-07-361-006
46-21-07-352-010	46-21-07-356-014	46-21-07-361-007
46-21-07-352-011	46-21-07-356-015	46-21-07-361-008
46-21-07-352-012	46-21-07-357-005	46-21-07-361-009
46-21-07-352-013	46-21-07-357-006	46-21-07-361-010
46-21-07-352-014	46-21-07-357-007	46-21-07-361-011
46-21-07-352-015	46-21-07-357-010	46-21-07-361-012
46-21-07-352-016	46-21-07-357-011	46-21-07-361-013
46-21-07-352-017	46-21-07-357-012	46-21-07-361-014
46-21-07-352-018	46-21-07-357-013	46-21-07-362-001
46-21-07-352-019	46-21-07-357-014	46-21-07-377-002
46-21-07-353-001	46-21-07-357-015	46-21-07-377-003
46-21-07-353-002	46-21-07-357-016	46-21-07-377-004
46-21-07-353-005	46-21-07-358-001	46-21-07-377-005
46-21-07-353-006	46-21-07-358-002	46-21-07-377-006
46-21-07-353-007	46-21-07-358-003	46-21-07-378-001
46-21-07-353-008	46-21-07-358-004	46-21-07-378-002
46-21-07-353-009	46-21-07-358-005	46-21-07-378-003
46-21-07-353-010	46-21-07-358-006	46-21-07-378-004
46-21-07-353-011	46-21-07-358-007	46-21-07-378-005
46-21-07-353-012	46-21-07-358-008	46-21-07-378-006
46-21-07-353-013	46-21-07-358-012	46-21-07-378-007
46-21-07-354-001	46-21-07-358-015	46-21-07-378-008
46-21-07-354-002	46-21-07-358-016	46-21-07-378-009
46-21-07-354-003	46-21-07-358-017	46-21-07-378-010
46-21-07-354-004	46-21-07-360-001	46-21-07-378-011
46-21-07-354-005	46-21-07-360-004	46-21-07-378-012
46-21-07-354-006	46-21-07-360-005	46-21-07-378-013
46-21-07-354-009	46-21-07-360-006	46-21-07-378-014
46-21-07-354-010	46-21-07-360-007	46-21-07-379-001
46-21-07-354-011	46-21-07-360-008	46-21-07-379-002
46-21-07-354-013	46-21-07-360-009	46-21-07-379-003
46-21-07-354-014	46-21-07-360-010	46-21-07-379-004
46-21-07-354-015	46-21-07-360-011	46-21-07-379-005
46-21-07-354-016	46-21-07-360-012	46-21-07-379-006
46-21-07-356-001	46-21-07-360-013	46-21-18-102-001
46-21-07-356-002	46-21-07-360-014	

RESOLUTION NO. 4488

RESOLUTION EXPRESSING NO OBJECTION TO CITY OF CHAMPAIGN'S
PROPOSED TAX INCREMENT FINANCE DISTRICT AND PROPOSED
REDEVELOPMENT PLAN FOR THE
PROPOSED NORTH CAMPUSTOWN REDEVELOPMENT PROJECT

WHEREAS, the City of Champaign has proposed a tax increment finance (TIF) district to encompass the area described in Appendix A, attached hereto and incorporated herein by reference;

WHEREAS, the City of Champaign has proposed a Redevelopment Plan to govern a redevelopment project in said TIF district, attached hereto as Appendix B, and incorporated herein by reference;

WHEREAS, Champaign County is a taxing district with authority to tax property and certain sales of goods within the area described in Appendix A;

WHEREAS, the City of Champaign is required by law to offer to other taxing districts with authority over areas affected by a TIF district a chance to protest in writing before implementing a tax increment financing plan (65 ILCS 5/11-74.4-5(a)); and

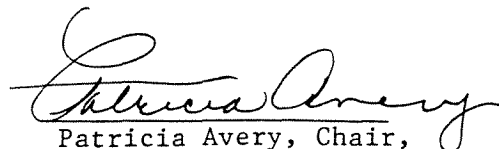
WHEREAS, the Champaign County Board has reviewed the proposed Redevelopment Plan attached hereto as Appendix B, and finds that it does not compromise the interests of Champaign County as a taxing district with authority over the area described in Appendix A;

NOW, THEREFORE, BE IT RESOLVED by the Champaign County Board as follows:

Champaign County, as a taxing district with authority over the area described in Appendix A, has no objection to a Redevelopment Plan substantially the same as that described in Appendix B, or the proposed TIF district to include the area described in Appendix A, and Champaign County is offering no written protest as to these proposals;

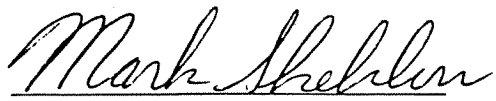
While Champaign County does not object to or protest the proposed TIF district or the proposed Redevelopment Plan at this time, Champaign County expressly reserves the right to object in the future to the extent the proposed TIF district differs substantially from that described in Appendix A, and to the extent the proposed Redevelopment Plan differs substantially from that described in Appendix B.

PRESENTED, PASSED, APPROVED AND RECORDED this 18th day of December, A.D. 2001.



Patricia Avery, Chair,
Champaign County Board,
Champaign County, Illinois

ATTEST:



Mark Shelden,
Champaign County Clerk &
Ex Officio Clerk of the County,
Champaign County, Illinois

Appendix A

North Campustown TIF Redevelopment Area Legal Description

In the City of Champaign, part of Section 7, Township 19 North, Range 9 East and Section 18, Township 19 North, Range 9 East, of the 3rd Principal Meridian, Champaign County, Illinois, more particularly described as follows:

Commencing at the point of beginning, which is located at the northwest corner of Lot 5 of Block 1 of Kirkpatrick's Addition, said corner also being the intersection of the east right-of-way line of First Street and the south right-of-way line of Clark Street; thence east a distance of 1847 feet more or less along said south right-of-way line to the northwest corner of Lot 128 of Master in Chancery Subdivision of S. Pt. Lot 1 of Section 7, said corner also being the intersection of the south right-of-way line of Clark Street and the east right-of-way line Fifth Street; thence south a distance of 841.5 feet more or less along the east right-of-way line of Fifth Street to the northwest corner of Lot 219 of Master in Chancery Subdivision of S. Pt. Lot 1 of Section 7, said corner also being the intersection of the south right-of-way line of an alley running east-west between Fifth and Sixth Streets and Springfield Avenue and Stoughton Street and the east right-of-way line of Fifth Street; thence west a distance of 396 feet more or less along the said south right-of-way line extended to the northwest corner of Lot 224 of said Master in Chancery Subdivision, said corner also being the intersection of the south right-of-way line of an alley running east-west between Fourth and Fifth Streets and Springfield Avenue and Stoughton Street and the east right-of-way line of Fourth Street; thence south along the east right-of-way line of Fourth Street a distance of 132 feet more or less to the northwest corner of Lot 1 of Block 3 of J. S. Wright's Addition, said corner also being the intersection of the east right-of-way line of Fourth Street and the south right-of-way line of Springfield Avenue; thence west along the south right-of-way line of Springfield Avenue extended a distance of 517 feet more or less to the northwest corner of Lot 6 of Block 1 of Scott's Subdivision Blocks 2, 3, 4, 5 and Pt. Of Block 1, said corner also being the intersection of the south right-of-way line of Springfield Avenue and the east right-of-way line of Third Street; thence south along the east right-of-way line of Third Street a distance of 440 feet more or less to the northwest corner of Lot 4 of Huff's Subdivision, said corner also being the intersection of the east right-of-way line of Third Street and the south right-of-way line of Healey Street, thence west along the south right-of-way line of Healey Street extended a distance of 528 feet more or less to the northeast corner of Lot 1 of Block 8 of Scott's Subdivision Blocks 6, 7, 8, 9, 12, 13, 14, and 15, said corner also being the intersection of the south right-of-way line of Healey Street and the west right-of-way line of Second Street; thence north along the west right-of-way line of Second Street extended a distance of 440 feet more or less to the northeast corner of Lot 1 of Block 3 of Scott's Subdivision Blocks 2, 3, 4, 5

and Pt. Of Block 1 said corner also being the intersection of the west right-of-way line of Second Street and the south right-of-way line of Springfield Avenue; thence west along the south right-of-way line of Springfield Avenue a distance of 396 feet more or less to the northwest corner of Lot 6 of Block 3 of Scott's Subdivision Blocks 2, 3,4, 5 and Pt. Of Block 1, said corner also being the intersection of the south right-of-way line of Springfield Avenue and the east right-of-way line of First Street, thence north along the east right-of-way line of First Street extended a distance of 980 feet more or less to the Pint of Beginning containing 45 acres, more or less, all situated in the City of Champaign, Champaign County, Illinois.

for JJ.
from J. Hooper

COUNCIL BILL NO. 2002-014

AN ORDINANCE

APPROVING A TAX INCREMENT REDEVELOPMENT PLAN
AND REDEVELOPMENT PROJECT FOR THE NORTH CAMPUSTOWN
REDEVELOPMENT PROJECT AREA

WHEREAS, it is desirable and in the best interest of the citizens of the City of Champaign, Champaign County, Illinois (the "City"), for the City to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment and redevelopment project (the "Plan and Project") within the municipal boundaries of the City within a proposed redevelopment project area (the "Area") described in Section 1(a) of this Ordinance, which Area constitutes in the aggregate more than one and one-half acres; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Mayor and City Council of the City (the "Corporate Authorities") called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for January 15, 2002; and

WHEREAS, due notice with respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on November 21, 2001, by publication on December 19, 2001, and December 26, 2001, and by certified mail to taxpayers within the Area on December 17, 2001; and

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

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHAMPAIGN, CHAMPAIGN COUNTY, ILLINOIS, as follows:

Section 1. Findings. That the Corporate Authorities hereby make the following findings:

a. The Area is legally described in Exhibit A, attached hereto and incorporated herein as if set out in full by this reference. The general location of the Area is described as follows:

Bounded on the north by Clark Street, on the east by Fifth Street, on the west by First Street, and on the south by Springfield Avenue (and also extending south to include Scott Park).

The map of the Area is depicted on Exhibit B, attached hereto and incorporated herein as if set out in full by this reference.

b. There exist conditions that cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a conservation area as defined in Section 11-74.4-3(b) of the Act.

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

d. The Plan and Project conform to the comprehensive plan for the development of the City as a whole, as reflected in the City's zoning map.

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

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

Section 2. Plan and Project Approved. That the Plan and Project, which were the subject matter of the public hearing held on January 15, 2002, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

Section 3. Invalidation of Any Section. That if any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 4. Superseder and Effective Date. All ordinances, resolutions, motions, or orders in conflict herewith shall be, and the same hereby are, repealed to the extent of such conflict, and this Ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

Section 5. The City Clerk is hereby directed to send a copy of this Council Bill to Bruce Knight, Planning Director, Craig Rost, Assistant City Manager for Development, and Whitney Kelly, Planner II, the County Clerk's Office, and the City Attorney.

Section 6. That the Planning Department shall transmit to the County Clerk of Champaign County the following:

- a) A certified copy of each of the ordinances adopting tax increment financing, designating the project area, and this ordinance approving the plan and project
- b) A legal description of the redevelopment project area
- c) A map of the redevelopment project area
- d) Identification of the year that the County Clerk shall use for determining the total initial equalized assessed value of the project area
- e) A list of the parcel of tax identification numbers of each parcel of property included in the redevelopment project area


COUNCIL BILL. NO. 2002 – 014

APPROVED: _____
Mayor

PASSED:

ATTEST: _____
City Clerk

APPROVED AS TO FORM:



City Attorney

G:TIF/North Campustown Redevelopment/Establishing Ordinance 1

Exhibit A

Legal Description

North Campustown TIF Redevelopment Project Area Legal Description

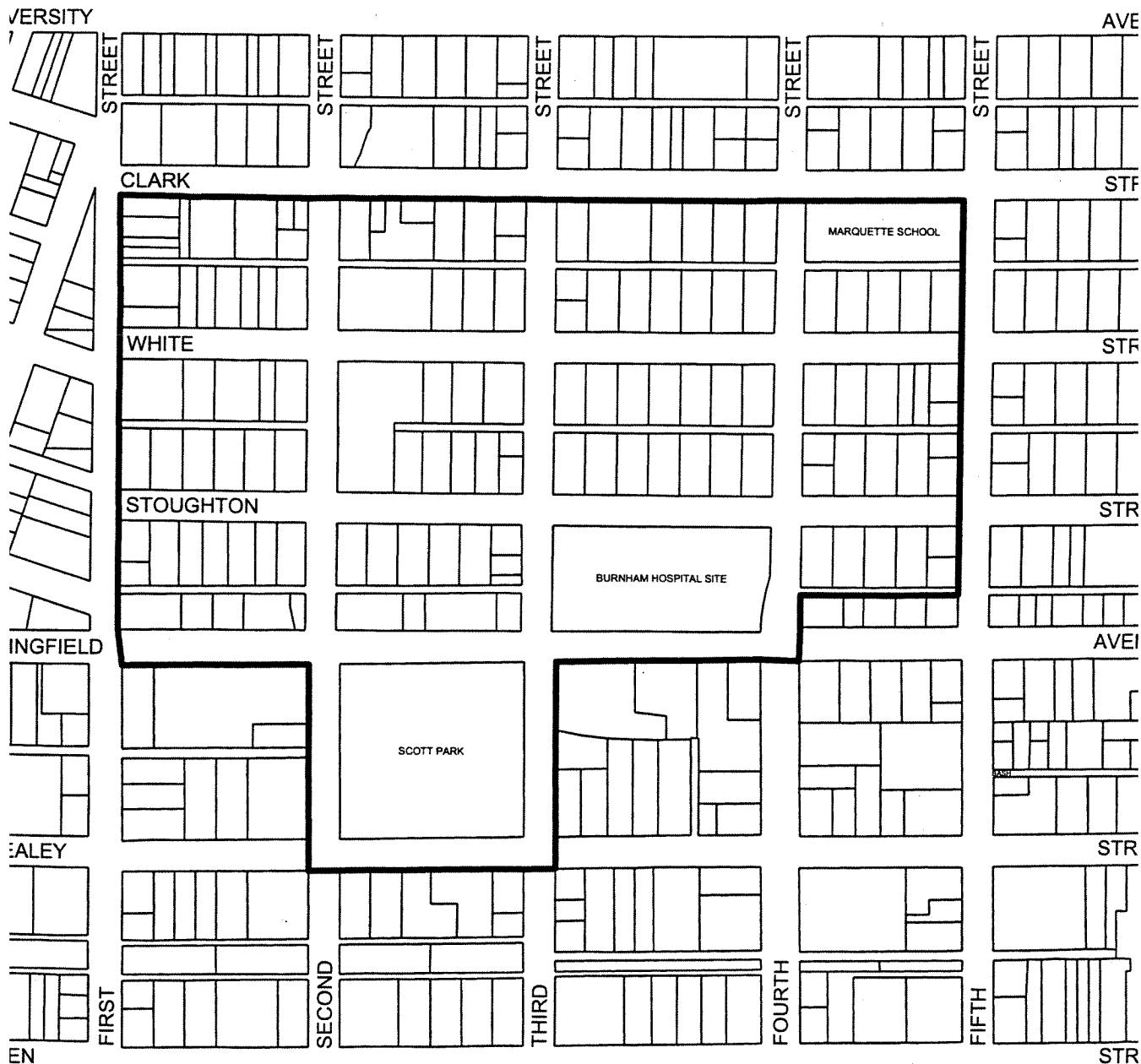
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Exhibit B

Map of the North Campustown Redevelopment Area

NORTH CAMPUSTOWN REDEVELOPMENT AREA BOUNDARY MAP TIF DISTRICT #3



North Campus Redevelopment: tif3legalboundary.nopin.dwg
9/19/01 by CM
10/8/01 by CM

———— PROPOSED TIF BOUNDARY



Exhibit C

North Campustown Redevelopment Plan and Project