
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: TONY SPECIALE, DIRECTOR OF PUBLIC WORKS
BRAD MERKEL, UTILITIES SUPERVISOR
SUBJECT: RESOLUTION: AUTHORIZING AN AGREEMENT FOR WATER AND
SEWER CONNECTIONS AND PATHWAYS WITH CONOCOPHILLIPS
AGENDA: JANUARY 17, 2012: REGULAR BOARD MEETING
DATE: JANUARY 12, 2012

ISSUE

Should the Village Board authorize an agreement for the connection of water and sewer lines and pathways at the ConocoPhillips and Castle Bank properties to the Village Water System.

DISCUSSION

Due to a Leaking Underground Storage Tank at the ConocoPhillips gas station, ConocoPhillips has elected to connect the gas station property as well as Castle Bank to the Village's Water and Sewer System. The private wells at both locations along with the shared septic field will be abandoned once the water and sewer line installations are complete.

In addition, ConocoPhillips will provide the Village with funds to facilitate the construction of a bike path and sidewalk on the property boundaries. The proposed terms for the contribution are as follows:

- ConocoPhillips will pay \$34,800.00 to the Village within 30 days of execution of this agreement.
- The Village will be responsible for initiating, managing and completing the sidewalk and bike path extensions.
- The Village will initiate any required easement construction within one year after easements have been obtained.
- The Village will be responsible for obtaining all easements and permits
- The funds are to be used strictly for the installation of the bike path and sidewalk extensions. Should there be remaining funds after the project is complete, the funds are at the disposal of the Village. Further, the Village agrees not to seek reimbursement for any costs in excess of the contribution.
- ConocoPhillips will install a fire hydrant on the property

- The Village will provide a full release to ConocoPhillips for the completed water main extension across IL Route 47 directly west of the property.

Additionally, the Village agrees to expedite the review and approval process for water and sewer line installations.

COST

There is no cost associated with the approval of the Water and Sewer Connection Agreement with ConocoPhillips at this time.

RECOMMENDATION

The Village Board approves Resolution #**20120117PW1** authorizing an agreement for Water and Sewer Connections with ConocoPhillips.



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

Resolution No. 2012-0117PW1

**A Resolution approving an Agreement with ConocoPhillips
for the Village of Sugar Grove,
Kane County, Illinois**

Adopted by the
Board of Trustees and President
of the Village of Sugar Grove
this 17th day of January, 2012.

Published in Pamphlet Form
by authority of the Board of Trustees
of the Village of Sugar Grove, Kane County,
Illinois, this 17th day of January, 2012.

RESOLUTION NO. _____

**A Resolution approving an Agreement with ConocoPhillips
for the Village of Sugar Grove,
Kane County, Illinois**

BE IT RESOLVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows;

WHEREAS, the Village of Sugar Grove is not a home rule municipality within Article VII, Section 6A of the Illinois Constitution and, pursuant to the powers granted to it under 65 ILCS 5/1-1 *et seq.*; and,

WHEREAS, the Village and ConocoPhillips wish to enter into an agreement concerning the construction of certain improvements at the location of ConocoPhillips property at the location of 201 Route 47 & East Galena Blvd in the Village,

NOW THEREFORE BE IT RESOLVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows;

SECTION ONE: APPROVAL OF AGREEMENT

The Village hereby approves the Agreement attached hereto as Exhibit A and authorizes the Village President, Clerk and staff to execute said Agreement and take such actions as are necessary to effectuate said Agreement.

SECTION TWO: GENERAL PROVISIONS

REPEALER: All resolutions or portions thereof in conflict with this resolution are hereby repealed.

SEVERABILITY: Should any provision of this Resolution be declared invalid by a court of competent jurisdiction, the remaining provisions will remain in full force and effect the same as if the invalid provision had not been a part of this Resolution.

EFFECTIVE DATE: This Resolution shall be in full force and effect on and after its approval, passage and publication in pamphlet form as provided by law.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012.

P. Sean Michels,
President of the Board of Trustees
of the Village of Sugar Grove, Kane
County, Illinois

ATTEST: _____
Cynthia L. Galbreath
Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Mari Johnson	___	___	___	___
Trustee Thomas Renk	___	___	___	___
Trustee Rick Montalto	___	___	___	___
Trustee Robert E. Bohler	___	___	___	___
Trustee David Paluch	___	___	___	___
Trustee Kevin M. Geary	___	___	___	___



Jeff Tracy
582 Phillips Building
420 S. Keeler Ave.
Bartlesville, OK 74004
Phone: (918) 661-5014

January 4, 2012

VIA: CERTIFIED MAIL, RETURN RECEIPT REQUESTED AND EMAIL

Village of Sugar Grove
Richard Young – Community Development Director
10 South Municipal Drive
Sugar Grove, IL 60054

RE: Sugar Grove/ConocoPhillips Agreement

Mr. Young:

In response to Leaking Underground Storage Tank IEMA #20031708, known as the former ConocoPhillips gas station site located at 201 Route 47 & East Galena Blvd. Sugar Grove, IL (the “Property”), and along with oversight from Illinois Environmental Protection Agency (IEPA), ConocoPhillips has elected to provide city water and sewer installation to the Property and to Castle Bank, adjacently located at 36 East Galena Blvd, Sugar Grove, IL. The drinking water wells on both properties, and shared septic field, will be abandoned once the water and sewer line installations are complete.

In addition to the above, ConocoPhillips will provide the Village of Sugar Grove, IL (the “Village”) with funds to facilitate the construction of a bike path and sidewalk on the Property boundaries. Below is a list of the proposed terms for ConocoPhillips’ contribution:

- ConocoPhillips will pay thirty-four thousand eight hundred and No/100 (\$34,800.00) to the Village within 30 days of execution of this letter. In consideration for such payment, the Village will be responsible for initiating, managing and completing the sidewalk and bike path extensions in general conformance with the final HR Green engineering documents utilized by ConocoPhillips for the water and sewer line installation at the station property. ConocoPhillips shall provide an electronic copy of the engineering documents to the Village and the Village shall have the right to amend and use the plans as needed. The Village will initiate any required easement construction within one year of the date of payment by ConocoPhillips or within one year after easements have been obtained. The Village will be responsible for obtaining all easements and permits to commence and complete the sidewalk and bike path. These funds are to be used strictly for the installation of the bike path and sidewalk extensions. In the event there are any remaining funds after project completion, the remaining funds are at the disposal of the Village

for improvements elsewhere. The Village agrees to not seek reimbursement from ConocoPhillips, and/or the owner of the Property, for any costs in excess of the contribution for completion of the sidewalk and bike path extensions.

- ConocoPhillips will install a fire hydrant on the Property to provide adequate fire suppression coverage for the Property.
- The Village will provide a full release to ConocoPhillips, without demand for reimbursement, for the completed water main extension across Highway 47, directly west of the Property, which was completed by the Village. This water main extension was a deviation from the Village's original proposal to ConocoPhillips for consideration of reimbursement and was performed prior to any written agreement between the parties.

The Village agrees to expedite the review and approval process for water and sewer line installations, for which the Village has authority. The Village will not unreasonably prevent ConocoPhillips from completing the installation of water and sewer lines at the Property and the installation of a sewer line at Castle Bank.

If the above meets with your understanding of our agreement, please sign this letter below and return to me. Once received, I will present to our management for execution and return a fully executed copy to you for your file. Should you have any questions, please do not hesitate to contact me.

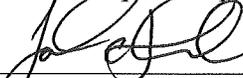
Sincerely,



Jeff Tracy

cc: File

ConocoPhillips Company

By: 
Name: John E. SIKOPNIK
Title: MANAGER - RMR
Date: 1/7/2012

Village of Sugar Grove

By: _____
Name: _____
Title: _____
Date: _____



Jeff Tracy
582 Phillips Building
420 S. Keeler Ave.
Bartlesville, OK 74004
Phone: (918) 661-5014

January 4, 2012

VIA: CERTIFIED MAIL, RETURN RECEIPT REQUESTED AND EMAIL

Village of Sugar Grove
Richard Young – Community Development Director
10 South Municipal Drive
Sugar Grove, IL 60054

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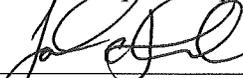
Sincerely,



Jeff Tracy

cc: File

ConocoPhillips Company

By: 
Name: John E. SIKOPNIK
Title: MANAGER - RMR
Date: 1/7/2012

Village of Sugar Grove

By: _____
Name: _____
Title: _____
Date: _____

**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: RICHARD YOUNG, COMMUNITY DEVELOPMENT DIR.
SUBJECT: RESOLUTION DECLARING A DEFAULT BY STILLWATER LAND DEVELOPMENT, LLC AND THE NATIONAL BANK FOR THE DEVELOPMENT KNOWN AS PRAIRIE GLEN UNITS 1 AND 2.
AGENDA: JANUARY 17, 2012 REGULAR VILLAGE BOARD MEETING.
DATE: JANUARY 12, 2012

ISSUE

Should the Village establish that Stillwater Land Development, LLC and the National Bank have defaulted on its obligations for the completion of subdivision improvements within the development known as Prairie Glen Units 1 and 2.

DISCUSSION

On October 5, 2010, the Village Board approved a 4th amendment to the Prairie Glen Development Agreement. This amendment allowed for partial acceptance of completed public improvements, i.e. final surface course of the streets, pathways and punchlist items and further requested that the normal maintenance period be reduced and the LOC's be reduced and /or eliminated if improvement were completed by the end of 2010. Since that time the developer completed the majority of the referenced punchlist items with the final surface course of the streets being the major item. What remains to be completed and reviewed are the revised As-Built or record drawings.

Staff finds the need to call the Letters of Credit at this time in order to work towards the completion of this first phase of the development and acceptance of the public improvements. As a part of this process, a demand letter for Letters of Credit needs to be sent to the owners this property and the bank for development surety filed with the Village.

The Village Clerk is authorized to take the actions necessary to make the demand on said letters of credit including presenting the issuers with a letter from the Village demanding payment accompanied by the certificate of the Village Clerk certifying the basis for the default and demand on these surety bonds.

ATTACHMENTS

1. Resolution declaring a default by the developer.

COST

There are unknown costs for the Village Attorneys services associated with this action because of the unknown duration of time required.

RECOMMENDATION

That the Village Board approve A Resolution Declaring a Default by Stillwater Land Development, LLC and the National Bank for the Development Known as Prairie Glen Units 1 and 2 in the Village of Sugar Grove and to authorize the Village Staff and the Village Attorney to move forward with the demand on the Letter of Credits in a timely manner.

RESOLUTION NO. 2012-0117RD

A Resolution Declaring a Default by Stillwater Land Development, LLC and The National Bank for the Development known as Prairie Glen Units 1 and 2 in the Village of Sugar Grove, Kane County, Illinois

WHEREAS, Prairie Glen is a subdivision development in the Village of Sugar Grove; and

WHEREAS, Stillwater Land Development, LLC and The National Bank have posted pursuant to state law and local ordinances a Letters of Credit to secure their obligations for certain improvements in the Village of Sugar Grove; and,

WHEREAS, the Village finds that Stillwater Land Development and The National Bank have defaulted on their obligations for said improvement; and,

NOW, THEREFORE, BE IT RESOLVED by the Village President and the Board of Trustees of the Village of Sugar Grove as follows:

- 1) The Village hereby finds that Stillwater Land Development and The National Bank are in default under its obligations for the development known as Prairie Glen Units 1 and 2 and hereby declares a default pursuant to irrevocable standby Letters of Credit Numbers 41-101-07, 41-102-07 and 41-103-07 issued by The National Bank, Yorkville, IL.
- 2) The basis for said default under said Letter of Credit is as follows:
 - a) That the owner and/or developer have failed to complete or carry on the work of the installation and construction of the required improvements.
 - b) That the Village of Sugar Grove has determined that the owner and/or developer has demonstrated that they will be unable to complete the improvement
 - c) That the aforesaid improvements have not been completed by the developer under the terms of the amended development agreement.
- 3) That the Village Clerk is authorized to take such actions as are necessary to make demand on said Letter of Credit including, but not limited to, presenting the Issuer with a letter from the Village Clerk of the Village of Sugar Grove demanding payment accompanied by the certificate of the Village Clerk of the Village of Sugar Grove certifying the basis for the default and demand on this Letter of Credit.

PASSED AND APPROVED by the President and Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17st day of January 17, 2012

P. Sean Michels
President of the Board of Trustees
Of the Village of Sugar Grove, Kane
County, Illinois

ATTEST: _____
Cynthia L. Galbreath
Clerk, Village of Sugar Grove

	Aye	Nay	Absent	Abstain
Trustee Mari Johnson	___	___	___	___
Trustee Thomas Renk	___	___	___	___
Trustee Rick Montalto	___	___	___	___
Trustee Robert E. Bohler	___	___	___	___
Trustee David Paluch	___	___	___	___
Trustee Kevin M. Geary	___	___	___	___

**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: ANTHONY SPECIALE, DIRECTOR OF PUBLIC WORKS
GEOFF PAYTON, STREETS & PROPERTIES SUPERVISOR
SUBJECT: DISCUSSION: COMPREHENSIVE STREET MAINTENANCE
IMPROVEMENT PROGRAM UPDATE
AGENDA: JANUARY 17, 2012 COMMITTEE OF THE WHOLE
DATE: JANUARY 10, 2012

ISSUE

Discussion of the update to the Comprehensive Street Maintenance Program Study.

DISCUSSION

In the summer of 2003, the Village contracted with Engineering Enterprises, Inc. (EEI) to develop a Comprehensive Street Maintenance Improvement Program. This study is used to determine the condition of Village roadways and develop a multi-year plan for maintenance and upkeep. It is also used to help plan the annual Motor Fuel Tax Program. Over the past three years, improvements such as curb and gutter, storm sewer and asphalt overlays have been completed utilizing this document.

As the Village has grown and the existing roadways have aged, it is important to revise, update and monitor the Village's Comprehensive Street Maintenance Improvement Program. The first update was completed in 2006. In the past five years, several changes and improvements have taken place and a second update has been completed. This update has allowed for revisions to the roadway improvement schedule, as well as provided an updated database for Village Officials and Staff reflecting roadways that have been added or improved over the past five years.

The update consists of the following services:

1. Street Network Identification and Definition
2. Condition Survey and Assessment
3. Pavement Evaluation and Condition Prediction
4. Economic Analysis
5. Develop Plan and Prioritization
6. Document and Report

Representatives for EEI will be on hand to present the update and answer any questions as needed.

COST

The total cost for Engineering Enterprises, Inc. to update the Comprehensive Street Maintenance Improvement Program Study was \$4,850.00.

RECOMMENDATION

The Village Board discusses with Staff the update to the Comprehensive Street Maintenance Improvement Study.



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

ORDINANCE NO. 2012-0117-A

**ORDINANCE APPROVING THE SUGAR GROVE INDUSTRIAL
REDEVELOPMENT PLAN AND PROGRAM #1**

Adopted by the
Board of Trustees and President
of the Village of Sugar Grove
this 17th day of January, 2012

Published in Pamphlet Form
by authority of the Board of Trustees
of the Village of Sugar Grove, Kane County,
Illinois, this 17th day of January, 2012.

ORDINANCE NO. 2012-0117-A

**ORDINANCE APPROVING THE SUGAR GROVE INDUSTRIAL
REDEVELOPMENT PLAN AND PROGRAM #1**

WHEREAS, the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the “Act”), defines a labor surplus municipality as a municipality in which the unemployment rate is over 6%, and 100% or more of the national average unemployment rate, for the previous six months; and

WHEREAS, the President and Board of Trustees (the “Board”) of the Village of Sugar Grove, Kane County, Illinois (the “Village”), has heretofore determined that the area within the Village, identified and legally described in the document attached hereto and incorporated herein (the “Project Area”), by reference as Exhibit “B”, meets the requirements of the Act, for an industrial park conservation area within a labor surplus municipality; and

WHEREAS, the Board has heretofore determined that, in order to promote and protect the health, safety, morals and welfare of the public, redevelopment of the Village needs to be undertaken; and, to remove and alleviate adverse conditions in the Village, it is necessary to encourage private investment and restore and enhance the tax base of the Village and the Taxing Districts by such redevelopment; and

WHEREAS, the Village has heretofore caused to be conducted an eligibility study to determine whether the proposed Sugar Grove Industrial Redevelopment Project Area #1 (the “Project Area”) described in Exhibit A qualifies as a “redevelopment project area” pursuant to the TIF Act, which study was conducted by Teska and Associates, Inc., Plainfield, Illinois (“Teska”); and

WHEREAS, the Village has heretofore evaluated various lawfully available programs to provide such assistance and has determined that the use of tax increment allocation financing is necessary to achieve the redevelopment goals of the Village for the Project Area; and

WHEREAS, Teska is a community planning firm having expertise in tax increment allocation and redevelopment financing in the State of Illinois; and

WHEREAS, Teska has concluded and has advised the Village that the Project Area qualifies as a “redevelopment project area” under Section 11-74.4 of the TIF Act; and

WHEREAS, the Village has caused the preparation of and made available for public inspection a redevelopment plan and project for the Project Area (the “Plan and Project”); and

WHEREAS, the Plan and Project set forth in writing the program to be undertaken to accomplish the objectives of the Village and includes estimated redevelopment project costs proposed for the Project Area, evidence indicating that the Project Area on the whole has not been subject to growth and development through investment by private enterprise, an assessment of the financial impact of the Project Area due to increased demand for services from taxing districts affected by the plan and programs available to address such financial impact or increased demand, the most recent equalized assessed valuation of the Project Area, an estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the Project Area, and the Plan and Project accordingly complies in all respects with the requirements of the TIF Act; and

WHEREAS, pursuant to Section 11-74.4-5 of the Act, the Board has heretofore called a public hearing (the “Hearing”) relative to the Plan and Project and the designation of the Project Area as a redevelopment project area under the TIF Act and fixed the time and place for such Hearing, being the 3rd day of January, 2012, at the Village Hall, Village of Sugar Grove, 10 S. Municipal Drive, Sugar Grove, Illinois; and

WHEREAS, due notice in respect to such Hearing was given pursuant to Section 11-74.4-5 of the TIF Act, said notice, together with a copy of the Plan and the name of a person to contact for further information, including notice by publication on December 23, 2011, and December 24, 2011, and by certified mail to the Taxing Districts and to the Department of Commerce and Community Affairs of the State of Illinois on November 18, 2011, and to the taxpayers within the Proposed Amended Area on December 21, 2011; and

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

WHEREAS, on Dec. 2nd 2011 the Joint Review Board rejected (3 Yes, 4 No, 3 Abstention vote) a motion to approve the redevelopment plan and eligibility study.

WHEREAS, the Village reviewed concerns raised by the Joint Review Board and such concerns were addressed in a memorandum from the Village’s consultants Teska Associates to Rich Young and provided via copy to the Joint Review Board (Exhibit “C”)

WHEREAS, an additional Joint Review Board meeting was conducted on Dec. 15th, 2011. At this meeting the Joint Review Board again rejected a motion to approve the redevelopment plan and eligibility study (5 Yes, 5 No vote).

WHEREAS, the Joint Review Board did not dispute the responses to initial concerns as identified in “Exhibit C”, and did not provide additional evidence or testimony identifying specific concerns regarding the eligibility of the project area as defined in Section 11-74.4-3 of the TIF Act, all as provided in Section 11-74.4-5(b) of the TIF Act;

WHEREAS, the Village held the Hearing on the 3rd day of January, 2012, at the Village Hall in the Village of Sugar Grove, 10 S. Municipal Drive, Sugar Grove, Illinois; and

WHEREAS, at the Hearing any interested person or affected Taxing District was permitted to file with the Village Clerk written objections and was heard orally in respect to any issues embodied in the notice of said Hearing, and the Village heard and determined all protests and objections at the Hearing; and

WHEREAS, the Hearing was adjourned on the 3rd day of January, 2012; and

WHEREAS, the Plan and Project set forth the factors which cause the Project Area to be blighted, and the Board has reviewed the information concerning such factors presented at the Hearing and have reviewed other studies and are generally informed of the conditions in the Project Area which could cause the area to be an “industrial park conservation area” as defined in the TIF Act; and

WHEREAS, the Board has reviewed evidence indicating that the Project Area on the whole has not been subject to growth and development through investment by private enterprise and has reviewed the

conditions pertaining to lack of private investment in the Project Area to determine whether private development would take place in the Project Area as a whole without the adoption of the proposed Plan; and

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

WHEREAS, the Board has made an assessment of the financial impact of the Project Area on, or any increased demand for, services from the taxing districts affected by the Plan and Project and have considered available programs to address such financial impact or increased demand; and

WHEREAS, the Board has reviewed the Plan and Project and also the existing Comprehensive Plan for development of the Village as a whole to determine whether the Plan and Project conform to such Comprehensive Plan of the Village.

NOW, THEREFORE, BE IT ORDAINED by the President and Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

Section 1. Findings. The Board hereby makes the following findings:

(a) The Project Area, as described in Exhibit A, is hereby designated as a redevelopment project area pursuant to Section 11-74.4 of the Act. The Project Area is legally described in the document attached hereto and incorporated herein as Exhibit “A” and identified on the map attached hereto and incorporated herein as Exhibit “B” as the Project Area.

(b) There exist conditions that cause the Project Area to qualify as a redevelopment project area under the TIF Act and to be classified as an industrial park conservation area as defined in Section 11-74.4 of the TIF Act.

(c) The Project 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) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is December 31, 2035, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is December 31, 2035.

(e) The parcels of real property in the Project Area are contiguous with each other, and only those contiguous parcels of real property and improvements thereon that will be substantially benefited by the Project improvements are included in the Project Area.

Section 2. Exhibit Incorporated by Reference. The Plan and Project that were the subject matter of the Hearing are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit "A" attached hereto and incorporated herein as if set out in full by this reference.

Section 3. Invalidity of Any Section. 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 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 Board and approval as provided by law.

Presented to the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012, A.D.

Passed by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012, A.D.

Robert E. Bohler _____
Mari Johnson _____
Dave Paluch _____
P. Sean Michels _____

Kevin M. Geary _____
Rick Montalto _____
Tom Renk _____

Approved and signed by me as President of the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois this 17th day of January, 2012, A.D.

P. Sean Michels, Village President

ATTEST:

Cynthia L. Galbreath, Village Clerk



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

ORDINANCE NO. 2012-0117-B

**ORDINANCE DESIGNATING THE SUGAR GROVE INDUSTRIAL
REDEVELOPMENT PROJECT AREA #1**

Adopted by the
Board of Trustees and President
of the Village of Sugar Grove
this 17th day of January, 2012

Published in Pamphlet Form
by authority of the Board of Trustees
of the Village of Sugar Grove, Kane County,
Illinois, this 17th day of January, 2012.

ORDINANCE NO. 2012-0117-B

**ORDINANCE DESIGNATING THE SUGAR GROVE INDUSTRIAL
REDEVELOPMENT PROJECT AREA #1**

WHEREAS, it is desirable and in the best interests of the citizens of the Village of Sugar Grove, Kane County, Illinois (the “Village”), for the Village 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 redevelopment plan and redevelopment project (the “Plan and Project”) within the boundaries of the Village and within the redevelopment project area (the “Project Area”) described in Section 1 of this Ordinance; and

WHEREAS, the President and Board of Trustees of the Village (the “Board”) have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Project Area designation hereinafter made, of a public hearing held on the 3rd of January, 2012, and it is now necessary and desirable to designate the Project Area as a redevelopment project area pursuant to the Act.

NOW, THEREFORE, BE IT ORDAINED by the President and Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

Section 1. Project Area Designated. The Project Area is legally described in the document attached hereto and incorporated herein as Exhibit “A” and identified on the map attached hereto and incorporated herein as Exhibit “B” as the Project Area; and the Project Area is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act.

Section 2. Invalidity of any Section. 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 3. Effective Date. This ordinance shall be in full force and effect immediately upon its passage by the Board and approval as provided by law.

Presented to the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012, A.D.

Passed by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January 2012, A.D.

Robert E. Bohler _____
Mari Johnson _____
Dave Paluch _____
P. Sean Michels _____

Kevin M. Geary _____
Rick Montalto _____
Tom Renk _____

Approved and signed by me as President of the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois this 17th day of January, 2012, A.D.

P. Sean Michels, Village President

ATTEST:

Cynthia L. Galbreath, Village Clerk



**VILLAGE OF SUGAR GROVE
KANE COUNTY, ILLINOIS**

ORDINANCE NO. 2012-0117-C

**ORDINANCE ADOPTING TAX INCREMENT FINANCING
FOR THE SUGAR GROVE INDUSTRIAL REDEVELOPMENT PROJECT AREA #1**

Adopted by the
Board of Trustees and President
of the Village of Sugar Grove
this 17th day of January, 2012

Published in Pamphlet Form
by authority of the Board of Trustees
of the Village of Sugar Grove, Kane County,
Illinois, this 17th day of January, 2012.

ORDINANCE NO. 2012-0117-C

**ORDINANCE ADOPTING TAX INCREMENT FINANCING
FOR THE SUGAR GROVE INDUSTRIAL REDEVELOPMENT PROJECT AREA #1**

WHEREAS, it is desirable and in the best interests of the citizens of the Village of Sugar Grove, Kane County, Illinois (the “Village”), for the Village to adopt 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”); and

WHEREAS, the President and Board of Trustees of the Village (the “Board”) have heretofore approved a redevelopment plan and project (the “Plan” and “Project”) as required by the Act by passage of an ordinance and have heretofore designated a redevelopment project area known as the Sugar Grove Industrial Redevelopment Project Area #1 (the “Project Area”) as required by the Act by the passage of an ordinance, and the Village has otherwise complied with all other conditions precedent to the establishment of a tax increment financing area as required by the Act.

NOW, THEREFORE, BE IT ORDAINED by the President and Trustees of the Village of Sugar Grove, Kane County, Illinois, as follows:

Section 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Project Area legally described in the document attached hereto and incorporated herein as Exhibit “A” and identified on the map attached hereto and incorporated herein as Exhibit “B” as the Project Area.

Section 2. Allocation of Ad Valorem Taxes. Pursuant to the Act, the ad valorem taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Project Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) That portion, if any, of such taxes, which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each property in the Project Area shall be allocated to and when collected shall be paid to the municipal treasurer or to his designee pursuant to Section 207A of the Revenue Act of 1939 of the State of Illinois, as amended, who shall deposit said taxes into a special fund, hereby created, and designated the “Sugar Grove Industrial Redevelopment Project Area #1 Special Tax Allocation Fund” of the Village, and such taxes shall be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

Section 3. Invalidity of Any Section. 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 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 Board and approval as provided by law.

Presented to the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012, A.D.

Passed by the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012, A.D.

Robert E. Bohler _____
Mari Johnson _____
Dave Paluch _____
P. Sean Michels _____

Kevin M. Geary _____
Rick Montalto _____
Tom Renk _____

Approved and signed by me as the President of the Board of Trustees of the Village of Sugar Grove, Kane County, Illinois, this 17th day of January, 2012, A.D.

P. Sean Michels, Village President

ATTEST:

Cynthia L. Galbreath, Village Clerk

**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: RICH YOUNG, COMMUNITY DEVELOPMENT DIRECTOR
MIKE FERENCAK, VILLAGE PLANNER
SUBJECT: PRAIRIE GROVE COMMONS UNIT 1 LOT 1
RESOLUTION: AUTHORIZING A CLARIFICATION AGREEMENT
RESOLUTION: AUTHORIZING A PLAT AMENDMENT
APPROVAL: EXTENSION OF A PDD AGREEMENT REQUIRED
COMPLETION DATE
AGENDA: JANUARY 17, 2012 REGULAR VILLAGE BOARD MEETING
DATE: JANUARY 13, 2012

ISSUE

Should the Village Board consider a request for an extension of the required completion date for the Final Planned Unit Development (Final PUD), approve a Clarification Agreement, and a Plat Amendment for Prairie Grove Commons Unit 1 Lot 1 at the northwest corner of State Route 47 and Galena Boulevard.

DISCUSSION

The applicant, PG Commons, LLC, has submitted a letter requesting extension of the completion date for the Final PUD for Prairie Grove Commons Unit 1 Lot 1. Prairie Grove Commons Unit 1 consists of Lot 1 and the portion of Division Drive right-of-way that was recently connected to Galena Boulevard. On Lot 1, PG Commons, LLC plans to construct a Walgreens store. PG Commons, LLC has made a submittal for building permit.

The Final PUD Ordinance was approved on February 3, 2009. The Zoning Ordinance Section 11-11-4-B-15 requires: "Completion: The planned unit development shall be substantially completed within the period of time specified by the petitioner, unless an extension is requested by the petitioner and approved by the village board. All planned unit development phases shall be completed within two (2) years of final planned unit development approval for that phase, except when the size or complexity dictates a longer period, as may be granted by the village board, upon request by the petitioner."

The Prairie Grove Commons Unit 1 Lot 1 Final PUD was therefore required to be completed by February 3, 2011. The applicant has requested an extension to February 3, 2013.

In addition, the applicant has requested and Staff and the Village Attorney have been working on a Clarification Agreement and a Plat Amendment that outlines timing and responsibility for the development of the Walgreens site. This is required as the ownership of the both the Walgreens site and the larger Prairie Gove Commons site have changed since the original agreement was approved.

As of the writing of this report, all of the details have not been addressed but time is of the essence and we believe these items can be addressed prior to the Board meeting. Additional information will be presented at the meeting.

COSTS

There will be review costs associated with this proposal which will be paid by the applicant.

RECOMMENDATION

That the Village Board:

1. Approve a Resolution Authorizing a Clarification Agreement for Prairie Grove Commons Lot 1, subject to attorney review.
2. Approve a Resolution Authorizing a Plat Amendment for Prairie Grove Commons Lot 1, subject to attorney review.
3. Approve an extension request for the Final PUD - Ordinance 20090203E, as requested, up to and including February 3, 2013, for Prairie Grove Commons Unit 1 Lot, subject to attorney review.

EXHIBIT "B"

Boundary Area Map
Sugar Grove, IL



November 2, 2011

LEGEND:



Railroad



Waterway

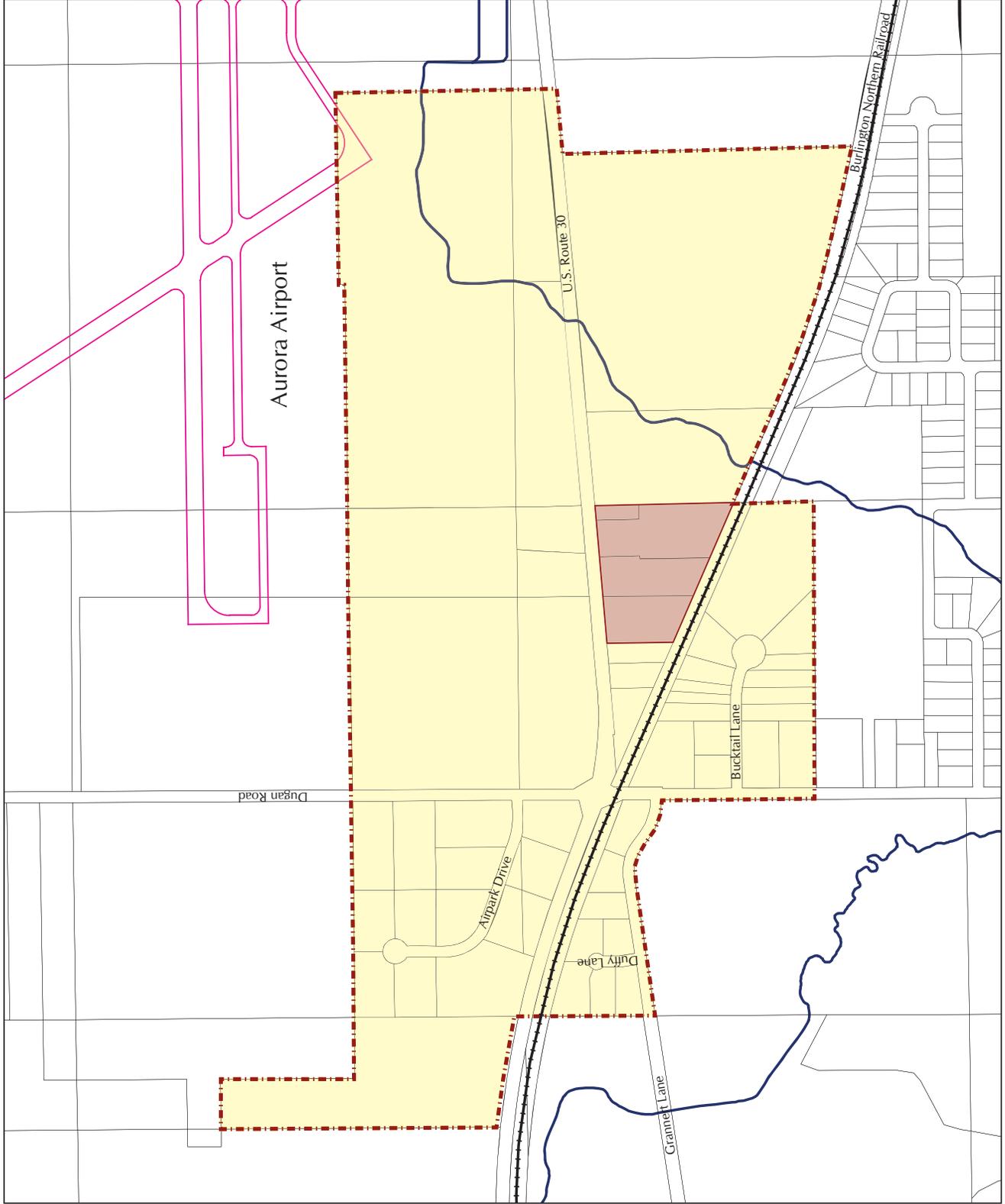


Project Area



Eligible "Conservation Area"
(within TIF Project Area)

0 575 1,150 Ft.



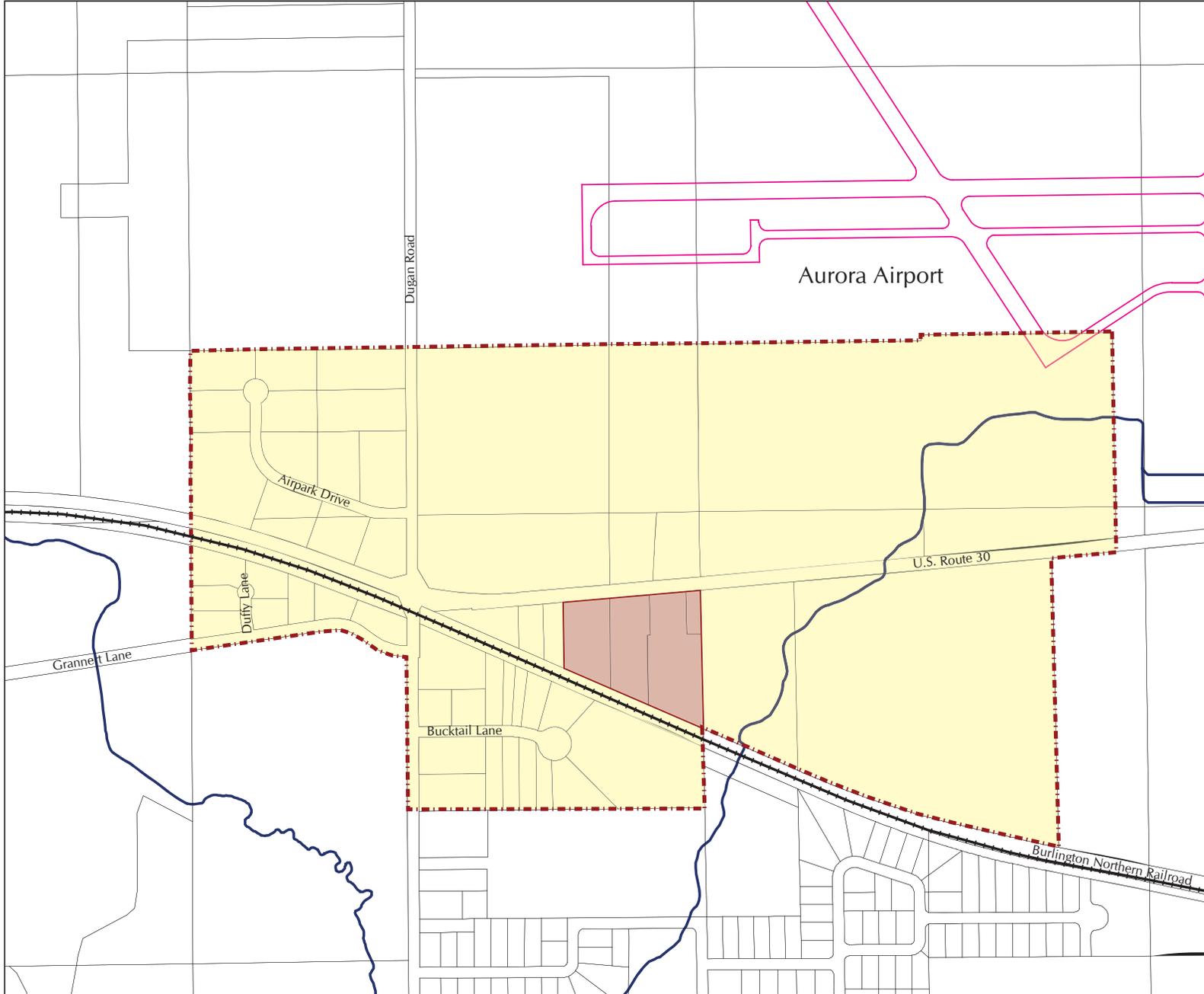


Exhibit "B"

Boundary Area Map
Sugar Grove, IL

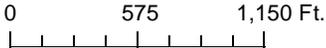


January 6, 2011



LEGEND:

-  Railroad
-  Waterway
-  Project Area
-  Eligible "Conservation Area"
(within TIF Project Area)



LEGAL DESCRIPTION

THAT PART OF SECTIONS 13 AND 24 IN TOWNSHIP 38 NORTH, RANGE 6 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF SECTIONS 18 AND 19 IN TOWNSHIP 38 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF AERO CORPORATE PARK SUBDIVISION; THENCE EASTERLY ALONG THE NORTH LINE OF SAID SUBDIVISION TO THE WEST LINE OF SAID SECTION 18; THENCE CONTINUING EASTERLY 1169.64 FEET, MORE OR LESS TO A POINT; THENCE CONTINUING EASTERLY 1830.30 FEET, MORE OR LESS TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF A PARCEL OF LAND, HAVING A P.I.N. OF 14-18-400-009, SAID LINE BEING 285.80 FEET, MORE OR LESS SOUTH OF THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE EASTERLY ALONG A LINE THAT IS PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER TO A POINT 170.30 FEET WEST OF THE EAST LINE OF SAID SECTION 18; THENCE SOUTHERLY, PARALLEL WITH SAID EAST LINE TO THE NORTH LINE OF U.S. HIGHWAY 30; THENCE WESTERLY ALONG SAID NORTH LINE TO THE INTERSECTION OF THE EAST LINE OF FARRAR-HEGERMAN SUBDIVISION EXTENDED NORTH; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTHERLY LINE OF THE BURLINGTON NORTHERN SANTA FE RAILROAD RIGHT OF WAY; THENCE NORTHWESTERLY ALONG SAID NORTH LINE TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF SUGAR GROVE INDUSTRIAL PARK UNIT 2; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID INDUSTRIAL PARK AND THE SOUTH LINE OF SUGAR GROVE INDUSTRIAL PARK UNIT 1 TO THE EAST LINE OF DUGAN ROAD; THENCE CONTINUING WESTERLY ON AN EXTENSION OF SAID SOUTH LINE 66.00 FEET TO THE WEST LINE SAID DUGAN ROAD; THENCE NORTH ALONG SAID WEST LINE TO THE SOUTH LINE OF GRANART ROAD; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE INTERSECTION THE WEST LINE OF MARQUETTE INDUSTRIAL PARK EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID WEST LINE SAID LINE ALSO BEING THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 24, TO THE NORTHEAST CORNER OF SAID WEST HALF, THENCE NORTHERLY ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13 TO THE NORTHERLY LINE OF SAID U.S. HIGHWAY 30 RIGHT OF WAY; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF A PARCEL OF LAND TAKEN BY THE CITY OF AURORA IN CASE 91EDKA 3; THENCE EASTERLY ALONG SAID SOUTH LINE TO A WESTERLY LINE OF SAID PARCEL; THENCE SOUTHERLY ALONG SAID WESTERLY LINE, 775.19 FEET; THENCE EASTERLY ALONG A SOUTHERLY LINE OF SAID PARCEL, 360.00 TO THE POINT OF BEGINNING.



SUGAR GROVE INDUSTRIAL TAX INCREMENT FINANCING DISTRICT #1

Redevelopment Plan and Program



November 2, 2011



Prepared By:
Teska Associates, Inc.

INDUSTRIAL TAX INCREMENT FINANCING DISTRICT #1

REDEVELOPMENT PLAN



Village of Sugar Grove, Illinois

November 2, 2011

Prepared by:
Teska Associates, Inc.



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I - INTRODUCTION

This report documents the Tax Increment Redevelopment Plan and Program (the “Redevelopment Plan”) for the Industrial District Project Area (the “Project Area”). The Redevelopment Plan has been prepared for the use of the Village of Sugar Grove (the “Village”) by Teska Associates, Inc. The proposed Redevelopment Plan seeks to respond to a number of problems and needs within the Project Area, and is indicative of a strong commitment and desire on the part of the Village to improve and revitalize the Project Area. This document is intended to provide a framework for improvements and reinvestment within the Project Area over the next 23 years. **The goal of the Redevelopment Plan is to spur industrial development that will generate local jobs and expand the tax base.**

The Village of Sugar Grove is uniquely situated to take advantage of access to multiple transportation options that benefit current and potential businesses in the area, including major regional thoroughfares, highways, rail and airport access. However, due to the limited availability of infrastructure within this portion of the Village industrial development has been very limited over the past 20 years. TIF can be used to make the area attractive for redevelopment by eliminating the conditions which inhibit private investment, weaken the Village’s tax base, affect the safety of community residents, and hinder the Village’s ability to promote a cohesive development of compatible land uses.

Village officials have determined that, without direct municipal involvement and financial assistance, planning objectives for this area cannot be met. To encourage new investment in the Industrial District area, the Village has proposed Tax Increment Financing (TIF) as a financial tool to facilitate redevelopment.

In 2011 the Village retained the planning consulting firm of TESKA to assist the Village in the creation of a tax increment financing program for the Project Area. TESKA and its project team members conducted field surveys, performed site evaluations, and identified redevelopment opportunities and necessary public improvements. **The consultant team documented the Village of Sugar Grove as a Labor Surplus Municipality, thus qualifying the Industrial District Redevelopment Project Area as an Industrial Park Conservation Area eligible for TIF designation.** Additionally, the consultant team also documented the presence of age, deterioration of buildings and surface improvements, excessive vacancies, inadequate utilities, deleterious land use or layout and decline in EAV. **This evidence has allowed the Village to conclude that the Project Area also meets the statutory requirements for a Conservation Area.** Therefore, the Industrial District Redevelopment Project Area should be designated as a tax increment financing district under the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, et seq., as amended (the “Act”).

The Redevelopment Plan summarizes the analyses and findings of the consultants’ work. The Village is entitled to rely on the findings and conclusions of this Redevelopment Plan in designating the Project Area as a redevelopment project area under the “Act”. TESKA has prepared this Redevelopment Plan and the related eligibility study with the understanding that the Village would rely on: (a) the findings and conclusions of the Redevelopment Plan and the related eligibility study in proceeding with the designation of the Project Area and the adoption and implementation of the Redevelopment Plan; and (b) the fact that TESKA has obtained the necessary information so that the Redevelopment Plan and the related eligibility study will comply with the Act.

PROJECT AREA DESCRIPTION

The boundaries of the Industrial District Redevelopment Project Area (the Project Area) were carefully established in adherence to the eligibility criteria and include those parcels which would benefit by the proposed Redevelopment Plan and Program. The Project Area consists of areas zoned for Limited Manufacturing (M1) or Business (B2 and B3). The Project Area is located roughly at the intersection of Rt. 30 and Dugan Road, including parcels on Airpark Drive, Duffy Lane and Bucktail Lane. The boundaries include only those contiguous parcels which are anticipated to substantially benefit from Tax Increment Financing.

The area contains some existing industrial development and significant vacant property. The Project Area contains thirty three (33) principal structures on fifty nine (59) parcels. The total Project Area is approximately three hundred twenty four (324) acres in size. (Figure A) illustrates the boundaries of the Project Area. Industrial uses include the full range of those permitted in the M1 and B2/B3 Districts, such as automotive, manufacturing, warehousing, packaging, etc. There is currently one (1) single family home within the project area.

The following table illustrates existing land uses within the project area:

Land Use Category	Acres (SG TWSHP)	Percent	Acres (BR TWSHP)	Percent	Acres (TOTAL)	Percent
Vacant – developable	103	32%	29	9%	132	41%
Vacant – land Lease Possible	63	19%	0	0%	63	19%
Vacant – not developable	12	4%	0	0%	12	4%
Existing use	45	14%	28	9%	73	23%
Existing building - vacancy	12	3%	3	1%	15	4%
Right-of-way	26	8%	3	1%	29	9%
Total	261	80%	63	20%	324	100%

Table1: Existing Land Use

The Project Area is characterized by convenient access to multiple transportation options. Several major arterials are in close proximity to the Project Area, including Illinois Route 47 to the east and U.S. Highway 30 which runs east-west through the Project Area. Interstate 88 is less than four (4) miles to the north. The Aurora Municipal Airport is immediately adjacent to the Project Area, and provides opportunities for corporate jets and general aviation. The Burlington Northern Santa Fe Railway also runs east-west through the Project Area, generally parallel to U.S. Route 30. This major Class I railroad offers additional opportunities to accommodate transportation needs of both existing and future industrial uses. Several businesses currently have rail spurs serving their facilities.

Despite this advantageous and well-connected location, the Project Area is characterized by significant underutilized or vacant property. As Section VII, Findings of Need for Tax Increment Financing, and the Eligibility Study in Appendix A demonstrate, the Project Area has not been subject to appropriate growth and development through investment by private enterprise, and is not reasonably expected to be developed without the direct intervention and leadership of the Village. The Village believes that tax increment financing will be of substantial benefit in the redevelopment of the Project Area. Tax increment financing will induce private investment that will arrest and reverse the blighting conditions that currently exist.

TAX INCREMENT FINANCING

Tax increment financing is permitted in Illinois under the Act. Only areas that meet certain specifications outlined in the Act are eligible to use this financing mechanism. This document has been prepared in accordance with the provisions of the Act and can be used as a guide for public and private development in the Project Area. In addition to describing the redevelopment objectives, the Redevelopment Plan sets forth the overall program to be undertaken to achieve these objectives.

The Act permits municipalities to use tax increment financing to improve eligible “blighted” or “conservation” areas in accordance with an adopted redevelopment plan over a period not to exceed 23 years. The municipal cost of certain public improvements and programs can be paid with the revenues generated by increased equalized assessed values of private taxable real estate within a designated project area (“incremental property taxes”). The key to this financing tool is that it allows for the public to make capital investments that are repaid by property taxes from private development investment induced by those public capital investments. Incremental property taxes are taken from the increase in equalized assessed valuation (principally from new private development) generated within the designated project area during the limited term of the redevelopment project. Thus, the project can pay for itself without the need for additional taxes to be levied Village-wide, outside the boundaries of the particular project area.

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

Public and private reinvestment is possible only if Tax Increment Financing (“TIF”) is used as authorized by the Act. The revenue generated by the development activity will play a major and decisive role in encouraging private development. Through this Redevelopment Plan, the Village will serve as a catalyst for assembling the assets and energies of the private sector in a unified, cooperative public-private redevelopment effort. Implementation of the Redevelopment Plan and Redevelopment Program (as defined below) will benefit the Village, its residents, and all taxing districts in the form of improved economic well-being and the improvement of the community living, working, and learning environment.

THE REDEVELOPMENT PLAN

As evidenced in the Redevelopment Plan Section VII “Findings of Need of Tax Increment Financing,” the Project Area as a whole has not been subject to growth and development through private investment. Furthermore, it is not reasonable to expect that the Project Area as a whole will be redeveloped without the use of TIF.

The Redevelopment Plan has been formulated in accordance with the provisions of the Act and is intended to guide improvements and activities within the Project Area in order to stimulate private investment in the Project Area. The goal of the Village, through implementation of this Redevelopment Plan, is that the entire Project Area be revitalized through a coordinated public and private enterprise effort of reinvestment, rehabilitation, and redevelopment of uses compatible with a strong, stable neighborhood, and that such revitalization occurs:

- On a coordinated, rather than piecemeal basis, to ensure that land use, access and circulation,

parking, public services and urban design are functionally integrated and meet present-day principles and standards; and

- On a reasonable, comprehensive, and integrated basis to ensure that the factors leading to the lack of industrial development are eliminated; and
- Within a reasonable and defined time period so that the Project Area may contribute productively to the economic vitality of the Village.

This Redevelopment Plan specifically describes the Project Area and summarizes the factors which qualify the Project Area as a “industrial park conservation area” as defined in the Act.

The success of this redevelopment effort will depend on cooperation between the public and private sectors. By means of public investment, the Project Area will become a stable environment for area-wide redevelopment by the private sector. The Village will serve as the central force for directing the assets and energies of the private sector to ensure a unified and cooperative public-private redevelopment effort.

This Redevelopment Plan sets forth the overall “Redevelopment Program” to be undertaken to accomplish the Village's goals. During implementation of the Redevelopment Program, the Village may, from time to time: (i) undertake or cause to be undertaken public improvements and activities; and (ii) enter into redevelopment agreements or intergovernmental agreements with private entities or public entities, respectively, in order to construct, rehabilitate, renovate or restore private or public improvements on one or several parcels (collectively referred to as “Redevelopment Projects”).

Successful implementation of this Redevelopment Plan requires that the Village utilize incremental property taxes and other resources in accordance with the Act to stimulate the comprehensive and coordinated development of the Project Area. Only through the utilization of TIF will the Project Area develop on a comprehensive and coordinated basis, thereby eliminating the existing and threatened conditions which may lead to blight and which have precluded development of the Project Area by the private sector.

The use of incremental property taxes will permit the Village to direct, implement, and coordinate public improvements and activities to stimulate private investment within the Project Area. These improvements, activities, and investments will benefit the Village, its residents, and all taxing districts having jurisdiction over the Project Area. These benefits are anticipated to include:

- A strengthening of the economic vitality of the community, arising from new commercial development;
- An increase in construction and long-term employment opportunities for residents of the Village;
- The elimination of numerous physical impediments within the Project Area on a coordinated and timely basis so as to minimize costs and promote comprehensive, area-wide redevelopment; and
- The construction of public improvements which may include new road surfaces, utilities, sewers, water lines, sidewalks, street lights, landscaping, etc., intended to make the Project Area more attractive to investment.

II – LEGAL DESCRIPTION

The legal description of the Project Area can be found in Appendix B.

III – ELIGIBILITY OF THE PROPOSED TIF DISTRICT

During May 2011 and September 2011 a study was undertaken, consistent with the Act and related procedural guidelines, to determine the eligibility of the proposed TIF district. The results of the study indicate that the Project Area meets the Act's requirements for an "industrial park conservation area," and is eligible to be designated by the Village Board of the Village of Sugar Grove as a "Tax Increment Financing Redevelopment Project Area." The detailed findings of this study are described in Appendix A of this report.

The Village of Sugar Grove's qualifies as a Labor Surplus Municipality, a municipality in which the unemployment rate is over 6% and 100% or more of the national average unemployment rate for the previous 6 months. The national unemployment rate was 9.1% in August 2011, while the Kane County unemployment rate was 9.9%. (Source: U.S. Bureau of Labor Statistics)

An area adjacent to vacant industrial properties within the Project Area also qualifies as a conservation area under the Act based on the predominance and extent of parcels exhibiting the following characteristics:

1. Age of structures greater than 35 years old;
2. Excessive vacancies;
3. Deterioration of buildings and surface improvements;
4. Inadequate utilities;
5. Deleterious land use or layout; and
6. Decline in EAV.

Each of these factors contributes to the eligibility of the Project Area as a conservation area.

IV – REDEVELOPMENT GOALS, OBJECTIVES AND STRATEGIES

In order to establish a workable Redevelopment Plan for the Project Area, it is important to establish both the overall goals and specific objectives of the Redevelopment Plan, and to present strategies for meeting these goals and objectives.

GOALS

The Village's Comprehensive Plan (page 24) notes the following goal: ***Develop a business park and corporate campus base, in campus-like settings, that ensure a diversified economy; complements other types of local development; strengthens the Village's tax base; and provides employment opportunities for Village residents.*** Through development spurred by the financial partnership created through the financial assistance provided through TIF, the Village hopes to achieve this goal.

The overall goals that are specifically directed to this Redevelopment Plan are:

- Reduction or elimination of those conditions that qualify the Project Area as an Industrial Park Conservation Area;
- Provision of sound economic redevelopment in the Project Area;
- Contribution to the economic well being of the Village;
- Creation of strong public and private partnerships to capitalize upon and coordinate all available resources and assets;
- Improvement of the quality of life in the Village by reducing incidences of both physical and economic deterioration within the Project Area;
- Improvement of existing utilities and roadways to enhance the potential for development and accessibility of redevelopment sites;
- Employment of Sugar Grove residents in jobs in the Project Area;
- Creation of an environment within the Project Area that will contribute to the health, safety, and general welfare of the Village, that will maintain or enhance the value of properties in and adjacent to the Project Area, and that will stimulate private investment in new construction, expansion, and rehabilitation; and
- Assemble and prepare sites that are conducive to modern development.

STRATEGIES

Based on an analysis of the existing conditions of the Project Area and the overall goals stated above, the strategies for redevelopment should be to:

- Install needed infrastructure, including water and sanitary sewer service and local fiber optic services to attract new investment;
- Assemble and prepare property necessary to attract new investment;
- Undertake appropriate environmental remediation measures on rehabilitation or redevelopment sites, according to customary procedures;
- Repair and replace the infrastructure where needed, including, but not limited to: roads, sidewalks, public utilities, and other public infrastructure.

V – FUTURE LAND USE AND REDEVELOPMENT ACTIVITIES

FUTURE LAND USE

A variety of industrial uses are anticipated within the Project Area, as allowable in the M1 Limited Manufacturing zoning districts. A majority of existing industrial uses are expected to remain, and additional industrial development is expected for currently vacant buildings and/or properties. In addition, retail, restaurants or other commercial uses needed to support the industrial development area are also appropriate. Office uses are also be appropriate anywhere within the Project Area.

REDEVELOPMENT ACTIVITIES

The redevelopment of the Project Area will be driven by private reinvestment induced through public assistance and support. **In the absence of assistance from the Village as provided by the Redevelopment Plan, the private sector is not expected to pursue these opportunities.**

Key activities within the Project Area will be focused on retention and attraction of new industrial/business park private development and the accompanying infrastructure improvements needed to support such development.

New development within the Project Area will be consistent with the Village's Comprehensive Plan. This plan notes: *"New business parks around the airport should be guided by an overall site development plan to ensure the coordination of building sites, traffic access and circulation, and open space amenities. The business parks should be screened and buffered from nearby neighborhoods, and should be attractive when viewed from adjacent streets. The environmental corridors, wooded areas, and other natural features shown on the Land-Use Plan should be preserved and protected as the business park areas area developed in the future."*

Some of the parcels within the Project Area are appropriate for rehabilitation during the life of the TIF District. Rehabilitation typically involves facade improvements and repairs, as well as improvements to the interior of buildings that are structurally sound but require work to address appearance or safety

issues. Other sites within the Project Area were designed and built to suit specific uses, and are not suitable for contemporary industrial development. However, the Project Area location as a whole is suitable for redevelopment. Redevelopment of the Project Area can also spur other redevelopment and rehabilitation projects outside of the Project Area.

The Redevelopment Sites Map, (Figure D), classifies properties within the Project Area into one of the following categories:

1. Vacant property zoned for industrial/ commercial development
2. Property owned by the Aurora Municipal Airport, annexed into the Village of Sugar Grove, zoned for industrial use, and available for lease to private businesses for airport-related activities (hangers, etc.). Such private leased properties are subject to property taxes on buildings (but not property).
3. Property controlled by the Aurora Municipal Airport and used or planned for use for airport activities (runways, etc.) and not available for private development.
4. Existing developed property that is currently occupied (May, 2011).
5. Existing developed property that is partially or completely vacant.

VI – REDEVELOPMENT PROGRAM

This section describes the public and private improvements and activities anticipated to be made and undertaken to implement the Redevelopment Plan.

PURPOSE OF THE REDEVELOPMENT PLAN

The Act defines the Redevelopment Plan as: "*...the comprehensive program of the municipality for development or redevelopment intended by the payment of redevelopment project costs to reduce or eliminate those conditions the existence of which qualified the redevelopment project area as a 'blighted area' or 'conservation area' or combination thereof or 'industrial park conservation area,' and thereby to enhance the tax bases of the taxing districts which extend into the redevelopment project area*" (65 ILCS 5/11-74.4-3(n), as amended).

Further, the Act states that for such areas, "*It is hereby found and declared that in order to promote and protect the health, safety, morals, and welfare of the public, that blighted conditions need to be eradicated and conservation measures instituted, and that redevelopment of such areas be undertaken; that to remove and alleviate adverse conditions it is necessary to encourage private investment and restore and enhance the tax base of the taxing districts in such areas by the development or redevelopment of project areas. The eradication of blighted areas and treatment and improvement of conservation areas and industrial park conservation areas by redevelopment projects is hereby declared to be essential to the public interest*" (65 ILCS 5/11-74.4-2(b), as amended).

The Future Land Use Plan (Figure E) illustrates proposed land uses. Ultimately, the Redevelopment Plan should help to better integrate the Project Area with adjacent uses, becoming an asset to the community and reversing decay.

ELIGIBLE REDEVELOPMENT PROJECT COSTS

The various redevelopment expenditures that are eligible for payment or reimbursement under the Act are reviewed below. Following this review is a list of estimated redevelopment project costs that are deemed to be necessary to implement this Plan (the "Redevelopment Project Costs.")

In the event the Act is amended after the date of the approval of this Plan by the Village Board of Sugar Grove to (a) include new eligible redevelopment project costs, or (b) expand the scope or increase the amount of existing eligible redevelopment project costs (such as, for example, by increasing the amount of incurred interest costs that may be paid under 65 ILCS 5/11-74.4-3(q)(11)), this Plan shall be deemed to incorporate such additional, expanded or increased eligible costs as Redevelopment Project Costs under the Plan, to the extent permitted by the Act. In the event of such amendment(s) to the Act, the Village may add any new eligible redevelopment project costs as a line item in Table 3 or otherwise adjust the line items in Table 3 without amendment to this Plan, to the extent permitted by the Act. In no instance, however, shall such additions or adjustments result in any increase in the total Redevelopment Project Costs without a further amendment to this Plan.

Redevelopment project costs include the sum total of all reasonable or necessary costs incurred, estimated to be incurred, or incidental to this Plan pursuant to the Act. Such costs may include, without limitation, the following:

- a) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning or other services (excluding lobbying expenses), provided that no charges for professional services are based on a percentage of the tax increment collected;
- b) The cost of marketing sites within the Project Area to prospective businesses, developers, and investors;
- c) Property assembly costs including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, site preparation and site improvements that serve as an engineered barrier addressing ground level or below ground environmental contamination, including, but not limited to parking lots and other concrete or asphalt barriers, and the clearing and grading of land;
- d) Costs of rehabilitation, reconstruction or repair or remodeling of existing public or private buildings, fixtures, and leasehold improvements; and the cost of replacing an existing public building if pursuant to the implementation of a redevelopment project the existing public building is to be demolished to use the site for private investment or devoted to a different use requiring private investment;
- e) Costs of the construction of public works or improvements subject to the limitations in Section 11-74.4-3(q)(4) of the Act;
- f) Costs of job training and retraining projects, including the cost of "welfare to work" programs implemented by businesses located within the redevelopment project area;

- g) 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 there under including interest accruing during the estimated period of construction of any redevelopment project for which such obligations are issued, and for a period not exceeding 36 months following completion and including reasonable reserves related thereto;
- h) To the extent the Village 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;
- i) Relocation costs to the extent that the Village determines that relocation costs shall be paid or is required to make payment of relocation costs by Federal or state law or by Section 74.4-3(n)(7) of the Act (see "Relocation" section);
- j) Payment in lieu of taxes as defined in the Act;
- k) Costs of job training, retraining, advanced vocational education or career education, including but not limited to, courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs; (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in the Project Area; and (ii) when incurred by a taxing district or taxing districts other than the Village, are set forth in a written agreement by or among the Village and the taxing district or taxing districts, which agreement describes the program to be undertaken including but not limited to, the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40, and 3-40.1 of the Public Community College Act, 110 ILCS 805/3-37, 805/3-38, 805/3-40 and 805/3-40.1, and by school districts of costs pursuant to Sections 10-22.20a and 10-23.3a of the School Code, 105 ILCS 5/10-22.20a and 5/10-23.3a;
- l) Interest cost incurred by a redeveloper related to the construction, renovation or rehabilitation of a redevelopment project provided that:
 1. such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
 2. such payments in any one year may not exceed 30 percent of the annual interest costs incurred by the redeveloper with regard to the redevelopment project during that year;
 3. if there are not sufficient funds available in the special tax allocation fund to make the payment pursuant to this provision, then the amounts so due shall accrue and be payable when sufficient funds are available in the special tax allocation fund;
 4. the total of such interest payments paid pursuant to the Act may not exceed 30 percent of the total:
 - (i) cost paid or incurred by the redeveloper for such redevelopment project;
 - (ii) redevelopment project costs excluding any property assembly costs and any relocation costs incurred by the Village pursuant to the Act;

- m) Unless explicitly provided in the Act, the cost of construction of new privately-owned buildings shall not be an eligible redevelopment project cost;
- n) The cost of daycare services for children of employees from low-income families working for businesses located within the Project Area and all or portion of the cost of operation of day care centers established by Project Area businesses to serve employees from low-income families working in businesses located in the Project Area. For the purposes of this paragraph, "low-income families" means families whose annual income does not exceed 80% of the Village, county or regional median income as determined from time to time by the United States Department of Housing and Urban Development.

If a special service area has been established pursuant to the Special Service Area Tax Act, 35 ILCS 235/0.01 et seq., then any tax increment revenues derived from the tax imposed pursuant to the Special Service Area Tax Act may be used within the redevelopment project area for the purposes permitted by the Special Service Area Tax Act as well as the purposes permitted by the Act.

PROPERTY ASSEMBLY

To meet the goals and objectives of this Redevelopment Plan, the Village may acquire and assemble property throughout the Project Area. Land assemblage by the Village may be by purchase, exchange, donation, lease, eminent domain or other programs and may be for the purpose of (a) sale, lease, or conveyance to private developers, or (b) sale, lease, conveyance or dedication for the construction of public improvements or facilities. Furthermore, the Village may require written redevelopment agreements with developers regarding any property acquisition. As appropriate, the Village may devote acquired property to temporary uses until such property is scheduled for disposition and development.

In connection with the Village exercising its power to acquire real property not currently identified herein, including the exercise of the power of eminent domain, under the Act in implementing the Redevelopment Plan, the Village will follow its customary procedures of having each site acquisition authorized by the Village Board. Acquisition of such real property as may be authorized by the Village Board does not constitute a change in the nature of this Redevelopment Plan.

Relocation assistance may be provided in order to facilitate redevelopment of portions of the Project Area, and to meet other Village objectives. Businesses legally occupying properties to be acquired by the Village may be provided with relocation advisory and financial assistance as determined by the Village.

PROPERTY DISPOSITION

Property to be acquired by the Village as part of the Redevelopment Program may be assembled into appropriate redevelopment sites. As part of the redevelopment process the Village may: (i) sell, lease or convey such property for private redevelopment; or (ii) sell, lease or dedicate such property for construction of public improvements or facilities. Terms of conveyance shall be incorporated into appropriate disposition agreements, and may include more specific restrictions than contained in the Redevelopment Plan or in other municipal codes and ordinances governing the use of land or the construction of improvements.

PUBLIC IMPROVEMENTS

The Village of Sugar Grove may install public improvements to enhance the Project Area as a whole, to support the Redevelopment Program, and to serve the needs of Project Area businesses. Lack of public improvements within the Project Area is one of the primary reasons why industrial development has been very limited to date within the Project Area. In particular, the lack of a looped water system and the lack of sanitary sewer service have significantly limited development. Drainage problems and poor pavement condition are also concerns that may be addressed through the TIF. Appropriate public improvements may include, but are not limited to:

- Vacation, removal, resurfacing, widening, reconstruction, construction, and other improvements to streets, alleys, pedestrian ways, and pathways;
- Installation of traffic improvements, viaduct improvements, street lighting and other safety and accessibility improvements;
- Installation, reconstruction, improvement or burial of public or private utilities;
- Beautification, lighting and signage of public properties;
- Maintenance of rights-of-way in privately owned properties;
- Demolition of obsolete or hazardous structures; and
- Improvements to publicly owned land or buildings to be sold or leased.

The Village may determine at a later date that certain listed improvements are no longer needed or appropriate and may remove them from the list, or may add new improvements to the list.

CAPITAL COSTS OF TAXING DISTRICTS

The Village may reimburse all or a portion of the costs incurred by certain taxing districts in the furtherance of the objectives of this Redevelopment Plan.

RELOCATION

The Village may reimburse all or a portion of the costs incurred for relocation resulting from redevelopment within the Project Area.

JOB TRAINING

Separate or combined programs designed to increase the skills of the labor force to meet employers' hiring needs and to take advantage of the employment opportunities within the Project Area may be implemented.

DEVELOPER INTEREST COSTS

Funds may be provided to developers for a portion of interest costs incurred by a developer related to the construction, renovation, or rehabilitation of a redevelopment project provided that:

1. Such costs are to be paid directly from the special tax allocation fund established pursuant to the Act;
2. Such payments in any one year may not exceed 30% of the annual interest costs incurred by the redeveloper with respect to the redevelopment project during that year.

ESTIMATED PROJECT COSTS

Table 2 outlines the estimated costs of the Redevelopment Program.

Table 2: Estimated Redevelopment Project Costs

ELIGIBLE EXPENSE	ESTIMATED COST
Administration, Studies, Surveys, Legal, Marketing, Etc.	\$1,705,000
Property Assembly including Acquisition, Site Preparation and Demolition, Environmental Remediation	\$1,705,000
Rehabilitation, reconstruction, repair or remodeling	\$568,000
Public Works or Improvements and Capital cost of taxing districts⁽¹⁾	\$10,091,000
Job Training and Retraining	\$28,500
Relocation Costs	\$113,500
Total Redevelopment Costs ^{(2) (3) (4)}	\$14,211,000

Notes:

1. Public improvements may also include capital costs of taxing districts. Specifically, public improvements as identified in the Redevelopment Plan and as allowable under the Act may be made to property and facilities owned or operated by the Village or other public entities. As provided in the Act, to the extent the Village 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.
2. The total Estimated Redevelopment Project Costs provides an upper limit on expenditures and adjustments may be made in line items without amendment to this Redevelopment Plan.
3. Total Redevelopment Project Costs exclude any additional financing costs, including any interest expense, capitalized interest and costs associated with optional redemptions. These costs are subject to prevailing market conditions and are in addition to Total Redevelopment Project Costs.
4. The amount of the Total Redevelopment Project Costs that can be incurred in the Project Area will be reduced by the amount of redevelopment project costs incurred in contiguous redevelopment project areas, or those separated from the Project Area only by a public right-of-way, that are permitted under the Act to be paid, and are paid, from incremental property taxes generated in the Project Area, but will not be reduced by the amount of redevelopment project costs incurred in the Project Area which are paid from incremental property taxes generated in contiguous redevelopment project areas or those separated from the Project Area only by a public right-of-way.
5. Increases in estimated Total Redevelopment Project Costs of more than five percent, after adjustment for inflation from the date of the Plan adoption, are subject to the Plan amendment procedures as provided under the Act.

SOURCES OF FUNDS

The Act provides methods by which municipalities can finance eligible redevelopment project costs with incremental real estate tax revenues. Incremental tax revenue is derived from the increase in the current equalized assessed valuation (EAV) of real property within the Project Area over and above the certified initial EAV of the real property. Any increase in EAV is then multiplied by the current tax rate, resulting in the tax increment revenue. A decline in current EAV does not result in a negative real estate tax increment.

Funds necessary to pay for Redevelopment Project Costs and secure municipal obligations issued for such costs are to be derived primarily from Incremental Property Taxes. Other sources of funds which may be used to pay for Redevelopment Project Costs or secure municipal obligations are land disposition proceeds, federal, state, county, or local grants, investment income, private financing and other legally permissible funds the Village may deem appropriate. The Village may incur redevelopment project costs which are paid for from funds of the Village other than incremental taxes, and the Village may then be reimbursed from such costs from incremental taxes. Also, the Village may permit the utilization of guarantees, deposits and other forms of security made available by private sector developers.

The Village may utilize net incremental property taxes received from the Project Area to pay eligible Redevelopment Project Costs, or obligations issued to pay such costs, in other contiguous redevelopment project areas or other project areas separated only by a public right-of-way, and vice versa. The amount of revenue from the Project Area, made available to support such contiguous redevelopment project areas, or those separated only by a public right-of-way, when added to all amounts used to pay eligible redevelopment project costs within the Project Area, shall not at any time exceed the total Redevelopment Project Costs described in this Redevelopment Plan. The amount of revenue from the Project Area so made available, when added to all amounts used to pay eligible redevelopment project costs within the Project Area or other areas as described in the preceding paragraph, shall not at any time exceed the total Redevelopment Project Costs described in Table 3 of this Redevelopment Plan.

In the event that adequate funds are not available as anticipated from aforementioned sources, the Village may utilize its taxing power to sustain the Redevelopment Project or repay obligations issued in connection therewith, to be reimbursed over time, if possible, from tax increment revenues.

NATURE AND TERM OF OBLIGATIONS TO BE ISSUED

The Village may issue obligations secured by Incremental Property Taxes pursuant to Section 11-74.4-7 of the Act. To enhance the security of a municipal obligation, the Village may pledge its full faith and credit through the issuance of general obligation bonds. Additionally, the Village may provide other legally permissible credit enhancements to any obligations issued pursuant to the Act.

The redevelopment project shall be completed, and all obligations issued to finance redevelopment costs shall be retired, no later than December 31 of the year in which the payment to the Village Treasurer as provided in the Act is to be made with respect to ad valorem taxes levied in the twenty-third calendar year following the year in which the ordinance approving the Project Area was originally adopted, assuming the ordinance is adopted in 2012, December 31, 2035. Also, the final maturity date of any such obligations which are issued may not be later than 20 years from their respective dates of

issue. One or more series of obligations may be sold at one or more times in order to implement this Plan. Obligations may be issued on a parity or subordinated basis.

In addition to paying Redevelopment Project Costs, Incremental Property Taxes may be used for the scheduled retirement of obligations, mandatory or optional redemptions, establishment of debt service reserves and bond sinking funds. To the extent that Incremental Property Taxes are not needed for these purposes, and are not otherwise required, pledged, earmarked or otherwise designated for the payment of Redevelopment Project Costs, any excess Incremental Property Taxes shall then become available for distribution annually to taxing districts having jurisdiction over the Project Area in the manner provided by the Act.

One or more issues of obligations may be sold at one or more times in order to implement the Redevelopment Plan, as amended, and as it may be amended in the future. Obligations may be issued on a parity or subordinate basis.

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

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

EQUALIZED ASSESSED VALUATION

The purpose of identifying the most recent equalized assessed valuation (“EAV”) of the Project Area is to provide an estimate of the initial EAV, which the Kane County Clerk will certify for the purpose of annually calculating the incremental EAV and incremental property taxes of the Project Area. The most recent (2010) equalized assessed valuation (EAV) of all the taxable parcels in the Project Area is approximately **\$9,615,379**. This total EAV amount, by PIN, is summarized in Appendix D. This EAV is based on 2010 EAV figures collected by TESKA and is subject to verification by the Kane County Clerk.

After verification, the final figure shall be certified by the County Clerk of Kane County, Illinois. This certified amount shall become the Certified Initial EAV from which all incremental property taxes in the Project Area will be calculated by the County.

Upon completion of anticipated private development of the Project Area, it is anticipated that the equalized assessed valuation will be approximately **\$36,848,755**. The calculation assumes that assessments appreciate at a rate of 1% every year. Other new projects, rehabilitation of existing buildings, and appreciation of real estate values may result in substantial additional increases in equalized assessed valuation.

VII – FINDINGS OF NEED FOR TAX INCREMENT FINANCING

Pursuant to the Act, the Village of Sugar Grove makes the following findings:

PROJECT AREA NOT SUBJECT TO GROWTH

The Project Area has not been subject to appropriate growth and redevelopment through investment by private enterprise, and would not reasonably be anticipated to be developed without the adoption of the Redevelopment Plan. The lack of growth in the Project Area is supported by the following:

Presence of Blighting Factors

Lack of investment is evidenced by the extent and distribution of blighting factors, including deterioration of roadways and excessive vacancies. As elaborated upon in the Eligibility Study (Appendix A), the presence of these factors to such a significant degree illustrates that appropriate private investment, particularly for maintenance and improvements to property, has not been undertaken in the Project Area.

PROJECT AREA AS LABOR SURPLUS MUNICIPALITY

The Project Area has exhibited a high level of unemployment as compared to the national unemployment level. Documentation as a Labor Surplus Municipality qualifies the Project Area as an Industrial Park Conservation Area and is supported by the following:

Unemployment Factors

Lack of employment opportunities is evidenced by the higher unemployment rate than the national average. A Labor Surplus Municipality is defined as a municipality in which the unemployment rate is higher than 6% and 100% or more of the national average. Local unemployment for Kane County in August 2011 was 9.9% and the national unemployment rate for the same period 9.1%, qualifying the Project Area as a Labor Surplus Municipality as documented in the Eligibility Study (Appendix A).

VIII – FINANCIAL IMPACT OF REDEVELOPMENT

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

Implementation of the Redevelopment Project is expected to have significant short and long term positive financial impacts on the taxing districts affected by this Redevelopment Plan. In the short term, the Village's effective use of tax increment financing can be expected to stabilize existing assessed values in the Project Area, thereby stabilizing the existing tax base for local taxing agencies. In the long

term, after the completion of all redevelopment improvements and activities, the completion of redevelopment projects and the payment of all Redevelopment Project Costs and municipal obligations, the taxing districts will benefit from any enhanced tax base which results from the increase in EAV caused by the Redevelopment Program.

The Act requires an assessment of any financial impact of the Project Area on, or any increased demand for services from, any taxing district affected by the Plan and a description of any program to address such financial impacts or increased demand. The Village intends to monitor development in the Project Area and with the cooperation of the other affected taxing districts will attempt to ensure that any increased needs are addressed in connection with any particular development.

The replacement of vacant and underutilized property with non-residential development may cause increased demand for services and/or capital improvements to be provided by the following taxing districts. The estimated nature of these increased demands for services on these taxing districts, and the activities to address increased demand, are described below.

Sugar Grove and Big Rock Townships

The development of vacant parcels or redevelopment of existing structures within the Project area is not anticipated to increase the demands of current services that the Township offers. Any increased demand for any Township provided services resultant from the Redevelopment Plan set forth in this document will be incidental in relation to the total operations of the Township. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Sugar Grove and Big Rock Township Road Districts

The Sugar Grove Township Road and Bridge District maintains township roads and bridges. No new township roads or bridges are anticipated as a result of the Redevelopment Plan. While traffic will increase as a result of development within the Project Area, this traffic will be directed via municipal streets to the adjacent State and Federal Routes (Il. Route 47 and U.S. Route 30) Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Sugar Grove Public Library District

As no new residents will be added as a result of this Redevelopment Plan, it is anticipated that the impact on the Public Library District will be minimal given the current size of its service area. As the redevelopment plan does not anticipate new residential development, no significant impact on the library district is anticipated and no program is set forth in the redevelopment plan.

Sugar Grove and Big Rock Park Districts

The industrial nature of anticipated development and/or redevelopment within the Project Area is anticipated to have minimal impact on the Park Districts, and any increase resulting from additional employees in the Project Area would only account for a small percentage of the total demands required of the respective District. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Village of Sugar Grove

As a result of new development and/or redevelopment in the Project Area, the Village of Sugar Grove may experience increased demand for services such as police protection or maintenance of an expanded public infrastructure (water lines, roadways, etc.). No specific redevelopment projects or direct mitigations are set forth in the Redevelopment Plan. However, based on actual growth and development within the Project Area, certain eligible expenses may arise during the life of the TIF District.

Sugar Grove Water Authority

The Sugar Grove Water Authority is the regional authority for approval of new water wells. The Village of Sugar Grove potable water wells currently have capacity to service this area and therefore the Sugar Grove Water Authority should not be directly impacted by the planned industrial development within the TIF. However, this demand will be dependent on actual development, and is difficult to predict at this time. Should eligible expenses for directly attributable costs occur, they may be appropriate for funding through the TIF District for additional water resources.

Sugar Grove Community Building

The Sugar Grove Community House provides indoor rental meeting space for Park District and other community programs. The facility is primarily designed for use by Sugar Grove residents, and therefore should not be directly impacted by the planned industrial development within the TIF. If it is possible that businesses within the TIF may seek to rent the facility for certain events, but it is assumed that the rental fee would cover any costs associated with the rental. As such, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Sugar Grove Fire District

The Sugar Grove Fire District's main fire station is located east of the project area at the intersection of Municipal Drive and U.S. Route 30. This location should facilitate access to properties within the Project Area. Additional demand for staffing and equipment may be needed to provide adequate protection for development. However, this demand will be dependent on actual development, and is difficult to predict at this time. Should eligible expenses for directly attributable costs occur, they may be appropriate for funding through the TIF District.

Big Rock Fire District

Approximately 20% of the Project Area is within the Big Rock Fire District. Depending on the location of future development, additional demand for staffing and equipment may be needed to provide adequate protection for development. However, this demand will be dependent on actual development, and is difficult to predict at this time. Should eligible expenses for directly attributable costs occur, they may be appropriate for funding through the TIF District.

Kane County

The industrial nature of anticipated development and/or redevelopment within the Project Area is anticipated to have minimal to no impact on demand for County Services. Any increase in demand should not be so substantial as to warrant the hiring of additional staff or the need to increase services. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Kane County Forest Preserve District

The industrial nature of anticipated development and/or redevelopment within the Project Area is anticipated to have minimal impact on the Forest Preserve District, and any increase resulting from additional employees in the Project Area would only account for a small percentage of the total demands required of the District. Therefore, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Kaneland C.U.S.D. #302

Approximately 80% of the Project Area is within the Kaneland C.U.S.D. #302. As no new residents will be added as a result of this Redevelopment Plan, no new school age children will be added to the school district. Since development and/or redevelopment activities will have no direct increase on the services of the school district, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

Waubonsee College District #516

As no new residents will be added as a result of this Redevelopment Plan, no residents seeking educational opportunities will be directly added to the College District. While employees of the anticipated industrial developments may seek additional educational opportunities, such increase will be minimal and should not have a significant effect on the District. It is also possible that businesses may seek assistance from the District regarding job training or assistance through the College's Small Business Development Center. Funding has been allocated for potential job training within the TIF budget.

Hinckley-Big Rock CUSD #429

Approximately 20% of the Project Area is within the Hinckley School District. As no new residents will be added as a result of this Redevelopment Plan, no new school age children will be added to the school district. Since development and/or redevelopment activities will have no direct increase on the services of the school district, no redevelopment projects or direct mitigations are set forth in the Redevelopment Plan.

This proposed program to address increased demand for services or capital improvements provided by some or all of the impacted taxing districts is contingent upon: (i) the Redevelopment Program occurring as anticipated in the Redevelopment Plan, (ii) the Redevelopment Program resulting in demand for services sufficient to warrant the allocation of Redevelopment Project Costs, and (iii) the generation of sufficient incremental property taxes to pay for the Redevelopment Project Costs listed above. In the event that the Redevelopment Program fails to materialize, or involves a different scale of development than that currently anticipated, the Village may revise this proposed program to address increased demand, to the extent permitted by the Act, without amending this Redevelopment Plan.

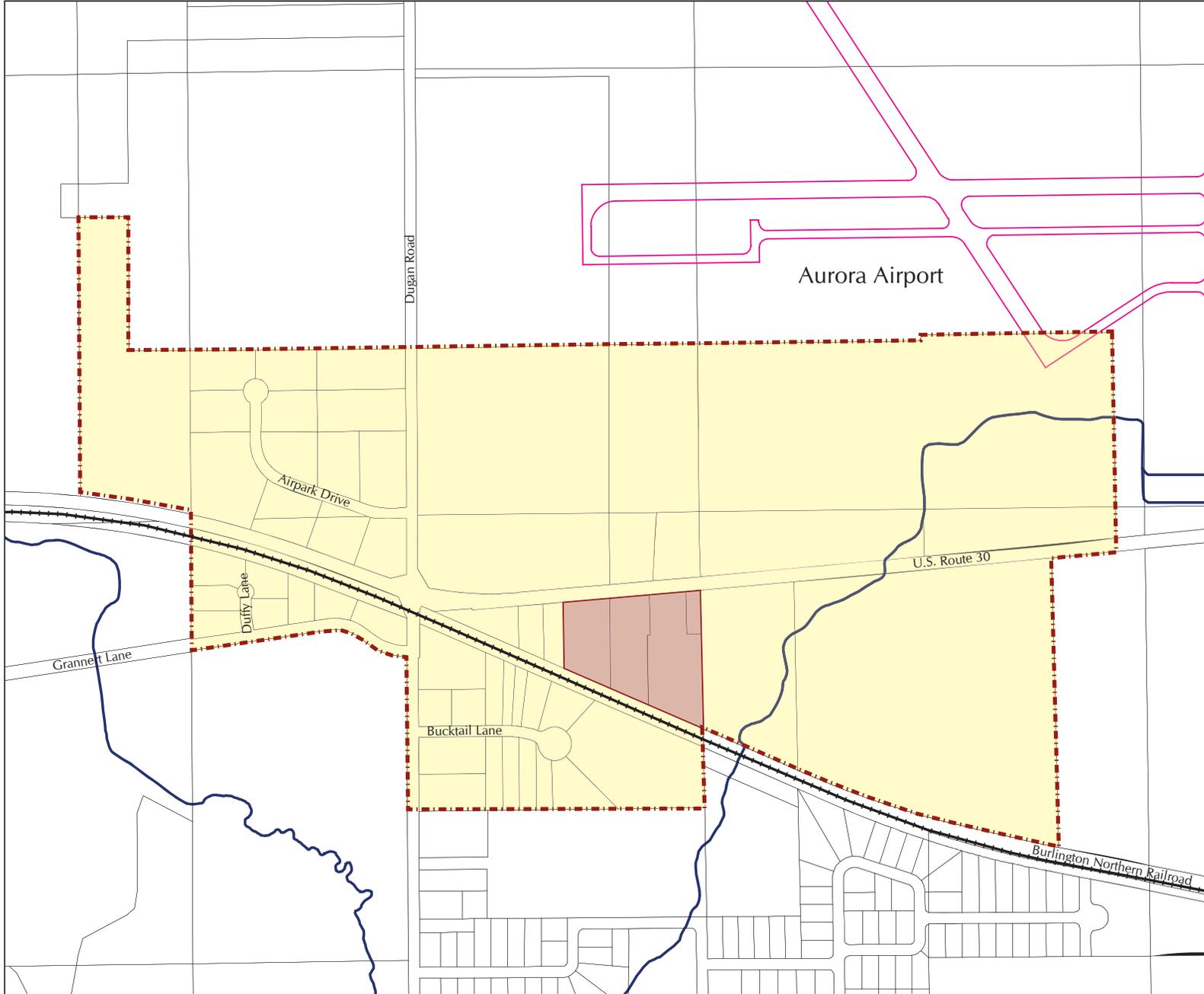
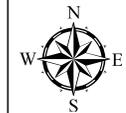


FIGURE "A"

Boundary Area Map
Sugar Grove, IL

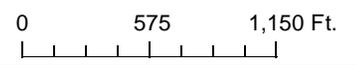


November 2, 2011



LEGEND:

-  Railroad
-  Waterway
-  Project Area
-  Eligible "Conservation Area" (within TIF Project Area)



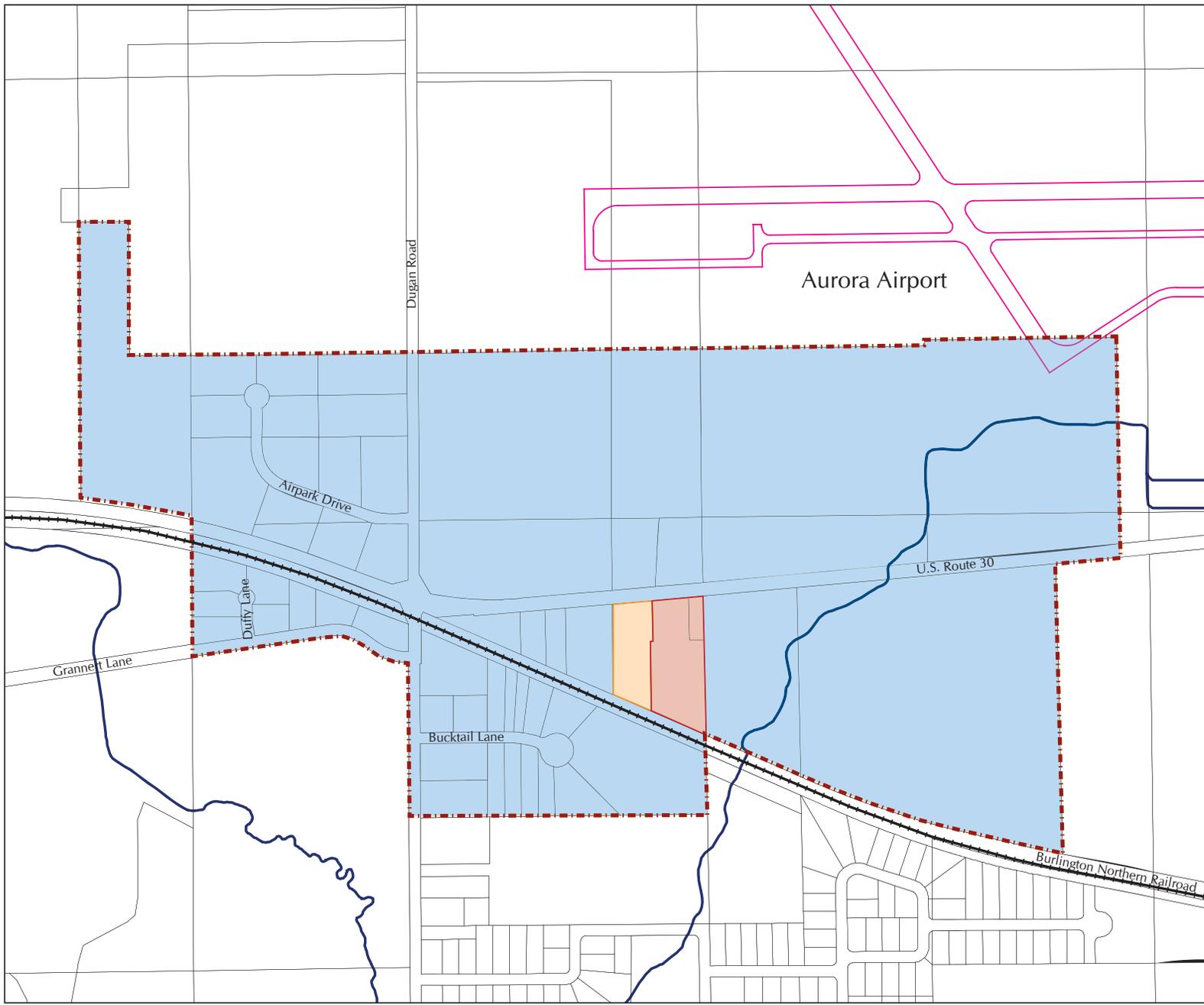
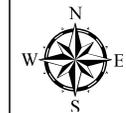


FIGURE "B"

Existing Zoning Map
Sugar Grove, IL

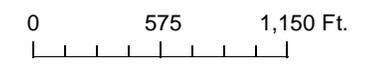


November 2, 2011



LEGEND:

-  Project Area
-  M1 - LIMITED MFG.
-  B2 - GENERAL BUSINESS
-  B3 - GENERAL BUSINESS
-  Railroad
-  Waterway



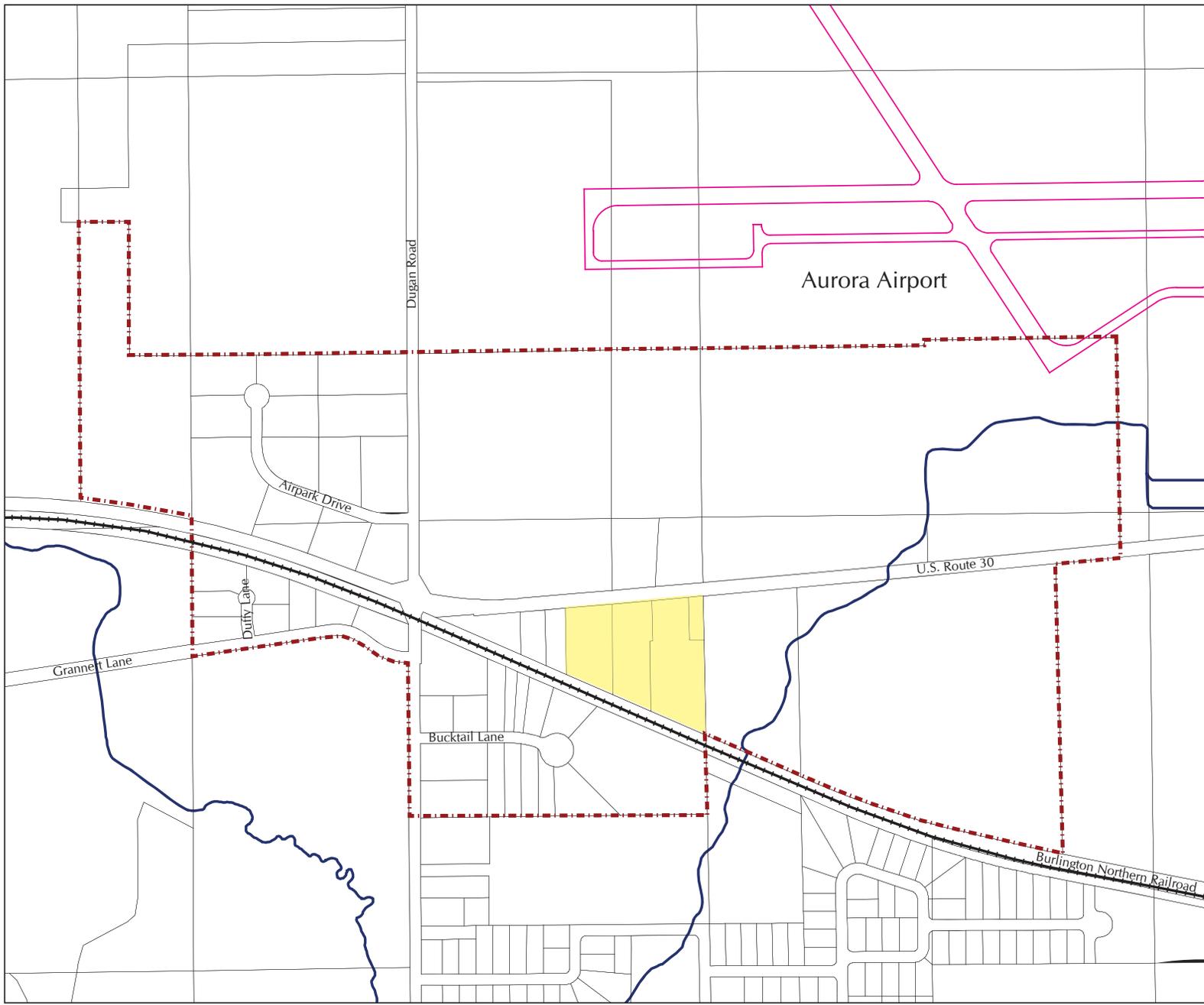


FIGURE "C"

Adjacent Eligible Conservation Area
Sugar Grove, IL



November 2, 2011



LEGEND:

-  Project Area
-  Eligible Conservation Area
-  Railroad
-  Waterway

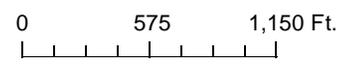


FIGURE "D"

Potential Redevelopment Sites Map
Sugar Grove, IL



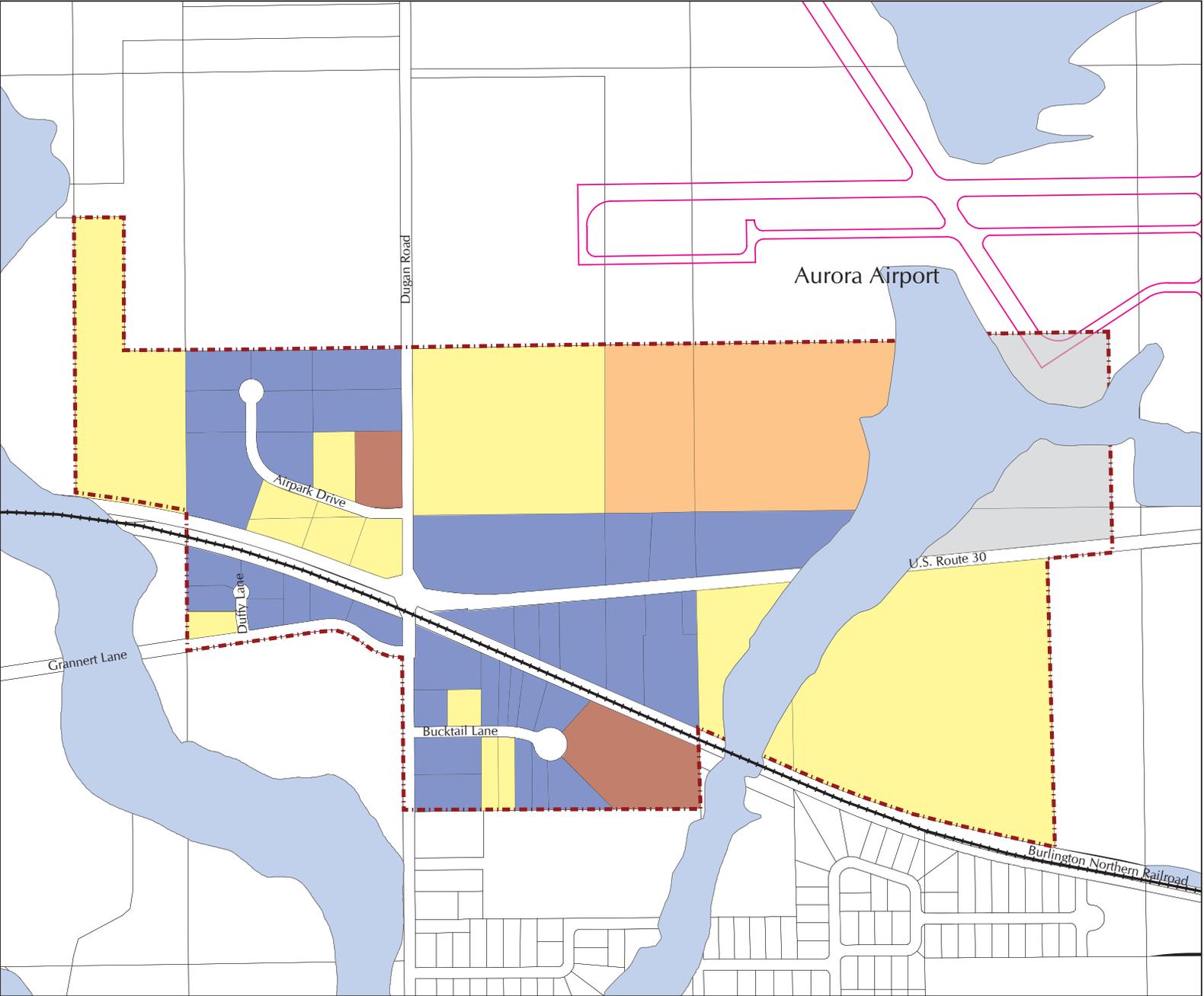
November 2, 2011



LEGEND:

- ①  VACANT - DEVELOPABLE
- ②  VACANT - LAND LEASE POSSIBLE
- ③  VACANT - NOT DEVELOPABLE
- ④  EXISTING USE
- ⑤  EXISTING BUILDING - VACANT
-  FLOODPLAIN - NOT DEVELOPABLE

0 575 1,150 Ft.



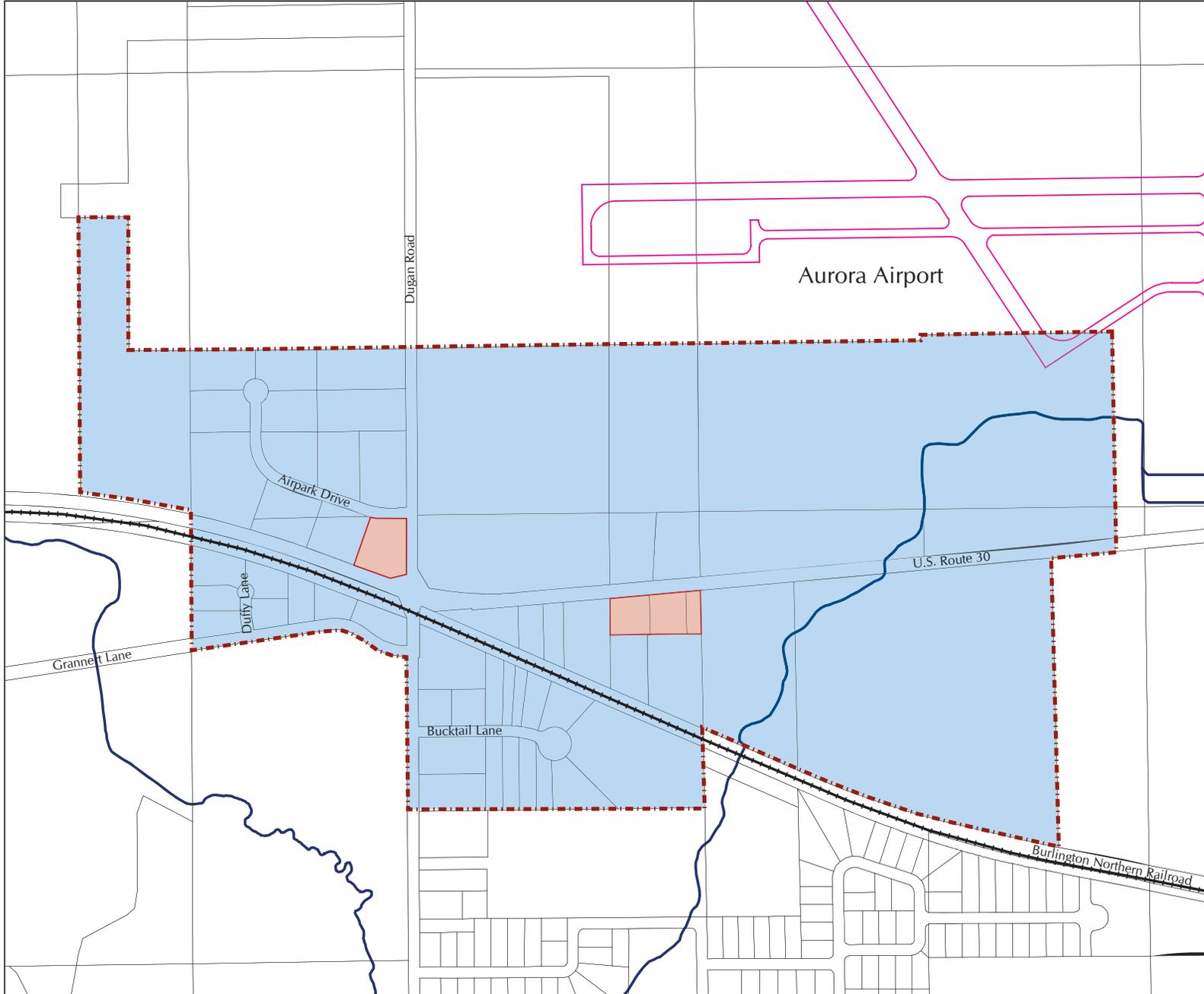


FIGURE "E"

Future Land Use Map
Sugar Grove, IL

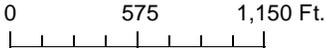


November 2, 2011



LEGEND:

-  Project Area
-  Industrial
-  General Business
-  Railroad
-  Waterway



APPENDIX "A"

INDUSTRIAL TAX INCREMENT FINANCING DISTRICT #1

ELIGIBILITY FINDINGS

Village of Sugar Grove, Illinois



November 2, 2011

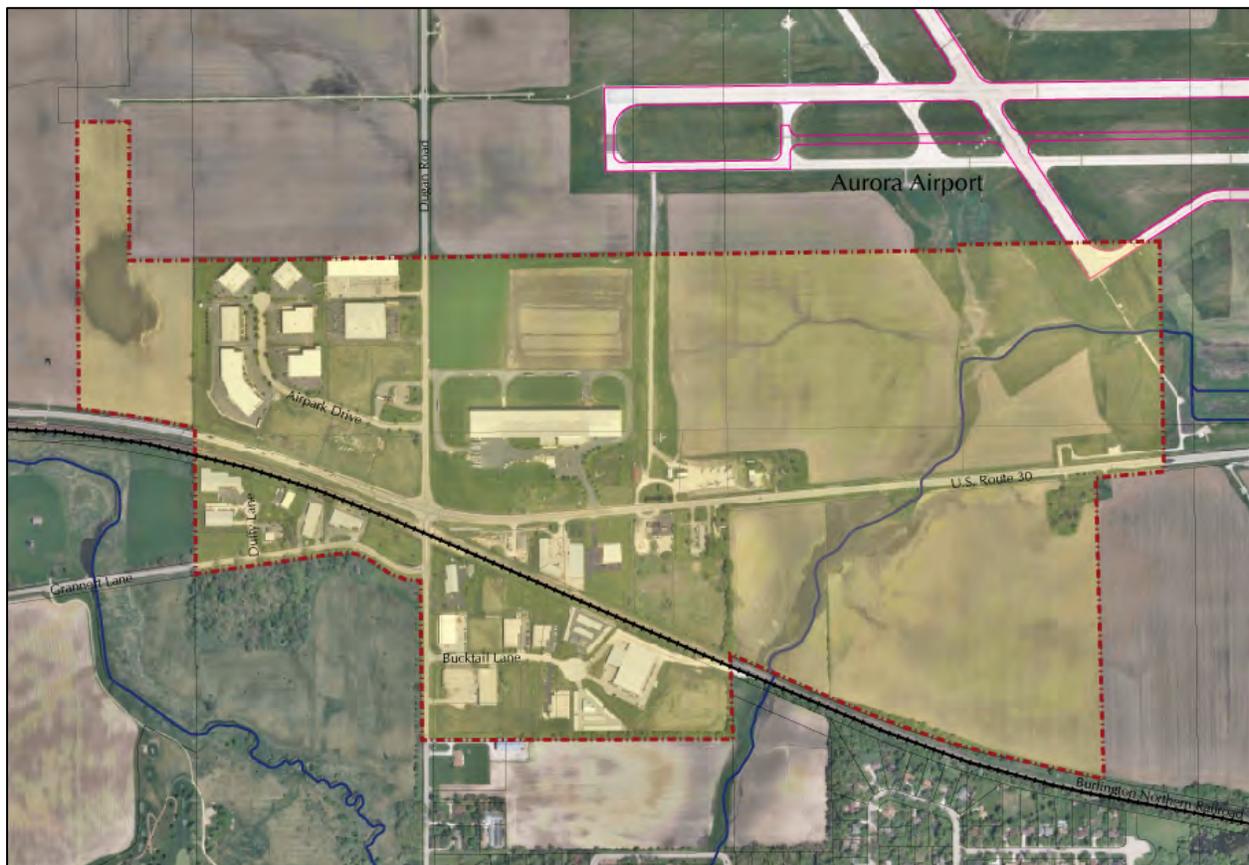
Prepared by:
Teska Associates, Inc.



INTRODUCTION

Since the founding of the municipality, the Village of Sugar Grove has planned for a large area of industrial development on the north and west sides of the Aurora Municipal Airport. The area has the regional transportation access required by modern industrial and business uses. A strong connection to the regional roadway network is provided by U.S. Route 30, IL. Route 47, and IL. Route 56. The Aurora Municipal Airport, which features tower control, also is a major asset for location of corporate facilities. Finally, rail access via the intercontinental Burlington Northern Santa Fe Railway is also an advantage for the area. However, while some limited development has occurred over the past 20 or so years, development has been very slow due to limited access to key infrastructure such as good water flow (no looped system) and lack of sanitary sewer. In addition, several of the local roads are in need of significant improvements. Industrial users are looking for property that is fully served by utilities and ready for quick development, and this area is not currently in such a position. With the funding assistance that can be provided through TIF, the Village hopes to provide the needed infrastructure and spur new industrial development and resulting jobs.

The report that follows is an assessment of the eligibility of the Industrial Tax Increment Financing Study Area.



TAX INCREMENT FINANCING

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

"..an area designated by the municipality, which is not less in the aggregate than 1 ½ acres and in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as an industrial park conservation area, or a blighted area or a conservation area, or a combination of both blighted areas and conservation areas" (65 ILCS 5/11-74.4-3(p)).

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

"...any improved area within the boundaries of a redevelopment project area located within the territorial limits of the municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area, but because of a combination of 3 or more of the following factors: dilapidation; obsolescence; deterioration; presence of structures below minimum code standards; illegal use of individual structures; excessive vacancies; lack of ventilation, light, or sanitary facilities; inadequate utilities; excessive land coverage and overcrowding of structures and community facilities; deleterious land use or layout; lack of community planning; environmental remediation costs impede development; decline or minimal marginal increase in equalized assessed valuation; is detrimental to the public safety, health, morals, or welfare and such an area may become a blighted area."

Per the Act, an "**industrial park**" means:

"an area in a blighted or conservation area suitable for use by any manufacturing, industrial, research or transportation enterprise, of facilities to include but not be limited to factories, mills, processing plants, assembly plants, packing plants, fabricating plants, industrial distribution centers, warehouses, repair overhaul or service facilities, freight terminals, research facilities, test facilities or railroad facilities."

Also per the Act, an "**industrial park conservation area**" means:

"an area within the boundaries of a redevelopment project area located within the territorial limits of a municipality that is a labor surplus municipality or within 1 1/2 miles of the territorial limits of a municipality that is a labor surplus municipality if the area is annexed to the municipality; which area is zoned as industrial no later than at the time the municipality by ordinance designates the redevelopment project area, and which area includes both vacant land suitable for use as an industrial park and a blighted area or conservation area contiguous to such vacant land."

And finally, per the Act a "**labor surplus municipality**" means:

"A municipality in which, at any time during the 6 months before the municipality by ordinance designates an industrial park conservation area, the unemployment rate was over 6% and was also 100% or more of the national average unemployment rate for that same time as published in the United States Department of Labor Bureau of Labor Statistics publication entitled "The Employment Situation" or its successor publication. For the purpose of this subsection, if

unemployment rate statistics for the municipality are not available, the unemployment rate in the municipality shall be deemed to be the same as the unemployment rate in the principal county in which the municipality is located."

Determination of eligibility of the Sugar Grove Industrial TIF Redevelopment Project Area for tax increment financing is based on a comparison of data gathered through field observations by Teska Associates, Inc. (Teska), document and archival research, and information provided by the Village of Sugar Grove against the eligibility criteria set forth in the Act.

This report summarizes the analyses and findings of the Village's planning consultant, Teska Associates, Inc. Teska has prepared this report with the understanding that the Village would rely on: (1) the findings and conclusions of this report in proceeding with the designation of the Study Area as a Redevelopment Project Area under the Act; and (2) the fact that Teska has obtained the necessary information to conclude that the Study Area can be designated as a Redevelopment Project Area in compliance with the Act.

The Sugar Grove Industrial TIF Redevelopment Project Area is eligible for designation as an "industrial park conservation area" based on the presence of industrially zoned parcels that are vacant and suitable for use as an industrial park, and are adjacent to parcels that qualify as a conservation area as defined in the Act.

Description of the Redevelopment Project Area

The Project Area includes fifty-nine (59) parcels (see Figure "A"), containing thirty-three (33) principal structures. The total area of the Project Area is approximately three hundred and twenty four (324) acres.

Existing Conditions

The present condition and location of the Project Area inhibits development potential. This report elaborates further on the specific conditions which have contributed to this decline.

ELIGIBILITY FINDINGS (INDUSTRIAL PARK CONSERVATION AREA)

As noted in the preceding definitions, qualification of the area as an “industrial park conservation area” is based on unemployment rates. As of **August 2011**, the following unemployment rates were reported by the U.S. Bureau of Labor Statistics (www.bls.gov).

National Unemployment Rate	(9.1% - August 2011)
Illinois Unemployment Rate	(10.0% - August 2011)
Kane County Unemployment Rate	(9.9% - August 2011)

Based on the Act, the Redevelopment Project Area qualifies as an industrial park conservation area based on the following facts:

- With a population of approximately 8,997 (2010 U.S. Census), the U.S. Bureau of Labor Statistics does not provide a separate unemployment rate for the Village of Sugar Grove.
- Per the Act, in cases where a municipal unemployment rate is not available, the applicable County rate (in this case, Kane County) is used to determine TIF eligibility.
- Sugar Grove, per the Act, is a labor surplus municipality. The Kane County unemployment rate in August, 2011 was 9.9%, which is clearly higher than the minimum 6% outlined in the Act and 0.8% higher than the national unemployment rate.
- The majority of the property within the Redevelopment Project Area is zoned for industrial use. M1 – Limited Manufacturing District is the predominate zoning category. The Redevelopment Project Area contains predominantly vacant land suitable for use as an industrial park and includes within and is contiguous to an area eligible as a conservation area as documented in the following section – Eligibility Findings (Adjacent Conservation Area).

ELIGIBILITY FINDINGS (ADJACENT CONSERVATION AREA)

Teska Associates, Inc. conducted a field survey of every property in the Project Area and surrounding adjacent parcels. Based on an inspection of the exteriors of buildings and grounds, field notes were taken to record the condition for each parcel. This survey occurred on May 10, 2011 and again in September 2011.

In order to be designated as a conservation area, at least 50% of structures must be 35 years or more in age. Additionally, a combination of at least three of the other blighting factors must be present to a meaningful extent and reasonably distributed throughout the Project Area (or in this case, reasonably distributed throughout the adjacent eligible conservation area (see Figure “C”). This adjacent conservation area is located within the Project Area between U.S. Route 30 and the Burlington Northern Santa Fe Railway, containing 4 parcels and covering 12.29 acres.

Age of Buildings

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

Based on Kane County Assessors records and the observed style and construction methods of the structures, 2 out of 4 principal structures (50%) in the Adjacent Eligible Conservation Area are more than 35 years old.

The extent and distribution of this age characteristic does significantly contribute toward designation as a conservation area.

Dilapidation

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

The exterior field survey conducted by Teska Associates, Inc. found no primary structures that displayed this type of extreme physical state. There is, however, a small farming silo that could be classified as dilapidated under this category.

Therefore this factor does not significantly contribute to the designation as a conservation area.

Obsolescence

According to Illinois Department of Revenue definitions, an obsolete building or improvement is one which is becoming obsolete or going out of use - not entirely disused, but gradually becoming so. Thus, obsolescence is the condition or process of falling into disuse. Obsolescence, as a factor, should be based upon the documented presence and reasonable distribution of buildings and other site improvements evidencing such obsolescence. Examples include the following sub categories:

Functional Obsolescence

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

desirability of a property. Obsolescence in such buildings is typically difficult and expensive to correct.

The exterior field survey conducted by Teska Associates, Inc. found no primary structures that displayed functional obsolescence. Therefore this factor does not significantly contribute to the designation as a conservation area.

Obsolete Site Improvements

Site improvements, including sewer and water lines, public utility lines (gas, electric and telephone), roadways, parking areas, parking structures, sidewalks, curbs and gutters, lighting, etc., may also evidence obsolescence in terms of their relationship to contemporary development standards for such improvements. Factors of this obsolescence may include inadequate utility capacities, outdated designs, etc.

The exterior field survey conducted by Teska Associates, Inc. found no instances of obsolete site improvements. However, the water system in this area is not looped, which reduces water pressure and flows for fire protection. Therefore, this type of obsolescence is not a contributing factor towards the designation of the Project Area as a conservation district.

Obsolete Platting

Obsolete platting would include parcels of limited or narrow size and configuration or parcels of irregular size or shape that would be difficult to develop on a planned basis and in a manner compatible with contemporary standards and requirements. Platting that created inadequate right-of-way widths for streets, alleys and other public rights-of-way or which omitted easements for public utilities, should also be considered obsolete.

In reviewing the platting of the area, three (3) of the four (4) parcels are of sufficient size and shape for contemporary development. The remaining parcel is very small (approximately ½ acre) and not suitable for development. There is an existing residential home currently located on this parcel. All parcels front onto Rt. 30 and have adequate access. Therefore, obsolete platting does not contribute to the designation of the area as a conservation district.

In conclusion, obsolescence in all 3 relevant categories (functional, site improvements and platting), was found **not** to be a significant contributing factor toward the designation as a conservation area.

Deterioration

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

Deterioration of Buildings

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



Deterioration of structures occurs, to one extent or another, on three (3) out of four (4) primary buildings (75%). Examples of problematic conditions include broken windows and doors, loose gutters, deteriorated brickwork/masonry, cracks in foundations, deteriorating roofs, etc. (Note: the deteriorating vacant restaurant is in the process of rehabilitation at the time of this report). This concentration of deterioration causes it to be a major contributing factor towards designation as a conservation area due to the impact on marketability and viability.



Deterioration of Surface Improvements

The conditions of roadways, alleys, curbs, gutters, sidewalks, off-street parking and surface storage areas may also evidence deterioration through surface cracking, crumbling, potholes, depressions, loose paving materials, and weeds protruding through the surface. The condition of roadways are generally poor and in need of resurfacing. Major instances of deteriorated driveways and off-street parking areas were noted on all parcels. The vacant restaurant parcel also contains an old freestanding sign in extreme disrepair. Deterioration of Surface



Improvements occurs on four (4) out of four (4) parcels (100%). The concentration of deterioration causes it to be a major contributing factor towards designation as a conservation area due to the impact on marketability and viability.

There is significant deterioration of both buildings and surface improvements, causing these characteristics to be a major factor towards the designation as a conservation area.

Illegal Use of Individual Structures

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

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

The exterior field survey conducted by Teska Associates, Inc. found that all of the uses in the Project Area were legal uses. A review of the Village's building permit files confirms this finding. There are no other known uses in violation of Village, State or Federal regulations.

This factor, therefore, does not contribute to the designation as a conservation district.

Presence of Structures Below Minimum Code Standards

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

The exterior field survey conducted by Teska Associates, Inc. did not identify parcels with structures that appeared to be below code. A review of the Village's building permit files and discussion with the Village's Building Commissioner confirmed this conclusion, with no structures with violations of the building code with respect to either the exterior or interior of the structures.

Since there is no presence of structures with significant code violations resulting in a blighting impact upon neighboring parcels on the block, this factor does not contribute to designation as a conservation area.

Excessive Vacancies

Establishing the presence of this factor requires the identification, documentation, and mapping of the presence of vacant buildings and vacant portions of buildings. Excessive vacancy refers to the

presence of buildings which are unoccupied or underutilized and which represent an adverse influence on the area because of the frequency, extent, or duration of such vacancies. It includes properties which evidence no apparent effort directed toward their occupancy or utilization and vacancies within buildings.

Of the four (4) primary structures, one (1) of them (25%) is presently vacant. This is a significant vacancy rate, and is therefore a contributing factor to the designation as a conservation area.

Lack of Ventilation, Light, or Sanitary Facilities

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

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

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

None of the primary structures display this characteristic and therefore this factor does not significantly contribute to designation as a conservation area.

Inadequate Utilities

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

According to the Village's Department of Public Works, storm sewer, sanitary sewer and water main are not adequately sized or designed for future redevelopment. Existing power lines are overhead and in need of repair. Route 30 is crumbling and contains significant pothole damage, and lacks curb and gutter.

Therefore, inadequate utilities does contribute to designation as a conservation area.

Excessive Land Coverage and Overcrowding of Structures and Community Facilities

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

All four (4) parcels are of sufficient size for current uses, and existing buildings do not exhibit excessive land coverage on their respective parcels. Zoning requirements for maximum lot coverage are in compliance, however setback requirements are not in compliance.

Although setback issues are present to a limited extent, excessive land coverage and overcrowding of structures is not a significant contributing factor to designation as a conservation area.

Deleterious Land Use or Layout

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

The area contains one (1) industrial parcel, two (2) commercial parcels and one (1) residential parcel. The surrounding area consists primarily of farm land and a few small industrial developments. The most significant development and primary landowner in the area is the Aurora Airport located directly to the North across Route 30. The lone residential parcel (25%) is incompatible with surrounding industrial uses and the airport.

Therefore, deleterious land use or layout does make a contribution to classification as a conservation district.

Lack of Community Planning

Lack of community planning may be a significant factor if the proposed Project Area developed prior to or without the benefit or guidance of a community plan. This means that no community plan existed or it was considered inadequate, and/or was virtually ignored during the time of the area's development. Lack of planning may be documented by establishing the date of adoption of the Village's Comprehensive Plan (or other plans which may be relevant) and determining whether the area developed before or after that date. This finding may be amplified by other evidence which shows the deleterious results of the lack of community planning, including cross-referencing other factors cited in the blight finding.

The Village of Sugar Grove was incorporated in 1957, and its first Comprehensive Plan was created in the 1970's. The Village adopted its' first Future Land Use Plan in 1977. The existing house (1972) and industrial parcel (1969) are documented as constructed prior to adoption of a comprehensive plan. The motel also appears to be older than the comprehensive plan but records from the Kane County Assessor do not contain a date of building construction. However, this lack of planning has not resulted in parcels of inadequate size or lack of access, etc.

Therefore, lack of planning does not contribute to the designation as a conservation area.

Environmental Remediation Costs Impeding Development

This factor may be documented by determining if any requirements by the Illinois Environmental Protection Agency (IEPA), the United States Environmental Protection Agency (EPA), or any study conducted by a recognized independent expert consultant has resulted in the need to incur remediation costs for a site that have resulted in impeding further site redevelopment.

No known environmental issues are identified at this time and therefore environmental remediation does not contribute to the designation as a conservation area.

Decline or Minimal Marginal Increase in the Equalized Assessed Value

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

The most recent data available from the Kane County Assessor's Office was gathered in May 2011. Based on information obtained from the Assessor's Office regarding the growth rate of equalized assessed value (EAV) for the whole Village over the last 5 years (years 2006 through 2010) and information from the U.S. Department of Labor regarding the growth rate of the Consumer Price Index for All Urban Consumers (CPI):

CHANGE IN EAV

PIN	2005	2006	CHANGE	2007	CHANGE	2008	CHANGE	2009	CHANGE	2010	CHANGE
1419100028	\$165,770.00	\$178,468.00	7.66%	\$186,696.00	4.61%	\$211,078.00	13.06%	\$214,678.00	1.71%	\$205,326.00	-4.36%
1419100031	\$38,453.00	\$41,399.00	7.66%	\$43,307.00	4.61%	\$45,490.00	5.04%	\$46,267.00	1.71%	\$44,249.00	-4.36%
1419100032	\$126,599.00	\$136,297.00	7.66%	\$142,580.00	4.61%	\$161,200.00	13.06%	\$84,225.00	-47.75%	\$80,553.00	-4.36%
1419100033	\$87,249.00	\$93,932.00	7.66%	\$98,262.00	4.61%	\$111,095.00	13.06%	\$112,995.00	1.71%	\$108,068.00	-4.36%
TOTAL	\$418,071.00	\$450,096.00	7.66%	\$470,845.00	4.61%	\$528,863.00	12.32%	\$458,165.00	-13.37%	\$438,196.00	-4.36%

* Parcels did not decrease in 3 of the past 5 years

EAV COMPARISON WITH REMAINDER OF VILLAGE

YEAR	VILLAGE EAV (minus TIF area)	CHANGE	% CHANGE	PROJECT AREA % CHANGE
2005	\$236,500,385			
2006	\$291,920,585	\$55,420,200	23.43%	2.74%
2007	\$321,574,113	\$29,653,528	10.16%	6.61%
2008	\$335,095,253	\$13,521,140	4.20%	13.06%
2009	\$334,115,957	-\$979,296	-0.29%	-11.39%
2010	\$314,254,347	-\$19,861,610	-5.94%	2.64%

COMPARISON WITH CONSUMER PRICE INDEX

YEAR	CPI	CHANGE	% CHANGE	PROJECT AREA
2005	195.300			
2006	201.600	6.300	3.23%	7.66%
2007	207.342	5.742	2.85%	4.61%
2008	215.303	7.961	3.84%	12.32%
2009	214.537	-0.766	-0.36%	-13.37%
2010	218.056	3.519	1.64%	-4.36%

* Parcels did not increase at annual rate less than that of CPI for 3 of past 5 years

As noted in the tables above, although the adjacent eligible conservation area does did not decrease in EAV for 3 of the past 5 years, or increase at a rate less than the CPI for 3 of the past 5 years, it did increase at a rate less than that of the entire Village of Sugar Grove for 3 of the past 5 years (2006, 2007 and 2009).

Therefore, decline or minimal marginal increase in the equalized assessed value for the parcels does contribute to the designation as a conservation area.

Conclusion

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

1. Age;
2. Deterioration of buildings and surface improvements;
3. Excessive vacancies;
4. Inadequate utilities;
5. Deleterious land use or layout; and
6. Decline in EAV.

Each of these factors contributes to the eligibility of the adjacent area as a conservation area.

APPENDIX "B" – LEGAL DESCRIPTION

THAT PART OF SECTIONS 12, 13 AND 24 IN TOWNSHIP 38 NORTH, RANGE 6 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF SECTIONS 5, 7, 8, 9, 17, 18 AND 19 IN TOWNSHIP 38 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 18; THENCE WESTERLY ALONG THE SOUTH LINE OF THE NORTH HALF OF SAID SECTION 18 TO THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 13; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID NORTHEAST QUARTER 1318.62 FEET, MORE OR LESS, TO THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13; THENCE SOUTHERLY ALONG SAID WEST LINE 1622.50 FEET TO THE NORTHWEST CORNER OF AERO CORPORATE PARK SUBDIVISION; THENCE EASTERLY ALONG THE NORTH LINE OF SIDE SUBDIVISION TO THE WEST LINE OF DUGAN ROAD; THENCE NORTHERLY ALONG SAID WEST LINE TO A POINT ON A LINE THAT IS 50.00 FEET SOUTH OF AND PARALLEL WITH THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 18; THENCE EASTERLY ALONG SAID PARALLEL LINE, 1197.43 FEET MORE OR LESS; THENCE SOUTHERLY 1553.33 FEET; THENCE EASTERLY 1830.30 FEET, MORE OR LESS TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE NORTHERLY ALONG SAID WEST LINE TO A POINT ON A LINE THAT IS 285.80 FEET, MORE OR LESS SOUTH OF THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE EASTERLY ALONG A LINE THAT IS PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER TO A POINT 170.30 FEET WEST OF THE EAST LINE OF SAID SECTION 18; THENCE SOUTHERLY, PARALLEL WITH SAID EAST LINE TO THE NORTH LINE OF U.S. HIGHWAY 30; THENCE WESTERLY ALONG SAID NORTH LINE TO THE INTERSECTION OF THE EAST LINE OF FARRAR-HEGERMAN SUBDIVISION EXTENDED NORTH; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTHERLY LINE OF THE BURLINGTON NORTHERN SANTA FE RAILROAD RIGHT OF WAY; THENCE SOUTHEASTERLY ALONG SAID NORTH LINE TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF SUGAR GROVE INDUSTRIAL PARK UNIT 2; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID INDUSTRIAL PARK AND THE SOUTH LINE OF SUGAR GROVE INDUSTRIAL PARK UNIT 1 TO THE EAST LINE OF DUGAN ROAD; THENCE CONTINUING WESTERLY ON AN EXTENSION OF SAID SOUTH LINE 66.00 FEET TO THE WEST LINE SAID DUGAN ROAD; THENCE NORTH ALONG SAID WEST LINE TO THE SOUTH LINE OF GRANART ROAD; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE INTERSECTION THE WEST LINE OF MARQUETTE INDUSTRIAL PARK EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID WEST LINE SAID LINE ALSO BEING THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 24, TO THE NORTHEAST CORNER OF SAID WEST HALF, THENCE NORTHERLY ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13 TO THE NORTH LINE OF SAID U.S. HIGHWAY 30 RIGHT OF WAY; THENCE WESTERLY ALONG SAID NORTHERLY LINE TO THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13; THENCE NORTHERLY ALONG SAID WEST LINE AND THE WEST LINE OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 13 AND SAID LINE EXTENDED NORTH TO THE NORTH LINE OF WHEELER ROAD; THENCE EASTERLY ALONG SAID NORTH LINE TO THE WEST LINE OF DUGAN ROAD; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF THE SOUTHERLY 1237.50 FEET OF THE SOUTHEAST QUARTER OF SAID SECTION 12; THENCE WESTERLY ALONG SAID NORTH LINE TO THE WEST LINE OF THE EAST HALF OF SAID SECTION 12; THENCE NORTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF THE NORTH 112.5 RODS (1856.25 FEET MORE OR LESS) OF THE NORTHEAST QUARTER OF SAID SECTION 12; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE AND SAID SOUTH LINE EXTENDED TO THE EASTERLY LINE OF DUGAN ROAD; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTH LINE OF THE SOUTHWEST QUARTER

APPENDIX "B" – LEGAL DESCRIPTION

OF SAID SECTION 7; THENCE EASTERLY ALONG SAID NORTH LINE TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 7; THENCE SOUTHERLY ALONG SAID WEST LINE TO THE SOUTH LINE OF SAID SECTION; THENCE EASTERLY ALONG SAID SOUTH LINE TO THE NORTHERLY LINE OF WHEELER ROAD; THENCE EASTERLY ALONG SAID NORTHERLY LINE TO A POINT 796.70 WEST OF THE SOUTHEAST CORNER OF SAID SECTION 7 ; THENCE NORTHERLY PARALLEL WITH THE EAST LINE OF SAID SECTION 7 TO THE NORTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 7; THENCE NORTHEASTERLY AT AN ANGLE OF 152 DEGREES 04 MINUTES 26 SECONDS MEASURED COUNTERCLOCKWISE FROM THE LAST DESCRIBED COURSE, 783.44 FEET, MORE OR LESS; THENCE SOUTHEASTERLY AT AN ANGLE OF 101 DEGREES 08 MINUTES 40 SECONDS, MEASURED COUNTERCLOCKWISE FROM THE LAST DESCRIBED COURSE, 136.00 FEET, MORE OR LESS, TO THE WEST LINE OF SAID SECTION 8; THENCE NORTHERLY ALONG SAID WEST LINE, 578.10 FEET, MORE OR LESS; THENCE NORTHWESTERLY AT AN ANGLE OF 116 DEGREES 12 MINUTES 32 SECONDS MEASURED CLOCKWISE FROM THE LAST DESCRIBED COURSE TO THE SOUTHEASTERLY LINE OF A TWO ROD LANE; THENCE NORTHEASTERLY AT AN ANGLE OF 87 DEGREES 11 MINUTES 34 SECONDS, MEASURED COUNTERCLOCKWISE FROM THE LAST DESCRIBED COURSE AND BEING ALONG A TWO ROD LANE, 2519.31, MORE OR LESS TO THE SOUTH LINE OF HARTER ROAD; THENCE SOUTHEASTERLY ALONG THE SOUTH LINE OF HARTER ROAD AND THE SOUTH LINE OF OLD HARTER ROAD TO THE SOUTHWESTERLY LINE OF STATE ROUTE 47; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE TO THE NORTHERN MOST CORNER OF SUGAR GROVE RESEARCH PARK SUBDIVISION; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF SAID SUBDIVISION TO THE WESTERLY MOST CORNER OF LOT 16 IN SAID SUBDIVISION; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 16 TO THE NORTHERLY LINE OF HEARTLAND DRIVE; THENCE SOUTHEASTERLY ALONG THE NORTH LINE OF SAID HEARTLAND DRIVE TO THE SOUTHERLY MOST CORNER OF LOT 13 IN SAID SUBDIVISION; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID SUBDIVISION TO THE SOUTHWESTERLY LINE OF SAID STATE ROUTE 47 RIGHT OF WAY; THENCE SOUTHEASTERLY ALONG SAID SOUTHWESTERLY LINE TO THE WEST LINE OF HILLSIDE COUNTRY SUBDIVISION NORTH EXTENDED NORTH; THENCE SOUTHERLY ALONG SAID WEST LINE EXTENDED AND SAID WEST LINE EXTENDED 1468.06 FEET, MORE OR LESS TO THE SOUTH LINE OF WHEELER ROAD; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE WEST LINE OF HILLSIDE COUNTRY SUBDIVISION WEST UNIT 2; THENCE SOUTH ALONG SAID WEST LINE AND THE WEST LINE OF HILLSIDE COUNTRY SUBDIVISION WEST UNIT 3 TO THE SOUTHWEST CORNER OF SAID UNIT 3; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID UNIT 3 TO THE WEST LINE OF WINDSOR WEST UNIT 1; THENCE SOUTHERLY ALONG THE WEST LINE OF WINDSOR WEST UNIT 1 TO THE NORTHEASTERLY LINE OF MUNICIPAL DRIVE PER DOCUMENT NUMBER 2008K028377; THENCE NORTHWESTERLY ALONG SAID NORTHEASTERLY LINE, 224.99 FEET, MORE OR LESS TO THE WEST LINE OF THE EAST 80 FEET OF THE NORTHEAST QUARTER OF SAID SECTION 17; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF THE SOUTHERLY 550.00 FEET OF SAID SECTION 17; THENCE WESTERLY ALONG SAID NORTH LINE TO A LINE LYING 950.00 EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION 17; THENCE NORTHERLY ALONG SAID PARALLEL LINE TO A POINT 690.00 FEET SOUTHERLY OF THE NORTH LINE OF SAID SECTION 17; THENCE WESTERLY, PARALLEL TO SAID NORTH LINE, 900 FEET, MORE OR LESS TO A POINT LYING 50 FEET EASTERLY OF THE WEST LINE OF SAID SECTION 17; THENCE NORTHERLY, PARALLEL TO SAID WEST LINE 723.00 FEET MORE OR LESS TO THE NORTH LINE OF WHEELER ROAD; THENCE EASTERLY ALONG SAID NORTH LINE TO A POINT LYING 950.00 FEET EASTERLY OF THE WEST LINE OF SAID SECTION 8; THENCE NORTHERLY, PARALLEL TO SAID WEST LINE TO A LINE LYING 370.00 FEET NORTHERLY OF THE SOUTH LINE OF SAID SECTION 8; THENCE WESTERLY, PARALLEL TO SAID SOUTH LINE TO THE WEST LINE OF SAID SECTION 8; THENCE SOUTHERLY ALONG SAID WEST LINE AND THE EAST LINE OF SAID SECTION 18 TO THE POINT OF BEGINNING.

APPENDIX “C” – PIN LIST

1313400018	1419100031
1313476001	1419100032
1313476002	1419100033
1313476003	1419100034
1313476004	1419100035
1313476005	1419101003
1313477001	1419101004
1313477002	1419101005
1313477003	1419102001
1313477004	1419102002
1313477005	1419105001
1313477006	1419105002
1313477007	1419105003
1324226001	1419151001
1324226002	1419151003
1324226003	1419151004
1324226004	1419151005
1324226005	1419151006
1324226006	1419151007
1324226007	1419151008
1324226008	1419151009
1324227002	1419151010
1324227003	1419151011
1324227004	1419151012
1324501005	1419200015
1418300012	1419200016
1418300015	1419200017
1418400009	1419200019
1419100028	1419501003
1419100030	

APPENDIX “D” – 2010 EQUALIZED ASSESSED VALUE (EAV)

PIN	EAV
1313400018	\$9,052.00
1313476001	\$3,450.00
1313476002	\$8,049.00
1313476003	\$571,803.00
1313476004	\$268,266.00
1313476005	\$259,281.00
1313477001	\$451,968.00
1313477002	\$566,438.00
1313477003	\$171,815.00
1313477004	\$61,265.00
1313477005	\$340,722.00
1313477006	\$333,125.00
1313477007	\$251,298.00
1324226001	\$5,199.00
1324226002	\$204,476.00
1324226003	\$248,749.00
1324226004	\$93,433.00
1324226005	\$81,125.00
1324226006	\$151,068.00
1324226007	\$160,630.00
1324226008	\$30,074.00
1324227002	\$6,899.00
1324227003	\$4,050.00
1324227004	\$10,599.00
1324501005	\$0.00
1418300012	\$4,010.00
1418300015	\$0.00
1418400009	\$0.00
1419100028	\$205,326.00
1419100030	\$0.00

PIN	EAV
1419100031	\$44,249.00
1419100032	\$80,553.00
1419100033	\$108,068.00
1419100034	\$0.00
1419100035	\$1,649,726.00
1419101003	\$211,761.00
1419101004	\$28,973.00
1419101005	\$220,619.00
1419102001	\$525,124.00
1419102002	\$36,218.00
1419105001	\$210,041.00
1419105002	\$207,938.00
1419105003	\$113,168.00
1419151001	\$226,391.00
1419151003	\$186,752.00
1419151004	\$221,820.00
1419151005	\$435,717.00
1419151006	\$231,213.00
1419151007	\$258,982.00
1419151008	\$25,733.00
1419151009	\$25,733.00
1419151010	\$25,733.00
1419151011	\$12,869.00
1419151012	\$12,869.00
1419200015	\$0.00
1419200016	\$0.00
1419200017	\$3,433.00
1419200019	\$9,526.00
1419501003	\$0.00
TOTAL	\$9,615,379.00

**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: RICHARD YOUNG, COMMUNITY DEVELOPMENT DIR.
SUBJECT: ORDINANCE: APPROVING THE SG INDUSTRIAL REDEVELOPMENT PLAN AND PROGRAM #1
ORDINANCE: DESIGNATING THE SG INDUSTRIAL REDEVELOPMENT PROJECT AREA #1
ORDINANCE: ADOPTING TAX INCREMENT FINANCING FOR THE SG INDUSTRIAL REDEVELOPMENT PROJECT AREA #1
AGENDA: JANUARY 17, 2012 VILLAGE BOARD MEETING
DATE: JANUARY 13, 2012

ISSUE

Should the Village approve the Industrial Redevelopment Plan and Program, designate the Project Area, and adopt Tax Increment Financing Sugar Grove TIF District #1.

DISCUSSION

Following the public hearing held on January 3, 2012, and the determination by Staff and our consultants (Teska) that the area identified meets the requirements of the TIF Act for an industrial park conservation area within a labor surplus municipality, the next step in the establishment of the Sugar Grove Industrial TIF District #1 is the adoption of the Redevelopment Plan and Program. It is believed that in order to promote redevelopment growth within the industrial sectors of the community, the Village needs to undertake this TIF District to encourage additional private investment and to broaden the tax base. Teska has conducted an eligibility study and finds that pursuant to the TIF Act, the area outlined as Sugar Grove Industrial TIF District #1 qualifies as a redevelopment project area.

The Redevelopment Plan and Program document prepared by Teska sets forth the program to be undertaken to accomplish the objectives of the Village. The Plan includes estimated redevelopment project costs proposed for the Project Area, evidence indicating that the Project Area on the whole has not been subject to growth and development through investment by private enterprise, an assessment of financial impact of the Project Area due to increased demand for services from taxing districts affected by the plan and programs available to address such financial impact or increased demand, the most recent equalized assessed valuation of the Project Area, an

estimate as to the equalized assessed valuation after redevelopment and the general land uses to apply in the Project Area.

Following the adoption of the Plan, the next step is the adoption of an ordinance setting the TIF District boundary. Attached are two different TIF District #1 area maps. This first includes the 324 acres that have been a part of the revised process since the start of the discussion last fall. The second map eliminates 19 acres of undeveloped land west of Airpark Drive and north of U.S. Rt.30 in Big Rock Township. Staff would recommend that the Village Board approve this second map as the boundary of the TIF District which includes a total of 305 acres.

The third and final item for Village Board consideration is the adoption of the TIF. As noted previously by Staff, the approval of the TIF does not bind the Village to fund any improvements. It does provide the Board the opportunity as a proposed project comes on line to use the property tax revenue increment for capital improvement projects. Keep in mind that the Village is not obligated to either issue bonds nor take on any debt as a result of this plan. Again it is important to note that in all likelihood, TIF projects will be set up to be developer funded. By this we mean that developers would be reimbursed project costs from future TIF revenues and any risk would be on the developer. If the TIF is successful and generates a reliable revenue stream the Village may, at a later date, consider some type of debt.

ATTACHMENTS

1. Sugar Grove Industrial Tax Increment Financing District #1 Redevelopment Plan and Program, November 2, 2011 Prepared by Teska Associates, Inc.
2. Ordinance Approving the Industrial Redevelopment Plan and Program.
3. Proposed TIF District Legal Description (324 acres)
4. Proposed TIF Boundary Area Map (324 acres)
5. Proposed TIF District Legal Description (305 acres)
6. Proposed TIF Boundary Area Map (305 acres)
7. Ordinance Designating The Sugar Grove Industrial Redevelopment Project Area
8. Ordinance Adopting the TIF

COST

There are estimated costs of \$4500 for the publishing and consultant fees.

RECOMMENDATION

That the Village Board Adopt the Following Ordinances for the approval of the Redevelopment Plan and Program, set a designated map (305 acres) for the TIF boundary area and adopt the TIF itself.

1. Ordinance 2012 0117A, An Ordinance Approving the SG Industrial Redevelopment Plan and Program #1
2. Ordinance 2012 0117B, An Ordinance Designating the SG Industrial Redevelopment Project Area #1
3. Ordinance: 2012 0117C, An Ordinance Adopting Tax Increment Financing for the SG Industrial Redevelopment Project Area #1



Community Planning + Site Design + Development Economics + Landscape Architecture

To: Rich Young
From: Mike Hoffman and Pete Iosue
Date: December 15, 2011
Re: Sugar Grove Industrial TIF

In response to issues raised at the Joint Review Board, we offer the following:

1. The proposed TIF does not meet the “but for” test.

We feel the ‘but for’ test is met due to:

- a. Most of this area has been zoned for industrial development for over 20 years, and still has not fully developed.
- b. The area lacks sanitary sewer service, which is critical for many types of industrial activities. This lack of infrastructure has severely hampered growth in the area.
- c. As noted in the JRB minutes, this area has only limited water service capacities. Again, this lack of infrastructure has severely hampered growth.
- d. When an industry is looking to locate in a community, they want to be able to move quickly and they generally only examine sites where the needed infrastructure is in place. In the proposed TIF area, the infrastructure is simply inadequate to support many otherwise appropriate industrial uses.

2. The reduction in EAV criteria is not met.

Again, we are confident the criteria is met.

The following language is taken directly from the TIF Act:

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

Teska Associates, Inc.

The underlined portion of the statute is a fact for the subject area. However, we did make a minor mistake in the original eligibility report – we compared the TIF area to the entire Village *as a whole* when we should have compared the TIF area to the Village *minus the TIF area*. However it doesn't make any difference as far as the results go – it still qualifies under the same criteria for the same years, but the numbers are slightly adjusted. We will make this adjustment in the eligibility study and resubmit.

Original Table:
EAV COMPARISON WITH VILLAGE

YEAR	VILLAGE EAV	CHANGE	% CHANGE	AREA
2005	\$236,918,456			
2006	\$292,370,621	\$55,452,165	23.41%	2.74%
2007	\$322,044,958	\$29,674,337	10.15%	6.61%
2008	\$335,624,116	\$13,579,158	4.22%	13.06%
2009	\$334,574,131	-\$1,049,985	-0.31%	-11.39%
2010	\$314,692,543	-\$19,881,588	-5.94%	2.64%

Adjusted Table:
EAV COMPARISON WITH REMAINDER OF VILLAGE

YEAR	VILLAGE EAV (minus TIF area)	CHANGE	% CHANGE	PROJECT AREA % CHANGE
2005	\$236,500,385			
2006	\$291,920,585	\$55,420,200	23.43%	2.74%
2007	\$321,574,113	\$29,653,528	10.16%	6.61%
2008	\$335,095,253	\$13,521,140	4.20%	13.06%
2009	\$334,115,957	-\$979,296	-0.29%	-11.39%
2010	\$314,254,347	-\$19,861,610	-5.94%	2.64%

Note: Yellow highlight indicates qualifying year.

3. Deterioration is not correct where improvements were being made (roof repair).

As for eligibility, there were 4 parcels in the "conservation area" and we determined that 2 of them had building deterioration (50%), and there were deteriorated site improvements (mostly parking lots) on all four parcels. There is no minimum number or percent required. We noted that the restaurant was doing some repairs when we did our field work, but at the time of the study it was still deteriorated. Even if you exclude that, the deteriorated surface improvements qualify the area in our opinion.

4. The 12 Acre Conservation Area is too small of an area to qualify.

The purpose of an Industrial Park Conservation Area TIF is different than a traditional Blighted or Conservation Area TIF, and has different criteria identified in statute. The focus of an Industrial Park Conservation Area TIF is to promote development of vacant industrial land – which is the case here in Sugar Grove. As such, this type of TIF is less

focused on redevelopment of blighted areas and just requires that the conservation or blighted area be adjacent to vacant industrial area, rather than evident throughout the TIF area as required by a traditional conservation area or blighted area TIF. As noted in our previous testimony, we have found no minimum size requirement for the conservation component of an Industrial Park Conservation Area TIF other than the minimum size of any TIF, which is 1.5 acres.

5. EAV Calculation of Airport Property

We have stated that airport property is generally tax exempt, but that buildings within the airport property are used by private corporations and those buildings are subject to property taxes and thus can contribute to the TIF. We calculated projected EAV growth from developable airport (City of Aurora) property based on comparables from within the study area.

Airport Leasehold Comparables

PIN #	Property Taxes Paid in 2011	Tax Bill Sent to:
14-17-300-023	\$5,804	BNB Limited LLC
14-17-400-010	\$5,896	David Rosebraugh

Leasehold EAV

PIN #	2005	2006	2007	2008	2009	2010
14-17-300-023	\$76,356	\$82,205	\$69,318	\$78,371	\$79,711	\$76,236
14-17-400-010	\$78,948	\$84,995	\$69,330	\$78,384	\$79,724	\$76,248

Leasehold EAV Trends

PIN #	2005-06	2006-07	2007-08	2008-09	2009-10
14-17-300-023	7%	-19%	12%	2%	-5%
14-17-400-010	7%	-23%	13%	2%	-5%

To project future EAV, we calculated a per square foot value based on the above comparables using the most recent year (2010). We then used this value in projecting additional growth in the tax base based on available developable land under airport control and within the TIF. We also included a slight inflationary growth in the EAV (1% annually).

As you can see from the table above, there has not been a clear trend in EAV values for these parcels – they have gone up in some years and down in others. As such, our original estimates assumed a 1% inflationary growth rate in EAV. We have since learned that, while it

is definitely not evident in the above trends, the assessor does apply a formula to leasehold improvements which essentially reduces the value based on the length of the lease. In theory, when the lease expires, the assessed value is zero. However, if after the end of the lease term a new lease occurs the assessed value would then go back up based on the value of the building and the lease. As such, we are comfortable with our original EAV estimates for this area based on actual trends over the past 5 years. However, we would suggest that:

- a. The Village should take into consideration the length of lease for any TIF incentive offered, and talk with the assessor about how any specific improvement would be assessed prior to entering a redevelopment agreement for any potential leasehold improvement.
- b. The Village should also work closely with the City of Aurora and the airport to ensure that any TIF incentive related to improvements on airport property would not impact any potential federal funding (particularly provisions of Part 16, Rules of Practice for Federally Assisted Airport Proceeding – Title 14).

LEGAL DESCRIPTION

THAT PART OF SECTIONS 13 AND 24 IN TOWNSHIP 38 NORTH, RANGE 6 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THAT PART OF SECTIONS 18 AND 19 IN TOWNSHIP 38 NORTH, RANGE 7 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF AERO CORPORATE PARK SUBDIVISION; THENCE EASTERLY ALONG THE NORTH LINE OF SAID SUBDIVISION TO THE WEST LINE OF SAID SECTION 18; THENCE CONTINUING EASTERLY 1169.64 FEET, MORE OR LESS TO A POINT; THENCE CONTINUING EASTERLY 1830.30 FEET, MORE OR LESS TO THE WEST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE NORTHERLY ALONG SAID WEST LINE TO THE NORTH LINE OF A PARCEL OF LAND, HAVING A P.I.N. OF 14-18-400-009, SAID LINE BEING 285.80 FEET, MORE OR LESS SOUTH OF THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18; THENCE EASTERLY ALONG A LINE THAT IS PARALLEL WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER TO A POINT 170.30 FEET WEST OF THE EAST LINE OF SAID SECTION 18; THENCE SOUTHERLY, PARALLEL WITH SAID EAST LINE TO THE NORTH LINE OF U.S. HIGHWAY 30; THENCE WESTERLY ALONG SAID NORTH LINE TO THE INTERSECTION OF THE EAST LINE OF FARRAR-HEGERMAN SUBDIVISION EXTENDED NORTH; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE NORTHERLY LINE OF THE BURLINGTON NORTHERN SANTA FE RAILROAD RIGHT OF WAY; THENCE NORTHWESTERLY ALONG SAID NORTH LINE TO THE EAST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19; THENCE SOUTHERLY ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF SUGAR GROVE INDUSTRIAL PARK UNIT 2; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID INDUSTRIAL PARK AND THE SOUTH LINE OF SUGAR GROVE INDUSTRIAL PARK UNIT 1 TO THE EAST LINE OF DUGAN ROAD; THENCE CONTINUING WESTERLY ON AN EXTENSION OF SAID SOUTH LINE 66.00 FEET TO THE WEST LINE SAID DUGAN ROAD; THENCE NORTH ALONG SAID WEST LINE TO THE SOUTH LINE OF GRANART ROAD; THENCE WESTERLY ALONG SAID SOUTH LINE TO THE INTERSECTION THE WEST LINE OF MARQUETTE INDUSTRIAL PARK EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID WEST LINE SAID LINE ALSO BEING THE EAST LINE OF THE WEST HALF OF THE NORTHEAST QUARTER OF SAID SECTION 24, TO THE NORTHEAST CORNER OF SAID WEST HALF, THENCE NORTHERLY ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 13 TO THE SOUTHWEST CORNER OF SAID AERO CORPORATE PARK SUBDIVISION; THENCE NORTHERLY ALONG THE WEST LINE OF SAID AERO CORPORATE PARK SUBDIVISION TO THE POINT OF BEGINNING.

January 10, 2012

**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: JUSTIN VANVOOREN, FINANCE DIRECTOR
SUBJECT: MONTHLY TREASURER'S REPORT
AGENDA: JANUARY 17, 2012 REGULAR BOARD MEETING
DATE: JANUARY 13, 2012

ISSUE

Should the Village Board approve the December 2011 monthly Treasurer's report.

DISCUSSION

The Summarized Revenue & Expense Reports are attached. At December 31, 2011 we are through 8 months of the year (66.7%).

The General Fund revenues and expenditures are at 77.8% and 56.8%, respectively. The main reason revenues are higher than budgeted is due to the timing of receipt of property taxes. The main reason for the expenditures being lower than budgeted is the timing of payments for road salt (\$163,500 or 4.0%), dispatch services (\$259,300 or 6.3%), and insurance premiums (\$102,800 or 2.5%). The following expenditures have budget or actual amounts over \$5,000 and are higher than budget by 10% or more:

		<u>Budget</u>	<u>Actual</u>	<u>% Spent</u>	
01-51-6102	Salaries-Overtime	54,195	59,388	109.5%	A
01-51-6209	Uniform Allowance	10,400	10,400	100.0%	B
01-51-6301	Legal Services	64,800	51,289	79.2%	C
01-53-6105	Salaries-Seasonal	7,005	8,539	121.9%	D
01-53-6500	General Equipment	16,000	14,493	90.6%	E
01-53-6603	Specialized Supplies	5,500	5,001	91.0%	F
01-53-6606	Landscaping Supplies	11,850	22,805	192.4%	G
01-56-6302	Audit Services	11,350	11,261	99.3%	H

- A Pol – This is due to the timing of Corn Boil as well as officers out on disability.
B Pol – This is due to the timing of payments for the uniform allowance.
C Pol – This is due to on-going contract negotiations for represented employees.

- D Str – This is due to the timing of work for the seasonal employees, as well as additional work upon retirement of the part-time laborer.
- E Str – This is due to the purchase of a mower and stump grinder. Both items were budgeted and this account is not expected to go over budget.
- F Str – This is due to the seasonal purchase of mosquito control chemicals which was a budgeted item.
- G Str – This is due to the purchase of parkway trees. Although unbudgeted, the Village will be reimbursed by a \$9,850 EAB grant.
- H Fin – This is due to the timing of payments which coincide with the filing of the audit. There is no anticipation for this account to be over budget.

Please note engineering invoices are paid approximately 2 months after services are provided. Thus, engineering services accounts in the General Fund, Infrastructure Capital Projects Fund, and Waterworks and Sewerage Fund will reflect a 2 month lag.

The General Capital Projects Fund revenues are at 44.7% and expenditures are at 46.2%. The revenue is low due to lower interest rates and the timing of sale of a capital asset. The expenditures are low due to projects not being billed or not starting yet this fiscal year.

The Industrial TIF Fund expenditures are at 146.2%. The expenditures are high due to the timing of the project during the fiscal year, as well as revisions to the TIF plan.

The Infrastructure Capital Projects Fund revenues are at 66.1% and expenditures are 65.1%.

The Debt Service Fund revenues are at 70.7% and the expenditures are at 100.0%. The expenditures are high due to the timing of debt payments throughout the year.

The Waterworks and Sewerage Fund operating revenues and operating expenses are at 63.7% and 62.2%, respectively. The capital revenues and expenses are at 8.0% (excluding debt issuance) and 20.6% (excluding the new water meter system), respectively. The capital expenses are low due to projects not starting yet this fiscal year. The following expenses have budget or actual amounts over \$5,000 and are higher than budget by 10% or more:

		<u>Budget</u>	<u>Actual</u>	<u>% Spent</u>	
50-50-6302	Audit Services	11,350	11,261	99.3%	I
50-50-6307	I.S. Services	4,864	7,014	144.2%	J
50-59-6313	SCADA Services	6,000	8,551	142.5%	K
50-60-6311	IEPA Water Sampling	10,000	10,171	101.7%	L
50-60-6403	Repair & Maint – Equip	12,100	9,658	79.9%	M
50-60-6406	Repair & Maint – Bldg	4,000	8,476	211.9%	N
50-60-6603	Specialized Supply	73,385	58,929	80.3%	O
50-71-8002	Debt – Principal	80,000	80,000	100.0%	P
50-71-8003	Debt – Interest	105,825	105,825	100.0%	Q

- I W&S Adm – This is due to the timing of payments which coincide with the filing of the audit. There is no anticipation for this account to be over budget.
- J W&S Adm – This is due to the installation and monthly hosting of iConnect (for online utility billing). This was not a budgeted item, but was discussed with the Board prior to installation. The account will be over budget for the year.
- K Water Ops – This is due to emergency repairs for the SCADA system caused by a lightning strike.
- L Water Ops – This is due to the timing of water sampling program. This is a budgeted item.
- M Water Ops – This is due to the repair of the High Service Pumps at Well 10. There is no anticipation for this account to be over budget.
- N Water Ops – This is due to emergency inspections of the water system due to a lightning strike.
- O Water Ops – This is due to the on-going replacement of water meters and transmitters. This account is expected to go over budget.
- P Water Cap – This is due to the timing of payments for debt. Payments are budgeted; this account is not expected to be over budget.
- Q W & S Cap – This is due to the timing of payments for debt. Payments are budgeted; this account is not expected to be over budget.

The Refuse Fund revenues and expenses are at 65.7% and 57.5%, respectively. The expenses are below expectations due to the timing of payments being made to Waste Management.

Staff projected and included 0 residential, 6 commercial, and 325 miscellaneous permits in the fiscal year 2011 – 2012 budget approved by the Village Board, which we will track throughout the fiscal year and report on. As of January 13, 2012, 1 of the residential, 2 of the commercial, and 232 of the miscellaneous permits have been issued. The following accounts will be included in each Treasurer’s Report to reflect the revenues from building activity:

		<u>Budget</u>	<u>Actual</u>	<u>% Earned</u>
01-00-3310	Building Permits	38,100	32,370	85.0%
01-00-3320	Cert of Occupancy Fees	600	1,210	201.6%
01-00-3330	Plan Review Fees	1,920	1,121	58.4%
01-00-3340	Reinspection Fees	2,873	880	30.7%
01-00-3350	Transition Fees	0	0	0.0%
01-00-3740	Zoning and Filing Fees	5,500	2,500	45.5%
01-00-3760	Review and Dev. Fees	106,600	58,718	55.1%
30-00-3850	Improvement Donations	0	0	0.0%
30-00-3851	Emerg Warn Device Fee	0	0	0.0%
30-00-3852	Life Safety-Police	0	200	100.0%
30-00-3853	Life Safety-Streets	0	200	100.0%
30-00-3856	Commercial Fee	0	0	0.0%
35-00-3854	Traffic Pre-emption Donate	0	0	0.0%

35-00-3855	Road Impact Fee	0	1,000	100.0%
50-00-3310	Meter Reinspections	175	0	0.0%
50-00-3670	Meter Sales	11,565	2,829	24.5%
50-01-3651	Water Tap-On Fees	17,403	5,597	32.2%
50-01-3652	Sewer Tap-On Fees	0	151	100.0%
50-01-3791	Fire Suppr Tap-On Fee	17,403	0	0.0%

COST

There are no direct costs associated with the monthly Treasurer's report.

RECOMMENDATION

That the Board approve the December 2011 monthly Treasurer's reports

<p>Village President P. Sean Michels</p> <p>Village Clerk Cynthia Galbreath</p> <p>Village Administrator Brent M. Eichelberger</p>	 <p>INCORPORATED 1911 SUGAR GROVE 10 S. Municipal Drive Sugar Grove, Illinois 60554 Phone: 630-466-4507 Fax: 630-466-4521</p>	<p>Village Trustees</p> <p>Robert Bohler Kevin Geary Mari Johnson Rick Montalto David Paluch Thomas Renk</p>
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Agenda
January 17, 2012
Regular Board Meeting
6:00 P.M.

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Hearing:
 - a. None
5. Appointments and Presentations
 - b. None
6. Public Comment on Items Scheduled for Action
7. Consent Agenda
 - a. Approval: Minutes of the January 3, 2012 Meeting
 - b. Approval: Vouchers
 - c. Approval: Treasurer's Report
 - d. Resolution: Authorizing an Agreement for Water and Sewer Connection
8. General Business
 - a. Ordinance: Approving the SG Industrial Redevelopment Plan and Program #1
 - b. Ordinance: Designating the SG Industrial Redevelopment Project Area #1
 - c. Ordinance: Adopting Tax Increment Financing for the SG Industrial Redevelopment Project Area #1
 - d. Resolution: Authorizing a Clarification Agreement – Prairie Grove Commons Lot 1 - * STAR
 - e. Resolution: Authorizing a Plat Amendment – Prairie Grove Commons Lot 1 - * STAR
 - f. Approval: Extending a PUD Agreement – Prairie Grove Commons -* STAR
 - g. Resolution: Declaring Default by Stillwater Land Development, LLC and the National Bank for the Development Known as Prairie Glen Units 1 and 2
9. New Business
10. Reports
 - a. Staff Reports
 - b. Trustee Reports
 - c. Presidents Report
11. Public Comments
12. Airport Report
13. Closed Session: Land Acquisition, Personnel, Litigation
14. Adjournment

* STAR – Subject to Attorney Review

<p>Village President P. Sean Michels</p> <p>Village Clerk Cynthia Galbreath</p> <p>Village Administrator Brent M. Eichelberger</p>	 10 S. Municipal Drive Sugar Grove, Illinois 60554 Phone: 630-466-4507 Fax: 630-466-4521	<p>Village Trustees</p> <p>Robert Bohler Kevin Geary Mari Johnson Rick Montalto David Paluch Thomas Renk</p>
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Committee of the Whole
January 17, 2012
6:30 P.M.

1. Call to Order
2. Roll Call
3. Public Comments
4. Discussion: Comprehensive Streets Maintenance Improvement Program Update
5. Closed Session: Land Acquisition, Personnel, Litigation
6. Adjournment

**STAFF REPORT TO THE SUGAR GROVE PLANNING COMMISSION
FROM MIKE FERENCAK, PLANNER**

GENERAL CASEFILE INFORMATION

Commission Meeting Date: January 25, 2011

Petition Number: 11-018

Project Name: Settlers Ridge

Petitioner: The Coast Oak Group (land manager for LCP Strategic Loan
Joint Venture 2008-1, LLC)

Request: 1. Workshop

Location: Properties owned by LCP SLJV 2008-1, LLC in Settlers
Ridge Unit 1A, Unit 1B, Well Site, and unplatted areas

Exhibits: Concept Plan
Setback and Lot Standards
Landscape Design Guidelines
Architectural Design Guidelines

DEVELOPMENT PROPOSAL

The applicant has asked for a workshop with the Plan Commission to review some of the primary plans and documents that have been submitted at this point in time. The overall submittal remains incomplete. Staff does not begin formal review of the plans until the submittal is complete. So far, staff has not generated written comments from the conceptual review meeting either.

Once the submittal and staff review are complete, this project will also need to go before the Architectural Review and Resource Group and the Plan Council before being reviewed by the Plan Commission formally.

The purpose of this workshop is to get the general thoughts of the Plan Commission in regards to the documents provided. The documents are the applicant's proposal on some of the larger planning issues involved. The types of items that could be questioned or commented on are: land uses & densities, road network, bike path network, utilities, architecture, landscaping, and phasing, etc.

HISTORY

The Settlers Ridge Planned Development District (PDD) (for the entire site), Annexation Agreement (AA) (for the entire site), and Preliminary Plat and Plans (for the North area), were approved June 28, 2005. A Minor PDD Amendment for the entire site was approved on June 20, 2006. A Major

PDD Amendment and AA Amendment for the entire site were approved on August 21, 2007. Unit 1A, Unit 1B, and the Well Site (in the North area) received Final Plat, Engineering, and Landscape approval on November 1, 2005, June 20, 2006, and October 17, 2006, respectively. Unit 1A contains 182 units on 141 lots. Unit 1B contains 108 units on 108 lots. Together there are 290 units on 249 lots.

ZONING ORDINANCE

N/A.

EVALUATION

N/A.

PUBLIC RESPONSE

N/A.

STAFF RECOMMENDATION

N/A.