
**VILLAGE OF SUGAR GROVE
BOARD REPORT**

TO: VILLAGE PRESIDENT & BOARD OF TRUSTEES
FROM: MATT ANASTASIA, FINANCE DIRECTOR
SUBJECT: ORDINANCE ESTABLISHING THE COLLEGE CORNER BUSINESS IMPROVEMENT DISTRICT
AGENDA: AUGUST 2, 2022 REGULAR BOARD MEETING
DATE: JULY 29, 2022

ISSUE

Shall the Board approve an Ordinance establishing the College Corner Business Improvement District at a 1% additional Sales Tax.

DISCUSSION

At the June 21, 2022 Board meeting, a presentation was given by Moran Economic Development regarding the Blight Analysis, Eligibility, Plan and Boundaries of the property to be incorporated in the College Corner Business Improvement District. This was at the request of the property owner of the vacant old bank site and the vacant parcels to the Northeast of the vacant building. The Public Hearing was held on July 19, 2022 during the Board meeting.

The establishment of the Business Improvement District would impose a 1% **additional** sales tax on the parcels within the boundaries of the district for a max of 23 years. This sales tax is collected on all general merchandise subject to state sales tax with a few exclusions:

- Sales of qualifying food, drugs and medical appliances
- Items that must be titled or registered by the State of Illinois, or
- Taxpayers that do not have a permanent place of business (physical storefront)

Attachments:

- College Corner Business Improvement District Plan
- Ordinance Establishing the College Corner Business Improvement District; Approving a Business District Plan; Authorizing the Imposition and Collection of a Sales Tax within such Business District; and Approving certain actions in connection with the Establishment of such Business District

COST

The costs to complete the establishment of the Business District are solely borne by the Developer. There are no costs to the Village.

RECOMMENDATION

The Village Board approve Ordinance #20220802BD Establishing the College Corner Business District; Approving a Business District Plan; Authorizing the Imposition and Collection of a Sales Tax within such Business District; and Approving certain actions in connections with the Establishment of such Business District.

ORDINANCE NO. 20220802BD

AN ORDINANCE ESTABLISHING THE COLLEGE CORNER BUSINESS IMPROVEMENT DISTRICT; APPROVING A BUSINESS DISTRICT PLAN; AUTHORIZING THE IMPOSITION AND COLLECTION OF A SALES TAX WITHIN SUCH BUSINESS DISTRICT; AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE ESTABLISHMENT OF SUCH BUSINESS DISTRICT.

WHEREAS, the Village of Sugar Grove, Illinois (the "Village") is authorized pursuant to the provisions of the Illinois Business District Development and Redevelopment Law, 65 ILCS 5/11-74.3-1 et seq. as amended (the "Business District Law") to designate an area within its boundaries as a business district for purposes of carrying out the development or redevelopment of such area pursuant to a specific plan; and

WHEREAS, the Village's exercise of the powers granted in the Business District Law is dedicated to the promotion of the public interest, the enhancement of the tax base within the Village, the creation of employment and the eradication of blight, and the use of such powers for the creation, development, improvement, maintenance and redevelopment of business districts is hereby declared to be for the public safety, benefit and welfare of the residents of the Village and the State of Illinois, essential to the public interest and for public purposes; and

WHEREAS, a business district plan has been prepared by the consulting firm of Moran Economic Development, dated June 21, 2022, entitled "*College Corner Business Improvement District Redevelopment Plan and Project*" (the "Business District Plan"), which sets forth a plan for the development and redevelopment of an area which encompasses property and rights-of-way in the Village adjacent to Heartland and Waubensee Drives, on the southwest side of Sugar Grove Parkway/IL-47.

WHEREAS, the Village on June 23, 2022 and June 30, 2022 published a notice of public hearing to be held with respect to the approval of the Business District Plan and the designation of the Business District, and the Village held a public hearing as provided in such notice on July 19, 2022 at which members of the public were allowed to comment with respect to the provisions of the Business District Plan; and

WHEREAS, the Village now desires to form the Business District, to authorize the imposition within the Business District of certain taxes, and to make such other findings as necessary pursuant to the Business District Law.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND VILLAGE BOARD OF THE VILLAGE OF SUGAR GROVE, ILLINOIS, AS FOLLOWS:

Section 1. Incorporation of Recitals. The Village Board hereby finds that the recitals to this Ordinance are true, complete and correct and hereby incorporates them into this Ordinance.

Section 2. Findings. The Village hereby makes the following findings as supported by the Business District Plan:

(a) The Business District, on the whole, has not been subject to growth and development through investment by private enterprise or would not reasonably be

anticipated to be developed without the adoption of the Business District Development Plan;

(b) The Business District Plan conforms to the comprehensive plan for the development of the Village as a whole; and

(c) The Business District is a blighted area due to the presence, individually and in combination, of several conditions representative of those outlined in the Act.

These include:

- Deterioration of Site Improvements
- Non-existent Street Layout
- Obsolete Platting

Thus, the District is found to be eligible, as it represents a blighted portion of the Village of Sugar Grove by reason of deterioration of site improvements, non-existent street layout, and obsolete platting. These factors, in combination, contribute to the economic underutilization of the Area, as well as cause the Area to be an economic liability to the Village. Additionally, the property in the District would not be reasonably anticipated to be developed or without the establishment of the Sugar Grove Business District and adoption of the Sugar Grove Business District Plan.

Section 3. Approval of the District Plan. The Business District Plan, a copy of which is attached hereto as **Exhibit A** and incorporated herein by this reference, is hereby approved.

Section 4. Establishment of the Business District. The Business District is hereby established pursuant to the Business District Plan and the Business District Law. The boundaries of the Business District are legally described in Appendix A of the Business District Plan and depicted in Exhibit A of the Business District Plan, which legal description and depiction are incorporated herein by this reference. The Business District includes only parcels of real property which are directly and substantially benefitted by the Business District Plan. The Village Board shall have and possess, without limitation, such powers with respect to the Business District as authorized under the Business District Law and the Business District Plan.

Section 5. Imposition of Business District Taxes.

(a) A Business District Retailers' Occupation Tax is hereby imposed upon all persons engaged in the business of selling tangible personal property, other than an item of tangible personal property titled or registered with an agency of the State of Illinois, at retail within the Business District at the rate of 1.0% of the gross receipts from such sales made in the course of such business; and a Business District Service Occupation Tax is hereby imposed upon all persons engaged, in the Business District, in the business of making sales of service, **at the rate of 1.0% of the selling price of all tangible personal property transferred by such serviceman as an incident to a sale of service.** This "Business District Retailers' Occupation Tax" and this "Business District Service Occupation Tax" shall not be applicable to the sale of food for human consumption that is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks, and food that has been prepared for immediate consumption) and prescription and non-prescription medicines, drugs, medical appliances, modifications to a motor vehicle for the purpose of rendering it usable by a disabled person, and insulin, urine testing materials, syringes and needles used by diabetics, for human use.

(b) An occupation tax is hereby imposed upon all persons engaged in the business of renting, leasing, or letting rooms in a hotel, as defined in the Hotel Operators' Occupation Tax Act, at a rate of 1.0% of the gross rental receipts from the renting, leasing, or letting of hotel rooms within the Business District, excluding, however, from gross rental receipts the proceeds of renting, leasing, or letting to permanent residents of a hotel, as defined in the Hotel Operators' Occupation Tax Act, and proceeds from the tax imposed under subsection (c) of Section 13 of the Metropolitan Pier and Exposition Authority Act.

(c) The taxes imposed pursuant to (a) and (b) above shall be for the planning, execution and implementation of the Business District Plan and to pay for business district project costs as set forth in the Business District Plan, including payment of bonds, notes or other obligations (the "Obligations") issued to finance such business district project costs. These taxes shall be in full force and effect until the earlier of (i) payment of all Obligations in accordance with the Business District Plan, or (ii) the Dissolution date (as such term is defined in the Business District Law) of the Business District.

(d) The imposition of these Business District taxes is in accordance with the provisions of subsections (b), (c) and (d), respectively, of Section 11-74.3-6 of the Business District Law.

(e) The taxes imposed pursuant to (a) above and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Department of Revenue of the State of Illinois. The Department of Revenue shall have full power to administer and enforce such provisions of this Ordinance. The taxes imposed pursuant to (b) above and all civil penalties that may be assessed as an incident thereto, shall be collected and enforced by the Village. The Village shall have full power to administer and enforce such provisions of this Ordinance.

Section 6. Business District Tax Allocation Fund. The Village hereby establishes the College Corner Business Improvement District Tax Allocation Fund in the custody of the Village Treasurer and each distribution of taxes imposed by this Ordinance to the Village from the Department of Revenue shall be deposited in such fund for the purpose of paying or reimbursing business district project costs and obligations incurred in the payment of the costs.

Section 7. Filing of Ordinance. The Village Clerk is hereby directed to file a certified copy of this Ordinance with the Department of Revenue on or before the 30th day of September, 2022.

Section 8. Severability. It is hereby declared to be the intention of the Village Board that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof, and that the Village Board intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. If any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

Section 9. Governing Law. This Ordinance shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 10. Further Authorization. The Village President is hereby authorized and directed to execute and deliver for and on behalf of the Village, and the Village Clerk is hereby

authorized and directed where appropriate to attest, all certificates, documents, agreements or other instruments, and the Village President or her designated representative is hereby authorized and directed to take any and all actions, as may be necessary, desirable, convenient or proper to carry out and comply with the provisions of all agreements or contracts, necessary or reasonably incidental to the implementation of this Ordinance.

Section 11. Repealer. All ordinances, resolutions and parts of ordinances and resolutions in conflict with this Ordinance are hereby repealed.

Section 12. Adoption. This Ordinance shall be in full force and effect from and after its passage, approval and publication, if required, as provided by law. The imposition of these Business District taxes shall take effect on the first day of January 2023.

Passed by the Village Board of the Village of Sugar Grove, Illinois on this ____ day of _____, 2022 on the following vote:

YEAS: _____

NAYS: _____

ABSENT: _____

Jennifer Konen, Village President

[SEAL]

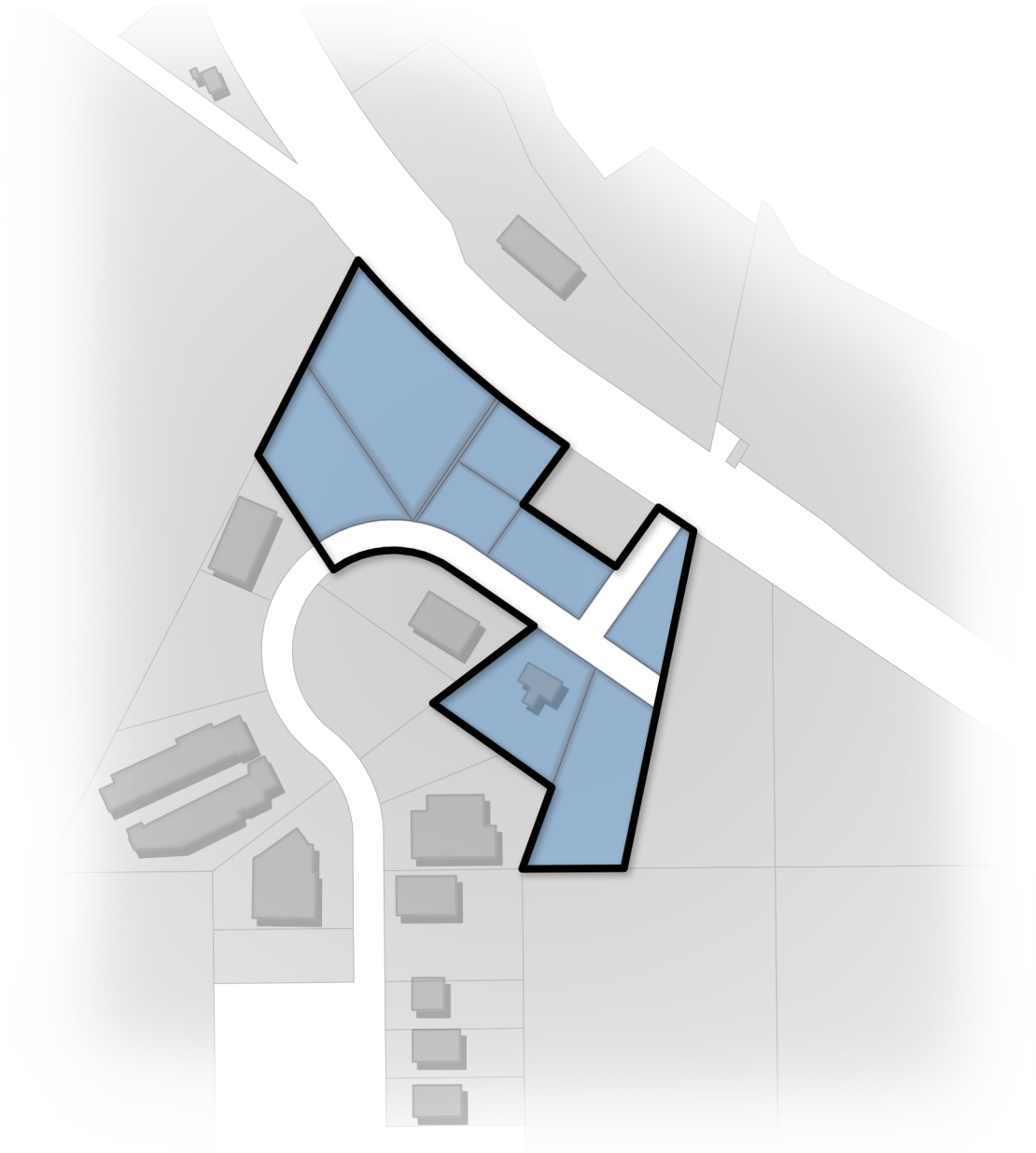
ATTEST:

Village Clerk

EXHIBIT 4
BUSINESS DISTRICT PLAN

COLLEGE CORNER BUSINESS IMPROVEMENT DISTRICT

BUSINESS DISTRICT REDEVELOPMENT PLAN & PROJECT



The Village of
SUGAR GROVE, IL
June 21, 2022



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SECTION I. INTRODUCTION

Municipalities are authorized to create Business Districts by the Illinois Municipal Code, specifically in 65 ILCS 5/11-74.3 et seq. (“Act”). The Act sets forth the requirements and procedures for establishing a Business District (“District”) and a Business District Plan (“Plan”). The purposes of this Plan are to provide a document that demonstrates that the Business District (as defined below) is blighted, provide actions and activities to eradicate the blighting conditions found in this portion of the Village, and assist in the development of the Business District. This Plan also identifies those activities, sources of funds, procedures, and other necessary requirements needed to implement the Plan, and use the sales tax raised within the District to pay for certain eligible District costs.

The Village of Sugar Grove (“Village”) desires to facilitate the development and redevelopment of the properties within the College Corner Business Improvement District Area (“Area”). This commercial/retail center consists of approximately 16 acres of property adjacent to Waubensee and Heartland Drives. The sole structure in the Area is currently vacant and has been for several years, and requires a significant amount of investment in order to be redeveloped as a viable commercial property. The additional parcels which make up the Area are vacant pieces of property that have not yet been able to attract developers. The primary goals of the College Corner Business Improvement District Redevelopment Project are to assist with the redevelopment of the existing structures in the Area, as well as to provide resources to attract new development to the vacant properties. The boundary map for the Area has been attached as Exhibit A, and the existing land use map as Exhibit B.

The Blight Analysis for the Area was presented to the Village Board on June 21, 2022. The Blight Analysis outlined the qualifying factors found in the Area, and this information is referenced within this Business District Plan. At their meeting on June 21, 2022, the Village Board approved motions to continue the process and to complete this document, the Redevelopment Plan for the Area.

Legend


 College Corners Business Improvement District Boundary










EXHIBIT A - BOUNDARY MAP
COLLEGE CORNERS BUSINESS IMPROVEMENT DISTRICT
Sugar Grove, IL



MORAN
ECONOMIC DEVELOPMENT



Legend

-  College Corners Business Improvement District Boundary
-  Residential
-  Commercial
-  Industrial
-  Institutional
-  Railroad
-  Undeveloped

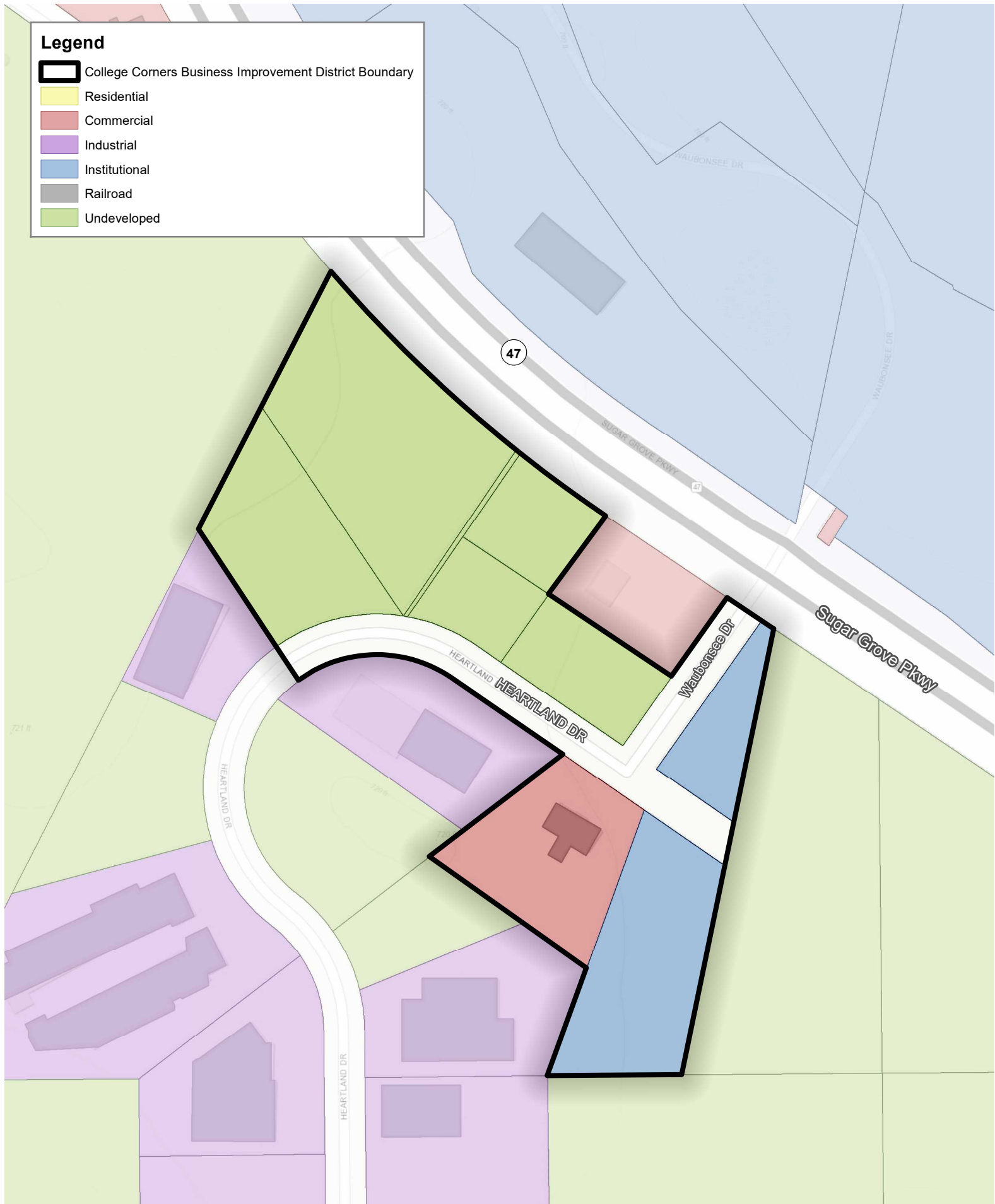


EXHIBIT B - EXISTING LAND USE
COLLEGE CORNERS BUSINESS IMPROVEMENT DISTRICT
 Sugar Grove, IL



0 0.0275 0.055 0.11 0.165 0.22
 MILES

MORAN
 ECONOMIC DEVELOPMENT



SECTION II. STATUTORY BASIS FOR BUSINESS DISTRICT DEVELOPMENT AND REDEVELOPMENT

Business Districts are authorized by the Illinois Municipal Code, specifically in 65 ILCS 5/11-74.3 “the Act”. The Act finds and declares that:

- *It is essential to the economic and social welfare of each municipality that business districts be developed, redeveloped, improved, maintained and revitalized, that jobs and opportunity for employment be created within the municipality, and that, if blighting conditions are present, blighting conditions be eradicated by assuring opportunities for development, or redevelopment, encouraging private investment, and attracting sound and stable business and commercial growth;*
- *It is further found and determined that as a result of economic conditions unfavorable to the creation, development, improvement, maintenance, and redevelopment of certain business and commercial areas within municipalities opportunities for private investment and sound and stable commercial growth have been and will continue to be negatively impacted and business and commercial areas within many municipalities have deteriorated and will continue to deteriorate, thereby causing a serious menace to the health, safety, morals, and general welfare of the people of the entire State, unemployment, a decline in tax revenues, excessive and disproportionate expenditure of public funds, inadequate public and private investment, the unmarketability of property, and the growth of delinquencies of crime.*
- *In order to reduce threats to and to promote and protect the health, safety, morals, and welfare of the public and to provide incentives which will create employment and job opportunities, will retain commercial businesses in the State and related job opportunities and will eradicate blighting conditions if blighting conditions are present, and for the relief of unemployment and the maintenance of existing levels of employment, it is essential that plans for business districts be created and implemented and that business districts be created, developed, improved, maintained, and redeveloped.*
- *The creation, development, improvement, maintenance, and redevelopment of business districts will stimulate economic activity in the State, create and maintain jobs, increase tax revenues, encourage the creation of new and lasting infrastructure, other improvements, and facilities, and cause the attraction and retention of businesses and commercial enterprises which generate economic activity and services and increase the general tax base, including, but not limited to, increased retail sales, hotel or restaurant sales, manufacturing sales, or entertainment industry sales, thereby increasing employment and economic growth.*
- *It is hereby declared to be the policy of the State, in the interest of promoting the health, safety, morals, and general welfare of all the people of the State, to provide incentives which will create new job opportunities and retain existing commercial businesses within the State and related job opportunities, and it is further determined and declared that the relief of conditions of unemployment, the maintenance of existing levels of employment, the creation of new job opportunities, the retention of existing commercial businesses, the increase of industry and commerce within the State, the reduction of the evils attendant upon unemployment, and the increase and maintenance of the tax base of the State and its political subdivisions are public purposes and for the public safety, benefit, and welfare of the residents of this State.*
- *The exercise of the powers provided in this Law is dedicated to the promotion of the public interest, to the enhancement of the tax base within business districts, municipalities, and the State and its political subdivisions, the creation of employment, and the eradication of blight, if present within the business district, and the use of such powers for the creation, development, improvement, maintenance, and redevelopment of business districts of a municipality is hereby declared to be for the public safety, benefit, and welfare of the residents of the State and essential to the public interest and declared to be for public purposes.*

- The Act is intended to be used by municipalities to address and eradicate problems that cause areas to qualify as “blighted”, and to carry out development and redevelopment projects that serve this end.

The Act allows a municipality to accomplish development, redevelopment and rehabilitation activities on a locally-controlled basis. Development, redevelopment and rehabilitation within a designated District will maintain existing taxes from sales within the District and, thus, maintain existing tax revenues and create new tax revenues which will be used to improve the District. These tax revenues can be used to finance certain “Business District Costs” as identified within the Act.

The statute allows the corporate authorities to designate an area of the municipality as a business district after a public hearing. Powers extended to the corporate authorities in a designated business district include the following:

- *To make and enter into all contracts necessary or incidental to the implementation and furtherance of a business district plan. A contract by and between the municipality and any developer or other nongovernmental person to pay or reimburse said developer or other nongovernmental person for business district project costs incurred or to be incurred by said developer or other nongovernmental person shall not be deemed an economic incentive agreement under Section 8-11-20, notwithstanding the fact that such contract provides for the sharing, rebate, or payment of retailers' occupation taxes or service occupation taxes (including, without limitation, taxes imposed pursuant to subsection (11)) the municipality receives from the development or redevelopment of properties in the business district. Contracts entered into pursuant to this subsection shall be binding upon successor corporate authorities of the municipality and any party to such contract may seek to enforce and compel performance of the contract by civil action, mandamus, injunction, or other proceeding.*
- *Within a business district, to acquire by purchase, donation, or lease, and to own, convey, lease, mortgage, or dispose of land and other real or personal property or rights or interests therein; and to grant or acquire licenses, easements, and options with respect thereto, all in the manner and at such price authorized by law. No conveyance, lease, mortgage, disposition of land or other property acquired by the municipality or agreement relating to the development of property, shall be made or executed except pursuant to prior official action of the municipality. No conveyance, lease, mortgage, or other disposition of land owned by the municipality, and no agreement relating to the development of property, within a business district shall be made without making public disclosure of the terms and disposition of all bids and proposals submitted to the municipality in connection therewith. To acquire property by eminent domain in accordance with the Eminent Domain Act.*
- *To clear any area within a Business District by demolition or removal of any existing buildings, structures, fixtures, utilities, or improvements, and to clear and grade land.*
- *To install, repair, construct, reconstruct, or relocate public streets, public utilities, and other public site improvements within or without a business district which are essential to the preparation of a business district for use in accordance with a business district plan.*
- *To renovate, rehabilitate, reconstruct, relocate, repair, or remodel any existing buildings, structures, works, utilities, or fixtures within any business district.*
- *To construct public improvements, including but not limited to buildings, structures, works, utilities, or fixtures within any business district.*
- *To fix, charge, and collect fees, rents, and charges for the use of any building, facility, or property or any portion thereof owned or leased by the municipality within a business district.*

- *To pay or cause to be paid business district project costs. Any payments to be made by the municipality to developers or other nongovernmental persons for business district project costs incurred by such developer or other nongovernmental person shall be made only pursuant to the prior official action of the municipality evidencing an intent to pay or cause to be paid such business district project costs. A municipality is not required to obtain any right, title, or interest in any real or personal property in order to pay business district project costs associated with such property. The municipality shall adopt such accounting procedures as shall be necessary to determine that such business district project costs are properly paid.*
- *Utilize up to 1% of the revenue from a business district retailers' occupation tax and service occupation tax imposed under paragraph (10) and a hotel operators' occupation tax under paragraph (11) of Section 11-74.3-3 in connection with one business district for eligible costs in another business district that is: (A) contiguous to the business district from which the revenues are received; (B) separated only by a public right of way from the business district from which the revenues are received; or (C) separated only by forest preserve property from the business district from which the revenues are received if the closest boundaries of the business districts that are separated by the forest preserve property are less than one mile apart.*
- *To apply for and accept grants, guarantees, donations of property or labor or any other thing of value for use in connection with a business district project.*
- *If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a retailers' occupation tax and a service occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for business district project costs as set forth in the business district plan approved by the municipality.*
- *If the municipality has by ordinance found and determined that the business district is a blighted area under this Law, to impose a hotel operators' occupation tax in the business district for the planning, execution, and implementation of business district plans and to pay for the business district project costs as set forth in the business district plan approved by the municipality.*

The Act specifies that before a municipality can designate a District which imposes a retailers' occupation tax and create a Plan for such a District, the municipality must find that the District is "blighted", as that term is defined in the Act.

The Act also requires that any Plan adopted by a municipality include:

- A specific description of the District boundaries and map;
- A general description of each project proposed to be undertaken within the District including a description of the approximate location of each project and a description of any developer, user, or tenant of any property to be located or improved within the proposed business district;
- The name of the proposed District;
- The estimated business district project costs;
- Anticipated source of funds to pay District project costs;
- Anticipated type and terms of any obligations to be issued; and
- The retailers' occupation tax and service occupation tax, if any, and the rate of such taxes and the period of time for which the tax shall be imposed.

SECTION III. BLIGHT ANALYSIS

A. Introduction

Municipalities are authorized to create business districts by the Illinois Municipal Code (65 ILCS 5/11-74.3 et seq. - the “Act”). The Act sets forth the requirements and procedures for establishing a business district and a business district plan. The Village has deemed such action desirable in order to facilitate development in this portion of the Village.

The criteria and individual factors that were utilized in conducting the evaluation of the conditions in the proposed business district are outlined on the following pages.

B. Statutory Qualifications

The definitions for qualifying the District as “blighted” are defined in the Act as follows:

“Blighted area” means an area that is a blighted area which, by reason of the predominance of defective, non-existent, or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of those factors, retards the provision of housing accommodations or constitutes an economic or social liability, an economic underutilization of the area, or a menace to the public health, safety, morals, or welfare.

C. Investigation and Analysis of Blighting Conditions

In determining whether or not the District meets the eligibility requirements of the Act, various methods of research and field surveys were utilized. These included:

- Examination of conditions in the District by experienced staff of Moran Economic Development (“MED”). These personnel are trained in techniques and procedures of determining conditions of local properties, utilities, streets, etc., and determination of eligibility of areas for business district designation.
- Researching current and historic equalized assessed valuations (“EAV”) of the Area and the Village as a whole via documents available from the Kane County Clerk and County property tax records.
- Research of the Consumer Price Index (“CPI”) for All Urban Consumers published by the United States Department of Labor.
- Review of the findings and determinations established by the Act in creating business districts. These findings include:
 - That it may be considered essential to the economic or social welfare of the municipality that business districts be maintained and revitalized by assuring opportunities for development or redevelopment and attracting sound and stable business and commercial growth.
 - That such a result should conform to the comprehensive plan of the municipality and a specific plan for business districts officially approved by the corporate authorities of the municipality after the public hearing.
 - That the exercise of the powers provided in Section 11 74.3 1 (of the Act) is dedicated to the promotion of the public interest and to the enhancement of the tax base of business districts, and the use of such powers for the development and redevelopment of business districts of a municipality is hereby declared to be a public use essential to the public interest.

The Act specifies that certain requirements must be met before a municipality can proceed with implementing business district development and redevelopment projects and imposing the retailers’ occupation tax, service occupation tax, and hotel operators’ occupation tax. One of these is that the municipality must demonstrate that the District qualifies as eligible for business district designation.

D. The Proposed District

The Proposed District consists of nine parcels of property and right-of-way in the Village of Sugar Grove adjacent to Heartland and Wabuonsee Drives, on the southwest side of Sugar Grove Parkway/IL-47.

E. Review of Findings & Qualifications of the District

In order to impose the retailers' occupation tax and service occupation tax, the corporate authorities of the municipality shall make a formal finding that the Area is a "Blighted Area", as defined in Section III-B. It was found that there are conditions in the Area which contribute to the Area being an economic liability to the Village, as well as being economically underutilized. Portions of the Area exhibit deteriorated site improvements, particularly in the form of cracked and broken pavement in some of the existing parking areas. In addition to the repair of existing site improvements, significant amounts of reconstruction and remodeling are required in order for the existing property to be developed in a new commercial use. Additionally there are conditions of a non-existent street layout, in that there is not sufficient access to adjacent right-of-way for all of the acreage of the vacant properties to be utilized. This factor ties into what could be considered obsolete platting as the existing parcels may need reconfiguration to suit future development, as well as to create additional right-of-way to provide access to the property.

It is the combination of some of the existing factors in the Area which cause the properties to be considered an economic liability to the Village. Since 2016 the Area as a whole has lost over 41% in EAV, with negative growth rates annually for four of the last five years. Per Illinois State statutes regarding Redevelopment Project Areas, in order to determine whether an area is considered to be stagnant or in decline it can be compared to the balance of the Village, which is the total EAV of Sugar Grove minus that of the parcels which make up the Area. This comparison is shown in Table A.

TABLE A - PROJECT AREA & VILLAGE BALANCE GROWTH RATES

YEAR	SUGAR GROVE ¹	PROJECT AREA ²	CHANGE %	BALANCE ³	CHANGE %
2021	\$353,913,997	\$174,709	-13.18%	\$353,739,288	2.53%
2020	\$345,200,016	\$201,235	3.47%	\$344,998,781	3.88%
2019	\$332,300,929	\$194,487	-3.99%	\$332,106,442	5.55%
2018	\$314,844,164	\$202,572	-9.58%	\$314,641,592	5.75%
2017	\$297,759,162	\$224,033	-25.52%	\$297,535,129	5.63%
2016	\$281,983,668	\$300,800		\$281,682,868	

¹Total Village Equalized Assessed Value (EAV). Source: Kane County Clerk

²Total EAV of the Parcels in the Project Area. Source: Kane County Property Tax Search

³Total Village EAV Minus the EAV of the Parcels in the Project Area

In order to meet the statutory threshold an area would have to have at least three years of lower growth rates than the balance of the municipality, or three years of declining EAV growth rates. As shown in Table A the Area meets both thresholds, having lower annual growth rates for all five years and also declining in four of the five years. The last metric for this factor is if an area has lower annual growth rates than the Consumer Price Index for All Urban Consumers, published by the US Department of Labor. This comparison is shown in Exhibit B. Again, the Area meets this threshold as it has had lower annual growth rates than the CPI for four of the last five years.

TABLE B - PROJECT AREA & CPI GROWTH RATES

YEAR	PROJECT AREA ¹	CHANGE %	CPI ²
2021	\$174,709	-13.18%	7.00%
2020	\$201,235	3.47%	1.40%
2019	\$194,487	-3.99%	2.30%
2018	\$202,572	-9.58%	1.90%
2017	\$224,033	-25.52%	2.10%
2016	\$300,800		-

¹Total EAV of the Parcels in the Project Area. Source: Kane County Property Tax Search

²Consumer Price Index for All Urban Consumers. Source: U.S. Dept. of Labor

This is an indication of the Area being an economic liability to the Village in that the annual property tax contributions from these parcels to the Village and other associated taxing bodies has been in decline, and is contributing less than 60% in revenues in the most recent tax year as compared to 2016. Without a program of intervention these trends are likely to continue, and should they do so the associated taxing districts would continually receive less revenue from the properties.

The properties in the Area are also economically underutilized. The existing structure has been vacant for several years, and without a viable tenet the property continues to lose property tax value as well as fails to generate any sales taxes for the Village. Should they be developed, the currently vacant properties would also generate considerable amounts of property and likely sales taxes for the Village as

well. These are viable sites located along roadways with some of the highest traffic counts in the Village, with an average annual daily traffic ("AADT") count of 12,600 along IL-47 near the Project Area Boundary. But the physical and economic characteristics of the site, detailed prior, have contributed to the property remaining vacant and without significant developer interest.

F. Qualification Summary

The District is found to be eligible as "blighted" due to the presence conditions representative of those outlined in the Act. These include some conditions indicative of deteriorated site conditions, non-existent street layout, and obsolete platting, among other factors, contributing to the economic liability of the Area to the Village, as well as the Area being considered to be economically underutilized. Thus, the District is found to be eligible, as it represents a portion of the Village of Sugar Grove which meets the Act's definition of blight.

SECTION IV. BUSINESS DISTRICT DEVELOPMENT PLAN

The Village of Sugar Grove, Illinois is considering the approval of the College Corner Business Improvement District Plan in order to provide an important tool for the development of this portion of the Village. In looking to achieve this end, the Village will seek to adhere to certain objectives and policies.

A. Objectives

The objectives of the Plan are to:

- Enhance the sales tax base of the Village;
- Develop retail businesses to promote future sales tax growth; and,
- Enhance the property tax base of the Village.

B. Policies

The Village of Sugar Grove will follow certain policies to achieve the objectives outlined above. These policies include:

- Use Business District-derived revenues to implement the Plan;
- Utilize Village staff and consultants to undertake those actions necessary to accomplish the specific public-side actions and activities outlined in the Business District Plan;
- Use Business District-derived revenues to support new development; and,
- Provide financial assistance, as permitted by the Act, to facilitate private investment through assistance with the remediation of the conditions in the Area which cause to be considered a “blighted area,” and are an impediment to the development of the property in the Area.

These objectives and policies may be amended from time to time as determined by the Village.

C. Components of the Business District Plan

1. Boundary Delineation

The Proposed District consists of nine parcels of property and right-of-way in the Village adjacent to Heartland and Wabunsee Drives, on the southwest side of Sugar Grove Parkway/IL-47.

2. The Development Project

The scope of the Development Project will consist of the redevelopment of the existing structure in the Area for commercial use. Additionally the development of the currently vacant properties will be facilitated through the use of Business District revenues for eligible costs associated with those developments.

3. Name of Business District

The name of the District is the College Corner Business Improvement District.

4. Estimated Business District Project Costs

The cost estimate associated with development activities to be funded from available revenues of the Village (“Pledged Revenues”) as discussed below, is presented in Table C - Estimated Business District Project Costs. The estimate includes reasonable and necessary costs incurred, or estimated to be incurred, during the implementation of the Business District Plan. The estimated costs in Table C are subject to refinement as specific plans and designs are finalized and experience is gained in implementing the Plan and do not include financing costs and the retail sales tax which will be applied to pay the portion of such costs which are eligible to be funded under the Act. As such, debt service and expenses associated with issuance bonds, or other obligations, are in addition to costs stated in Table C. It should also be noted that the Estimated Business District Project Costs listed below are likely to be more than might be extended to a developer through any formal agreement between a developer and the Village.

TABLE C - ESTIMATED BUDGET FOR REDEVELOPMENT PROJECT

DESCRIPTION	ESTIMATED COSTS
Costs of studies, surveys development of plans, and specifications, implementation and administration of the district including but not limited to staff and professional service costs for architectural, engineering, legal, financial, planning and other services;	\$185,000
Costs of the construction or upgrades associated with the street network (construction or reconstruction of rights of way, additional safety barriers, streets, roadways, curbs and gutters, street lighting, sidewalks, bicycle pathways, etc.);	\$2,225,000
Costs associated with the construction of or improvements to roadways, infrastructure and utilities (extension/connections of utilities, storm water mitigation, etc.);	\$1,140,000
Financing costs; including those related to the issuance of obligations; interest cost incurred by a redeveloper related to the construction, renovation, or rehabilitation of a redevelopment project; Taxing district capital costs incurred as a result of the implementation of the Redevelopment Plan;	\$975,000
TOTAL ESTIMATED BUDGET	\$4,525,000

Expenditures in individual categories may differ from those shown above; however, the total amount of the Estimated Redevelopment Project Costs will not exceed \$4,525,000 plus any additional interest and financing costs as may be required. Adjustments may be made among budget categories to reflect implementation of the Plan.

5. Anticipated Source of Funds to Pay Business District Project Costs

The anticipated source of funds to pay District project costs are those tax revenues raised by the retailers' occupation tax to be imposed by the Business District (the "Business District Tax") which will be applied to pay eligible costs under the Act. In addition, the District's costs and obligations may be paid for, in whole or in part, by revenues from other funding sources. These may include state and federal programs, municipal sales tax revenue and tax increment financing revenues in those portions of the Business District which overlap with the Business District Redevelopment Area (collectively, the "Pledged Revenues").

6. Anticipated Type and Terms of Any Obligations to be issued

In order to expedite the implementation of the Business District Plan, The Village of Sugar Grove, pursuant to the authority granted to it under the Act, may issue obligations to pay for the Business District Costs. These obligations may be secured by future amounts to be collected and allocated to the Business District Tax Allocation Fund. Such obligations may take the form of any loan instruments authorized by the Act.

Such loans or obligations may be issued pursuant to the Business District Plan. The Village anticipates that notes, bonds, or similar obligations may be issued secured by revenues in the Business District Tax Allocation Fund to fund eligible District costs.

When District costs, including all municipal obligations financing Business District project costs incurred under Section 11-74.3-3 have been paid, any surplus funds then remaining in the Business District Tax Allocation Fund shall then be distributed to the municipal treasurer for deposit into the municipal general corporate fund.

7. The rate of Any Tax to be Imposed pursuant to Subsection (10) and (11) of Section 11-74.3-3 of the Act

Within the District, a rate of tax of 1.0% shall be imposed as a retailer's occupation tax and service occupation tax. Such tax shall be imposed for up to, but no more than, 23 years.

SECTION V. FINDINGS AND COMPLETION OF OBLIGATIONS

A. Formal Findings

The Village of Sugar Grove makes the following formal findings with respect to establishing the Business District Plan:

The area to be designated as a Business District is contiguous and includes only parcels of real property directly and substantially benefited by the Business District Plan.

The Business District, in its entirety, is located within the Village limits of Sugar Grove, Illinois.

The Village's exercise of the powers provided in the Act is dedicated to the promotion of the public interest and to the enhancement of the tax base of the Business District, and the use of the powers for the development and redevelopment of the Business District as provided in this Plan is declared to be a public use essential to the public interest of the residents of the Village of Sugar Grove, Illinois.

The Business District is a blighted area, in that there are conditions indicative of deteriorated site conditions, non-existent street layout, and obsolete platting, among other factors, contributing to the economic liability of the Area to the Village, as well as the Area being considered to be economically underutilized.

The Business District, on the whole, has not been subject to growth and development through investment by private enterprise or would not reasonably be anticipated to be redeveloped without the adoption of the Business District Plan.

The College Corner Business Improvement District Development Plan conforms to the Comprehensive Plan for the development of the municipality as a whole, as determined by the Village Board.

B. Completion of Business District Projects / Retirement of Obligations

Upon payment of all Business District project costs and retirement of outstanding obligations, but in no event more than 23 years after the date of adoption of the ordinance approving the Business District Plan, the municipality shall adopt an ordinance immediately rescinding the taxes imposed pursuant to subsections of (10) and (11) of Section 11-74.3-3.

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APPENDIX A

LEGAL DESCRIPTION

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APPENDIX A – LEGAL DESCRIPTION

THAT PART OF COLLEGE CORNER SUBDIVISION AND SUGAR GROVE RESEARCH PARK DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHERLY CORNER OF SAID COLLEGE CORNER SUBDIVISION; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF COLLEGE CORNER SUBDIVISION AND THE NORTHWESTERLY LINE OF LOT 16 IN SUGAR GROVE RESEARCH PARK TO THE WESTERLY MOST CORNER OF SAID LOT 16; THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID LOT 16 AND THE EXTENSION OF SAID WESTERLY LINE TO THE NORTHERLY LINE OF LOT 10 IN SAID SUGAR GROVE RESEARCH PARK; THENCE EASTERLY ALONG SAID NORTHERLY LINE TO THE NORTHERLY MOST CORNER OF LOT 11 IN SAID SUGAR GROVE RESEARCH PARK; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT 11 TO THE SOUTHWEST CORNER OF SAID LOT 11; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 11 TO THE SOUTHEASTERLY CORNER OF SAID LOT 11; THENCE SOUTHWESTERLY ALONG THE WESTERLY LINE OF LOT 12 IN SAID SUGAR GROVE RESEARCH PARK TO THE SOUTHWESTERLY CORNER OF SAID LOT 12; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 12 TO THE EASTERLY LINE OF SAID SUGAR GROVE RESEARCH PARK; THENCE NORTHERLY ALONG THE EASTERLY LINE OF SAID SUGAR GROVE RESEARCH PARK TO THE SOUTHWESTERLY LINE OF STATE ROUTE 47; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE TO THE SOUTHEAST LINE OF LOT 41 IN COLLEGE CORNER SUBDIVISION; THENCE SOUTHWESTERLY ALONG SAID SOUTHEAST LINE TO THE SOUTHERLY CORNER OF SAID LOT 41; THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 41 TO THE WESTERLY CORNER OF SAID LOT 41; THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT 41 TO THE SOUTHWESTERLY LINE OF STATE ROUTE 47; THENCE NORTHWESTERLY ALONG SAID SOUTHWESTERLY LINE TO THE POINT OF BEGINNING, ALL IN THE VILLAGE OF SUGAR GROVE, KANE COUNTY, ILLINOIS.

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APPENDIX B

PARCEL ID LIST

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APPENDIX B - PARCEL ID LIST

1408251003
1408251031
1408251033
1408251034
1408251035
1408251036
1408252001
1408253004
1408253005

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APPENDIX C

ADDRESS LIST

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APPENDIX C - ADDRESS LIST

1250 N HEARTLAND DR	SUGAR GROVE, IL 60554
1346 N SUGAR GROVE PKWY	SUGAR GROVE, IL 60554
1384 N SUGAR GROVE PKWY	SUGAR GROVE, IL 60554
1390 N SUGAR GROVE PKWY	SUGAR GROVE, IL 60554
51 WAUBONSEE DR	SUGAR GROVE, IL 60554
770 N HEARTLAND DR	SUGAR GROVE, IL 60554
779 N HEARTLAND DR	SUGAR GROVE, IL 60554
780 N HEARTLAND DR	SUGAR GROVE, IL 60554

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